



GAMMON INFRASTRUCTURE PROJECTS LIMITED

Date: July 27, 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,

Sub: Outcome of Board Meeting

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 ended June 30, 2017 along-with the Auditors' Limited Review Report, as approved by the Board of Directors of the Company at its meeting held today.

Kindly take this on your record.

Yours truly,

For **Gammon Infrastructure Projects Limited**

Renuka Matkari
Company Secretary



GAMMON INFRASTRUCTURE PROJECTS LIMITED

CIN:L45203MH2001PLC131728

Statement of Unaudited Standalone Financial Results for the Quarter ended 30th June, 2017

(Rs in lacs)

Sr No.	Particulars	Quarter ended			Year ended
		30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	Revenue from Operations	2,371.55	4,442.33	8,085.41	18,982.02
	Other Income	650.08	770.23	480.98	2,695.94
	Total Income	3,021.63	5,212.56	8,566.39	21,677.96
2	Expenses				
	a) Construction Expenses	1,881.90	3,582.15	6,674.00	15,630.75
	b) Changes in inventory of consumables	-	-	-	-
	c) Employee Benefit Expenses	192.67	141.20	202.26	718.61
	d) Finance Cost	620.37	685.18	698.77	2,641.72
	e) Depreciation and Amortization Expenses	7.05	3.48	4.81	15.72
	f) Other Expenses	200.53	511.19	184.42	991.06
	Total Expenses	2,902.52	4,923.20	7,764.26	19,997.86
	Profit/(Loss) from Operations Before Exceptional Item & Tax (1-2)	119.11	289.36	802.13	1,680.10
3	Exceptional Items	-	241.00	-	241.00
4	Profit/(Loss) from Ordinary Activities Before Tax (3+4)	119.11	530.36	802.13	1,921.10
5	Tax Expense	41.54	(299.35)	213.98	45.94
	Current Tax	55.00	288.19	165.64	585.00
	Deferred Tax Liability / (asset)	(13.46)	(587.54)	48.34	(539.06)
6	Net Profit/(Loss) for the period after tax (5-6)	77.57	829.71	588.15	1,875.16
7	Other Comprehensive Income	0.34	(1.13)	1.43	5.70
8	Total Comprehensive Income (7+8)	77.91	828.58	589.58	1,880.86
9	Paid up Equity Capital (Face Value of Rs.2 each)	18,917.64	18,917.64	18,916.44	18,917.64
10	Other Equity				73,218.39
11	Earnings per Share				
	Basic (Rs.)	0.01	0.09	0.06	0.20
	Diluted (Rs.)	0.01	0.09	0.06	0.20

W



Corporate Office : Orbit Plaza, 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400 025, INDIA

Tel. : 91 - 22 - 6748 7200 • Fax : 91 - 22 - 6748 7201 • E-mail : info@gammoninfra.com

Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728

Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. INDIA.



Notes:

1. The above unaudited standalone financial results, as reviewed by the Audit Committee, are approved and taken on record by the Board of Directors in their meeting held on July 27, 2017.
2. The Statutory auditors of the Company have carried out limited review on the unaudited financial results as required by the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
3. 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.
4. 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 granted extension upto June 23, 2017 to settle the matter. Since then there has been no action on the part of Government of Kerala in the matter. Exposure of the Company in the SPV is Rs. 2,488.53 lacs (funded and non-funded). Since June 30, 2017 the bankers of the said SPV have initiated action under SARFAESI Act and have taken symbolic possession of the property of the SPV.
 - 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. 7,113.57 lacs. No further action has happened during the quarter ended June 30, 2017.
 - c. 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 draft supplementary agreement 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 Offer (ROFO) 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 during the quarter acquired further stake from the JV partner and has obtained



W



GAMMON INFRASTRUCTURE PROJECTS LIMITED

control over the JV and holds 74% of the equity of the JV company. The exposure of the Company in the JV is Rs. 14,077.53 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 are significantly lower than the projections made at the time of the bids. 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. 95,603.61 lacs (funded and non-funded). The S4A proposal is pending approval as at June 30, 2017.
- 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 exposure of the company in the SPV is Rs. 15,551.09 lacs (including Bank guarantee of Rs 8420.00 Lacs). Joint meeting with the bankers have also been held wherein they have expressed their willingness to take up the Project subject to approval of their Managing Committees.
- f. One of the SPV having annuity Road Project in the State of Bihar is expected to have cost overrun on account of issues beyond the scope of the SPV and primarily 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. 1,29,814.67 lacs. There has been no significant progress in the above matters during the quarter ended June 30, 2017 except the receipt of the first annuity payment of Rs. 9460.00 lacs.



WV

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.



5. No adjustment has been made in the financial results for the current quarter for the excess managerial remuneration amounting to Rs. 497.17 lacs for the period upto March 2017, beyond the prescribed limits due to inadequacy of profits. The Company has made representation to the Ministry of Corporate Affairs (Ministry) in respect of Rs. 388.45 lacs to reconsider its earlier decision wherein the applications made by the Company for approval for waiver of recovery of the said excess remuneration was rejected. For the balance amount of Rs. 108.72 lacs paid for the previous financial year ended 31st March, 2017 the Company is in the process of making an application to the Central Government for approval / waiver of the same.

The Auditors have qualified their report on this matter as follows

"Attention is invited to note 5 to the Statement relating to the excess managerial remuneration paid of Rs. 497.17 lacs for the period upto March 2017 for the reasons detailed in the aforesaid note. 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 aggregating to Rs. 388.45 lacs for the period upto March 2016. If the Company's representation is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit will be higher by an amount of Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial results. Subject to the outcome of the representation made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter ended June 30, 2017. Similarly for the previous period ended March 31, 2017, 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 results for the remuneration of the said period. This matter was qualified in our audit report dated June 18, 2017 on the financial statements for the period ended March 31, 2017 respectively"

6. The Company had divested some of its subsidiaries in the previous periods 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.
7. The Exceptional items of the previous period includes the following

Particulars	For the quarter and year ended March 17
	(Rs in lacs)
Project Claim received	241.00
Total	241.00





GAMMON INFRASTRUCTURE PROJECTS LIMITED

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. 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.
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: July 27, 2017



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.

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 unaudited standalone financial results ("Statement") of Gammon Infrastructure Projects Limited ("the Company") for the quarter ended June 30, 2017 being submitted 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

"Attention is invited to note 5 to the Statement relating to the excess managerial remuneration paid of Rs. 497.17 lacs for the period upto March 2017 for the reasons detailed in the aforesaid note. 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 aggregating to Rs. 388.45 lacs for the period upto March 2016. If the Company's representation is not accepted then the company would be required to recover the excess remuneration from the managerial personnel and to that extent the profit will be higher by an amount of Rs. 388.45 lacs. Pending the same no adjustments have been made to the financial results. Subject to the outcome of the representation made to the MCA, we are unable to ascertain the impact on profits on this account for the quarter ended June 30, 2017. Similarly for the previous period ended March 31, 2017, 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 results for the remuneration of the said period. This matter was qualified in our audit report dated June 18, 2017 on the financial statements for the period ended March 31, 2017 respectively"

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



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

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 4(a) of the Statement, regarding unilateral termination and closure of Concessions in a bridge project, which is subject to pending litigations/arbitrations at various forums, which may impact the carrying values of investments and loans and advances given to the subsidiary. The Company's exposure towards the said project (funded and non-funded) is Rs. 2,488.53 lacs. Pending conclusion on these legal matters, no adjustments have been made in the financial statements.
- b) We invite attention to Note 4(b) of the Statement, in relation to intention to exit one of the hydro power projects at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. 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. 7,113.57 lacs. Pending conclusion between the parties, no adjustments have been made in the financial statements
- c) We invite attention to Note 4(c) of the Statement, in connection with an amount invested (including deposits and advances given) in a joint venture of Rs. 14,077.53 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 during the quarter ended June 30, 2017 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 4(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. 95,603.61 lacs (funded and non-funded).



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

- e) We invite attention to Note 4(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. 15,551.09 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 4(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. 129,814.67 lacs including non-fund exposure. Pending conclusions no adjustments have been made in the financial statements.
- g) We invite attention to Note 6 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. These conditions, along with other matters as aforesaid arising out of pending conclusions of matters and also 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



N Jayendran
Partner
M. No. 040441

Mumbai, Dated: - 27th July 2017.

