



GAMMON INFRASTRUCTURE PROJECTS LIMITED

PART I

Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2014

(All amounts in Rupees lakhs)

Sr. No.	Particulars	Quarter ended			Six months period ended	Nine months period ended
		30.06.2014	31.03.2014	30.06.2013	30.06.2014	31.12.2013
		Unaudited			Unaudited	Audited
	Income from operations:					
	Net sales / Income from operations (refer note 4)	14,509.68	20,569.49	15,180.98	35,079.17	44,132.37
	Other operating income	554.37	550.64	379.44	1,105.01	1,285.43
1	Total income from operations	15,064.05	21,120.13	15,560.42	36,184.18	45,417.80
	Expenses:					
	Project expenses	5,166.43	4,533.60	3,899.70	9,700.03	13,100.15
	Employee benefits expenses	675.37	785.28	654.55	1,460.65	2,435.30
	Depreciation and amortisation expenses	4,282.03	8,223.55	3,734.18	12,505.58	11,956.02
	Other expenses	515.91	978.46	319.69	1,494.37	2,145.87
2	Total expenses	10,639.74	14,520.89	8,608.12	25,160.63	29,637.34
3	Profit / (loss) from operations before other income, finance costs and exceptional items (1 - 2)	4,424.31	6,599.24	6,952.30	11,023.55	15,780.46
4	Other income	586.45	160.61	150.48	747.06	648.11
5	Profit / (loss) from ordinary activities before finance costs and exceptional items (3 + 4)	5,010.76	6,759.85	7,102.78	11,770.61	16,428.57
6	Finance costs	7,094.48	6,857.18	7,148.60	13,951.66	21,902.87
7	Share of profit / (loss) in associates	1.81	(0.33)	-	1.48	(11.78)
8	Profit / (loss) from ordinary activities after finance costs but before exceptional items (5 - 6 + 7)	(2,081.91)	(97.66)	(45.82)	(2,179.57)	(5,486.08)
9	Exceptional items (refer note 5)	-	3,797.37	-	3,797.37	-
10	Profit/ (loss) from ordinary activities before tax (8 - 9)	(2,081.91)	(3,895.03)	(45.82)	(5,976.94)	(5,486.08)
11	Tax expense (refer note 11)	(4.94)	143.77	(81.49)	138.83	94.85
12	Net profit / (loss) from ordinary activities after tax (10 - 11)	(2,076.97)	(4,038.80)	35.67	(6,115.77)	(5,580.93)
13	Extraordinary items (net of tax expenses)	-	-	-	-	-
14	Minority interest - share of profit/(loss)	(16.57)	17.31	204.63	0.74	63.46
15	Net profit / (loss) for the period (12 - 13 - 14)	(2,060.40)	(4,056.11)	(168.96)	(6,116.51)	(5,644.39)
16	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
17	Reserves, excluding revaluation reserve as per balance sheet of the previous accounting year					52,329.18
18	Earnings per share for the period (Rupees) :					
	a) Before extraordinary items					
	Basic	(0.28)	(0.55)	(0.02)	(0.83)	(0.77)
	Diluted	(0.28)	(0.55)	(0.02)	(0.83)	(0.77)
	b) After extraordinary items					
	Basic	(0.28)	(0.55)	(0.02)	(0.83)	(0.77)
	Diluted	(0.28)	(0.55)	(0.02)	(0.83)	(0.77)

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

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

Website : www.gammoninfra.com • CIN : L45203MH2001PLC131728

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

Unaudited Consolidated Statement of Assets and Liabilities

(All amounts in Rupees lakhs)

Sr. No.	Particulars	As at 30.06.2014 Unaudited	As at 31.12.2013 Audited
	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	Share capital	14,761.55	14,761.55
	Reserves and surplus	52,185.24	52,329.18
	Sub-total : Shareholders' Funds	66,946.79	67,090.73
2	Minority interest	17,160.48	15,772.53
3	Non-current liabilities		
	Long-term borrowings	366,397.32	373,016.48
	Deferred tax liability, Net	335.15	249.21
	Other long-term liabilities	88.50	88.50
	Long-term provisions	7,014.76	5,582.46
	Sub-total : Non-current liabilities	373,835.73	378,936.65
4	Current Liabilities		
	Short-term borrowings	7,254.22	7,798.12
	Trade payables	1,087.80	1,974.52
	Other current liabilities	78,572.58	71,580.87
	Short-term provisions	8,623.99	7,583.62
	Sub-total : Current liabilities	95,538.59	88,937.13
	TOTAL : EQUITY AND LIABILITIES	553,481.59	550,737.04
B	ASSETS		
1	Non-current assets		
	Fixed assets	492,895.32	489,858.46
	Goodwill on consolidation	5,662.60	5,336.50
	Deferred tax asset	4,940.73	3,406.03
	Non current investments	81.23	79.75
	Long-term loans and advances	18,460.45	21,183.18
	Trade receivables	1,783.73	1,630.67
	Other non-current assets	1,094.76	1,202.44
	Sub-total : Non-current assets	524,918.82	522,697.03
2	Current assets		
	Current investments	4,288.80	2,364.78
	Inventories	1,211.71	1,153.87
	Trade receivables	6,473.55	1,797.23
	Cash and cash equivalents	3,878.94	8,768.87
	Short term loans and advances	5,980.47	5,567.13
	Other current assets	6,729.30	8,388.13
	Sub-total : Current assets	28,562.77	28,040.01
	TOTAL : ASSETS	553,481.59	550,737.04

Notes :

1 Summary of standalone financial results

(All amounts in Rupees lakhs)

Particulars	Quarter ended			Six months period ended	Nine months period ended
	30.06.2014	31.03.2014	30.06.2013	30.06.2014	31.12.2013
	Unaudited			Unaudited	Audited
Income from operations and other operating income	1,863.46	1,950.69	2,533.36	3,814.15	7,899.35
Profit / (Loss) before tax	(1,604.38)	(5,361.75)	398.16	(6,966.13)	(1,426.83)
Profit / (Loss) after tax	(1,583.58)	(5,354.77)	352.89	(6,938.35)	(1,396.66)

2 The Statement of unaudited consolidated financial results for the quarter ended June 30, 2014 was reviewed by the Audit Committee and approved by the Board on August 13, 2014 and was duly announced to the Stock Exchanges and published in the Newspapers as required under Clause 41 of the Listing Agreement.

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.

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- 4 During the previous quarter, a subsidiary has received from National Highways Authority of India ('NHAI') bonus of Rs. 6,734.44 lakhs which has been accounted as Income from operations along with related expenditure.
- 5 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 to the site and Environment and Forest clearances. The exceptional items disclosed above represents the write off of the expenditure incurred on these two projects.
- 6 During the previous quarter, the 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 taken further action in the matter including contempt petition. The Group's exposure towards the project is Rs. 557.29 lakhs. Pending outcome of the legal proceedings, no adjustments have been made to the unaudited consolidated financial results. The management believes that it has a strong case in this matter.
- 7 As at June 30, 2014, the current liabilities exceed current assets by Rs. 66,975.83 lakhs (December 31, 2013 - Rs. 60,897.12 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 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 consolidated financial results do not include any adjustments that may result from these uncertainties.
- 8 One of the subsidiary 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 the management, there might be review/reworking on the project parameters. The Group's exposure to this project includes project expenses of Rs. 6,935.61 lakhs and Guarantees of Rs. 5,646.00 lakhs. Pending conclusion of the matter, no adjustments have been made to the unaudited consolidated financial results. The statutory auditors have modified their conclusion on this matter in their review report dated August 13, 2014 on the Interim condensed consolidated financial statements prepared for the purposes of the proposed equity offering through Qualified Institutional Placement.
- 9 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 Group's exposure includes trade receivables of Rs. 1,787.13 lakhs, unamortised project costs of Rs. 842.62 lakhs and corporate guarantee of Rs. 1,012.50 lakhs. Pending outcome of the legal proceeding, no adjustments have been made in the unaudited consolidated financial results. The management believes that it has a strong case in this matter.
- 10 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 subsidiary had paid an upfront premium of Rs. 5,285.25 lakhs to the State Government and the Group's exposure towards the project excluding the upfront premium is Rs. 1,437.41 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.
- 11 The Central Board of Direct Taxes (CBDT), vide circular no. 09/2014 dated 23rd April 2014, has clarified that the cost of construction on development of infrastructure facility of roads/ highways under BOT projects is allowable as a deduction by amortizing and claiming the same as allowable business expenditure under the Act. The amortization allowable is to be computed at the rate, which ensures that the whole of the cost incurred on creation of infrastructural facility of road/ highways is amortized evenly over the period of concessionaire agreement after excluding the time taken for creation of such facility. Due to this, during the quarter, two subsidiaries, has recognised the deferred tax asset amounting to Rs 1,597.79 lakhs (December 2013 - deferred tax liability Rs 63.10 lakhs) based on reasonable certainty.
- 12 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.
- 13 Since the previous financial period was for nine 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.
- 14 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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