

**Natvarlal Vepari & Co.**  
**Chartered Accountants**  
Oricon House  
4<sup>th</sup> Floor, 12 K Dubash Marg  
Mumbai 400 023

**S.R. Batliboi & Co. LLP**  
**Chartered Accountants**  
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29 Senapati Bapat Marg  
Mumbai 400 028

### Limited Review Report

Review Report to  
The Board of Directors  
**Gammon Infrastructure Projects Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Gammon Infrastructure Projects Limited ('the Company'), its Subsidiaries, Joint Ventures and Associates, together referred to as the Group for the quarter ended March 31, 2014 (the "Statement") prepared in the format specified by Clause 41 of the Equity Listing Agreement, 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 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 misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. We did not review the financial information of certain subsidiaries whose financial information reflect total assets of Rs. 156,118.46 lakhs as at March 31, 2014, total income of Rs. 2,947.01 lakhs for the quarter ended , and certain associates, the Company's share in the loss of such associates being Rs. 0.05 lakhs for the quarter ended March 31, 2014. The above mentioned financial information have been reviewed by other auditors whose reports have been furnished to us, and our conclusion is based solely on the review report of other auditors.
4. In respect of certain joint ventures whose financial information reflect total assets of Rs. 14.04 lakhs as at March 31, 2014 and total income of Rs. Nil for the quarter ended, the Company's share of such assets and income being Rs. 1.90 lakhs and Rs. Nil respectively and associates in which the Company's share in the loss of such associates being Rs. 0.12 lakhs, and our conclusion is based on unaudited financial information certified by the respective managements of the said entities.
5. We had earlier issued review report dated May 03, 2014 on unconsolidated financial results for the quarter ended March 31, 2014 in accordance with clause 41 of the listing agreement, which was duly approved by the Board of Directors.
6. The accompanying Statement has been prepared, and this report thereon, issued, solely for the purpose in connection with the proposed offering of equity shares through a qualified institutional placement. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.
7. Without qualifying our review report:
  - We reiterate our emphasis of matter made in our report dated March 1, 2014 to the Financial Statements for the period ended December 31, 2013 relating to the Management's plans to address the uncertainty as to the timing and realisation of cash flows and excess of current liabilities over current assets as detailed in Note 9 of the Statement.



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- We invite attention to Note 8 of the Statement, regarding unilateral termination of Concession agreement at Mormugao Port Trust ('MPT') citing non-compliance with certain terms of the Concession Agreement. MPT also since the balance sheet date 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 Group's exposure towards the project is Rs. 335.36 lakhs excluding the aforesaid Rs. 200 lakhs of Bid Security encashment. Pending conclusion on these legal matters, no adjustments have been made in the Statement.
  - We invite attention to Note 10 of the Statement in respect of mutual foreclosure of project of Patna to Buxar stretch of NH-30. The Group's exposure to this project includes project expenses and unbilled receivables of Rs. 6,835.84 lakhs (excluding guarantees of Rs. 5,646.00 lakhs). Pending the conclusion of negotiation to determine the terms of closure or continuance of the project between the SPV's and NHAI, as the case maybe, no adjustments have been made in the Statement.
  - We invite attention to Note 11 of the Statement, regarding unilateral termination and closure of Concession which are subject to pending litigations/arbitrations at various forums in respect of its project at Cochin. The SPV believes that it has a right to collect toll till April 27, 2020. The Group's exposure includes trade receivables of Rs. 1,785.26 lakhs, unamortised project costs of Rs. 851.95 lakhs and corporate guarantee of Rs. 1,056.53 lakhs. Pending conclusion on these legal matters, no adjustments have been made in the Statement.
  - We invite attention to Note 12 of the Statement, in relation to intention to exit the project at Himachal Pradesh and seeking a claim of an amount against the amount spent on the project. The Company has cited reasons for non-continuance on account of reasons beyond its control. While the pre-implementation agreement does not have a specific clause to claim compensation for the same, the Company is negotiating with the client for an amicable settlement on terms beneficial to the Company. The Group's exposure in the said project is Rs. 6,715.81 lakhs (including upfront premium of Rs. 5,285.25 lakhs). Pending conclusion between the parties, no adjustments have been made in the Statement.
8. Based on our review conducted as above and on consideration of reports of other auditors on the unaudited separate quarterly financial results and on other financial information of the components, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated 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 recognised accounting practices and policies has not disclosed the information required in the format specified by 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

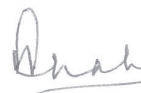


N Jayendran  
Partner  
M. No.: 40441



Place: Mumbai  
Date: July 12, 2014

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



per Hemal Shah  
Partner  
M. No.: 42650



Place: Mumbai  
Date: July 12, 2014





# GAMMON INFRASTRUCTURE PROJECTS LIMITED

## PART I

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

(All amounts in Rupees lakhs)

Sr. No.	Particulars	Quarter ended			Nine months
		31.03.2014	31.12.2013	31.03.2013	Period ended
		Unaudited	Audited	Audited	31.12.2013
		(Refer note 3)	(Refer note 3)	Audited	
	<b>Income from operations:</b>				
	Net sales / Income from operations (refer note 4)	20,569.49	13,416.79	16,389.84	44,132.37
	Other operating income	550.64	460.05	958.90	1,285.43
1	<b>Total income from operations</b>	<b>21,120.13</b>	<b>13,876.84</b>	<b>17,348.74</b>	<b>45,417.80</b>
	<b>Expenses:</b>				
	Project expenses	4,533.60	3,887.68	3,793.38	13,100.15
	Employee benefits expenses	785.28	870.02	637.40	2,435.30
	Depreciation and amortisation expenses	8,223.55	4,524.59	3,819.91	11,956.02
	Other expenses	978.46	674.23	1,276.15	2,145.87
2	<b>Total expenses</b>	<b>14,520.89</b>	<b>9,956.52</b>	<b>9,526.84</b>	<b>29,637.34</b>
3	<b>Profit / (loss) from operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>6,599.24</b>	<b>3,920.32</b>	<b>7,821.90</b>	<b>15,780.46</b>
4	Other income	160.61	260.49	274.41	648.11
5	<b>Profit / (loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>6,759.85</b>	<b>4,180.81</b>	<b>8,096.31</b>	<b>16,428.57</b>
6	Finance costs	6,857.18	7,249.12	7,390.96	21,902.87
7	Share of profit / (loss) in associates	(0.33)	(1.77)	6.10	(11.78)
8	<b>Profit / (loss) from ordinary activities after finance costs but before exceptional items (5 - 6 + 7)</b>	<b>(97.65)</b>	<b>(3,070.08)</b>	<b>711.45</b>	<b>(5,486.08)</b>
9	Exceptional items (refer note 6)	3,797.37	-	-	-
10	<b>Profit / (loss) from ordinary activities before tax (8 - 9)</b>	<b>(3,895.03)</b>	<b>(3,070.08)</b>	<b>711.45</b>	<b>(5,486.08)</b>
11	Tax expense	143.77	135.01	(703.11)	94.85
12	<b>Net profit / (loss) from ordinary activities after tax (10 - 11)</b>	<b>(4,038.80)</b>	<b>(3,205.09)</b>	<b>1,414.56</b>	<b>(5,580.93)</b>
13	Extraordinary items (net of tax expenses)	-	-	-	-
14	Less: Share of minority interest	17.31	(72.49)	369.25	63.46
15	<b>Net profit / (loss) for the period (12 - 13 - 14)</b>	<b>(4,056.11)</b>	<b>(3,132.60)</b>	<b>1,045.31</b>	<b>(5,644.39)</b>
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
17	Reserves, excluding revaluation reserve as per balance sheet of the previous accounting year				52,329.18
18	<b>Earnings per share for the period (Rupees) :</b>				
	a) Before extraordinary items				
	Basic	(0.55)	(0.43)	0.14	(0.77)
	Diluted	(0.55)	(0.43)	0.14	(0.77)
	b) After extraordinary items				
	Basic	(0.55)	(0.43)	0.14	(0.77)
	Diluted	(0.55)	(0.43)	0.14	(0.77)

## PART II

### Select information for the quarter ended March 31, 2014

A	PARTICULARS OF SHAREHOLDING				
1	<b>Public shareholding</b>				
	- Number of shares (in lakhs)	1,836.26	1,836.26	1,836.26	1,836.26
	- Percentage of shareholding	25.02%	25.02%	25.02%	25.02%
2	<b>Promoters and promoter group shareholding</b>				
	a) <b>Pledged / Encumbered</b>				
	- Number of shares (in lakhs)	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%
	- Percentage of shares (as a % of the total share capital of the Company)	58.62%	58.62%	58.62%	58.62%
	b) <b>Non-encumbered</b>				
	- Number of shares (in lakhs)	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%
	- Percentage of shares (as a % of the total share capital of the Company)	16.36%	16.36%	16.36%	16.36%
B	<b>Particulars</b>	<b>Quarter ended 31.3.2014</b>			
	<b>INVESTOR COMPLAINTS</b>				
	Pending at the beginning of the quarter			Nil	
	Received during the quarter			1	
	Disposed of during the quarter			1	
	Remaining unresolved at the end of the quarter			Nil	

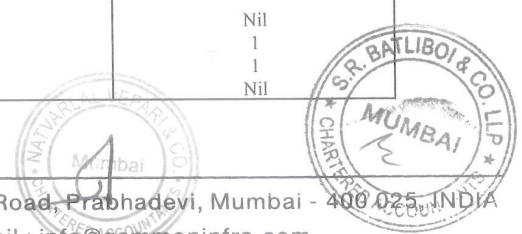
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# GAMMON INFRASTRUCTURE PROJECTS LIMITED

## Unaudited Consolidated Statement of Assets and Liabilities

(All amounts in Rupees lakhs)

Sr. No.	Particulars	As at	As at
		31.03.2014 Unaudited	31.12.2013 Audited
<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' Funds</b>		
	Share capital	14,761.55	14,761.55
	Reserves and surplus	48,589.83	52,329.18
	<b>Sub-total : Shareholders' Funds</b>	<b>63,351.38</b>	<b>67,090.73</b>
2	<b>Minority interest</b>	<b>15,948.56</b>	<b>15,772.53</b>
3	<b>Non-current liabilities</b>		
	Long-term borrowings	364,238.72	373,016.48
	Deferred tax liability, Net	242.23	249.21
	Other long-term liabilities	88.50	88.50
	Long-term provisions	6,177.30	5,582.46
	<b>Sub-total : Non-current liabilities</b>	<b>370,746.75</b>	<b>378,936.65</b>
4	<b>Current Liabilities</b>		
	Short-term borrowings	7,768.81	7,798.12
	Trade payables	1,294.32	1,974.52
	Other current liabilities	80,357.82	71,580.87
	Short-term provisions	8,070.22	7,583.62
	<b>Sub-total : Current liabilities</b>	<b>97,491.17</b>	<b>88,937.13</b>
	<b>TOTAL : EQUITY AND LIABILITIES</b>	<b>547,537.86</b>	<b>550,737.04</b>
<b>B ASSETS</b>			
1	<b>Non-current assets</b>		
	Fixed assets	487,581.15	489,858.46
	Goodwill on consolidation	5,336.50	5,336.50
	Deferred tax asset	3,406.03	3,406.03
	Non current investments	78.92	79.25
	Long-term loans and advances	20,629.35	21,183.68
	Trade receivables	1,781.87	1,630.67
	Other non-current assets	1,065.45	1,202.44
	<b>Sub-total : Non-current assets</b>	<b>519,879.27</b>	<b>522,697.03</b>
2	<b>Current assets</b>		
	Current investments	1,285.69	2,364.78
	Inventories	1,217.04	1,153.87
	Trade receivables	1,890.10	1,797.23
	Cash and cash equivalents	3,562.51	9,503.87
	Short term loans and advances	4,851.20	5,567.13
	Other current assets	14,852.05	7,653.13
	<b>Sub-total : Current assets</b>	<b>27,658.59</b>	<b>28,040.01</b>
	<b>TOTAL : ASSETS</b>	<b>547,537.86</b>	<b>550,737.04</b>

### Notes :

#### 1 Summary of standalone financial results

(All amounts in Rupees lakhs)

Particulars	Quarter ended			Period ended
	31.03.2014	31.12.2013	31.03.2013	31.12.2013
	Unaudited	Audited	Audited	Audited
		(Refer note 3)	(Refer note 3)	
Income from operations and other operating income	1,950.69	1,482.39	3,244.62	7,899.35
Profit before tax	(5,361.75)	(1,341.05)	648.43	(1,426.83)
Profit after tax	(5,354.77)	(1,305.05)	350.50	(1,396.66)

- 2 The Statement of unaudited consolidated financial results for the quarter ended March 31, 2014 was reviewed by the Audit Committee and approved by the Board on May 03, 2014 and was duly announced to the Stock Exchanges and published in the Newspapers as required under Clause 41 of the Listing Agreement. The statement of unaudited consolidated financial results approved by the Board on May 03, 2014 was not subjected to Limited Review by the statutory auditors. The above Statement of unaudited consolidated financial results have been subjected to a limited review by the statutory auditors and was reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 12, 2014.
- 3 The audited consolidated results for the quarters ended December 31, 2013 and March 31, 2013 are the balancing figures between the audited figures for the nine month period ended December 31, 2013 and unaudited published figures for the six month period ended September 30, 2013 and the audited figures for the twelve month period ended March 31, 2013 and the unaudited published figures for the nine month period ended December 31, 2012. The respective unaudited figures as aforesaid have not been subjected to any review or audit by statutory auditors.



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