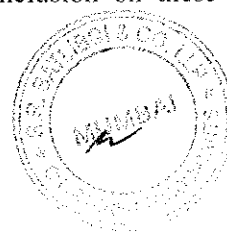


Limited Review Report

Review Report to
The Board of Directors
Gammon Infrastructure Projects Limited

1. We have reviewed the accompanying statement of unaudited financial results of Gammon Infrastructure Projects Limited ('the Company') for the quarter ended June 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *As detailed in Note 6 to the accompanying statement for the quarter ended June 30, 2014, one of the subsidiaries of the Company had issued a notice of intention to terminate the Concession Agreement with National Highways Authority of India ('NHAI') on mutual terms. The Company and NHAI are evaluating various alternatives for the project. The Company's exposure to this project includes investment and advances of Rs. 7,406.12 lakhs and guarantees of Rs. 5,646.00 lakhs. As outcome of the matter is uncertain, we are unable to determine the recoverability of said investments and advances and consequential impact on the Statement.*
4. Our report is not qualified in respect of the following matters:
 - a. The Company has incurred a net loss after tax of Rs. 1,583.58 lakhs for the quarter ended June 30, 2014 and as of that date the Company's current liabilities exceeded current assets by Rs. 50,133.81 lakhs. These conditions, along with other matters as set forth in Note 5 of the Statement, indicate the existence of an uncertainty as to timing and realisation of cash flow. This matter was also referred to our earlier reports issued for the quarter ended March 31, 2014 and for the nine months period ended December 31, 2013.
 - b. We invite attention to Note 4 and Note 7 of the Statement, regarding unilateral termination and closure of Concessions of two projects, which are subject to pending litigations/arbitrations at various forums which may impact the carrying values of Investments and advances given to these subsidiaries. The Company's exposure towards the said projects included investments and advances of Rs. 1,793.85 lakhs and corporate guarantees and bid securities of Rs. 1,212.50 lakhs. Pending conclusion on these legal matters, no adjustments have been made in the Statement.




Natvarlal Vepari & Co.
Chartered Accountants
Oricon House
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Chartered Accountants
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29 Senapati Bapat Marg
Mumbai 400 028

- c. We invite attention to Note 8 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. The Company's exposure towards the said project includes investment and loans and advances of Rs. 7,105.06 lakhs. Pending conclusion between the parties, no adjustments have been made in the Statement.
5. Based on our review conducted as per paragraph 2 above and *except for possible effects of matters described in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", (notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

For S.R. Batliboi & Co. LLP
ICAI Firm Registration number: 301003E
Chartered Accountants



N Jayendran
Partner
M. No.: 40441
Place: Mumbai
Date: August 13, 2014



per Hemal Shah
Partner
M. No.: 42650
Place: Mumbai
Date: August 13, 2014





GAMMON INFRASTRUCTURE PROJECTS LIMITED

PART I

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(All amounts in Rupees lakhs)

Sr. No.	Particulars	Quarter ended			Year to date	9 Months ended
		30.06.2014	31.03.2014	30.06.2013	30.06.2014	31.12.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Income from operations	1,863.46	1,950.69	2,533.36	3,814.15	7,256.21
	Other operating income	-	-	-	-	643.14
1	Total Income from operations	1,863.46	1,950.69	2,533.36	3,814.15	7,899.35
	Expenses :					
	Project expense	913.74	864.71	91.12	1,778.45	1,506.53
	Employee benefits expense	442.64	525.61	420.62	968.25	1,730.48
	Depreciation and amortisation expense	59.05	58.39	49.40	117.44	172.83
	Bad debts written-off	-	-	-	-	325.45
	Other expenses	281.94	271.77	232.81	553.71	913.39
2	Total expenses	1,697.37	1,720.48	793.95	3,417.85	4,648.68
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	166.09	230.21	1,739.41	396.30	3,250.67
4	Other Income	80.73	66.97	364.79	147.70	550.06
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	246.82	297.18	2,104.20	544.00	3,800.73
6	Finance Costs	1,851.20	1,742.77	1,706.04	3,593.97	5,227.56
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional Items (5 - 6)	(1,604.38)	(1,445.59)	398.16	(3,049.97)	(1,426.83)
8	Exceptional Items (refer note 3)	-	3,916.16	-	3,916.16	-
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(1,604.38)	(5,361.75)	398.16	(6,966.13)	(1,426.83)
10	Tax Expense	(20.80)	(6.98)	45.27	(27.78)	(30.17)
11	Profit / (Loss) from ordinary activities after tax (9 - 10)	(1,583.58)	(5,354.77)	352.89	(6,938.35)	(1,396.66)
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net Profit / (Loss) for the period (11 - 12)	(1,583.58)	(5,354.77)	352.89	(6,938.35)	(1,396.66)
14	Paid-up Equity Share Capital (Face Value Rs.2/- per equity share)	14,761.55	14,761.55	14,761.55	14,761.55	14,761.55
15	Reserves, excluding Revaluation Reserve as per the Balance Sheet of the previous accounting year	-	-	-	-	48,454.40
16	Earnings Per Share for the period (Rupees) :					
	a) Before Extraordinary Items					
	Basic	(0.22)	(0.73)	0.05	(0.95)	(0.19)
	Diluted	(0.22)	(0.73)	0.05	(0.95)	(0.19)
	b) After Extraordinary Items					
	Basic	(0.22)	(0.73)	0.05	(0.95)	(0.19)
	Diluted	(0.22)	(0.73)	0.05	(0.95)	(0.19)

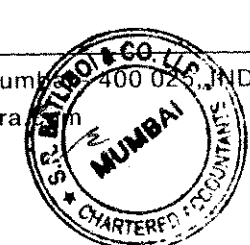
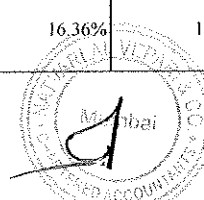
PART II

Select information for the quarter ended June 30, 2014

A)	PARTICULARS OF SHAREHOLDING					
1	Public shareholding					
	- Number of shares (in lakhs)	1,836.26	1,836.26	1,836.26	1,836.26	1,836.26
	- Percentage of shareholding	25.02%	25.02%	25.02%	25.02%	25.02%
2	Promoters and promoter group shareholding					
	a) Pledged / Encumbered					
	- Number of shares (in lakhs)	4,302.86	4,302.86	4,302.86	4,302.86	4,302.86
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	78.18%	78.18%	78.18%	78.18%	78.18%
	- Percentage of shares (as a % of the total share capital of the Company)	58.62%	58.62%	58.62%	58.62%	58.62%
	b) Non-encumbered					
	- Number of shares (in lakhs)	1,201.14	1,201.14	1,201.14	1,201.14	1,201.14
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	21.82%	21.82%	21.82%	21.82%	21.82%
	- Percentage of shares (as a % of the total share capital of the Company)	16.36%	16.36%	16.36%	16.36%	16.36%

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.





GAMMON INFRASTRUCTURE PROJECTS LIMITED

B)	INVESTOR COMPLAINTS	Quarter ended 30.06.2014
	Pending at the beginning of the quarter	Nil
	Received during the quarter	3
	Disposed off during the quarter	3
	Remaining unresolved at the end of the quarter	Nil

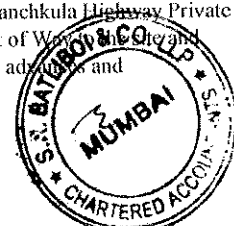
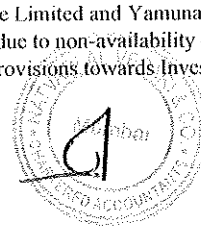
STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Amounts in Rupees lakhs)

Particulars		As at	
		30.06.14	31.12.13
		Unaudited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
a)	Share capital	14,761.55	14,761.55
b)	Reserves and surplus	41,611.23	48,454.41
	Sub-total : Shareholders' Funds	56,372.78	63,215.96
2	Non-current liabilities		
a)	Long-term borrowings	35,613.56	28,274.59
b)	Deferred tax liability, net	143.82	171.60
c)	Other long-term liabilities	13,851.04	17,328.38
d)	Long-term provisions	138.90	133.11
	Sub-total : Non-current liabilities	49,747.32	45,907.68
3	Current Liabilities		
a)	Short-term borrowings	7,254.22	7,798.12
b)	Trade payables	294.23	1,257.03
c)	Other current liabilities	46,505.50	40,152.66
d)	Short-term provisions	1,779.72	1,844.10
	Sub-total : Current liabilities	55,833.67	51,051.91
	TOTAL : EQUITY AND LIABILITIES	161,953.77	160,175.55
B	ASSETS		
1	Non-current assets		
a)	Fixed assets	1,182.32	1,298.38
b)	Non current investments	72,925.50	73,604.41
c)	Long-term loans and advances	81,243.80	79,098.33
d)	Other non-current assets	902.29	831.98
	Sub-total : Non-current assets	156,253.91	154,833.10
2	Current assets		
a)	Current investments	490.00	490.00
b)	Inventories	55.89	59.16
c)	Trade receivables	1,335.86	1,897.78
d)	Cash and cash equivalents	2,007.85	2,057.00
e)	Short term loans and advances	1,749.62	810.08
f)	Other current assets	60.64	28.43
	Sub-total : Current assets	5,699.86	5,342.45
	TOTAL : ASSETS	161,953.77	160,175.55

Notes:

- The financial results were reviewed by the Audit Committee and have been considered and approved by the Board of Directors of the Company at their respective meetings held on August 13, 2014.
- The Statutory Auditors of the Company have carried out the limited review of the above unaudited standalone results for the current quarter ended June 30, 2014.
- During the previous quarter, two subsidiaries namely Birmitrapur Barkote Highway Private Limited and Yamunanagar Panchkula Highway Private Limited have terminated the contracts with NHAI on mutually acceptable terms primarily due to non-availability of Right of Way, Environment and Forest clearances. The exceptional item disclosed above represents the provisions towards investments, advances and receivables.



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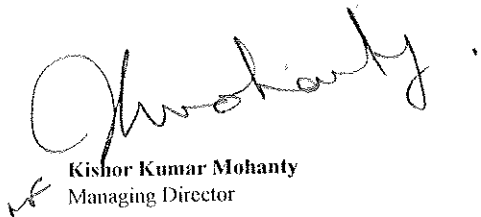
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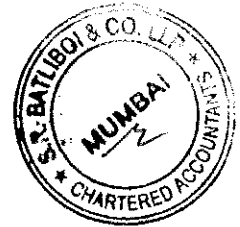
GAMMON INFRASTRUCTURE PROJECTS LIMITED

- 4 Mormugao Port Trust ('MPT') has unilaterally sought to terminate with a subsidiary the Concession Agreement for the project citing non-compliance with certain terms of the concession agreement. MPT also encashed the bid security bank guarantee for Rs. 200 lakhs despite the stay order issued by the Hon. District Court, Goa. The court has also passed stay order from carrying into effect the termination of the agreement. The subsidiary has already taken further action in the matter including contempt petition. The Company's exposure including investments and loans and advances is around Rs 561.65 lakhs. The Company believes that it has a strong case in this matter. Pending outcome of the legal proceedings, no adjustments have been made to the unaudited financial results.
- 5 During the quarter, the Company has further incurred cash loss and its Current Liabilities exceeds Current Assets by Rs. 50,133.81 lakhs as at June 30, 2014 (Rs. 45,709.46 as on December 31, 2013). The Company is taking various steps to meet its commitments, both, short term and long term in nature. The Company intends to monetise some of its mature assets, securitise some of its future receivables and raise funds through proposed equity offering through Qualified Institutional Placement. 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 unaudited financial results are appropriate. Accordingly the accompanying unaudited financial results do not include any adjustments that may result from these uncertainties.
- 6 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. In a recent meeting, NHAI has requested for evaluating various alternatives for the project. Contingent upon outcome of the discussions on compensation within the scope of concession agreement with NHAI and responses of management, there might be review/reworking on the project parameters. The Company's exposure to this project is Rs. 7,406.12 lakhs and Guarantees of Rs. 5,646.00 lakhs. Pending conclusion of the matter, no adjustments have been made to the unaudited financial results. The statutory auditors have modified their conclusion in this regard in the limited review report on the financial results.
- 7 During the quarter, the Greater Cochin Development Authority has sought to end / obstruct the toll collection by a subsidiary by unilaterally sealing the toll booth. The subsidiary believes it has the right to collect toll at the bridge till April 27, 2020. Further necessary legal recourse is being initiated. The Company's exposure includes investments and loans and advances of Rs. 1,232.20 Lakhs and Corporate guarantee of Rs. 1,012.50 lakhs. The Company is confident that the subsidiary has a strong case in this matter. Pending outcome of the legal proceeding, no adjustments have been made in the unaudited financial results.
- 8 During the quarter, one of the subsidiaries which has a license to develop a hydro power project in Himachal Pradesh has initiated correspondence with the State Government for exiting from the project primarily due to inability of the state government in resolving the local agitations related to environmental issues because of which the subsidiary was forced to stop its geological studies at the project site. The Company's exposure includes investments and loans and advances of Rs. 7,105.06 Lakhs. The subsidiary has made a claim against the amounts spent on the project till date. The management believes that it has a strong case in this matter.
- 9 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.
- 10 Since the previous financial period was for 9 months from April 1, 2013 to December 31, 2013, the comparable figures for the year to date six months ended June 30, 2013 are not available in the preceding financial period.
- 11 Figures for previous periods have been regrouped / rearranged wherever necessary to conform to the current quarter's presentation.

For Gammon Infrastructure Projects Limited


Kishor Kumar Mohanty
Managing Director

Place : Mumbai.
Date: August 13, 2014



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