GAMMON INFRASTRUCTURE PROJECTS LIMITED

December 14, 2016

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,

Sub: Outcome of Board Meeting

Ref: Scrip Code - 532959, Scrip ID - GAMMNINFRA

In compliance with Regulation 33 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, please find enclosed the Un-audited Standalone Financial results for the quarter and six months ended September 30, 2016 along-with the Auditors' Limited Review Report, as approved by the Board of Directors of the Company at its meeting held today.

Kindly take the same on record.

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

(Rs in lakhs.)

Sr. No.	Particulars	Quarter ended			Half year ended	12 months ended
		30.9.2016	30.6.2016	30.9.2015	30.9.2016	30.9.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Income from operations	2,698.44	8,085.41	6,062.45	10,783.85	21,866.55
1	**Total Income from operations**	**2,698.44**	**8,085.41**	**6,062.45**	**10,783.85**	**21,866.55**
	Expenses :					
	Project expense	2,273.52	6,674.00	4,488.64	8,947.52	15,007.71
	Employee benefits expenses	198.73	202.26	352.43	400.99	1,462.00
	Depreciation & amortisation expense	3.75	4.81	69.97	8.56	270.56
	Other expenses	164.65	184.42	207.95	349.07	1,339.50
2	**Total expenses**	**2,640.65**	**7,065.49**	**5,118.99**	**9,706.14**	**18,079.77**
3	**Profit from operations before other income, finance costs and Exceptional Items (1 - 2)**	**57.79**	**1,019.92**	**943.46**	**1,077.71**	**3,786.78**
4	Other Income	918.49	480.98	778.80	1,399.47	3,935.31
5	**Profit before Finance Costs and Exceptional Items (3 + 4)**	**976.28**	**1,500.90**	**1,722.26**	**2,477.18**	**7,722.09**
6	Finance Costs	614.31	698.77	1,506.77	1,313.08	5,902.99
7	**Profit / (Loss) after Finance Costs but before Exceptional Items (5 - 6)**	**361.97**	**802.13**	**215.49**	**1,164.10**	**1,819.10**
8	Exceptional Items	-		-		
9	**Profit / (Loss) from Ordinary Activities before tax (7 - 8)**	**361.97**	**802.13**	**215.49**	**1,164.10**	**1,819.10**
10	Tax Expense :	79.00	213.98	-	292.98	-
11	**Profit / (Loss) from Ordinary Activities after tax (9 - 10)**	**282.97**	**588.15**	**215.49**	**871.12**	**1,819.10**
12	Extraordinary items (Net of tax expense)	-	-	-	-	-
13	**Net Profit / (Loss) for the period (11 - 12)**	**282.97**	**588.15**	**215.49**	**871.12**	**1,819.10**
14	Other Comprehensive Income	1.30	1.43	(5.29)	2.73	(4.72)
15	**Total Comprehensive Income**	**284.27**	**589.58**	**210.20**	**873.85**	**1,814.38**
16	Paid-up Equity Share Capital (Face Value Rs.2/- per equity share)	18,917.64	18,916.44	18,914.24	18,917.64	18,914.24
17	**Earnings Per Share for the period (Rupees) :**					
	Basic	0.03	0.06	0.02	0.09	0.19
	Diluted	0.03	0.06	0.02	0.09	0.19

Unaudited Statement of Standalone Assets and Liabilities as at 30th September 2016

(Rs in lakhs.)

ASSETS	30-09-2016	EQUITY AND LIABILITIES	30-09-2016
Non-Current Assets		**Equity**	
(a) Property, Plant and Equipment	42.41	(a) Equity Share capital	18,917.64
(b) Capital Work-in-progress	-	(b) Other Equity	72,223.42
(c) Investment Property	-	**Total Equity (A)**	**91,141.06**
(d) Goodwill	-		
(e) Other Intangible Assets	-	**Liabilities**	
(f) Intangible Assets under development	-	**Non-Current Liabilites**	
(g) Financial Assets		(a) Financial Liabilities	
(i) Investments	78,873.13	(i) Borrowings	244.27
(ii) Trade Receivables	3,595.63	(ii) Trade Payables	-
(iii) Loans	50,784.76	(iii) Other Financial Liabilities	11,079.00
(iv) Others	8,203.25	(b) Provisions	68.90
(h) Defferred Tax assets (net)	81.20	(c) Deffered Tax Liabilities (Net)	-
(i) Other Non Current Assets	3,362.27	(d) Other Non-Current Liabilities	11,132.15
Total Non - Current Assets (A)	**1,44,942.65**	**Total Non-Current Liabilities (B)**	**22,524.32**
Current Assets		**Current Liabilities**	
(a) Inventories	-	(a) Financial Liabilities	
(b) Financial Assets		(i) Borrowings	4,062.37
(i) Investments	4,515.59	(ii) Trade Payables	3,223.39
(ii) Trade Receivables	781.11	(iii) Other Financial Liabilities	-
(iii) Cash and cash equivalents	5,784.61	(b) Other Current Liabilities	38,486.62
(iv) Bank balance other than (iii) above	-	(c) Provisions	1,928.05
(v) Loans	-	(d) Current Tax Liabilities (Net)	-
(vi) Others	5,273.33	**Total Current Liabilities (C)**	**47,700.43**
(c) Current Tax Assets (net)	-		
(d) Other Current Assets	68.52		
Total Current Assets (B)	**16,423.16**		
Total Assets (A+B)	**1,61,365.80**	**TOTAL EQUITY AND LIABILITIES (A+B+C)**	**1,61,365.80**

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Notes:

1. The above unaudited financial results, as reviewed by the Audit Committee, were approved and taken on record by the Board of Directors in their meeting held on December 14, 2016.

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 30th September 2015 are for the period from 1st October 2014 i.e. for a period of 12 months and are not strictly comparable with the year to date figures upto 30th September 2016 which are from 1st April 2016 i.e. for a period of 6 months

3. The Auditors of the Company have carried out the limited review of the financial results only for the quarter and six month ended September 30, 2016. The IND AS compliant financial results of the corresponding quarter and year ended September 30, 2015 have been stated in terms of SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016. The financial results relating to the quarter and 12 month period ended September 30, 2015 under IND AS have not been subjected to limited review by the statutory auditors of the Company. However, the management has exercised necessary due diligence and ensured that the financial results provide a true and fair view of its affairs in accordance with the Companies (Indian Accounting Standards) Rules 2015.

4. 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	12 Months Ended
	Sept-2015 (Unaudited)	Sept-2015 (Unaudited)
Net profit / (loss) under previous India GAAP	**(72.43)**	**78.06**
Add/ (less)		
Actuarial gain / loss on employee defined benefit funds recognised in OCI	5.29	4.72
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.	282.63	1,736.32
Net profit as per IND AS	215.49	1,819.11
Other Comprehensive Income	(5.29)	(4.72)
Total Comprehensive income under IND AS	210.20	1,814.38

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5. In respect of the following projects there are legal issues, arbitration proceedings or negotiations with the grantor for which the management is taking necessary steps to resolve the matters. These issues are commonly encountered in the Infrastructure business and the management is confident of a 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 parallely 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 4 months to settle the above till 19.02.2017. Exposure of the Company in the SPV is Rs. 2,516.27 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 in the SPV is Rs. 7,213.20 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 and the Project being re-organized with change in Cargo Mix (i.e. all Clean cargo including containers). The management is also negotiating with the bankers for re-scheduling the loans. The exposure of the Company in the JV is Rs. 12,768.40 lakhs (funded and non-funded).
   d. Tolling bridge project in Andhra Pradesh - The current monthly toll collections is not sufficient to repay the monthly interest on bank borrowings. The Company is required to pay the initial loan with the additional loan in 168 monthly installments with effect from April 2016. The term loan account of the Company has been classified as a Non Performing Asset. The management is exploring opportunities to replace the high cost debts with low cost debts. To achieve the above objective, the SPV has engaged rating agencies to assist it to make a private placement of low cost bonds. In addition to the above, as per the Concession Agreement with Andhra Pradesh Road Development Corporation (APRDC), the SPV is eligible to receive Revenue Shortfall Loan at subsidized rate of interest from the APRDC. The SPV is in the process of making necessary applications with APRDC. The management is strongly of the view that once APRDC satisfies its obligations under the terms of the Concession Agreement and other factors stated above, the financial viability of the SPV is expected to improve. In view of the above, the financial statements have been prepared on a going concern basis and accordingly, no impairment of assets is required. The exposure of the Company in the SPV is Rs. 88,898.13. lakhs (funded and non-funded).

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e. Vijayawada Gundugolanu Road Project Private Limited (SPV) has 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. NHAI also notified the bankers for invocation of the Bank Guarantee amounting to Rs 8420.00 Lakhs. However, as a result of the Company's efforts and dialogues with top officials of NHAI and MORTH, NHAI has instructed the bank to keep the invocation of bank guarantee in abeyance till further notice. The process of revocation of termination notice is in progress with NHAI and it is expected to be concluded favorably in near future. The exposure of the company in the SPV is Rs. 15,069.13 Lakhs (including Bank guarantee of Rs 8420.00 Lakhs).

6. The Company had paid managerial remuneration in respect of two personnel in excess of the limits specified under Schedule XIII of the Companies Act 1956 and Schedule V of the Companies Act 2013 wherever applicable. The total amount paid in excess of the limits as computed under the respective regulations is Rs. 204.49 lacs for the previous periods 1st January 2014 to 30th September 2014 and Rs. 183.96 lacs for the period 1st October 2014 to 31st March 2016. The Company had made an application for waiver of refund of the managerial remuneration of Rs. 204.49 lacs to the Ministry of Corporate Affairs for the previous period 1st January 2014 to 30th September 2014, which were has been rejected by the Ministry. Further, the Company has made applications for waiver of refund of the managerial remuneration of Rs. 183.96 lacs to the Ministry of Corporate Affairs for the period of 18 months ended 31st March 2016. The company has obtained approval for such waiver from the Shareholders at the last Annual General Meeting held on 30.09.2016 and has proposed to make further application for review of the rejections to the Ministry of Corporate Affairs.
In view of the above, no steps for recovery have been initiated and no effects have been given for the same. If the Company's applications for review / waiver for the said previous periods are not approved then the Company would be required to recover the excess remuneration from the concerned managerial personnel and to that extent the profit for the period will be higher by an aggregate amount of Rs. 388.45 lacs.

The Auditors have qualified their report on this matter as follows

"Attention is invited to note 6 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. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery have been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 388.45 lacs. The Company has received shareholder approval for the waiver of recovery for the entire excess amount of the

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remuneration as aforesaid. The Company has made application for waiver of the amount for the period of 18months ended 31st March 2016 and the Company proposes to make an application for the period from 1st January 2014 to 30th September 2014 to the Ministry of Corporate Affairs to reconsider the earlier decision. 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 30th September 2016. This matter was qualified in our audit report dated June 6, 2016 on the financial statements for the period ended 31st March 2016."

7. 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.

8. 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.

9. During the quarter, further 60,000 equity shares of Rs. 2/- each were issued at par under the GIPL Employee Stock Option Scheme 2013.

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: 14th December, 2016

NATVARLAL VEPARI & CO.
Mumbai
CHARTERED ACCOUNTANTS

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

Review Report

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

1. We have reviewed the accompanying statement of standalone unaudited financial results of Gammon Infrastructure Projects Limited ("the Company") for the quarter and six months ended September 30, 2016 and standalone unaudited Balance Sheet as at September 30, 2016 ("the Statement"), which are included in the accompanying statement of standalone unaudited financial results. This Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as modified by Circular No. CIR / CFD / FAC / 62 / 2016 dated July 5, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. This Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. 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 Engagement (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 misstatements. 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. **Basis of Qualified Conclusion**
   a. *Attention is invited to note 6 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. The Company however has sought to make an application for review of the rejection and therefore no steps for recovery have been initiated and no effects have been given for the same. If the Company's application is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit for the period will be higher by an amount of Rs. 388.45 lacs. The Company has received shareholder approval for the waiver of recovery for the*

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entire excess amount of the remuneration as aforesaid. The Company has made application for waiver of the amount for the period of 18 months ended 31st March 2016 and the Company proposes to make an application for the period from 1st January 2014 to 30th September 2014 to the Ministry of Corporate Affairs to reconsider the earlier decision. 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 30th September 2016. 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 Conclusion

Except for the possible effects arising out of the matters mentioned in our basis for qualified conclusion mentioned hereinabove, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular bearing nos. Circular No. CIR / CFD / CMD / 15 / 2015 dated November 30, 2015 and CIR / CFD / FAC / 62 / 2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

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

a) We invite attention to Note 5(a) of the Statement, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to the subsidiary. The Company's exposure towards the said project (funded and non-funded) is Rs. 2,516.27 lacs. Pending conclusion on these legal matters, no adjustments have been made in these financial results.

b) We invite attention to Note 5(b) of the Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company's subsidiary has cited reasons for non-continuance on account of reasons beyond its control. The subsidiary is negotiating with its client for an amicable settlement on beneficial terms and is also exploring legal steps. The Company's exposure towards the said project includes investment and loans and advances of 7,213.20 lacs. Pending conclusion between the parties, no adjustments have been made in these financial results

c) We invite attention to Note 5(c) of the Statement, in connection with an amount invested (including deposits and advances given) in a joint venture of Rs. 12,7,68.40 lacs (funded and non-funded). The only project of the JV Company has been delayed resulting in the company incurring losses and consequent default in repayment of its

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debt obligation culminating in the bank facility being designated as NPA. Considering the MBPT permission to allow Ro-Ro operations on a trial basis and based on the management assessment and plans to address these issues, no provision is considered necessary against the aforesaid amounts.

d) We invite attention to Note 5(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, Considering the steps the management proposes to take to replace the high cost debts and the terms of the concession agreement in which the Company is eligible for revenue shortfall loans, no provisions is considered necessary against the Company's exposure of Rs. 88,898.13 lacs.

e) We invite attention to Note 5(e) of the Statement, in respect of the Tolling Road Project in Andhra Pradesh where despite the revocation of the project from the SPV, based on the subsequent negotiation and discussion with the grantor, instructions from the grantor to the bankers for holding the encashment of guarantee in abeyance the Company believes that the project would be re-instated in favour of the SPV of the Company. The net exposure of the Company towards the project is Rs. 15,069.13 lacs. Considering the assertions of the management and the subsequent instructions to hold the bank guarantee encashment, no provisions are considered necessary in terms of the management assertions relating to the possible revival of the project in favour of the Company.

f) We invite attention to Note 7 of the Statement; wherein the Company has stated that as of that date the Company's current liabilities exceeded current assets despite the sale of some of the SPVs in the previous period. These conditions, along with other matters as set forth in the said Note of the Statement, indicate the existence of an uncertainty as to timing and realization of cash flow.

6. We draw attention to the fact that we were neither engaged to review nor have we reviewed the comparative figures for the quarter ended and half year ended September 30, 2015 including the reconciliation of net profit referred to in note 4 of the accompanying Statement.

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

Nuzhat

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Nuzhat Khan
Partner
M. No. 124960
Mumbai, Dated: - 14th December 2016