



# GAMMON INFRASTRUCTURE PROJECTS LIMITED

## PART I

Statement of Unaudited Consolidated Financial Results for the quarter ended December 31, 2014

(All amounts in Rupees lakhs)

Sr. No.	Particulars	Quarter ended			Nine months period ended
		31.12.2014	30.09.2014	31.12.2013	30.09.2014
		Unaudited			Audited
	<b>Income from operations:</b>				
	Net sales / Income from operations	22,633.94	17,347.45	13,416.79	52,426.62
	Other operating income	2,673.60	668.91	460.05	1,773.93
1	<b>Total income from operations</b>	<b>25,307.54</b>	<b>18,016.36</b>	<b>13,876.84</b>	<b>54,200.55</b>
	<b>Expenses:</b>				
	Project expenses	7,408.26	5,340.05	3,887.68	15,040.08
	Employee benefits expenses	674.61	625.02	870.02	2,085.67
	Depreciation and amortisation expenses	8,552.85	4,318.17	4,524.59	16,823.75
	Other expenses	867.37	1,408.55	674.23	2,902.92
2	<b>Total expenses</b>	<b>17,503.09</b>	<b>11,691.79</b>	<b>9,956.52</b>	<b>36,852.42</b>
3	<b>Profit / (loss) from operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>7,804.45</b>	<b>6,324.57</b>	<b>3,920.32</b>	<b>17,348.13</b>
4	Other income	369.02	221.11	260.49	968.18
5	<b>Profit / (loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>8,173.47</b>	<b>6,545.68</b>	<b>4,180.81</b>	<b>18,316.31</b>
6	Finance costs	5,933.38	6,677.63	7,249.12	20,629.30
7	Share of profit / (loss) in associates	5.06	(7.71)	(1.77)	(6.23)
8	<b>Profit / (loss) from ordinary activities after finance costs but before exceptional items (5 - 6 + 7)</b>	<b>2,245.15</b>	<b>(139.66)</b>	<b>(3,070.08)</b>	<b>(2,319.22)</b>
9	Exceptional items	-	-	-	3,797.37
10	<b>Profit/ (loss) from ordinary activities before tax (8 - 9)</b>	<b>2,245.15</b>	<b>(139.66)</b>	<b>(3,070.08)</b>	<b>(6,116.59)</b>
11	Tax expense	1,519.82	(2,295.99)	135.01	(2,157.15)
12	<b>Net profit / (loss) from ordinary activities after tax (10 - 11)</b>	<b>725.33</b>	<b>2,156.33</b>	<b>(3,205.09)</b>	<b>(3,959.44)</b>
13	Extraordinary items (net of tax expenses)	-	-	-	-
14	Minority interest - share of profit/(loss)	127.15	64.96	(72.49)	65.70
15	<b>Net profit / (loss) for the period (12 - 13 - 14)</b>	<b>598.18</b>	<b>2,091.37</b>	<b>(3,132.60)</b>	<b>(4,025.14)</b>
16	Paid-up equity share capital (Face value Rs. 2 per equity share)	18,862.44	18,845.04	14,761.55	18,845.04
17	Reserves, excluding revaluation reserve as per balance sheet of the previous accounting year				76,276.19
18	<b>Earnings per share for the period (Rupees) :</b>				
	a) Before extraordinary items				
	Basic	0.06	(0.28)	(0.43)	(0.54)
	Diluted	0.06	(0.28)	(0.43)	(0.54)
	b) After extraordinary items				
	Basic	0.06	(0.28)	(0.43)	(0.54)
	Diluted	0.06	(0.28)	(0.43)	(0.54)

## PART II

Select information for the quarter ended December 31, 2014

	PARTICULARS OF SHAREHOLDING	Quarter ended			Nine months
		31.12.2014	30.09.2014	31.12.2013	30.09.2014
A	<b>PARTICULARS OF SHAREHOLDING</b>				
1	<b>Public shareholding</b>				
	- Number of shares (in lakhs)	3,886.71	3,878.01	1,836.26	3,878.01
	- Percentage of shareholding	41.39%	41.33%	25.02%	41.33%
2	<b>Promoters and promoter group shareholding</b>				
	a) <b>Pledged / Encumbered</b>				
	- Number of shares (in lakhs)	312.06	-	4,302.86	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	5.67%	-	78.18%	-
	- Percentage of shares (as a % of the total share capital of the Company)	3.32%	-	58.62%	-
	b) <b>Non-encumbered</b>				
	- Number of shares (in lakhs)	5,191.94	5,504.00	1,201.14	5,504.00
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	94.33%	100.00%	21.82%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	55.29%	58.67%	16.36%	58.67%

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.

B	INVESTOR COMPLAINTS :	Quarter ended 31.12.2014
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed off during the quarter	1
	Remaining unresolved at the end of the quarter	Nil

Notes :

1 Summary of unaudited standalone financial results

Particulars	Quarter ended			Nine months period ended
	31.12.2014	30.09.2014	31.12.2013	30.09.2014
	Unaudited	Audited	Audited	Audited
Income from operations and other operating income	4,205.74	4,321.41	1,482.39	8,135.56
Profit / (loss) before tax	(308.61)	(139.18)	(1,341.05)	(7,105.31)
Profit / (loss) after tax	(308.61)	4.63	(1,305.05)	(6,933.71)

- 2 The above Statement of unaudited consolidated financial results were reviewed by the Audit Committee and have been approved by the Board of Directors of the Company at their respective meetings held on February 14, 2015.
- 3 The above Statement of unaudited consolidated financial results have been prepared in accordance with the principles of consolidation set out in the Accounting Standard AS-21 on Consolidated Financial Statements, AS-27 on Financial Reporting of Interest in Joint Ventures and AS-23 on Accounting for Investments in Associates in Consolidated Financial Statements.
- 4 The figures for the quarter ended September 30, 2014 and December 31, 2013 are the balancing figure between the audited figures in respect of full nine months period ended September 30, 2014 and December 31, 2013 and the unaudited year to date published figure upto June 30, 2014 and September 30, 2013 respectively.
- 5 During the previous period, one of the subsidiary of the Company had initiated correspondence with NHAI towards closure of its project on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Forest clearances. Subsequently vide their letter dated 29th August 2014, NHAI unilaterally terminated the concession agreement and also invoked the bank guarantees to the tune of Rs. 1,129.11 lakhs. The Group's total exposure to this project amounts to Rs 7,555.97 lakhs. The subsidiary is in the process of filing of Arbitration. The management believes that it has a strong case in this matter. Pending outcome of the proposed arbitration proceedings, no adjustments have been made to the unaudited consolidated financial results. The auditors had modified their opinion in this matter in the previous period.
- 6 During the previous period, the Mormugao Port Trust ('MPT') had unilaterally sought to terminate the Concession Agreement with a subsidiary citing non-compliance with certain terms of the concession agreement. MPT also encashed the bid security bank guarantee of Rs. 200 lakhs despite the stay order issued by the Hon. District Court, Goa. The court has also passed stay order from carrying into effect the termination of the agreement. The subsidiary has already taken further action in the matter including filing for arbitration. The Group's exposure towards the project is Rs. 583.18 lakhs. The management believes that it has a strong case in this matter. Pending outcome of the legal proceedings, no adjustments have been made to the unaudited consolidated financial results. The auditors had modified their opinion in this matter in the previous period.
- 7 In respect of the following projects there are legal issues, arbitration proceedings or negotiations with the grantor for which the Management is taking necessary steps to resolve the matters. These issues are commonly encountered in the Infrastructure business and the management is confident of a favourable resolution in due course. The auditors in their 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 Group towards the project is Rs. 2,629.74 lakhs.
  - 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. 6,735.54 lakhs.
- 8 As at December 31, 2014, the current liabilities exceed current assets by Rs. 64,275.22 lakhs (September 30, 2014 - Rs. 62,733.78 lakhs). The Group is taking various steps to meet its commitments, both, short term and long term in nature. The Group intends to monetise some of its mature assets, securitise some of its future receivables and raise funds through capital market. Based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management is confident that the carrying values of the assets and liabilities in these unaudited consolidated financial results are appropriate. Accordingly the accompanying unaudited consolidated financial results do not include any adjustments that may result from these uncertainties. The auditors had highlighted the same as an Emphasis of Matter in the previous period.
- 9 During the period, one of the subsidiary has received an amount of Rs. 3,213 lakhs from NHAI towards partial claim towards delayed days. This has been accounted as income in the current quarter along with related expenditure.
- 10 During the previous period on account of inadequacy of profits, the Company had paid managerial remuneration in excess of the limits specified under Schedule XIII of the Companies Act, 1956 and Schedule V of the Companies Act, 2013 wherever applicable. The total amount paid in excess of the limits as computed under the respective regulations was Rs. 208.55 lakhs. The Company is taking steps to make an application to the Central Government for approving the excess managerial remuneration. The auditors had highlighted the same as an Emphasis of Matter in the previous period. For the current financial period the management contends that the managerial remuneration shall be within the limits specified under the Companies Act, 2013.

- 11 During the quarter, the Group has revised the depreciation rate on fixed assets as per the useful life specified in the Schedule II of the Companies Act, 2013. Due to this change, depreciation for the quarter ended December 31, 2014 is higher by Rs. 56.94 lakhs. Further, net book value for assets amounting to Rs. 82.87 lakhs whose useful life has ended as on October 1, 2014 is adjusted to retained earnings.
- 12 Based on legal opinion from a learned counsel relating to claim of depreciation u/s 32 (1)(ii) of the Income Tax Act, 1961, certain subsidiaries of the Group have recognised deferred tax liability amounting to Rs. 2,732.99 lakhs and MAT credit of Rs. 1,702.68 lakhs.
- 13 Other operating income includes an amount of Rs. 1,784.06 lakhs in respect of write-back of excess provision towards periodic maintenance created in earlier years.
- 14 During the previous period, two subsidiaries namely Birmitrapur Barkote Highway Private Limited and Yamunanagar Panchkula Highway Private Limited had terminated the contracts with NHAI on mutually acceptable terms primarily due to non-availability of Right of Way to the site and Environment and Forest clearances. The exceptional item disclosed above represents the write off of the expenditure incurred on these two projects.
- 15 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.
- 16 Figures for previous periods have been regrouped / reclassified wherever necessary to conform to the current quarter's presentation.

**For Gammon Infrastructure Projects Limited**



**Kishor Kumar Mohanty**  
Managing Director  
DIN : 00080498

Place : Mumbai  
Date : February 14, 2015