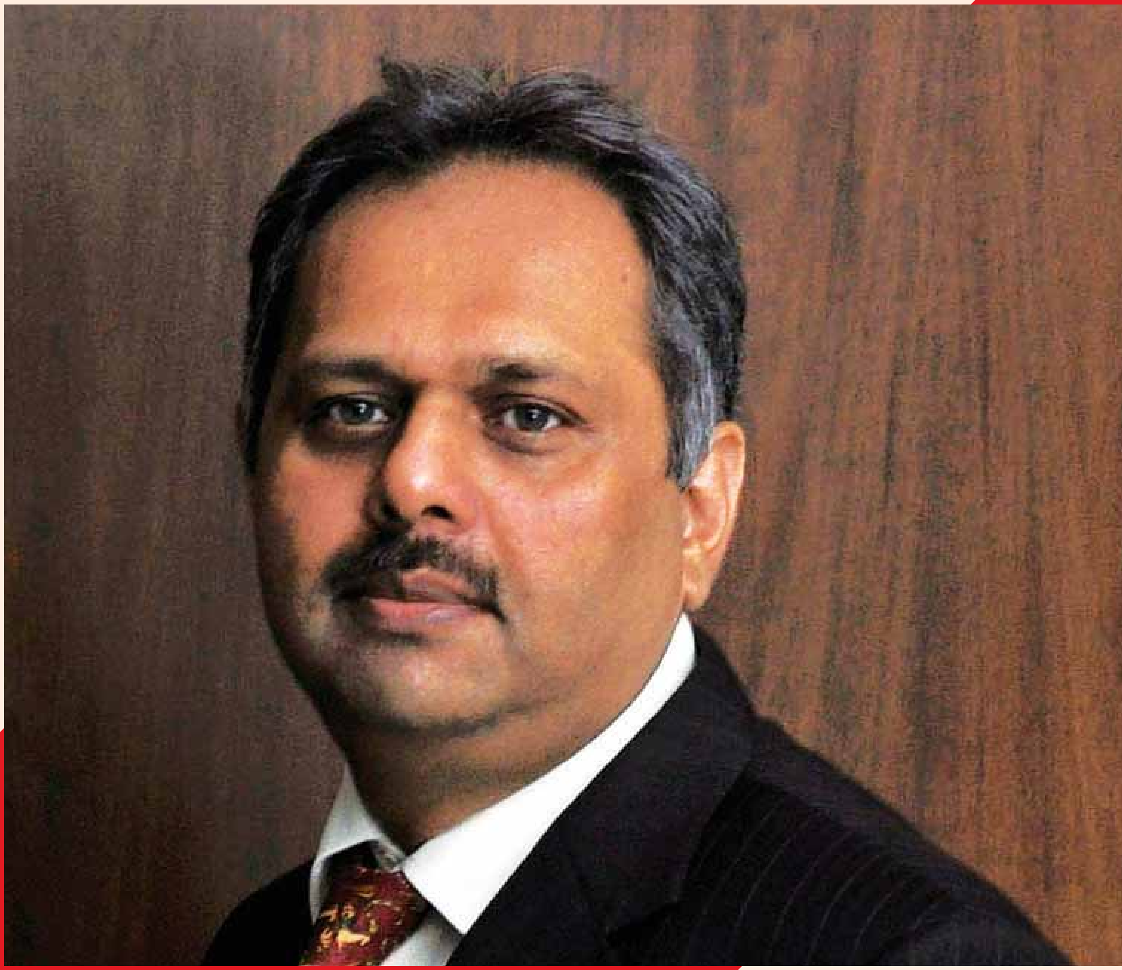
GAMMON

Builders to the Nation

ANNUAL REPORT 2012-13

Contents



CHAIRMAN'S ADDRESS

Dear Shareholders,

The year 2012 -2013 has been eventful in the history of your company, having posted a loss in its core business for the first time in several decades. This was a culmination of several factors both internal and external.

For the third year running the Indian Economy has seen a dwindling growth trend with the growth in the GDP in the current year foresee to be in the range of 5.3% to 5.5% which is significantly lower over the previous year. The slowdown is having repercussions not only in the manufacturing sector but in the services sector as well.

Infrastructure spend which is the barometer of economic health declined during the year. Apart from lower budgetary support, several other issues like environmental clearances, delays in obtaining right of way, slow decision making within the government and tardy payment by some PSU's have led to this situation.

The Global Markets are also not showing any buoyancy in the Infrastructure segment. In any case due to the volatility in currency, intense competition and significant risks not commensurate with margins, the need is to remain cautious while venturing into these markets.

The above factors resulted in a negative growth in the order booking of the company. This trend is not likely to significantly improve in the current year unless systemic changes are put in place within the concerned Government agencies soon.

On the costs side inflationary pressures continue to remain high thereby impacting critical raw materials and petroleum products needed by the construction industry. Coupled with significant delays in payments from clients and prolonged delays in settling legitimate claims, the impact has been a disproportionate increase in working capital needs of the company with consequent additional cost.

These Cost pressures are foreseen to continue if not increase in the current year given the volatility in the markets and the spike in the dollar and petroleum products.

The operations of the company's subsidiaries in Italy have produced mixed results with Sofinter S.p.A reporting after tax profits for the first time in seven years. However the global market for power equipments like turbines and boilers continues to be sluggish and growth in order book therefore remains an area of concern. In light of the fact that these companies are still far from being able to service the acquisition debt, all options are being explored to expeditiously derisk the parent to minimize the impact of the debt servicing devolving upon it.

The development arm of the Group focused on executing its existing project basket with the aim of making these operational within the foreseen timelines.

Members will recall my last year's address when I had

Sprinkling System at Vizag

struck a note of caution due to the extreme squeeze on cash flows being faced by the Company and the various austerity measures taken to address this. While continuing to focus even more rigorously on these measures during the year the Company has also sought to realign its debts through the Corporate Debt Restructuring process. We have received the letter of approval in June 2013 from the CDR Empowered Group and are now in the process of completing the documentation within the foreseen period of 120 days. While the conditions are no doubt onerous and challenging we are confident of tiding over these, given our inherent strengths fostered over the years.

I take this opportunity to thank all the Gammonites for their hardwork and dedication during such challenging times. I also take this opportunity to thank my fellow Board members for their guidance and support. Finally a sincere word of gratitude and acknowledgement towards all our stakeholders including our bankers, shareholders and suppliers who have reposed trust in us and remained supportive in all our endeavours and continue to do so as we move ahead to face another challenging year.

Thank you.

Abhijit Rajan
Chairman & Managing Director

Tunnel Boring Machine

Board of Directors

Mr. Peter Gammon
Chairman Emeritus

Mr. Abhijit Rajan
Chairman & Managing Director

Mr. Rajul A. Bhansali
Executive Director
International Operations

Mr. Digambar C. Bagde
Deputy Managing Director
Transmission & Distribution Division

Mr. Parvez Umrigar
Non- Executive Director

Mr. Chandrahas C. Dayal
Non- Executive Director

Mr. Atul Dayal
Non- Executive Director

Mr. Jagdish C. Sheth
Non-Executive Director

Mrs. Urvashi Saxena
Non- Executive Director

Mr. Atul Kumar Shukla
Non- Executive Director

Mr. Naval Choudhary
Non-Executive Director

Vizag Port

Approach Trestle – MBPT Offshore Container Terminal

Flocculator – Guwahati Water Supply

Casting Yard – Chennai Metro

Tower Manufacturing Factory, Deoli

Consortium Bankers

Canara Bank
Punjab National Bank
Allahabad Bank
ICICI Bank
Syndicate Bank
IDBI Bank
Oriental Bank of Commerce
Bank of Baroda
DBS Bank Ltd

Company Secretary

Gita Bade

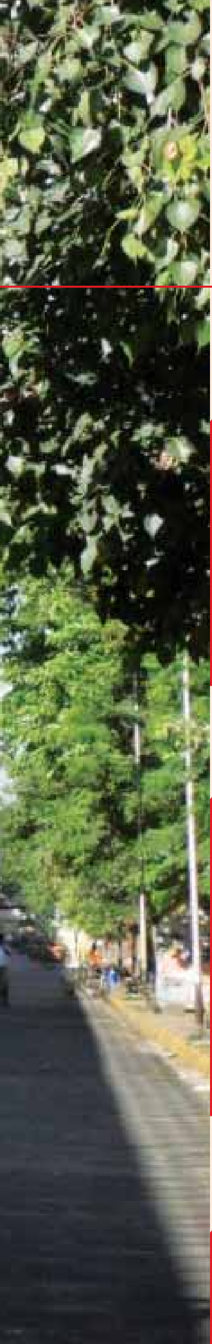
Auditors

Natvarlal Vepari & Co.

Chennai Metro Tunnel

Kolkata Metro Rail

Deoli Factory, Wardha



BALANCE SHEET

(₹ in Crores)

Source of Funds	As at 31st March 2013	As at 31st March 2003
Shareholders Funds	1714.62	188.91
Non-Current Liabilities	1357.33	198.19
Current Liabilities	5379.31	489.38

Application of Funds	As at 31st March 2013	As at 31st March 2003
Non-Current Assets	4210.76	423.20
Current Assets	4240.50	453.28

PROFIT & LOSS ACCOUNT

(₹ in Crores)

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	Jan 05 to Mar 06 (15 mths)	Apr 04 to Dec 04 (9 mths)	2003-04
Turnover	5197.36	5533.12	5557.97	4534.25	3681.96	2513.74	2084.33	1645.69	866.60	1119.72
Profit Before Tax	-439.92	153.13	176.40	211.25	208.69	139.34	143.06	111.16	51.59	54.46

FINANCIAL POSITION

(₹ in Crores)

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	Jan 05 to Mar 06 (15 mths)	Apr 04 to Dec 04 (9 mths)	2003-04
Net Worth	1714.62	2251.98	2116.80	1944.90	1580.64	1228.66	1150.27	925.82	394.33	222.31
Borrowed Fund	3521.49	2728.91	2126.11	1294.56	972.27	377.06	371.49	170.59	303.10	218.18
Fixed Assets (Net)	1162.04	1352.26	1378.50	1168.99	983.41	791.45	701.48	377.04	322.47	295.31

FINANCIAL RATING assigned by CARE

Facilities	Amount (₹ in Crore)	Ratings
Long Term Bank Facilities	1,300	CARE B
Long / Short Term Bank Facilities	10,400	CARE B / A4
Non Convertible Debentures	500	CARE B
CP / STD	900	CARE A4
CP / STD*	100	CARE A4

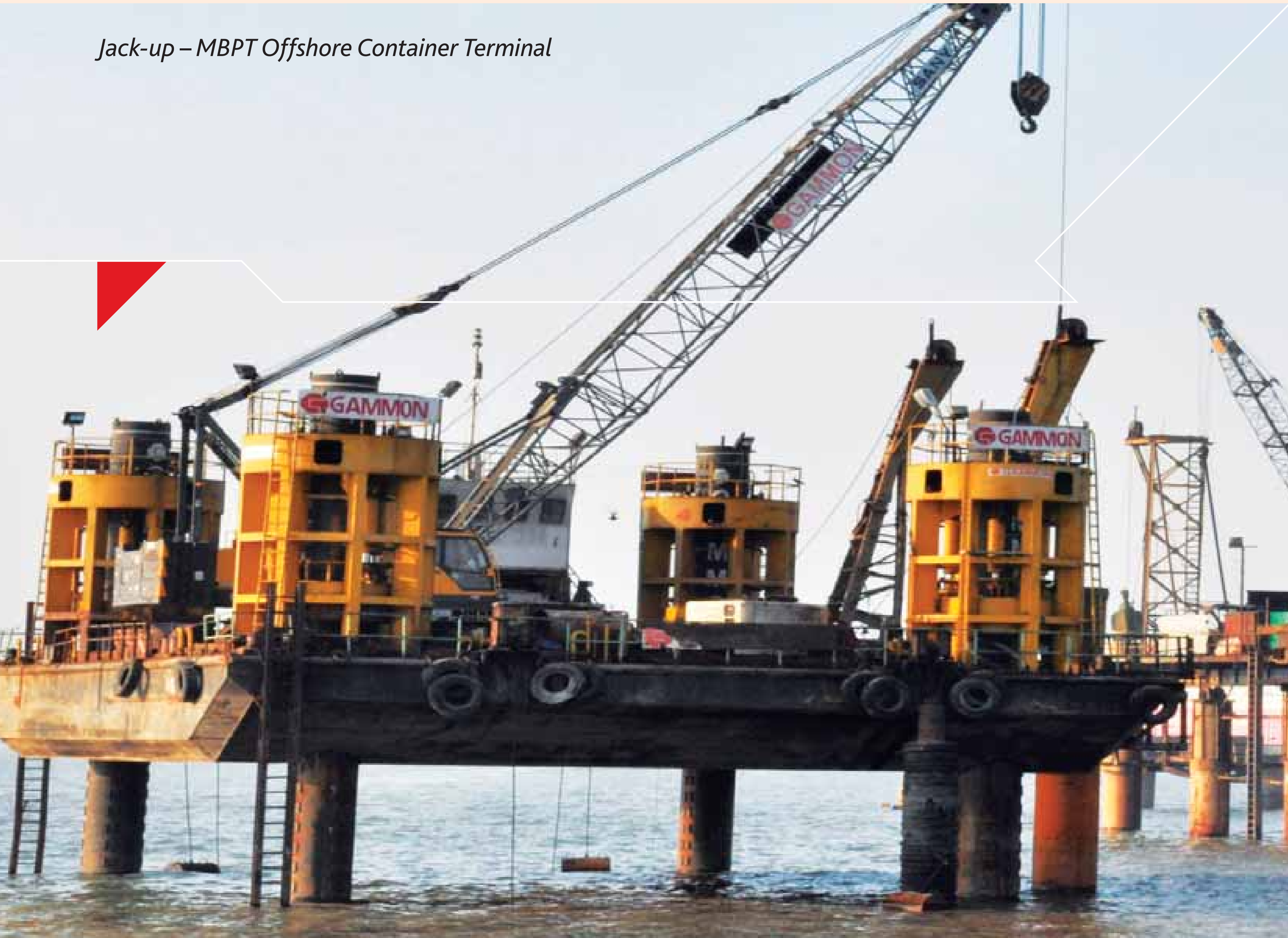
** Carved out of Working Capital*

Region-wise Projects

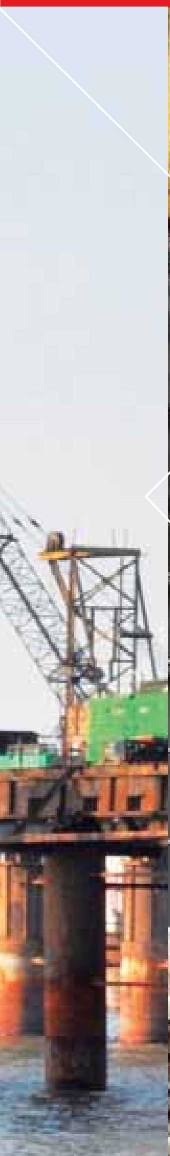
as on 31st March 2013

Areas of Specialization	North Zone	South Zone	East Zone	West Zone	Total
Transport Engineering	4	6	15	5	30
Energy Projects/High-rise Structures/ Industrial Structures	4	19	15	20	58
Hydro Power/Tunnel/Irrigation Projects	6	5	4	-	15
Building Works	-	4	1	5	10
Ground Engineering & Environment Protection	-	1	4	4	9
Pipeline and Marine Projects	1	1	1	3	6
Total	**15**	**36**	**40**	**37**	**128**

Jack-up – MBPT Offshore Container Terminal



Godavari Bridge



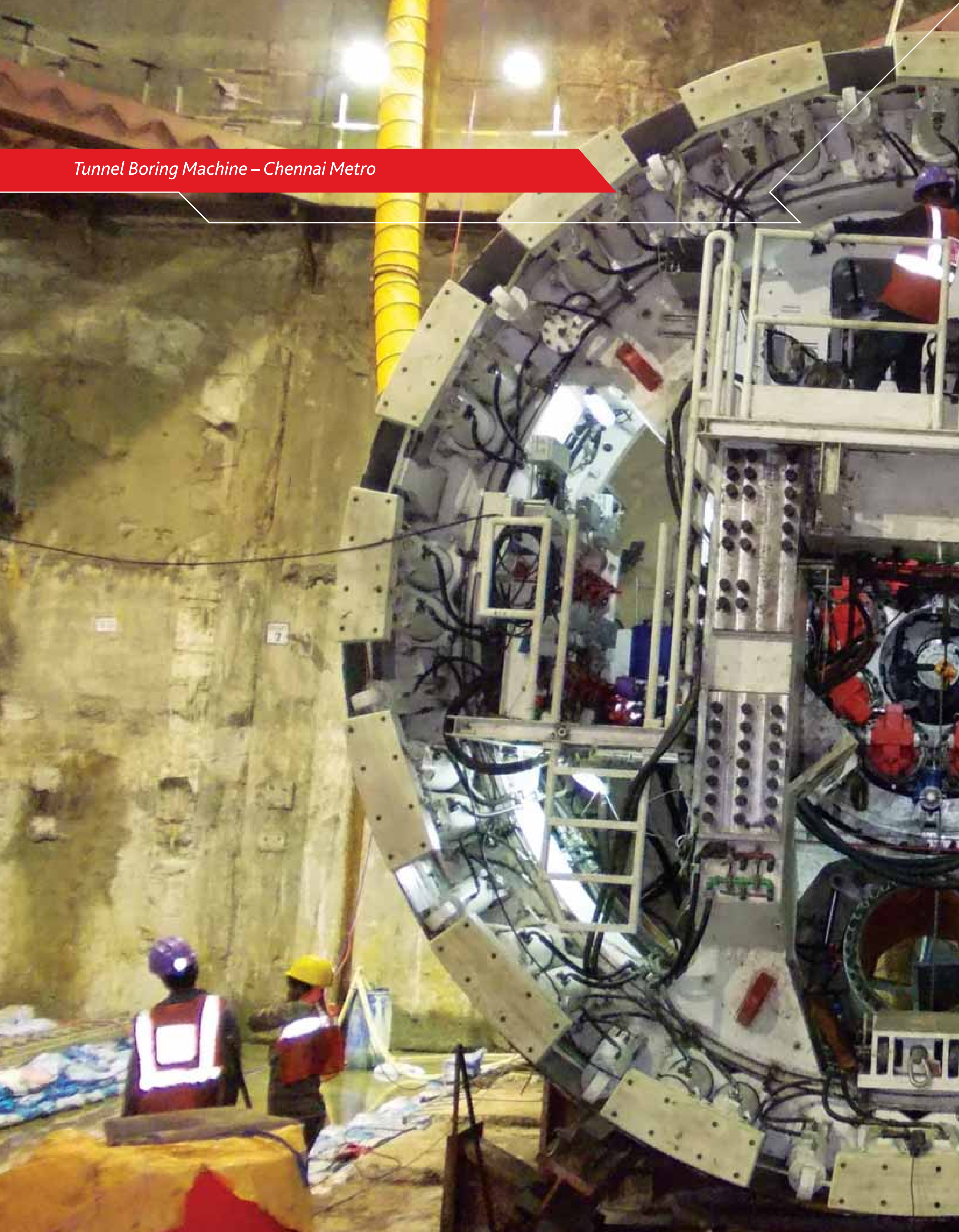
Casting Yard – Chennai Metro

Financial Highlights of the Decade

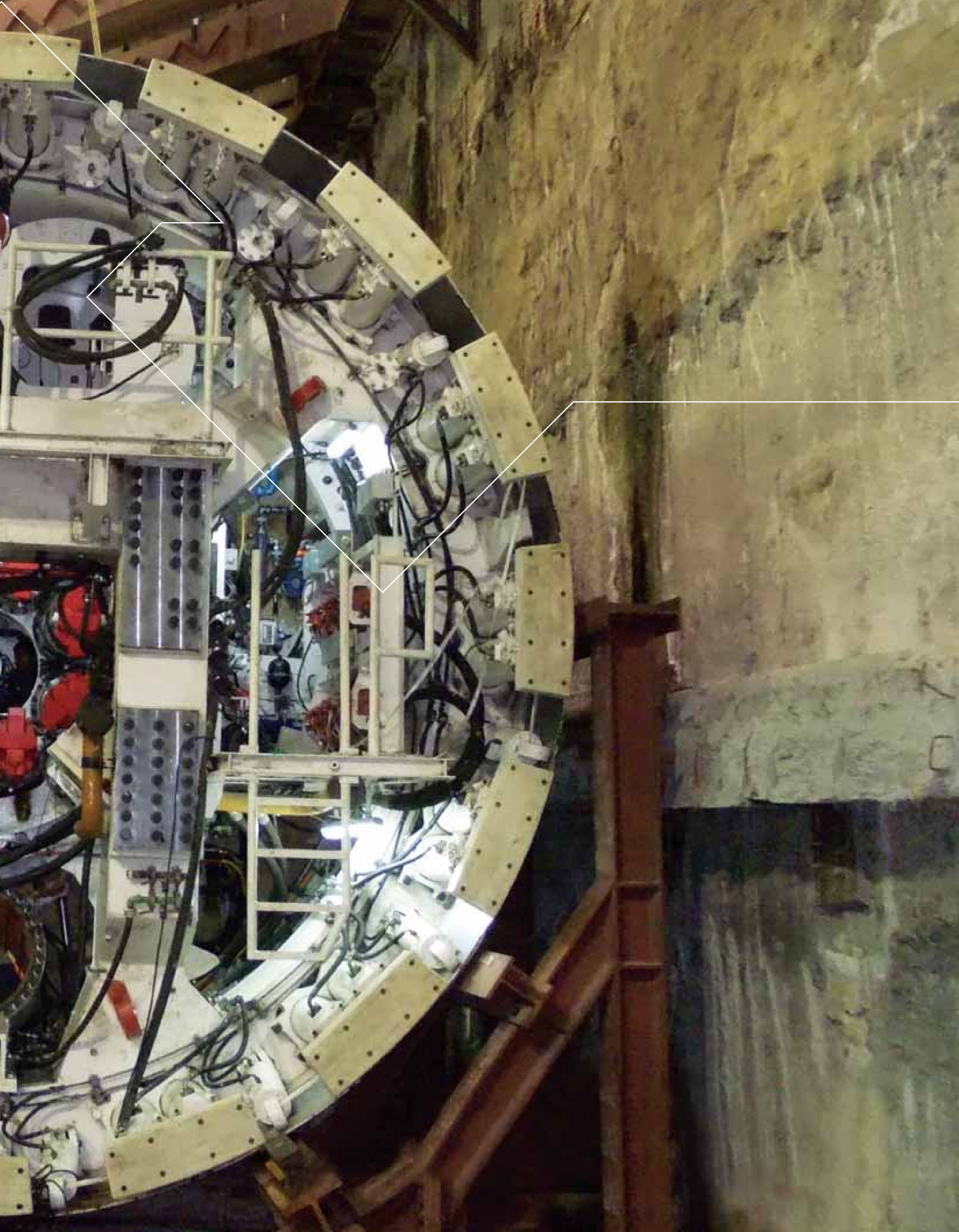
	2003-04*	Apr04-Dec04 9 Months	Jan05-Mar06 15 Months
A. FINANCIAL POSITION			
Share Capital	12.84	15.58	17.69
Employee Stock Option Outstanding	-	-	-
Equity Shares Warrants			
Reserves & Surplus (Excluding Revaluation of Assets)	139.25	309.62	840.79
Revaluation reserves	70.22	69.13	67.34
SHAREHOLDERS FUNDS	**222.31**	**394.33**	**925.82**
Loan Funds	218.18	303.10	170.59
Deferred Tax Liability	31.98	36.59	34.53
Fixed Assets (Net) [Excluding Revaluation of Assets]	225.09	253.33	309.70
Amount of Revaluation	70.22	69.13	67.34
Total Net Fixed Assets (Including Revaluation of Assets)	**295.31**	**322.47**	**377.04**
Investments	80.50	89.63	116.19
B. OPERATING RESULTS			
TURNOVER	1,119.72	866.60	1,645.69
Net Profit before Tax	54.46	51.59	111.16
Net Profit after tax	34.09	42.90	102.83
Dividend Distributed	3.16	3.85	5.25
Tax on Dividend	0.40	0.55	0.73
Cash Profits	59.40	63.96	137.86
C. EQUITY SHARE DATA (FACE VALUE PER SHARE RS.2/- EACH)			
Earning per Share ₹ (on Base capital 1999-00)	54.11	68.10	163.22
Earning per Share ₹ (on Weighted Average Capital)	23.42	5.92	13.43
D. IMPORTANT RATIOS			
Debt Equity ratio	1.43	0.93	0.20
Sales/Average of Net Fixed Assets (Number of Times)	5.09	3.62	5.89
Book Value of Share (Without Revaluation Reserve)	-	208.74	98.97
Book Value of Share (With Revaluation Reserve)	-	253.12	106.72

** Face value per share is ₹ 10 per share upto FY 2003-04*

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	17.69	17.69	126.71	25.83	27.49	27.50	27.50
	-	-	1.81	1.75	1.16	0.54	0.22
				18.60	-	-	-
	879.78	961.31	1,206.55	1,656.29	1,848.85	1,987.77	1,573.50
	252.80	249.66	245.57	242.43	239.30	236.17	113.40
	1,150.27	**1,228.66**	**1,580.64**	**1,944.90**	**2,116.80**	**2,251.98**	**1,714.62**
	371.49	377.06	972.27	1,294.56	2,126.15	2,728.91	3,521.49
	37.92	37.17	54.36	71.73	81.43	67.19	70.35
	448.68	541.79	737.84	926.56	1,143.35	1,116.09	1,048.64
	252.80	249.66	245.57	242.43	239.30	236.17	113.40
	701.48	**791.45**	**983.41**	**1,168.99**	**1,382.65**	**1,352.26**	**1,162.04**
	150.44	160.78	220.61	197.84	211.30	208.72	221.36
	2,084.33	2,513.74	3,681.96	4,534.25	5,636.85	5,533.12	5,197.36
	143.06	139.34	208.69	211.25	176.40	151.58	-439.92
	98.36	88.32	139.00	144.79	118.45	87.04	-445.67
	4.37	4.34	12.80	13.73	10.63	2.73	-
	0.64	0.74	2.17	2.28	1.74	0.44	-
	136.98	133.78	210.12	232.96	219.86	174.79	-338.50
	156.13	140.19	220.63	229.83	188.02	138.16	-707.41
	5.12	9.93	12.46	10.72	9.16	6.41	-32.82
	0.41	0.39	0.73	0.76	1.13	1.35	2.20
	5.49	5.08	5.75	5.45	5.45	4.90	4.80
	103.46	112.92	115.12	133.59	138.32	148.47	117.93
	132.60	141.64	138.10	152.61	155.95	165.86	126.28

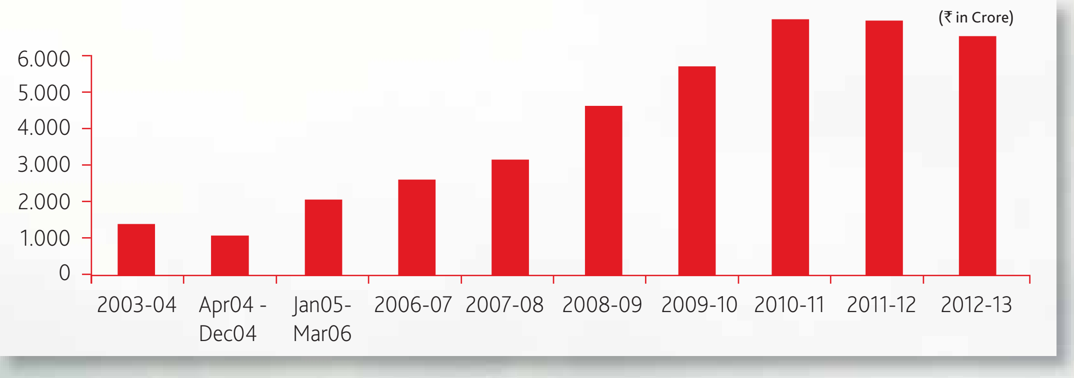


Tunnel Boring Machine – Chennai Metro



Performance Highlights

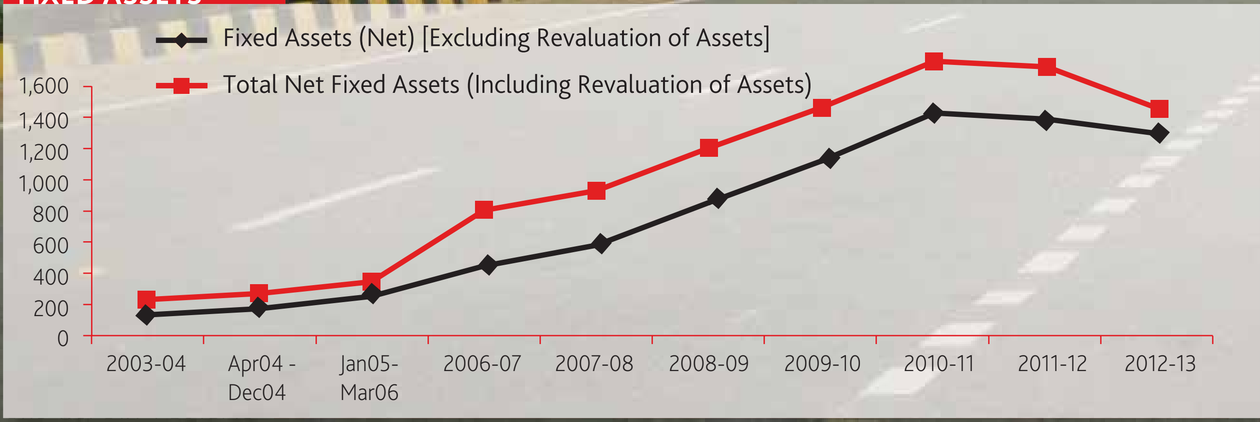
TURNOVER



NET PROFIT AFTER TAX

NET WORTH (EXCLUDING REVALUATION RESERVE)

FIXED ASSETS



** Face value per share is ₹ 10 per share upto FY 2003-04*

Gorakhpur Bypass

Pipeline for BPCL at Lepetkata, Assam

Key Projects

as on 31st March 2013

Chennai Metro Rail Project

CMRL Design and Construction of underground stations at Govt. Estate LIC Building, Thousands Lights and associated tunnels UG Package-2 and Gemini, Tenoypet, Chamiers, Road, Saidapet & associated tunnels UG Package-3 awarded to Consortium of Gammon India Limited and OJSC Mosmetrostroy.
Client: Chennai Metro Rail Corporation
Cost: ₹ 1747.61 Crore

Patna Buxar Works

Four Laning of Patna - Buxar stretch of NH-30 from Km 0+000 to 124+850 (Existing Chainage Km 181+300 to Km 125+300 of NH-30 and ARA Bypass from Km 125+300 of NH-30 to Km 6+000 of NH-84 and Km 6+000 to Km 75+000 of NH-84) in the State of Bihar under NHDP Phase III ("Project") (LOI GIPL/HO/TECH/GIL/001 dt. 04.02.2012.
Client: National Highways Authority of India
Cost: ₹ 1207 Crore

BajoliHoli HEP, Himachal Pradesh

Construction of Civil Works for GMR BajoliHoli Hydropower Pvt. Ltd.
Client: GMR BajoliHoli Hydropower Pvt. Ltd.
Cost: ₹ 769 Crore

Patna Muzaffarpur Road Works

Upgradation of Hajipur-Muzaffarpur section of the existing NH-77 to four lane dual carriageway. Construction of new bypass starting at km 46.300 and

connecting NH-28 of East-West corridor at km 515.045 in the State of Bihar.
Client: National Highways Authority of India
Cost: ₹ 750 Crore

▸ Godavari Bridge

Design Construction, Finance Operation and Maintenance of Major Bridge across river Godavari.
Client: Rajahmundry Godavari Bridge Limited
Cost: ₹ 700 Crore

▸ Signature Bridge

Construction of Bridge and its approaches over river Yamuna D/s of existing bridge at Wazirabad, Delhi (Main Bridge Cable Stayed).
Client: Delhi Tourism & Transportation Development Corporation Limited
Cost: ₹ 631.81 Crore

▸ Parbati Hydro Electric Project Stage 2

Parbati Hydro Electric Project Stage-II Civil and Hydromechanical Works for Power House, Pressure Shaft, Surge Shaft and Part HRT (Lot-PB-3) for NHPC in Himachal Pradesh.
Client: National Hydro Power Corp Limited
Cost: ₹ 603 Crore

▸ MbPT Offshore Container Terminal

Construction of Offshore Container Terminal at Mumbai Port.
Cost: ₹ 550 Crore

Rajahmundry Expressway Limited (REL)

53 Km stretch of road between Rajahmundry and Dharmavaram in Andhra Pradesh on NH5, connecting Chennai & Kolkatta

Annuity Road Project

- **Client:** National Highways Authority of India (NHAI)
- **Project Cost:** ₹ 256 Crore
- **Concession Period:** 17.5 years

The project achieved Commercial Operations Date on September 20, 2004.

As of March 31, 2013, REL has received 16 annuities from NHAI (each semi-annual annuity amounting to ₹ 2961.9 Lakhs).

Andhra Expressway Limited (AEL)

47. Km stretch of road between Dharmavaram and Tuni in Andhra Pradesh on NH5, connecting Chennai & Kolkatta

Annuity Road Project

- **Client:** National Highways Authority of India (NHAI)
- **Project Cost:** ₹ 248 Crore
- **Concession Period:** 17.5 years

The project achieved Commercial Operations Date on October 30, 2004.

As of March 31, 2013, AEL has received 16 annuities from NHAI (each semi-annual annuity amounting to ₹ 2791.2 Lakhs).

Cochin Bridge Infrastructure Company Limited (CBICL)

The 480 m long bridge connects Fort Kochi (a heritage town and a famous tourist site) to Willingdon Island in the Cochin Port Trust area

BOT cum Annuity Road Project

- **Client:** Government of Kerala (GOK)
- **Project Cost:** ₹ 25.74 Crore
- **Concession Period:** 19.9 years

Mumbai Nasik Expressway Limited (MNEL)

99.5 Km road Stretch connecting Vadape (towards Mumbai) and Gonde (towards Nasik) on NH3

Largest BOT road Project from NHAI at the time of award

- **Client:** National Highways Authority of India
- **Project Cost:** ₹ 927.18 Crore
- **Concession Period:** 20 Years

MNEL commenced partial operations on May, 2010 and tolling for the entire stretch on September, 2011.

Kolkata Metro

IGCAR, Kalpakkam

Caisson at Vishakhapatnam

Bogibeel Bridge

Vizag Seaport Private Limited (VSPL)

Two Multipurpose berths fully mechanized integrated handling system incorporating state-of-the-art technologies, capable of handling cargo up to nine MTPA at Visakhapatnam Port on BOT basis.

- **Client:** Visakhapatnam Port Trust (VPT)
- **Project Cost:** ₹ 325.52 Crore
- **Concession Period:** 30 years

Commercial operations begun in July 2004 and VSPL has handled 5.77 million tons of cargo in the financial year ending March 2013.

Kosi Bridge Infrastructure Company Limited (KBICL)

Design, Construction, Development, Finance, Operation and Maintenance of a 1.8 km long four-lane bridge across river Kosi with 8.2 km of access roads and bunds for flood protection on NH 57 in the Supaul district of Bihar.

BOT cum Annuity basis

- **Client:** National Highways Authority of India (NHAI)
- **Annuity receivable semi-annually:** ₹ 31.90 crore.
- **Concession Period:** 20 years

KBICL has obtained Commercial Operations Date and officially the project was inaugurated on 8th February, 2012.

Gorakhpur Infrastructure Company Limited (GICL)

Design, Construction, Finance and Maintenance of a 32.27 km long four-lane bypass to Gorakhpur town on NH 28 in the State of Uttar Pradesh.

BOT cum Annuity basis

- **Client:** National Highways Authority of India (NHAI)
- **Project Cost:** ₹ 753 Crore
- **Concession Period:** 20 years

The project was inaugurated on March 31, 2012. The EPC Contract for the project was awarded to GIL.

DIRECTOR'S REPORT

Your Directors have pleasure in presenting their 91st Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

1. FINANCIAL PERFORMANCE & OPERATIONS:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2012-2013	*2011-2012**	**2012-2013**	*2011-2012*
Profit before Other Income, Depreciation & Interest	**(21.54)**	*459.02*	**163.79**	*689.13*
Add:				
Other Income	**132.42**	*159.52*	**91.37**	*180.86*
Less:				
Depreciation	**107.39**	*101.99*	**343.67**	*242.96*
Interest	**443.41**	*363.42*	**827.35**	*652.83*
Profit/(Loss) before Tax	**(439.92)**	*153.13*	**(915.86)**	*(25.80)*
Less:				
Provision for Taxation	**5.75**	*66.09*	**6.06**	*95.52*
Profit/(Loss) after Taxation	**(445.67)**	*87.04*	**(921.92)**	*(121.32)*
Transferred to Minority Interest	**Nil**	*Nil*	**72.09**	*16.18*
Profit/(Loss) for the year	**(445.67)**	*87.04*	**(849.83)**	*(105.14)*
Add:				
Profit brought forward from the previous year	**368.34**	*341.67*	**(173.80)**	*64.37*
Available for Appropriation	**(77.33)**	*428.71*	**(1023.63)**	*(40.77)*
Appropriations:				
Transfer to General Reserve	**Nil**	*10.00*	**Nil**	*19.06*
Transfer to Debenture Redemption Reserve	**Nil**	*47.43*	**Nil**	*47.43*
Transfer from Debenture Redemption Reserve	**Nil**	*Nil*	**Nil**	*Nil*
Dividend from Own Shares	**(0.12)**	*(0.23)*	**(0.12)**	*(0.23)*
Transfer to Capital Reserve	**Nil**	*Nil*	**0.70**	*0.28*
Transfer to Foreign Currency Translation Reserve	**Nil**	*Nil*	**23.70**	*56.46*
Adjustments to Minority Interest	**Nil**	*Nil*	**0.09**	*0.58*
Dividend (Proposed) Equity Shares	**Nil**	*2.73*	**2.29**	*2.73*
Tax on Dividend	**Nil**	*0.44*	**1.48**	*7.73*
Other Adjustments	**Nil**	*Nil*	**(0.04)**	*(1.01)*
Balance carried to Balance Sheet	**(77.21)**	*368.34*	**(1051.74)**	*(173.80)*

**Figures for the previous period have been regrouped.*

The Turnover of the Company on a Standalone basis stood at ₹ 5,197 Crore for the year ended 31st March, 2013 (₹ 5,533 Crore previous year). Operating Profit (PBDIT) amounted to ₹ (21.54) Crore (₹ 459.02 Crore previous year). After providing ₹ 107.39 Crore (₹ 101.99 Crore for the previous year) towards depreciation and ₹ 5.75 Crore (₹ 66.09 crore previous year) towards tax for current and deferred taxation, the net profit amounted to ₹ (445.67) Crore (₹ 87.04 Crore previous year). The annualized percentage decrease in turnover over previous year amounted to 6%.

On a consolidated basis the turnover of the Gammon group stood at ₹ 7494.22 crore for the year ended 31st March, 2013. The annualized percentage decrease in turnover over previous year's turnover amounted to 8.03%. The group made a loss of ₹ 849.83 crores for the year ended 31st March, 2013 as compared to a loss of ₹ 105.14 crores in the previous year. This was mainly on account of increase in interest costs due to higher borrowings, impairment of Goodwill and diminution in the value of investment.

During the year under review, the Company has been facing tight liquidity position arising out of overall deceleration in the economy, lower industrial growth, delayed or indecisions at various governments and large PSU clients' level affecting the project progress and project variations. The liquidity crisis arising out of delayed and withheld payments resulted in higher debts thereby increasing the interest costs by 22%. Slowdown in the power investments in the power sector had adversely affected the power projects and this has also affected your Company's construction projects in the power sector.

This necessitated re-assessment of jobs considering the delays in project execution on account of funding difficulty. Many of the jobs turned negative on increased costs due to time and cost overruns on account of unfavorable working capital cycle arising out of increased inventory and outstanding receivables, which in accordance with Accounting Standard 7 required upfront recognition of the project loss.

Considering the current economic scenario in Europe, the Company on prudent basis has made provisions in connection with its investments / advances to/in its overseas companies. While the Company is entitled to claims of prolongation and other variations which would be subject matter of arbitration/disputes relating to above, pending raising of the claim and its settlement, on a prudent basis it has not factored for any claims/variations in excess of costs incurred thereon.

All these factors have eroded margins resulting in PBT losses, both on a standalone and consolidated basis.

During the year under review the Company re-alligned its debts through the process of Corporate Debt Restructuring which has been explained in detail below as well as in the Management Discussion and Analysis Report .

Given the challenging times ahead in order to improve margins and liquidity position, the Company is working on the following parameters to improve margin and liquidity. The Company has focused on cost management, making leaner organization, focused bidding process and being selective, optimum design and engineering with focus on standardization, improving plant productivity, rigorous focus on cash flow with focus on debtors, retention and inventory cycle and active and rigorous contract management to realize claims held up with clients.

The order book position of the Company as on 31st March, 2013 stood at ₹ 13,760 Crore. The Company secured additional projects worth ₹ 2,055.73 crores until the date of this report.

2. DIVIDEND:

In view of the loss incurred during the year the Board regrets its inability to declare any dividend for the year ended 31st March, 2013.

3. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradeable in electronic form. As of 31st March, 2013, 93.04% of the Company's total paid-up capital representing 127,003,594 equity shares is in dematerialized form. In view of the benefits offered by the Depository system, members holding shares in physical mode are advised to avail the demat facility.

4. FINANCE:

During the year under review the Company did not raise any funds from the capital markets either by way of issue of equity shares / ADR / GDR. The Company has obtained financial assistance from its consortium bankers to meet its short term working capital requirements.

During the year under review the Company did not raise any debt by way of issue of Debentures. The total amount of outstanding Non-Convertible Debentures as on date is ₹ 324 Crores.

CARE has assigned the following ratings:

Facilities	Amount (₹ in Crores)	Ratings
Long Term Bank Facilities	1,300	CARE B
Long / Short Term Bank Facilities	10,400	CARE B / CARE A4
Non-Convertible Debentures	500	CARE B
CP / STD	900	CARE A4
CP / STD*	100	CARE A4

*Carved out of working capital limits.

5. CORPORATE DEBT RESTRUCTURING:

The construction industry has been facing severe recessionary trend. Decelerated economy, slower industrial growth, delays in large PSUs projects caused delays wherein profitability of certain projects eroded on increased costs. Further Government inaction, delays in awarding projects, delays in clearances by various government agencies, bureaucratic apathy has led to delays in the project progress at various project sites. Also, delayed recievables, stagnation in revenues, high interest costs and expansion into non-core areas did not yield the expected returns which led to liquidity mismatches and increase in borrowings. This further resulted in higher interest outgo on higher borrowings coupled with higher interest regime.

In order to overcome this financial crisis, the Company sought to realign its debts through the Corporate Debt Restructuring mechanism. The Corporate Debt Restructuring Empowered Group ("CDR EG") examined the Company's proposal and a final debt restructuring package was approved by the CDR EG and communicated to the Company by the Corporate Debt Restructuring Cell vide its Letter of Approval dated 29th June, 2013, amendment letters dated 31st July, 2013 and 3rd August, 2013. The salient features of the CDR package are:

1. Cut off date is 1st January, 2013.
2. Total Debt rescheduled :
   a) ₹ 3373.74 crores fund based inclusive of short term and long term loans.
   b) ₹ 10,400 crores of non-fund based limits sanctioned earlier are being continued.
3. Re-schedulement of Short Term Loans, Term Loans and Non Convertible debentures payable over a period of ten years.
4. Funded interest for fifteen months period from January, 2013 to March, 2014.
5. Priority loan sanctioned for meeting the immediate financial needs of the Company.
6. Waiver of penal charges from the cut off date to the date of implementation of the package.
7. Reduction in the rate of interest by 1% for 15 (fifteen) months period from January 2013 to March, 2014.

The documentation and security creation is under process and the Company will be seeking shareholders approval for the same.

The Approval of the CDR package reflects the faith of the CDR lenders in the Company's commitment towards being "Builders to the Nation".

6. PUBLIC DEPOSITS:

Your Company did not invite or accept deposits from public during the year under review.

7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, the Company has transferred Fixed Deposits amounting to ₹ 500,000/- and Dividend (for the year 2005-06) amounting to ₹ 217,424/- to Investor Education and Protection Fund (IEPF), which was due and payable and remained unclaimed and unpaid for a period of seven years, as provided in Section 205C(2), of the Companies Act, 1956. Unclaimed Dividend for the year 2005-2006 is due for transfer to IEPF on 29th November, 2013.

8. EMPLOYEE STOCK OPTION SCHEME:

The erstwhile Associated Transrail Structures Limited (ATSL) had introduced an Employee Stock Option Scheme for the benefit of its employees. Pursuant to the amalgamation of ATSL with the Company, effective from 7th July, 2009, the said scheme has been taken over by the Company. Details of the stock options granted under the Employee Stock Option Scheme-2007 of erstwhile ATSL are disclosed in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and set out in Annexure 'A' of this Report.

9. SUBSIDIARY COMPANIES:

In addition to the subsidiaries as reported in the previous year the following companies were further incorporated/ acquired as subsidiaries/step down subsidiaries during the year under review:

1. Patna Water Supply Distribution Network Private Limited
2. Birmitrapur Barkote Highway Private Limited
3. Yamunanagar Panchkula Highway Private Limited
4. Sidhi Singrauli Road Project Limited
5. Mormugao Seaport Limited

During the year under review, the name of Mormugao Seaport Limited (Company's step down subsidiary) was changed to Mormugao Terminal Limited. The name of Yamuna Renewable Energy Private Limited was changed to Yamuna Minor Minerals Private Limited. The Company had incorporated an LLP viz Brookfield Multiplex Gammon India LLP for the specific purpose of carrying out the project of constructing high rise viz" Nathani Heights". However Brookfields Multiplex Private Limited resigned from the joint venture and the partnership and the project is now being executed by the Company .

The Ministry of Corporate Affairs, Government of India has, vide General Circular No. 2/2011 dated 8th February, 2011 read together with General Circular No. 3/2011 dated 21st February, 2011, granted exemption under Section 212(8) of the Companies Act, 1956, for not attaching Annual Report of subsidiary companies, subject to fulfillment of certain conditions by the holding company. As stated in the said circulars, the Board of Directors, vide its resolution dated 30th May, 2013 accorded its consent for not attaching the balance sheet of the subsidiaries. Further the Company has presented in the Annual Report, the consolidated financial statements of the Company and all its subsidiaries duly audited by its statutory auditors. The consolidated financial statements have been prepared in strict compliance with the applicable Accounting Standards and, where applicable, the Listing Agreement as prescribed by the Securities and Exchange Board of India. The Company has disclosed in the consolidated balance sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries:- (a) capital (b)reserves (c) total assets (d) total liabilities (e)details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation(h) provision for taxation (i) profit after taxation (j) proposed dividend;

The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the Company and of the subsidiary companies concerned and a note to the above effect has been included in the Annual Report of the Company. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

10. CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

11. DIRECTORS' EXPLANATION ON AUDITOR'S REPORT:

a. With reference to point nos. (iii)(c), (ix), (xi), (xvii) of the Annexure to the Auditors' Report dated 30th May, 2013 on the Standalone Financial Statements for the year ended 31st March,2013, your Directors wish to clarify as follows:

During the last twelve months the Company has been facing a very tight liquidity position arising out of overall deceleration in the economy, lower industrial growth, delayed decisions at various governments and large PSU clients' level affecting the project progress.

This has necessitated re-assessment of jobs considering the delays in project execution on account of funding difficulty. Many of the jobs have turned negative, on increased costs due to stretched time frames with unfavourable working capital cycle arising out of increased inventory and receivables, which in accordance with Accounting Standard-7 required recognition of the project loss upfront.

While the Company is entitled to claims of prolongation and other variations which would be subject matter of arbitration/disputes relating to above, pending raising of the claim and its settlement, on a prudent basis it has not factored for any claims/variations in excess of costs incurred thereon.

Even in the last few months the Company is unable to service interest and repayment of principal to bankers. The Company has utilised the funds for long term purpose which had been taken for short term period from lenders due to increase in working capital cycle. In order to overcome this financial crisis the company sought to realign its debts through the Corporate Debt Restructuring mechanism. The Company made a reference to the Corporate Debt Restructuring Cell. Company has received Letter of Approval (CDR LOA) pursuant to the Restructuring Package approved by the CDR Empowered Group.

Other group companies are also passing through the similar liquidity crunch. As of now they are not in the position to service the interest, but based on the business plan of these companies we will be in a position to bring a turnaround of business cycle.

b. With reference to point no. (iv) of the Annexure to the Auditors' Report dated 30th May, 2013 on the Standalone Financial Statements for the year ended 31st March, 2013 your Directors wish to clarify as follows:

Inventory cycle of the company is on a higher side. To improve this, the company has prepared an agenda to enhance control and bring down the inventory level. The key areas which will be driven are doing material reconciliation on a regular interval, identify waste and plan to reduce waste, raising material requisition based on inventory level and assessing inventory demands segment wise, training store team to build skills to drive various initiatives, doing review on monthly basis.

c. With reference to clause a) of the "Basis of Qualified Opinion" in the Audit Report dated 21st June,2013 on the Consolidated Financial statements for the year ended 31st March, 2013 the Board would like to inform you that as mentioned in Note 11(a) the Board of M/s. Franco TosiMeccanica S. p. A. (FTM), a Subsidiary of the Company out of prudence, due to its net losses exceeding 33% of its net worth had decided against an audited Financial Statement of 2012 since, in case if the audit of these accounts were done, FTM had to mandatorily go for recapitalization of the Company as per Article 2447 of the Italian Civil Code. With this, the immediate urgency of recapitalizing FTM was negated.

The Board of FTM filed on May 30th, 2013 with the Court of Milan (and with the Companies Registry) a "preliminary" request for admission to the procedure of pre-insolvency composition agreement with creditors and restructuring debts (“concordatopreventivo”), under Articles 161 Clause 6, Italian Government Publication dated 10 March 1942 no 267 – further amended in September, 2012, in the light of acute financial stress being faced by FTM due to recessionary trends in the industry and Europe in general.

The said application was admitted by the Court on 7th June, 2013. The Court on 25th July, 2013 has appointed a Commissioner, while maintaining the current Management and Board, whose task is to start appropriate procedures, including leasing, by which the operations of the company relating to the backlog and front log orders are preserved and completed while also drawing up a scheme for settlement of the outstanding debts of the creditors of the Company. The time limit available to the Commissioner and the Management of FTM to complete the above and the final approval by the Court is expected by October, 2013. Steps have been initiated to meet the above deadlines including the approval by the Court at which time the further way forward for FTM will get better defined.

d. With reference to clause b) of the “Basis of Qualified Opinion” in the Audit Report dated 21st June, 2013 on the Consolidated Financial statements for the year ended 31st March, 2013 the Board would like to inform you that as mentioned in note 1(b) (v) of the directors of ItroPte Ltd, an Associate of our Joint Venture Sofinter S.p.A. believe that due to recent modifications to its plant and continuous maintenance ItroPte Ltd will be able to complete the start-up phase in a reasonable timeframe and to start generating sufficient cash flows to enable it to discharge its financial commitments. However, the directors of ItroPte Ltd are unable to forecast with reasonable certainty the time frame for collection, due to which their auditors have qualified their opinion.

e. With reference to clause c) of the “Basis of Qualified Opinion” in the Audit Report dated 21st June, 2013 on the Consolidated Financial statements for the year ended 31st March, 2013 the Board would like to inform you that Europower S.p.A. a subsidiary of the joint venture Sofinter S.p.A. has initiated legal proceeding in the competent court in Italy, against their customer to recover the amount of Euro 3 Million i.e. ₹ 20.86 crores (Company's share being Euro 1.35 Million (₹ 9.39 crores). Pending the outcome of the said litigation, the risk arising from outstanding disputes, Europower has made a provision for total of 2.3 Million Euro i.e. ₹ 16 crores. Considering the current status of the legal proceedings, the Directors of Europower S.p.A. believe that Sofinter S.p.A. shall not incur additional losses over and above the amount of funds allocated.

f. With reference to clause d) of the “Basis of Qualified Opinion” in the Audit Report dated 21st June, 2013 on the Consolidated Financial statements for the year ended 31st March, 2013 the Board would like to inform you that with respect to the extent of recoverability of receivables in Dubai from a debtor including retention aggregating to AED 2.7 million (₹ 3.93 crores) which is due to Gammon & Billimoria LLC (GBLLC), a Subsidiary of the Company acting as a sub-contractor, the management of the said subsidiary is of the opinion that the amount is contractually recoverable and the subsidiary company is in negotiations with the client and hence no provision is made towards the same.

g. Members attention is drawn to “Emphasis of Matter” stated in the Auditor's Report dated 30th May, 2013 on the Standalone Financial Statements and in the Audit Report dated 21st June, 2013 on the Consolidated Financial statements for the year ended 31st March, 2013. The Directors would like to state that the said matters are for the attention of members only and have been explained in detail in the relevant notes to accounts as stated therein and hence require no further clarification.

12. AUDITORS:

M/s. Natvarlal Vepari & Co., Chartered Accountants, Firm Registration no. 106971W, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. A certificate to the effect that their appointment, if made, will be within the prescribed limits u/s 224(1B) of the Companies Act, 1956 has been obtained from them. The Board on the recommendation of the Audit Committee recommends the re-appointment of M/s. Natvarlal Vepari and Company as Statutory Auditors of the Company for the financial year 2013-14.

The Board also, on the recommendation of the Audit Committee, recommends the re-appointment of M/s. Vinod Modi& Associates, Chartered Accountants, Firm Registration no. 111515W and M/s. M. G. Shah & Associates, Chartered Accountants, Firm Registration no. 112561W, as the Joint Branch Auditors of 'Gammon India Limited –Transmission& Distribution Business Headquarters, Nagpur' subject to approval by the Shareholders.

13. COST AUDITORS :

Pursuant to the Cost Audit Order dated 24th January, 2012 issued by the Ministry of Corporate Affairs (MCA), the Board of Directors has appointed R. Raghavan Cost Auditor, as the Cost Auditor for audit of cost accounting records of the transmission and distribution business for the financial year March 31st, 2013. The report of the Cost Auditor will be filed with the MCA within the prescribed period.

The Board in its meeting held on 21st June, 2013 has on the recommendation of the Audit Commmittee approved the re-appointment of Mr. R. Raghavan as the Cost Auditor of the Company for the year ending 31st March, 2014 for the applicable product of the transmission and distribution business. The appointment has been approved by the Central Government.

14. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Corporate Governance and Management Discussion and Analysis Report for the year under review,together with a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

15. DIRECTORS:

Mr. Parvez Umrigar was appointed as an Additional Director designated as Whole-time Director of the Company with effect from 2nd January, 2013. Effective 1st April, 2013. Mr. Umrigar ceased to be the Whole-time Director of the Company. He, however, continues to be on the Company's Board as Non-Executive & Non-Independent Director and holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment.

Mr. Rohit Modi resigned as the Deputy Managing Director of Gammon India Limited w.e.f. 30th May, 2012. The Board places on record its sincere appreciation for the services rendered by Mr. Modi during his tenure as the Deputy Managing Director of the Company.

Mr. Himanshu Parikh resigned as the Executive Director of Gammon India Limited w.e.f. 13th March, 2013. The Board places on record its sincere appreciation for the services rendered by Mr. Parikh during his tenure as a Executive Director of the Company.

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jagdish Sheth and Mr. Naval Choudhary retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Notice convening the annual general meeting includes the proposal for appointment /re-appointment of the Directors .Brief profiles of the proposed appointees together with other disclosures in terms of Clause 49 of the Listing Agreement are part of the Annexure to the Notice of the Annual General Meeting.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act 2000, the Directors confirm that:

1. The applicable accounting standards have been followed by the Company in preparation of the annual accounts for the period ended 31st March, 2013;
2. The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the loss of the Company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. The annual accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

17. PARTICULARS OF EMPLOYEES:

The particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all shareholders, excluding the statement of particulars of employees. Any shareholder interested in obtaining a copy may write to the Company Secretary at the Registered Office of the Company.

18. PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

A. Conservation of Energy:

Energy has been a vital resource in development of any Industry. With day to day escalation in energy requirements, there has been increased emphasis on energy Conservation to monitor energy consumption and avoid wastage. Company is endeavoring continuously towards energy conservation by adopting innovative measures. Some of the specific measures undertaken are :

- Installation of Energy Meters on all DG Sets.
- Monitoring Diesel Consumption of Plant & Machinery.
- Improvement in Diesel Consumption by using Soltron enzyme based additives.
- Installation of Capacitor Banks for Power Savings.
- Use of Variable Frequency Drive (VFD) Starting System, Energy Efficient Motors for EOT / Gantry Cranes.
- Initiated use of energy saving lighting system at H.O./workshops/sites to maintain consumption of energy.
- Initiated time based operations in H.O & regional offices for preventing unwanted energy usage.

Initiatives taken at the Company's T&D Division at Nagpur to conserve energy and environment by reducing the consumption of non-renewable energy sources are:

- Installation of drying oven for preheating of materials prior to galvanizing with the help of waste flue gases from galvanizing furnace which has reduced fuel consumption by 10%.
- Change in fuel from LDO to Ignite oil and from ignite oil to Liquefied Petroleum Gas through liquid off take (LOT) system in galvanizing furnace reduces carbon deposition which minimizes breakdown, gives uniform heating to kettle thereby increasing the life & increase overall efficiency of the furnace.
- Maintaining power factor towards unity through capacitor bank.
- Transparent polycarbonate sheets provided at shop floor roof for usage of Natural light.
- Sewage Treatment Plant is installed to use waste water for gardening.
- Provided 85 Watt CFL in place of 250 Watts Metal Halide at finish yard Deoli works.
- Installed air operated diaphragm type pump instead of 10 HP electrical pump to save electrical power.
- Installed heat exchanger for heating of flux tank with the help of quench water.

B. Technology Absorption:

Timely completion of the projects as well as meeting the budgetary requirements are the two critical areas where different techniques help to a great extent. Many innovative techniques have been developed and put to effective use and the efforts to develop new techniques continue unabated.

C. **RESEARCH AND DEVELOPMENT (R & D):**

Increasing focus on developing infrastructure in the country has opened up many opportunities for the construction companies. To rise up to the challenge of completing huge quantum of work in a short time, we have to back up the onsite teams with continual improvement in construction technology. During the year under review the R&D activities undertaken by the company include:

- Concreting of lining for pressure shaft of about 1540m length inclined at 30º Development of i) Self compacting concrete (SCC) suitable for lining of inclined pressure shaft, ii) Suitable equipment (Concrete Pump & Pipe line) to withstand pressure upto 250 bars.
- Development for Launching scheme for caisson in the sea.
- Developments of Form travellers for cable stay bridges.
- Development of M60 grade development shotcrete.
- Temperature Modeling for high strength mass concrete

In the continued difficult economic conditions, cost reductions and early completion of projects remains high on the agenda for every construction company. The opportunities for economizing the designs, improving the productivity, reducing wastage and adopting better construction practices leave a lot of scope for research and technology implementation. There is an urgent need to increase efforts for standardization of equipment, formwork, structural designs and construction procedures.

The current market challenges makes it all the more important not to lose focus on the Research & technology investments as innovating technologies are key to overcome the economic challenges.

Gammon has bagged ACCE(I) L&T Endowment Award 2012 for **"Excellence in Construction of Industrial Structures"** for Design and Construction of 03 nos. NDCT for Indira Gandhi STPP at Jajjarr Haryana & Design and Construction of NDCT at Simhadri Stage II, Vishakhapatnam.

D. **Foreign Exchange earnings and outgo:**

Total foreign exchange used and earned during the year:

(₹ in Crores)

	Current Period	Previous Period
Foreign Exchange Earnings	**303.51**	235.48
Foreign Exchange Outgo	**181.08**	109.15

19. **ACKNOWLEDGEMENTS:**

Your Directors thank all its valued customers and various Government, Semi-Government and Local Authorities, Suppliers and other Business associates. Your Directors appreciate continued support from Banks and Financial Institutions and look forward to their co-operation in the future.

Your Directors place on record their appreciation of the dedicated efforts put in by the employees at all levels and wish to thank the Shareholders and all other stakeholders for their unstinted support and co-operation.

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

Place : Mumbai
Dated : 12th August, 2013

"ANNEXURE - A" TO THE DIRECTORS REPORT

Information required to be disclosed under the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme Guidelines, 1999)

Employees Stock Option Scheme – 2007

(a)	Options granted	106,300 Equity Shares of ₹ 10/- each.
(b)	Pricing Formula	The Exercise Price was to be decided by the Compensation Committee which shall not be less than the par value and shall not be less than the 'Fair Market Value' on the date of grant. Based on the valuation report, the Compensation Committee fixed the Exercise Price at ₹ 80/- per option.
(c)	Options vested	106,300
(d)	Options exercised	58,466
(e)	Total number of shares arising as a result of exercise option	116,932 equity shares
(f)	Options lapsed	26,044
(g)	Variation of terms of Option	NIL
(h)	Money realized by exercise of Options	₹ 4,677,280/-
(i)	Total number of Options in force:-	
	Vested	106,300
	Unvested	84,510
	Total	21,790
(j)	Employee-wise Options granted to:-	
	(i) Senior Managerial Personnel.	As per Statement attached
	(ii) Any other employee who receives a grant in any one year of Options amounting to 5% or more of Options granted during that year.	NONE
	(iii) Identified employee who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NONE
(k)	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standards (AS) 20 'Earning Per Share'.	₹ 6.38/-
(l)	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on EPS.	NIL
(m)	Weighted average exercise price and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	₹ 80/- and ₹ 677.65/- respectively.
(n)	Fair Value (Price Earning Capacity Value) Price of options.	₹ 80/-

Statement showing details of Options granted to Senior Managerial Personnel:

Name	**Designation**	**Number of options granted**
MR. G. D. RATHOD	Vice President - Engineering	4,000
MR. D. R. RAO	General Manager – Conductor Division	3,500
MR. A. GANGULY	Associate Vice President - Construction	4,200
MR. S. D. SHIKERKAR	Associate Vice President - Marketing	4,200
MR. V. A. MANDRE	General Manager – Works	3,900
MR. H. M. JOSHI	General Manager – Commercial	3,900
MR. SIMON JOSEPH	Additional General Manager – Rural Electrification	2,000
MR. M. C. MODI	Additional General Manager – Works	2,800
MR. P. CHANDRAN	Chief Manager - Resident	1,500
MR. P. GEORGE	Associate Vice President - Development	3,000

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

Place : Mumbai
Dated : 12th August, 2013

REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement entered into with the stock exchanges, the Company hereby submits the report on matters as mentioned in the said clause and Corporate Governance practices followed by the Company.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Corporate Governance broadly refers to a set of rules and practices designed to govern the behavior of corporate enterprises. The Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers etc. and accordingly lays great emphasis on regulatory compliances. The Company firmly believes that Corporate Governance is a powerful tool to subserve the long-term growth of the Company and continues to give high priority to the principles and practice of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of corporate governance as laid down in the Listing Agreement.

2. BOARD OF DIRECTORS (BOARD) :

(a) Composition :

The Company has an optimum combination of Executive and Non-Executive Directors, in conformity with Clause 49 of the Listing Agreement, to maintain the independence of the Board and to separate the Board functions of governance and management.

As on 31st March 2013, the Board comprises of a Chairman and Managing Director (Executive), 3 (Three) Executive Directors, One (1) Non Executive Non Independent Director and Six (6) Non Executive Independent Directors. All the members of the Board are persons with considerable experience and expertise in industry, finance, management and law.

The Chairman and Managing Director provides leadership to the Board and to the Management in strategising and realizing business objectives and is supported by the Executive Directors. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees (as specified in Clause 49 of the Listing Agreement), across all the Companies in which he / she is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

(b) Board Meetings :

The Board meets at least once in each quarter inter alia to review the quarterly results. In addition the Board also meets whenever necessary. The Board periodically reviews compliance reports of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non – compliances, if any.

During the year under review the Company held 6 (Six) Board Meetings on 15/05/2012, 14/08/2012, 23/08/2012, 14/11/2012, 14/02/2013 and 13/03/2013 and the gap between two meetings did not exceed four months. The Board Meetings were held at the registered office of the Company.

(c) Changes in Board Composition :

Effective from 1st April, 2012 till date the following changes have taken place in the Board composition:

1. Mr. Rohit Modi resigned as Deputy Managing Director of the Company w.e.f 30th May, 2012.
2. Mr. Himanshu Parikh ceased to be Executive Director with effect from 13th March, 2013, by virtue of his resignation from the Board.
3. Mr. Parvez Umrigar was appointed as a Whole-time Director of the Company designated as “Group Director” with effect from 2nd January, 2013. Effective 1st April, 2013, Mr. Parvez Umrigar ceased to be the Whole-time Director of the Company. He, however, continues to be on the Company’s Board as Non-Executive & Non-Independent Director.

(d) Directors’ Attendance Record and Directorships held :

The names and categories of the Directors on the Board, their attendance at board meetings during the year and at the last Annual General Meeting, as also the number of directorships and committee memberships held by them in other Companies are given below :

Name and Designation of Director	Category of Directors	No. of Board Meetings attended (01.04.2012 to 31.03.2013)	Whether attended last A.G.M. held on 25th September, 2012	No. of Directorships in other Public Companies	No. of Chairmanship and Membership of Committees of other public companies	
					Chairman	Member
Mr. Peter Gammon Chairman Emeritus	Non- Executive/ Non Independent	NIL	No	NIL	NIL	NIL
Mr. Abhijit Rajan Chairman & Managing Director	Promoter / Executive/ Non Independent	6	Yes	3	1	NIL
Mr. Rohit Modi * Deputy Managing Director	Executive/ Non Independent	1	No	1	NIL	NIL
Mr. Rajul Bhansali Executive Director	Executive/ Non Independent	2	Yes	2	NIL	NIL
Mr. Himanshu Parikh** Executive Director	Executive/ Non Independent	4	Yes	4	1	NIL
Mr. Digambar Bagde Executive Director	Executive/ Non Independent	3	No	8	NIL	NIL
Mr. Parvez Umrigar*** Director	Non-Executive/ Non-Independent	2	No	NIL	NIL	NIL
Mr. C. C. Dayal Director	Non-Executive/ Independent	6	Yes	10	1	6
Mr. Atul Dayal Director	Non-Executive/ Independent	NIL	No	2	NIL	2
Mr. Jagdish Sheth Director	Non-Executive / Independent	6	Yes	NIL	NIL	NIL
Ms. Urvashi Saxena Director	Non-Executive/ Independent	5	Yes	5	NIL	2
Mr. Naval Choudhary Director	Non-Executive / Independent	6	Yes	NIL	NIL	Nil
Mr. Atul Kumar Shukla Director	Non-Executive/ Independent	6	Yes	4	2	2

* Mr. Rohit Modi resigned as Deputy Managing Director of the Company w.e.f 30th May, 2012.

** Mr. Himanshu Parikh resigned as the Executive Director of the Company w.e.f. 13th March, 2013.

***Mr. Parvez Umrigar was appointed as a Whole-time Director of the Company designated as “Group Director” with effect from 2nd January, 2013. Effective 1st April, 2013, Mr. Parvez Umrigar ceased to be the Whole-time Director of the Company. He, however, continues to be on the Company's Board as Non-Executive & Non-Independent Director.

Notes:

a) Other directorships do not include alternate directorships, directorships of Private, Foreign and Section 25 Companies.

b) Chairmanship / Membership of Board Committees includes only Audit and Shareholders / Investors Grievance Committee.

c) Mr. C.C. Dayal and Mr. Atul Dayal are related to each other.

d) The Board meetings are held at the registered office of the Company. The information as required under Annexure IA to Clause 49 is being made available to the Board. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year.

e) As per clause 49 of the Listing Agreement, the expression 'independent director' shall mean a non-executive director of the Company who:

(i) apart from receiving director's remuneration, does not have any material pecuniary relationship or transactions with the Company, its promoters, its directors, its senior management or its holding Company, its subsidiaries and associates which may affect independence of the director;

(ii) is not related to promoters or persons occupying management positions at the board level or at one level below the board;

(iii) has not been an executive of the Company in the immediately preceding three financial years;

(iv) is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the following:

- the statutory audit firm or the internal audit firm that is associated with the Company and
- the legal firm(s) and consulting firm(s) that have a material association with the Company;

(v) is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director;

(vi) is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares; and

(vii) is not less than 21 years of age.

(e) Details of Remuneration paid to Directors during the year ended 31st March 2013:

REMUNERATION POLICY:

All Executive Directors receive salary, allowances, perquisites and commission while Non-Executive Directors receive sitting fees for attending Board and Committee meetings. Payment of remuneration to the Chairman & Managing Director and the Executive Directors is governed by an Agreement entered into between the Company and the Managerial Personnel, the terms and conditions of which have been duly approved by the Board and the Shareholders of the Company.

The Remuneration (including perquisites and benefits) paid to the Executive Directors during the year ended 31st March 2013 is as follows:

Name of the Director	Salary (₹)	Perquisites (₹)	Commission ## (₹)	Total* (₹)
Mr. Abhijit Rajan	67,087,064	1,423,336	-	68,510,400
Mr. Himanshu Parikh	16,961,264	118,332	-	17,079,596
Mr. Rajul Bhansali	7,109,260	325,898	-	7,435,158
Mr. Rohit Modi	4,200,000	1,011,078	-	5,211,078
Mr. D.C. Bagde	8,746,243	131,666	-	8,877,909
Mr. Parvez Umrigar*	-	-	-	-
Total	**104,103,831**	**3,010,310**	**-**	**107,114,141**

*Mr. Parvez Umrigar was appointed as Whole-time Director designated as 'Group Director' of the Company effective 2nd January, 2013 on NIL remuneration.

Paid for the year 2012-13.

Remuneration paid to the aforementioned Directors during the Financial Year 2012-2013, though approved by the Shareholders, has exceeded the limits prescribed under Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 for that year. The Company has made an application to the Central Government for seeking its approval for payment of the aforesaid remuneration as "Minimum Remuneration" for the year 2012-2013.

The Ministry of Corporate Affairs has, vide its letter No. SRN B70671656/4/2013 – CL.VII dated 11th June, 2013, accorded waiver for recovery of excess remuneration paid to Mr. D. C. Bagde, Deputy Managing Director – Transmission & Distribution Business for the financial year 2011-12.

SERVICE CONTRACT / SEVERANCE FEES & NOTICE PERIOD:

The terms of employment stipulate a notice period of three months, for termination of appointment of Chairman & Managing Director and Executive Directors, on either side.

The Chairman & Managing Director and Executive Directors are also entitled for compensation for loss of office to the extent permissible under the Companies Act, 1956 if, during the currency of the Agreement their tenure of office is determined for reasons other than those specified in sub-section (3) of Section 318 or any other applicable provisions of the Companies Act, 1956. There is no other provision for payment of severance fees.

NON-EXECUTIVE DIRECTORS:

Non-Executive Directors of the Company do not draw any remuneration from the Company other than sitting fees for attending Board and Committee meetings.

Details of Sitting Fees paid to Non - Executive Directors for attending Board and Committee Meetings during the year 2012-13 are given below: -

Name	Board Meeting (₹)	Committee Meeting (₹)*	Total (₹)
Mr. C.C. Dayal	120,000	160,000	280,000
Mr. Atul Dayal	-	-	-
Mr. Jagdish Sheth	120,000	-	120,000
Ms. Urvashi Saxena	100,000	160,000	260,000
Mr. Atul Kumar Shukla	120,000	-	120,000
Mr. Naval Chaudhary	120,000	140,000	260,000

Note: (*) includes Audit Committee, Selection Committee, ESOP Compensation Committee and Remuneration Committee.

3. BOARD COMMITTEES:

In compliance with the Listing Agreement and the applicable laws, the Board constituted the following committees:

(1) Audit Committee (2) Shareholders' / Investors' Grievance Committee (3) ESOP Compensation Committee (4) Selection Committee and (5) Remuneration Committee.

The Board determines the constitution of the committees, the terms of reference for committee members including their roles and responsibilities.

(a) AUDIT COMITTEE:

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee presently comprises of 4 (Four) Non-Executive Independent Directors viz.: (1) Mr. C.C. Dayal (Chairman), (2) Mr. Atul Dayal, (3) Ms. Urvashi Saxena and (4) Mr. Naval Choudhary. All the members of the Audit Committee are financially literate and have accounting / related financial management expertise.

*Mr. Himanshu Parikh ceased to be the Executive Director of the Company with effect from 13th March, 2013. As a consequence, Mr. Parikh ceased to be a member of the Committee w.e.f. 13th March, 2013.

The Audit Committee meetings are held at the Registered Office of the Company and attended by invitation by the Chief Financial Officer, Finance Controllers, Representatives of the Statutory Auditors and the Internal Auditors of the Company.

The Company Secretary acts as Secretary to the Audit Committee.

The terms of reference of the Audit committee are broadly as follows :

a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board the appointment, re-appointment and removal of statutory auditors, branch auditors and fixation of their remuneration.

c) Reviewing with management the annual financial statements before submission to the Board for approval, focusing primarily on:

- Any changes in accounting policies and practices;
- Major accounting entries based on exercise of judgments by management;
- Qualifications in draft audit report;
- Significant adjustments arising out of audit;
- The going concern assumption;
- Compliance with accounting standards;
- Compliance with listing and legal requirements concerning financial statements;
- Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large; and
- Reviewing with the management, statutory and internal auditors, internal controls and the adequacy of internal control systems.

d) Reviewing the quarterly and half yearly financial results.

e) Reviewing the adequacy of internal audit functions, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

f) Discussion with Internal Auditors, any significant findings and follow up thereon.

g) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

h) Reviewing the operations, new initiatives and performance of the business divisions.

During the period under review, the Audit Committee held 5 (five) meetings on 15/05/2012, 14/08/2012, 23/08/2012, 14/11/2012 and 14/02/2013. Necessary quorum was present at all the meetings.

The details of meetings attended by the Directors are given below:

Name of the Member	Category	No. of Audit Committee Meetings attended
Mr. C.C. Dayal	Non-Executive -Independent	5
Mr. Atul Dayal	Non-Executive -Independent	NIL
Mr. Himanshu Parikh*	Executive/ Non - Independent	2
Ms. Urvashi Saxena	Non-Executive –Independent	5
Mr. Naval Chaudhary	Non-Executive -Independent	4

Mr. C.C. Dayal, Chairman of the Audit Committee was present at the previous Annual General Meeting held on 25th September, 2012.

(b) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE :

The Shareholders' / Investors' Grievance Committee comprises of 4 (Four) Non-Executive Independent Directors viz.: 1) Mr. C. C. Dayal (Chairman) 2) Mr. Atul Dayal 3) Mr. Naval Choudhary and 4) Mr. Atul Kumar Shukla.

The Company Secretary acts as Secretary to the Shareholders' / Investors' Grievance Committee.

*Mr. Himanshu Parikh ceased to be the Executive Director of the Company with effect from 13th March, 2013. As a consequence, Mr. Parikh ceased to be a member of the Committee w.e.f. 13th March, 2013.

The Shareholders' / Investors' Grievance Committee deals with various matters relating to:

- Transfer/ Transmission of shares;
- Issue of duplicate share certificates;
- Review of shares dematerialized/ rematerialized and all other related matters;
- Non- receipt of Annual Reports and dividend; and
- Redressal of investors'/ shareholders' complaints.

During the year 2012-13 the Committee held 18 (Eighteen) meetings on 16/04/2012, 15/05/2012, 16/08/2012, 15/09/2012, 08/10/2012, 22/10/2012, 29/10/2012, 01/11/2012, 22/11/2012, 29/11/2012, 07/12/2012, 29/12/2012, 29/01/2013, 07/02/2013, 07/03/2013, 15/03/2013, 22/03/2013 and 29/03/2013.

The minutes of the Shareholders'/Investors' Grievance Committee are reviewed and noted by the Board. The composition of the Committee and the details of the Committee meetings attended by the Members are given below:

Name of the Director	Executive/Non-Executive	No. of Committee Meetings Attended
Mr. C.C.Dayal	Non-Executive - Independent, Chairman	18
Mr. Atul Dayal	Non-Executive-Independent	NIL
Mr. Himanshu Parikh*	Executive- Non Independent	16
Mr. Naval Chaudhary	Non-Executive-Independent	18
Mr. Atul Kumar Shukla	Non-Executive-Independent	18

*Mr. Himanshu Parikh ceased to be the Executive Director of the Company with effect from 13th March, 2013. As a consequence, Mr. Parikh ceased to be a member of the Committee w.e.f. 13th March, 2013.

A total of 43 queries / complaints were received by the Company from Shareholders' / Investors' as detailed below. All the complaints were resolved by the Company to the satisfaction of the investors' and as on 31st March 2013, there were no pending letters / complaints. The status of Shareholders' complaints received up to 31st March 2013 is as stated below:

No. of Complaints received during the twelve months period ended 31st March, 2013.	43
No. of Complaints resolved as on 31st March, 2013.	43
No of Complaints pending as on 31st March, 2013.	NIL
No. of pending share transfers as on 31st March, 2013.	NIL

Name, Designation and Address of Compliance Officer:

Ms. Gita Bade
Company Secretary
Gammon India Limited
Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025.
Telephone : 022 – 61154000.
Facsimile : 022 – 2430 0529.

(c) ESOP COMPENSATION COMMITTEE :

The ESOP Compensation Committee comprises of 2 (two) Non-Executive Independent Directors viz. (1) Mr. C. C. Dayal and (2) Mr. Naval Choudhary.

The Company Secretary acts as the Secretary to the ESOP Compensation Committee.

The ESOP Compensation Committee oversees administration of the Employee Stock Option Scheme ('ESOP Scheme') taken over by the Company subsequent to the merger of Associated Transrail Structures Limited with and into the Company effective from 7th July, 2009.

No meetings were held during the year 2012-13.

*Mr. Himanshu Parikh ceased to be the Executive Director of the Company with effect from 13th March, 2013. As a consequence, Mr. Parikh ceased to be a member of the Committee w.e.f. 13th March, 2013.

(d) SELECTION COMMITTEE:

The Selection Committee comprises of 2 (two) Non-Executive Independent Directors and 1 (One) officer of the Company viz.: 1) Mr. C. C. Dayal Chairman 2) Mr. Jagdish Sheth and 3) Mr. A.B. Desai - Officer.

The Committee was constituted pursuant to the Directors Relatives (Office or Place of Profit) Rules 2003.

(No meetings were held during the year 2012-13.)

During the year under review, the Selection Committee was discontinued w.e.f 13th March, 2013.

(e) REMUNERATION COMMITTEE:

The Remuneration Committee comprises of 3 (three) Non-Executive Independent Directors viz.: (1) Mr. C. C. Dayal (Chairman) (2) Mr. Naval Choudhary and (3) Mrs. Urvashi Saxena.

The Remuneration Committee deals with the following matters:

- Finalise and approve the remuneration to be paid to Executive Directors;
- Determine Company policy on specific remuneration packages of
- Executive Directors (including annual increments and revision in salary);
- Determine Company policy on Pension rights and any compensation payment in relation to Executive Directors;
- Any other work on behalf of the Board which may be required in connection with the approval of remuneration of Executive directors.
- Finalise and approve the appointment and/or re-appointment of relatives of Directors to an office or place of profit including dealing in such other cases as may fall within the purview of Section 314 of the Companies Act, 1956, deciding on the remuneration of the aforesaid persons including increase in their remuneration.

During the year 2012-13 the Committee held 3 (three) meetings on 23/08/2012, 31/12/2012 and 14/02/2013 which was attended by all the members.

The Remuneration Committee was constituted on 14th August, 2012 to deal with matters pertaining to the appointment and remuneration of the Executive Directors of the Company.

The Board observed that, though formed pursuant to different sections of the Companies Act, 1956, the functions exercised by the Selection Committee and the Remuneration Committee were overlapping. The Board, at its meeting held on 13th March, 2013, passed a resolution for discontinuing the Selection Committee. The Board also assigned the powers formerly exercised by the Selection Committee to the Remuneration Committee. The Remuneration Committee was re-designated as 'Selection and Remuneration Committee' w.e.f. 13th March, 2013.

4. OTHER INFORMATION:

(a) CODE OF CONDUCT:

The Company has laid down a Code of Conduct for all Board members and the Senior Management Personnel. The Code of Conduct is available on the Company's website viz., www.gammonindia.com. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Chairman & Managing Director forms part of this Report.

(b) GENERAL BODY MEETINGS:

(i) Location, Date and Time of Annual General Meetings held during the last 3 (three) years:

The Annual General Meetings of the Company for the year 2011 – 2012, 2010 - 2011 and 2009 - 2010 were held at Ravindra Natya Mandir (P.L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai – 400 025, as detailed below :

AGM	Financial Year	Date & Time
90th	2011-2012	25th September 2012 at 3.30 p.m
89th	2010-2011	26th September 2011 at 3.00 p.m
88th	2009-2010	28th September 2010 at 3.30 p.m

(ii) Special Resolutions passed in the previous three Annual General Meetings:

Date of AGM	Particulars of Special Resolutions passed
25th September, 2012	i) Payment of 'Minimum Remuneration' to Mr. Abhijit Rajan – Chairman & Managing Director for a period of three (3) financial years i.e. for financial years 2011-12, 2012-13 & 2013-14. ii) Payment of 'Minimum Remuneration' to Mr. Rajul A. Bhansali, Executive Director – International Operations for a period of three (3) financial years i.e. for financial years 2011-12, 2012-13 & 2013-14. iii) Payment of 'Minimum Remuneration' to Mr. Himanshu Parikh – Executive Director for a period of three (3) financial years i.e. for financial years 2011-12, 2012-13 & 2013-14.

Date of AGM	Particulars of Special Resolutions passed
	iv) Payment of 'Minimum Remuneration' to Mr. Digambar C. Bagde, Deputy Managing Director – Transmission & Distribution Business for a period of three (3) financial years i.e. for financial years 2011-12, 2012-13 & 2013-14. v) Payment of 'Minimum Remuneration' to Mr. Rohit Modi – Deputy Managing Director for the financial year 2011-12.
26th September 2011	No Special Resolution was passed.
28th September 2010	Authorising Mr. Harshit Rajan – Head Procurement to hold and continue to hold an office or place of profit in the Company as Head Procurement on a revised remuneration in the scale of ₹ 30,00,000/- (Rupees Thirty Lacs Only) per annum payable with effect from 1st April, 2010 or such date as may be approved by the Central Government.

(iii) Resolutions Passed by Postal Ballot during 2012-13:

The following resolutions were passed by Postal Ballot during the year 2012-13:

A) Special Resolution:

(i) Approval of the Members sought pursuant to the provisions of Section 372A of the Companies Act 1956, authorizing the Board of Directors to make investment in, acquire by way of subscription, purchase or otherwise the securities of any other body corporate, make / give loans / deposits / guarantees / securities, to any other body corporate. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	420	92.26
Against the Resolution	30	7.74
Invalid Votes	14	0.00
Total	464	100.00

The aforesaid resolution was passed on 24th April, 2012.

(ii) Approval of the Members sought pursuant to the provisions of Section 372A of the Companies Act 1956, authorizing the Board of Directors to make investment in, acquire by way of subscription, purchase or otherwise the securities of any other body corporate, make / give loans / deposits / guarantees / securities, to any other body corporate. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	314	99.97
Against the Resolution	32	0.02
Invalid Votes	8	0.01
Total	354	100.00

The aforesaid resolution was passed on 29th August, 2012.

(iii) Approval of the Members sought pursuant to the provisions of Section 314(1B) of the Companies Act 1956, for appointment of Ms. Ruchi Bagde, relative of Mr. D. C. Bagde – Whole-time Director to an office or place of profit in the Company. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	281	99.96
Against the Resolution	57	0.03
Invalid Votes	8	0.01
Total	346	100.00

The aforesaid resolution was passed on 29th August, 2012.

B) Ordinary Resolution :

(i) Approval of the Members sought pursuant to the provisions of Sections 198, 269 & 309 of the Companies Act 1956, for re-appointment of Mr. Rajul A. Bhansali as Whole-time Director of the Company designated as Executive Director – International Operations. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	419	99.99
Against the Resolution	31	0.01
Invalid Votes	14	0.00
Total	464	100.00

The aforesaid resolution was passed on 24th April, 2012.

(ii) Approval of the Members sought pursuant to the provisions of Sections 198, 269 & 309 of the Companies Act 1956, for re-appointment of Mr. Digambar C. Bagde as Whole-time Director of the Company designated as Deputy Managing Director – Transmission & Distribution Business. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	305	99.97
Against the Resolution	36	0.02
Invalid Votes	8	0.01
Total	349	100.00

The aforesaid resolution was passed on 29th August, 2012.

Mr. V. V. Chakradeo of M/s. V. V. Chakradeo & Co., Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot process.

Procedure for Conducting Postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot containing text of the Resolution and Explanatory Statement to be passed through postal ballot, Postal ballot Form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. The calendar of events containing the activity chart is filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. After the last date of receipt of ballots, the Scrutinizer, after due verification, submits the result to the Chairman. Thereafter, the Chairman declares the result of the postal ballot at the General Meeting. The same is also published in the newspapers and displayed on the Company's website.

5. **OTHER DISCLOSURES:**

i. Other than transactions entered into in the normal course of business for which necessary approvals are taken and disclosures made, the Company has not entered into any materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. However the Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.

ii. Strictures imposed by SEBI:

No other penalties/ strictures have been imposed on the Company by the SEBI or any other Statutory Authority on any matter related to capital markets, during the last three years.

iii. A qualified practicing Company Secretary conducts Share Capital Reconciliation Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Share Capital Reconciliation Audit Report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

iv. The Chairman and Managing Director and the Chief Financial Officer have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO / CFO Certification for the year ended 31st March, 2013.

6. **MEANS OF COMMUNICATION:**

(a) **Financial Results:** As required under the Listing Agreement, Quarterly and Half-Yearly results of the Company are published within forty five days from the end of the respective quarter and the annual audited results are announced as and when approved by the Board. The financial results are published usually in the Free Press Journal/ Navshakti/ Economic times/ Business Standard/ Sakal/ Maharashtra Times.

(b) **News Releases, Presentations etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website viz. www.gammonindia.com. Official announcements are sent to the Stock Exchanges.

(c) **Website:** The Company's corporate website www.gammonindia.com provides information about the Company's business. It also contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable format.

(d) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

7. MANDATORY REQUIREMENTS:

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

8. NON-MANDATORY REQUIREMENTS:

a) Whistle Blower Mechanism:

The Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees may report violations of laws, rules, regulations or unethical conduct to their immediate supervisor / notified person. The Directors and Management Personnel are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.

b) Subsidiary Monitoring Framework:

All the subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary Companies and monitors the performance of such Companies, inter alia, by means of taking Consolidated Accounts and including all items of the subsidiaries as required under Section 212 of the Companies Act 1956, except the items which are exempted by the Ministry of Corporate Affairs.

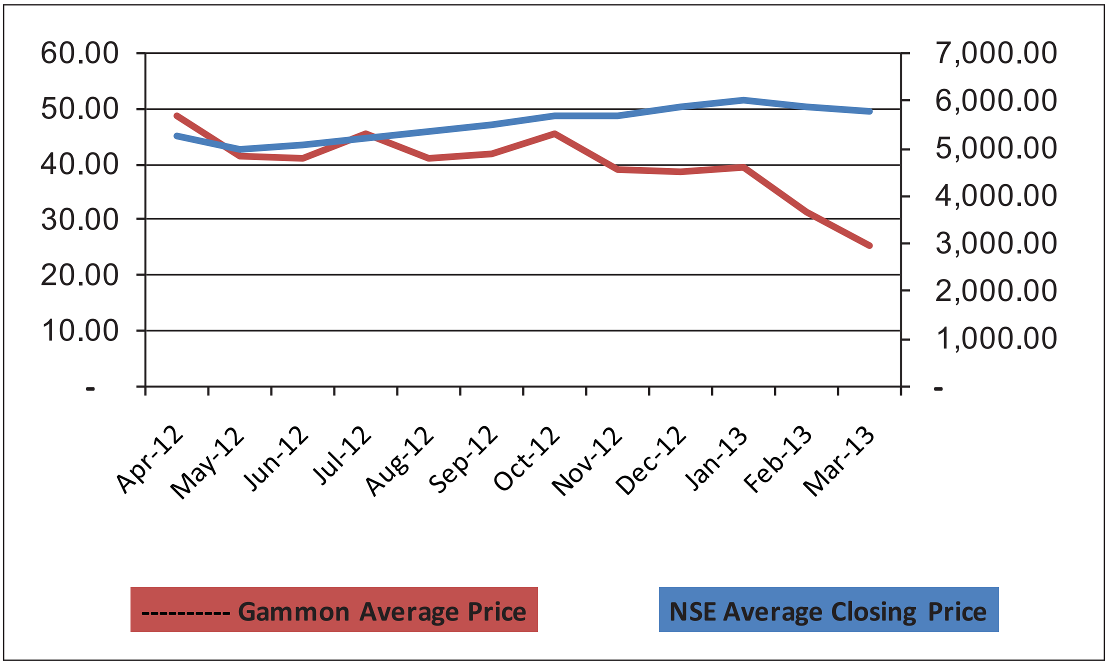
9. GENERAL SHAREHOLDER INFORMATION:

Date, Time and Venue of the 91st Annual General Meeting	Tuesday, 24th day of September, 2013 at 3.30 p.m. at Ravindra Natya Mandir (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai – 400 025.
Financial Calendar for the year 2013-14 (Tentative)	Results for the quarter ending 30th June 2013 – 14th August 2013. Results for the Half year ending 30th September, 2013 – Second week of November, 2013. Results for the quarter ending 31st December, 2013 – Second week of February, 2014. Results for the year ending 31st March, 2014 - Last week of May 2014.
Date of Book Closure	19th September, 2013 to 24th September, 2013 (both days inclusive).
Listing on Stock Exchanges ➢ **Equity Shares**	BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai 400 001. Telephone: 022 - 2272 1233/34 Facsimile: 022 - 2272 1919 (Stock code - 509550) AND The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Telephone: 022- 2659 8100/8114 Facsimile: 022 – 2659 8137/8138 (Stock code - GAMMONIND EQ)
➢ **Global Depository Receipts**	Luxembourg Stock Exchange, 11, Avenue de la Porte- Neuve B.P.165, L-2011 Luxembourg. Telephone: +352 47 79 36-1 Telefax: +352 47 32 98 Cusip No. : 36467M200 Common Code: 20772565
Listing Fees	Paid to the above Stock Exchanges for the Financial Year 2013-2014.
International Securities Identification No. (ISIN)	Equity: INE 259B01020 GDR: US36467M2008
Registrar & Share Transfer Agents	M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai 400 078. Telephone: 022–2596 3838 Facsimile: 022- 2594 6969 e-mail : mumbai@linkintime.co.in
Share Transfer System	Trading in Company's Shares on the Stock Exchanges takes place in electronic form. However physical shares are normally transferred and returned within 15 days from the date of lodgment provided the necessary documents are in order.

MARKET PRICE DATA: High and Low (in ₹) during each month in the last financial period on the Stock Exchanges.

MONTH	BSE		NSE	
	High	Low	High	Low
April, 2012	53.75	43.60	53.70	43.40
May, 2012	49.35	37.00	49.30	36.00
June, 2012	44.85	36.00	46.70	34.50
July, 2012	51.35	40.10	51.25	40.00
August, 2012	44.85	37.50	49.40	37.15
September, 2012	50.70	37.60	50.40	37.55
October, 2012	54.45	40.05	58.45	39.80
November, 2012	41.60	35.70	42.25	35.90
December, 2012	41.35	36.70	41.30	36.80
January, 2013	43.20	34.55	43.35	34.25
February, 2013	37.00	24.70	36.85	25.05
March, 2013	30.20	21.50	29.35	21.50

STOCK PERFORMANCE IN COMPARISON TO NIFTY



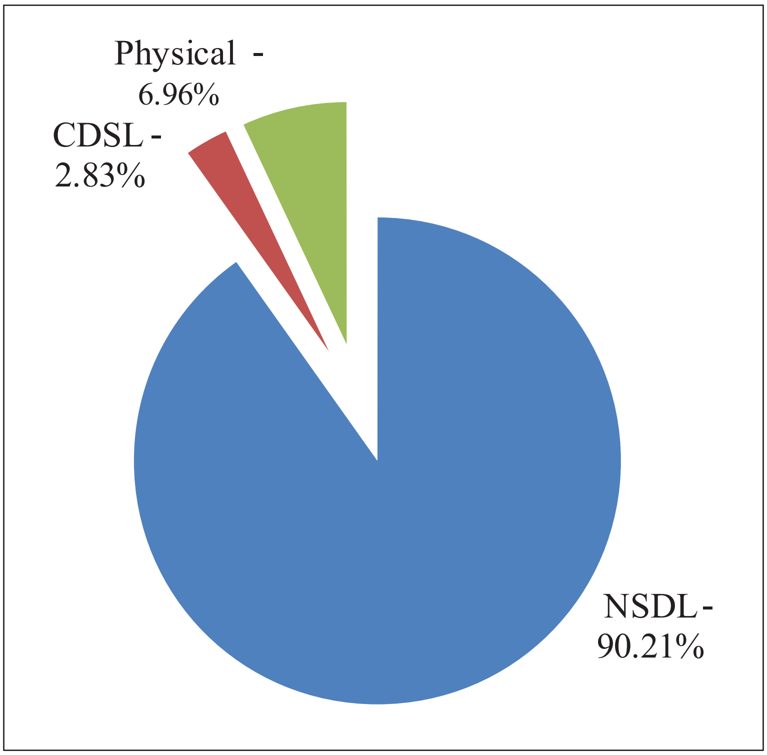
10. DISTRIBUTION OF SHAREHOLDING AS ON 31st March, 2013:

Shareholding of Shares	No. of Shareholders	% of Total	Share Capital Amount (₹)	% of Total
Upto - 500	23,470	72.4159	3765176	1.3792
501 - 1000	3,900	12.0333	3082358	1.1291
1001 - 2000	2,394	7.3866	3810404	1.3957
2001 - 3000	798	2.4622	2051544	0.7515
3001 - 4000	516	1.5921	1911278	0.7001
4001 - 5000	235	0.7251	1081080	0.3960
5001 - 10000	603	1.8605	4426510	1.6214
10001 - and above	494	1.5242	252872586	92.6270
TOTAL	**32410**	**100.0000**	**273000936**	**100.0000**

11. DEMATERIALISATION OF SHARES AS ON 31st MARCH, 2013:

Particulars	No. of Equity Shares	% to Share Capital
NSDL	123,136,711	90.21
CDSL	3,866,883	2.83
Physical	9,496,874	6.96
Total	**136500468**	**100.00**

(* 7,25,800 Equity Shares held in abeyance are included).



12. LISTING OF DEBT SECURITIES:

The Secured Redeemable Non-Convertible Debentures issued by the Company are listed on the Wholesale Debt Market (WDM) Segment of The National Stock Exchange of India Limited (NSE).

13. ONGOING PROJECTS: (Project size more than ₹ 300 Crore)

Sr. No.	Name of the Project	Project Value (Rs. in Crore)
1.	CMRL Design and Construction of underground stations at Government Estate LIC Building, Thousands Lights and associated tunnels UG Package-2 and Gemini, Tenoypet, Chamiers, Road, Saidapet & associated tunnels UG Package-3 awarded to Consortium of Gammon India Limited and OJSC Mosmetrostroy.	1747.61
2.	Design, Engineering, Procurement of Materials & Equipment, Construction and all other works and things necessary for completion of the project of four laning of National Highway No. 75-E including the section from km. 83/4 to km. 195/8 (approx. 102.60 km.) on Sidhi Singrauli Section in Madhya Pradesh.	900.00
3.	Parbati Hydroelectric Project II	811.25
4.	Bajoli Holi HEP and Construction of Coffer Dams, Diversion Tunnel, Concrete Dam including Spillway, Power Intake, Part HRT (upto RD 6347m) and Construction Adits: under Main Civil Works Package – Lot 1 for 180 MW Bajoli Holi HEP, Himachal Pradesh, India	769.00
5.	Upgradation of Hajipur - Muzaffarpur Section of the Existing NH - 77 to four lane dual Carriageway Configuration of the Section starting from KM 0.000 (Rameshish Chowk) to KM 46.300 & Construction of 16.870 KM. new bypass starting at KM 46.300 & connecting NH - 28 of East - West Corridor at KM. 515.045 ("Construction Works") in the State of Bihar on EPC Basis.	750.00
6.	(a) Design & Construction of turbine building, raw and fire water pump house, raw water reservoir, D.M.Plant, auxiliary boiler building, effluent treatment plant and other miscellaneous structures and works related to power island for 500 MWE Prototype Fast Breeder Reactor (PFBR) Bhavini, Kalpakkam, (b) Providing slabs above ABT, roof slab structure of RCB & other miscellaneous works at NIB, PFBR, Kalpakkam, (c) Civil & Architectural works for design and construction of sea water intake structure, intake submarine tunnel, approach jetty and seal well for outfall structure for 500 MWE PFBR Project at Kalpakkam,(d) Construction of CWMS pump house on eastern side of Fore Bay at Bhavini, Kalpakkam, and (e) Supplying & placing the heavy density concrete and heavy grout in RV roof slab cooling box,PFBR at Kalpakkam.	715.80
7.	AP Irrigation: Kalwakurthy	703.04
8.	Construction work for the project including the "Main Bridge Works" i.e.; A new bridge across river Godavari, approx. 4.150 KM; & the "Approach Roads" i.e.; (I) The approach road to the bridge on the west Godavari side (Kovvur side), approx. 1.933 KM in length; and (II) The approach road on east Godavari side (Rajahmundary side), approximately 8.405 KM in length as part of the project, "Construction Works".	700.00
9.	Construction of Bridge and its approaches over river Yamuna Downstream of existing bridge at Wazirabad, Delhi (Main bridge cable stayed).	631.81
10.	Construction of Offshore Container Terminal at MbPT (BOT Project).	550.00

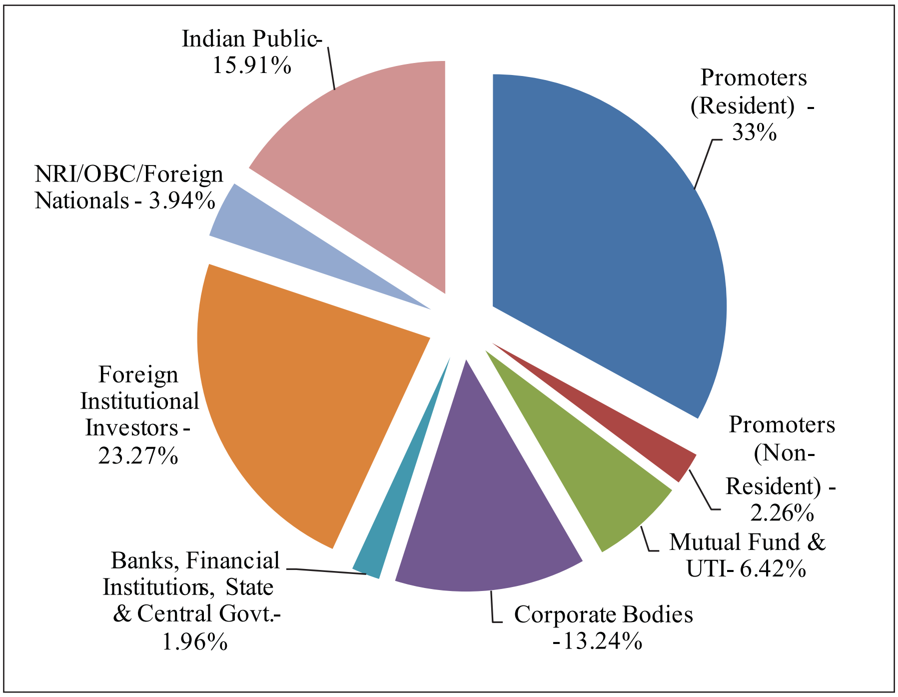
Sr. No.	Name of the Project	Project Value (Rs. in Crore)
11.	(1) Design, Engineering, Procurement of materials & Construction of Offshore Container Terminal (OCT) in Mumbai Harbour& (2)Electrical & Fire fighting work of Offshore Container Terminal in Mumbai Harbour, Mumbai, India.	480.38
12.	Main Plant & Offsite Civil works Pkg. Vallur TPP, Tamilnadu.	446.00
13.	Construction of well foundation & sub-structure of Bogibeel Rail cum Road Bridge across river Brahmaputra near Dibrugarh.	402.48
14.	Civil & Structural Steel Works for 2 X 600 Mw TPP near Tuticorin in Tamilnadu.	400.00
15.	Punatsangchhu - II Hydroelectric Project (990 MW) – Contract Package # C-2: "Construction of Headrace Tunnel (HRT) from Adit – I & Adit – II".	398.33
16.	Construction of New Brahamputra Bridge near Guwahati on NH-31 in State of Assam – Civil Package No. EW-II (AS-28)	387.59
17.	Rampur Hydroelectric Project – Package 1.0 (ICB No. CCD – RHEP – 401 – 02) Construction of Civil Works.	382.44
18.	Construction of Steel Superstructure and other ancillary Works of Rail cum Road Bridge acrossriver Ganga at Munger, Bihar.	375.19
19.	Design, Construction, Installation, Commissioning, Management, Operation & Maintenance of Intake, RWPH, 220MLD Water Treatment Plant & Water Supply Distribution Network in Patna (Bihar) under the JNNURM Scheme on DBO basis.	368.00
20.	Widening and Strengthening to 4-lane of existing carriageway of NHAI in the State of Bihar on E-W Corridor Phase – II, PKG. NO. C-II/BR-3.	356.51
21.	Civil Works & Structural Works for 3300 Mw TPP at Tiroda, Maharashtra.	350.00
22.	Design Construction of a complete new 107 MLD capacity potable water supply infrastructure project on turnkey basis for Guwahati City (South Guwahati Western Part).	349.7
23.	Construction of Bridge and its approaches over river Yamuna Downstream of existing bridge at Wazirabad, Delhi (Construction of approaches).	348.90
24.	Civil works and Architectural Finishes for the proposed high-rise Building "NATHANI HEIGHTS MIXED USE DEVELOPMENT" at property bearings C.S. No. 1/332 of Tardeo Division, Mumbai Central, Mumbai-400 008.	346.81
25.	Construction of Head Race Tunnel including Construction Adits (I, II, III, IV&V) and Associated Works of HRT of Mangdechhu Hydroelectric Project Bhutan.	343.11
26.	Construction Of Part Head Race Tunnel, Surge Shaft, Pressure Shaft, Power House And Tail Race Tunnel (Civil Works Package PB - II, Lot - 2) Parbati H. E. Project Stage – III.	339.00
27.	Improvement / Upgradation of Birpur - Balua - Jadia - Meergunj - Murligunj-Udaikishangunj Road (SH-91) Length – 101.7 Km. Contract Package No. - 4 of BSHP - II.	328.89
28.	Tuticorin Civil Works & Warehouse	324.00
29.	Improvement/Upgradation of Dumuria–Imamganj– Sherghati–Karamain – Mathurapur – Guraru – Ahiyapur – Tikari – Mau – Kurtha –Kinjar – Paligunj-RanitalabRoad (SH-69) length 153.00 km (Contract Package No.2).	313.50
30.	Andhra Pradesh Irrigation Works.	309.19

14. ADDRESS FOR CORRESPONDENCE:

Registered Office:
Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025.
Telephone : 022 – 61154000.
Facsimile : 022 – 2430 0529.
Website : www.gammonindia.com
Email : investors@gammonindia.com

15. CATEGORIES OF SHAREHOLDERS: (as on 31st March, 2013)

Category	No. of shares	Percentage
Promoters Holdings		
Resident	45045719	33.00%
Non-resident	3086435	2.26%
Non-Promoter Holdings		
Mutual Fund & UTI	8769022	6.42%
Corporate Bodies	18068750	13.24%
Banks, Financial Institutions, State & Central Govt.	2679454	1.96%
Foreign Institutional Investors	31768089	23.27%
NRIs /OCBs/Foreign Nationals/GDRs	5372456	3.94%
Indian Public	21710543	15.91%
GRAND TOTAL	**136500468**	**100.00%**



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The members of
GAMMON INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **GAMMON INDIA LIMITED** for the financial year ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the other conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. The minutes of some of the unlisted subsidiary companies however needs to be placed regularly before the board of the holding company.

4. We state that no investor grievance is pending for a period exceeding one month against the Company from the date of receipt of the grievance by the company as per the records and other documents maintained by the Shareholders/ Investors Grievance Committee.

5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Dated : August 12, 2013

CEO / CFO CERTIFICATION

To
The Board of Directors
GAMMON INDIA LIMITED

We, Abhijit Rajan, Chairman & Managing Director and Girish Bhat, Chief Financial Officer of Gammon India Limited, to the best of our knowledge and belief, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief state that:

  (i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

  (i) Significant changes in internal control during the year;

  (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) Instances of significant fraud of which they have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems.

ABHIJIT RAJAN	**GIRISH BHAT**
Chairman & Managing Director	Chief Financial Officer

Place : Mumbai
Date : 21st June, 2013

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
GAMMON INDIA LIMITED

DECLARATION

I, Abhijit Rajan, Chairman & Managing Director of Gammon India Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2013.

FOR GAMMON INDIA LIMITED

ABHIJIT RAJAN
Chairman & Managing Director

Place : Mumbai
Date : 12th August, 2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF GAMMON GROUP

Gammon India is amongst the largest infrastructure construction companies in India. Its track record spans significant landmark projects built over several decades, with a prominent presence across all sectors of civil engineering, design and construction. Besides its large scale of operations in the Construction and Infrastructure domain, Gammon has a dominant presence in energy business in which it operates in the hydro, nuclear and thermal power segments. Gammon's projects cover businesses and projects involving highways, public utilities, environmental engineering and marine structures. Gammon's expertise also covers the design, financing, construction and operation of modern bridges, viaducts, and metro rail, both on a Built-Operate–Transfer (BOT) basis as well as contract execution. Gammon is also active in the Social Infrastructure sector through its operations in the realty project segment. Gammon's overseas ventures includes a majority holding in Franco Tosi Meccanica, SAE Power lines, and Sofinter group, Italy spanning the sectors of power and industrial boilers, steam and hydro turbines as well as waste and environment management systems.

I ECONOMIC OVERVIEW, INDUSTRY STRUCTURE AND DEVELOPMENT:

After experiencing a slowdown in the growth induced by the global financial crisis in 2008-09, the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6 per cent and 9.3 per cent respectively in 2009-10 and 2010-11. However, with the economy exhibiting inflationary tendencies, the Reserve Bank of India started raising policy rates in March 2010. The high rate of interest coupled with policy constraints adversely impacted investment and the following two years viz. 2011-12 & 2012-13 saw a dip of 6.2 per cent and 5.0 per cent respectively in the growth rate. Despite this slowdown, the compounded annual growth rate for gross domestic product at factor cost, over the decade ending 2012-13 was 7.9 per cent.

The moderation in growth is primarily attributable to weakness in industry comprising mining and quarrying, manufacturing, electricity,gas and water supply, and construction sector, which registered a growth rate of only 3.5 per cent and 3.1 per cent in 2011-12 and 2012-13 respectively.

Infrastructure was one of the core sectors that was affected by the economic slowdown to a major extent during 2012-13. Infrastructure projects require good amount of time for planning and implementation of a project. Delays in the execution of projects not only lead to shortfalls in achieving targets but also widen the availability gaps. Time overruns in the implementation of projects continue to be one of the main reasons for under achievement in many infrastructure sectors. These overruns increase the cost of project beyond estimation and finally impact the project profitability. Delays in land acquisition, municipal permission, supply of materials, award of work, operational issues, etc. continued to drag down implementation of these projects.

Infrastructure sector which provides huge support in the development of all other sectors of the economy has been the focus area of Government. Fully recognizing the need to fill the void in financing infrastructure projects, last year's budget had set up infrastructure debt fund. In order to augment low cost funds from outside India, a reduced tax of 5% has been doled out in the current budget to foreign investors providing debt to key infrastructure projects such as aviation, power, toll road, bridge, port etc. This will definitely help in filling the gap of the huge investment the country needs in infrastructure.

Apart from providing a solution to the finance needs of the infrastructure companies, the Government has also taken up initiatives to float projects for improving the infrastructure in the country.

II REVIEW OF OPERATIONS:

The Turnover of the Company on a Standalone basis stood at ₹ 5,197 Crore for the year ended 31st March, 2013 (₹ 5,533 Crore previous year). Operating Profit (PBDIT) amounted to ₹ (22) Crore (₹ 459 Crore previous year). After providing ₹ 107.39 Crore (₹ 101.99 Crore for the previous year) towards depreciation and ₹ 5.75 Crore (₹ 66.09 crore previous year) towards tax for current and deferred taxation, the net profit amounted to ₹ (446) Crore (₹ 87 Crore previous year). The annualized percentage decrease in turnover over previous year amounted to 6%.

On a consolidated basis the turnover of the Gammon group stood at ₹ 7494.22 crore for the year ended 31st March, 2013. The annualized percentage decrease in turnover over previous year amounted to 8.03%. The group made a Loss of ₹ 849.83 crores for the year ended 31st March, 2013 as compared to a Loss of ₹ 105.14 crore in the previous year. This was mainly on account of increase in interest costs due to higher borrowings, impairment of goodwill and diminution in the value of investment.

During the year under review, the Company has been facing tight liquidity position arising out of overall deceleration in the economy, lower industrial growth, delayed or indecisions at various governments and large PSU clients' level affecting the project progress and project variations. The liquidity crisis resulted in higher debts thereby increasing the interest costs by 22%. Slowdown in the power investments in the power sector had adversely affected the power projects and this has also affected your Company's construction projects in the power sector.

This necessitated re-assessment of jobs considering the delays in project execution on account of funding difficulty. Many of the jobs turned negative on increased costs due to time and cost overruns on account of unfavorable working capital cycle arising out of increased inventory and outstanding receivables, which in accordance with Accounting Standard 7 required upfront recognition of the project loss.

Considering the current economic scenario in Europe, the Company on prudent basis has made provisions in connection with its investments / advances to/in its overseas companies. While the Company is entitled to claims of prolongation and other variations which would be subject matter of arbitration/disputes relating to above, pending raising of the claim and its settlement, on a prudent basis it has not factored for any claims/variations in excess of costs incurred thereon.

All these factors have eroded margins resulting in PBT losses, both on a standalone and consolidated basis.

The order book position of the Company as on 31st March, 2013 stood at ₹ 13,760 Crore.

III CORPORATE DEBT RESTRUCTURING:

The Company had been continuously growing in the past, with over 24.0% CAGR growth in Turnover till FY 2011. However, with the collapse of Lehman Brothers, the world economy started slowing down with Indian economy experiencing a down turn after a high growth period during FY 2005-08. The trickle-down effect started adversely affecting the Infrastructure and Construction industry over the last 2-3 years. The construction industry has been facing severe recessionary trends. Decelerated economy, slower industrial growth, delays in large PSUs projects caused delays wherein profitability of certain projects eroded on increased costs. Though, the company was able to ward off the impact immediately due to a good order book position, the elongated recessionary pressures for last two years affected the Company which led to reduction in turnover and negative growth in Net Profit. Major reasons for the stressful phase are:

a) Delayed Receivables

The total debtors outstanding increased from ₹ 1,699.4 Crores in FY 2011 to ₹ 2,295.5 Crores in FY 2013 primarily due to delays in payment of project/ construction payments by the Government, delays in project execution caused by frequent interruptions on account of right of way, regional disturbances and government approvals ,Non-release of retentions on account of delays by customer in implementing their projects/ achieving completions and delays in realization of arbitration award from the clients.

b) Cash flow mismatches due to elongated Working Capital Cycle

The Working Capital cycle was stretched due to delay in receivables realization leading to a severe cash crunch.

c) Stagnation in Total Revenue

Government inaction, delays in awarding projects, delays in clearances by various government agencies, bureaucratic apathy has led to delays in the project progress at various project sites including that of GIL, thereby resulting into cost overruns due to idling of manpower and equipments thereby resulting in reduction in revenue of the Construction Division.

d) High Interest Costs

To fund the increased Working Capital requirements and investments required in other non-core business segments, total borrowings increased significantly. Thus, interest and other finance cost increased exponentially over the years.

e) Expansion into non core areas

The Company had made investments in its subsidiaries / joint ventures. Given the global macro-economic slowdown in the past years, these investments have not yielded the expected return and as a result impaired the Company's liquidity position.

f) Macroeconomic conditions

The Company has also been affected by prevailing economic factors like high interest rates, slower economy growth, high inflation etc. All these factors led to liquidity mismatches and the Company resorted to taking short term loans to tide over the liquidity mismatches.

In order to overcome this financial crisis the company sought to realign its debts through the Corporate Debt Restructuring mechanism. The Company made a reference to the Corporate Debt Restructuring Cell ("CDR"). The CDR EG examined the Company's proposal and a final debt restructuring package was approved by the CDR EG and communicated to the Company by the Corporate Debt Restructuring Cell vide its Letter of Approval dated 29th June, 2013, amendment letters dated 31st July, 2013 and 3rd August, 2013. The salient features of the CDR package are:

1. Cut off date is 1st January, 2013.
2. Total Debt rescheduled :
    a) ₹ 3373.74 crores fund based inclusive of short term and long term loans.
    b) ₹ 10,400 crores of non-fund based limits sanctioned earlier are being continued.
3. Re-schedulement of Short Term Loans, Term Loans and Non Convertible debentures payable over a period of ten years.
4. Funded interest for fifteen months period from January, 2013 to March, 2014.
5. Priority loan sanctioned for meeting the immediate financial needs of the Company.
6. Waiver of penal charges from the cut off date to the date of implementation of the package.
7. Reduction in the rate of interest by 1% for 15 (fifteen) months period from January 2013 to March, 2014.

The documentation and security creation is under process and the Company will be seeking shareholders approval for the same.

The Approval of the CDR package reflects the faith of the CDR lenders in the Company's commitment towards being "Builders to the Nation".

IV SPECTRUM OF ACTIVITY AND REVIEW OF PERFORMANCE:

1. TRANSPORT ENGINEERING:

Your Company is engaged in the design and construction of various projects spanning roads, bridges, flyovers, metro railway systems, marine structures, ports and airports.

(a) Roads:

Road network of India is the third largest in the World spanning across 4.69 million kilometers.

The importance of road network in general and National Highways in particular can be appreciated from the facts that:

- About 65% of freight and 80% passenger traffic is carried by the roads.
- Vehicular traffic has been growing at an average pace of over 10 % p.a. over the last five years.
- National Highways constitute only about 1.7% of the road network but carry about 40% of the total road traffic.

In view of the same, the need for developing an efficient road network is inevitable for ensuring world class road transportation infrastructure.

To promote the road sector, the Government has allowed 100% Foreign Direct Investment (FDI) under the automatic route. 100% tax exemption is also allowed to companies for five years and 30% relief for the next five years in road projects. Public-Private-Partnership (PPP) initiative has been the great driver for growth in the road sector contributing around 60 per cent of all PPP projects in the country – the balance 40% is being for power and other sectors. The PPP projects in turn come in market as EPC Contracts for execution. Though the year 2012-13 witnessed lowest score in award of the new contracts by NHAI, the future prospects for the sector remains bright as approximately 12,700 kilometres of projects are expected to be awarded by National Highways Authority of India (NHAI) over the next two years.

In addition to PPP, several initiatives have been proposed by the Government to upgrade and strengthen National Highways, to build expressways in high and dense traffic segments and to improve the quality of roads. The ambitious National Highways Development Project (NHDP), covering a length over 55,000 km has substantial scope to give a much needed boost to road sector and economy. On the policy front, initiatives like pre-qualifications of bidders on an annual basis rather than project-wise document submission have helped to expedite the bidding process. All these initiatives have increased the scope of work for the Company as an EPC Contractor. The Company is looking forward to participating in these projects. However execution progress in the roads and highways sector has remained slow during the financial year ended 2013 mainly due to delays in land acquisition and environmental and forest clearances, labour issues and local law and order problems. Several steps have been undertaken for resolving these issues and it is expected that during the Twelfth Plan road construction work will pick up.

Following Projects were completed by the Company during the year under review:

1. Design and Construction of BOT Project of widening to four lane of Gorakhpur Bypass NH-28 in the state of Uttar Pradesh on annuity basis valued at ₹ 560 crore.
2. Western Transport Corridor, TumkurHaveri Section of NH4 Project-Rehabilitation and upgrading of Chitradurga-Harihar Section in the state of Karnataka Pkg.-4 and Harihar-Haveri Section in the State of Karnataka Pkg.-5 valued at ₹ 404.22 crore.

The following works are currently under execution:

1. Four Laning of Patna - Buxar stretch of NH-30 in the State of Bihar under NHDP Phase III valued at ₹ 1,207 crores being executed by GIPL-GIL JV.

2. Upgradation of Hajipur-Muzaffarpur Section of the existing NH-77 to four lane dual carriage way valued at ₹ 750 crore.
3. Widening and strengthening to four-lane of existing single / intermediate lane carriage way of National Highway No. 57 in the State of Bihar on East West Corridor under NHDP, Phase – II, valued at ₹ 356.51 crore.
4. Improvement / Upgradation of Birpur - Balua - Jadia - Meergunj - Murligunj - Udaikishangunj road (SH - 91) length - 101.7 km valued at ₹ 328.89 crore.
5. Improvement/ Upgradation of Dumuria – Imamganj – Sherghati –Karamain – Mathurapur – Guraru – Ahiyapur – Tikari – Mau – Kurtha –Kinjar – Paligunj-Ranitalab Road (SH-69) length 153.00 km valued at ₹ 313.50 crore.
6. Upgradation of ADB funded Road from Davengere to Birur of SH-76 in Karnataka valued at ₹ 202.57 crore.
7. Arunachal Road Works (SEPPA ROAD) valued at ₹ 87.55 crore.

(b) Bridges, Metro Viaducts and Flyovers:

Urban transport is one of the key elements of urban infrastructure. To meet the needs of a growing urban population ,the government has given a boost to projects for bridges,flyovers ,metro and mono rail projects in metropolitan cities of India. The Dedicated Freight Corridor Corporation is a Special Purpose Vehicle set up under the administrative control of Ministry of Railways of India and will offer new opportunities for bridges, rail track laying, signaling and telecommunications approximately valued at ₹ 5,000 crore. Cities like Delhi, Kolkata and Bangalore have already called for extension of Metro Rail Projects, where your company has secured and is executing metro rail jobs.

During the year, the Company secured contract for construction of 13.00 Km (approx.) long extended portion of approach road of Baluaha Ghat Koshi Bridge including construction of 500 m 3 lane bridge across river Kamla and other minor bridges and culvert and protection work between Gandaul & Biraul up to HantiKothi in Saharsa / Darbhanga of Bihar valued at ₹ 231.15 crore.

The following Projects currently under execution are:

(1) CMRL Design and Construction of underground stations at Government Estate LIC Building,Thousands Lights and associated tunnels UG Package-2 and Gemini, Tenoypet, Chamiers Road, Saidapet & associated tunnels UG Package-3 awarded to Consortium of Gammon India Limited and OJSC Mosmetrostroy of value ₹ 1747.61 crore.

(2) Design and Construction of Major Bridge across river Godavari of value ₹ 700 crore.

(3) Construction of Bridge and its approaches over river Yamuna Downstream of existing bridge at Wazirabad, Delhi (Main bridge cable stayed) of value ₹ 631.81 crore.

(4) Construction of New Brahmaputra Bridge near Guwahati on NH-31 in the State of Assam of value ₹ 387.59 crore.

(5) Construction of steel superstructure and other ancillary works of Rail cum Road Bridge across river Ganga at Munger, Bihar of value ₹ 375.19 crore.

(6) Construction of Bridge and its approaches over river Yamuna Downstream of existing bridge at Wazirabad, Delhi (Construction of approaches) of value ₹ 348.90 crore.

(7) Cable Stayed Bridge across river Tapi in Surat of Gujarat State of value ₹ 151.94 crore.

(8) Design & Construction of Bridge over River Pawana, Flyover & ROB on Kalewadi Phata to Dehu Alandi Road at Pune of value ₹ 103.91 crore.

(c) Ports:

India currently ranks 16th among the maritime countries with a coastline of approximately 7517 k.m. with 13 major ports and more than 180 minor ports offering huge international trade capabilities.

The Port sector being one of the major areas of focus for development, the Indian ports are proving to be a lucrative option for investors scouting for opportunities in the Indian market. The current port sector scenario in the country offers a huge scope for expansion of international maritime transport; both for passengers and cargo handling.

It is envisaged that in the next 5 years, the port traffic will amount to 943.06 MT for India's major ports and 815.20 MT for its minor ports. Further, the Government also plans to triple the cargo-handling capacity at its ports to 3.2 billion tonnes by 2020 by allowing private investment to the tune of approx. ₹ 3 trillion.

The following jobs are currently under execution in this sector:

(1) Construction of Offshore Container Terminal at MbPT (BOT Project) valued at ₹ 550 crores.

(2) Turnkey Engineering, Procurement and Construction (EPC) Contract for Civil, Structural, Architectural and allied works of The Sea Water Intake Outfall system along with all associated works for 2x520 (1040) MW Thermal power project at Vishakhapatnam (A.P)valued at ₹ 270 crores.

2. POWER SECTOR - ECONOMIC SCENARIO:

The Indian power sector is one of the most diversified sectors in the world. Power in India is generated from commercial sources like coal, lignite, natural gas, oil, hydro and nuclear power as well as other viable non-conventional sources like wind, solar, agriculture and domestic waste. The demand for electricity in the country has been growing at a rapid rate and is expected to increase further in the years to come. In order to meet the increasing requirement of electricity, massive addition to the installed generating capacity in the country is required. The electricity generation capacity in India is the fifth largest in the world. India is also the sixth largest consumer of electricity, and accounts for 3.4 per cent of the global energy consumption. Over the past thirty years, the country's energy demand has grown at an average of 3.6 per cent per annum. During the year 2012-13, the power sector was plagued by continuing problems of coal and gas supplies, stringent environmental norms and regulatory uncertainties. Coal availability emerged as one of the biggest problems in the power sector, gas availability for the Indian power sector is very low. Nuclear and Thermal Power projects are being delayed due to problems in land acquisition .Also Nuclear power projects are facing steep challenges from the environmental point of view, particularly after the recent accidents in Japan. The year also marked a dark patch in the history of the Indian power sector as one of the biggest blackouts hit the country leaving more than 600 million people in darkness (although this has happened for the first time in this decade). Hydro-power projects are still facing risks on account of factors such as political and environmental protests, delay/cancellation of environmental clearances, delays in land acquisition, poor infrastructure, tunnelling delays, geological surprises, contractual and procurement issues, shortage of skilled manpower, difficulties in evacuation of power etc.

(a) Thermal Power& Industrial Structures

In the present situation thermal power generation is 65% of the total power generation capacity. Government is encouraging private players to be partners in the power sector development and sector is de-licensed. The participation of private players in the thermal power sector has made the sector more attractive to target and shown a growth potential for the company.

Some of the thermal power projects currently being executed by your company are as follows:

(1) Main Plant & Offsite Civil works Pkg. Vallur TPP, Tamilnadu valued at ₹ 446 crore.

(2) Civil & Structural Steel Works for 2 X 600 Mw TPP near Tuticorin in Tamilnadu valued at ₹ 400 crore.

(3) Civil Works & Structural Works for 3300 Mw TPP at Tiroda, Maharashtra valued at ₹ 350 crore.

(4) GCW & Chimney for 2x600 MW TPP at Angul valued at ₹ 295 crore.

(5) Civil Structural and Architectural works of the Sea Water Intake Outfall system for 2x520 (1040) MW TPP at Vishakhapatnam valued at ₹ 267 Crore.

(6) GCW & Chimney for 6 x 660 MW TPP near UMPP at Sasan valued at ₹ 250 crores.

(7) Civil Works for CHP Expansion at 4x300MW Rosa Thermal Power Plant, Shahjahanpur UP valued at ₹ 30.72 Crore.

(8) Raw water Intake system in Rihand Reservoir valued at ₹ 22.78 Crore.

The general outlook of the sector is positive with availability of quality resources and competent human resource. The sector is becoming highly competitive as the risks involved are minimal. Timely delivery,quality, cost and safety are the essence to succeed in this sector. At the same time it is a challenge to ensure availability of new contracts due to very few new bids being invited as the linkages for coal & water are not firmed up yet.

(b) Hydro power

The country has tremendous potential for hydro power. However Hydro Power projects in the country are faced with problems of land acquisition,environmental clearances, regulatory approvals and very few projects have been awarded.

In spite of such challenging scenario, your Company has bagged two packages of prestigious BajoliHoli Hydro Project from GMR BajoliHoli Hydropower Pvt., as detailed below:

(1) BajoliHoli - LOT I – Construction of Coffer dams, Diversion tunnel, Concrete dam including spillway, Power intake, Part HRT and construction Adits valued at ₹ 369 crores.

(2) BajoliHoli - LOT II –Construction of HRT about 9.63 Km length, Surge shaft, valve Chamber, Pressure shaft including steel liner, Surface Power House, TRC, Construction ADITS and Pothead yard valued at ₹ 400 crores.

Some of the Hydro Power Projects under execution are:

(1) Parbati Hydro Electric Project Stage-II Civil and Hydro Mechanical works (Lot-PB-3) for NHPC in Himachal Pradesh valued at ₹ 603 crores.

(2) Bhutan HEP - Punatsangchhu-I Hydroelectric Project (1200 MW) Contract Package valued at ₹ 399.94 crores.

(3) Bhutan HEP - Punatsangchhu - II Hydroelectric Project (990 Mw) Contract Package C-2 valued at ₹ 398.33 crores.

(4) Rampur Hydroelectric Project - Package 1.0 Construction of Civil Works valued at ₹ 382.44 crores.

(5) MangadhechuHEP - Construction of Headrace Tunnel of Mangdechhu Hydroelectric Project Bhutan valued at ₹ 343.11 crores.

(6) ParbatiStage 3 - Construction of Civil Works for Lot PB III valued at ₹ 339 crores.

(7) Koldam HydroElectric Project - Construction of Power House and associated civil works valued at ₹ 227 crores.

(c) Nuclear Power

India has a flourishing and largely indigenous nuclear power program and expects to have 20,000 Mw nuclear capacity on line by 2020 and 63,000 Mw by 2032. It aims to supply 25% of electricity from nuclear power by 2050. Because India is outside the Nuclear Non-Proliferation Treaty, it was for 34 years largely excluded from trade in nuclear plant or materials, which has hampered development of civil nuclear energy until 2009. Due to these trade bans and lack of indigenous uranium, India has uniquely been developing a nuclear fuel cycle to exploit its reserves of thorium. Now, foreign technology and fuel are expected to boost India's nuclear power plans considerably. All plants will have high indigenous engineering content. India has a vision of becoming a world leader in nuclear technology due to its expertise in fast reactors and thorium fuel cycle.

There are huge developments happening in recent years and the company has secured necessary prequalification's to bid for new contracts. The Company has completed the civil works of fast breeder reactor at Kalpakkam and other BOP structures. The Company has also completed the Construction of Phase –II Buildings of IGCAR and Turbine building. The BOP for 500 MW PFBR at Kalpakkam is nearing completion.

The general outlook of the sector is positive with availability of quality resources and competent human resource. The sector is becoming highly competitive as the risks involved are minimal. Timely delivery,quality, cost and safety are the essence to succeed in this sector. At the same time it is a challenge to ensure availability of new contracts due to very few new bids being invited as the linkages for coal & water are not firmed up yet.

3. PIPELINE DIVISION:

During the year under review the Company has successfully completed construction of Bahadurgarh Tikrikalam Pipeline (BTPL) for HPCL. The construction of Pipeline for Bramhaputra Cracker & Polymer Limited at Lepetkata, Assam is in the finishing stage. The Company has successfully completed the laying and erection of 18" Pipeline of this project. The balance work is expected to be completed soon.

The Company has strategically revised its bidding policy in the pipeline division to ensure profitability and higher returns. At the same time, the Company is also exploring the prospect of wet leasing of the Company's equipment as the Company is having a good strength of special Pipeline equipment. The Company is also looking into getting involved in large value EPC contract including supply.

4. WATER AND ENVIRONMENT:

Gammon has successfully executed challenging jobs and hence is able to meet stringent requirements in this sector for future jobs. An order booking target of ₹ 500 crore is set accordingly for this sector, with a targeted turnover of around ₹ 250 crore for FY 2013-14.

The following jobs were successfully completed during the year under review:

(1) Bangalore Water Supply and sewerage Project- Contract Wise Procurement, Fabrication and Laying of Clear water Trunk main from Vajarahalli to HBR on the east of Bangalore valued at ₹ 309.46 crores.

(2) Design, engineering, Supply, erection & Commissioning of Raw Water Intake project at Brahamana Gaon near Marthapur on turnkey basis valued at ₹ 33.75 crores.

The following projects are under execution:

(1) Design Build Operate Contract for Distribution Network for Narmada Canal based on Wankaner Group Water Supply Scheme of Wankaner, Morbi, Tankara Taluka of Rajkot District valued at ₹ 108.28 crores.

(2) Design Build Contract with Operation and Maintenance for three years for Distribution MS/DI/PVC/HDPE Pipeline U/G Sumps, ESRS, Staff quarters, Compound wall and Pump House, Pumping machineries with O&M for three years for Integrated Water Supply Scheme Phase II, Part II based on Sardar Sarovar Canal based Dist.- Surendranagar valued at ₹ 107.45 crores.

The Company has bagged the following jobs in this sector during the year under review & these jobs are currently under execution namely:

(1) Design & Construction of a complete new 107 MLD capacity, Portable water supply Infrastructure project on turnkey basis for Guwahati City (South Guwahati Part) valued at ₹ 349.70 crores.

(2) Procurement of works for Supply, Installation, Construction and Commissioning of Rising & Transmission Main for Guawahati city (Gravity Mains, pressure Mains) Reservoirs for South Central Zone valued at ₹ 175.72 crores.

(3) Narmada Gudhamalani Water Supply Project for 263 Villages viz. Construction of RWR, Water Treatment Plant, and related Civil, Mechanical, Electrical & Instrumentation works at various pumping stations, on Turnkey basis valued at ₹ 121.47 crores.

5. CHIMNEYS AND COOLING TOWERS:

Cooling towers and Chimneys are an integral part of various industrial infrastructures like Power plants, Petroleum,Steel, Chemical, Sugar plants etc. These projects are highly specialized and technology driven jobs. The Company has in house technical capability and a competent execution team who can build these highly specialized structures within time and budget maintaining highest quality and safety standards. Gactel Turnkey Projects Limited, a wholly owned subsidiary of the Company, has established itself as a complete solution provider for mechanical induced draft cooling tower constructions. The value of work executed during the current year is ₹ 751 crore and as on 1st April 2013 the value of work in hand was ₹ 830 crore.

6. TRANSMISSION AND DISTRIBUTION BUSINESS:

Overview of Industry Structure & Economic Condition:

The global economic recession has not spared any industry and we are no-exception. However, Government of India and the Reserve Bank of India are leaving no stone unturned to see off this economic recession and have announced many stimulus packages for the Industry to recover.

The Eleventh Five Year Plan emphasised the need for removing infrastructure bottlenecks for sustained growth. The Government has proposed an investment of US $500 Billion in infrastructure sectors through a mix of public and private sectors to reduce deficits in identified infrastructure sectors. The private sector is expected to be contributing nearly 36% of this investment. To cater to the ever growing power consumption, rapid industrialisation and huge energy deficit, the Government of India has planned to make large capital expenditure in the 11th Five Year Plan in the Power Generation, Transmission and Distribution segments and set a target of adding about 78000 MW of additional capacity of power generation in the 11th Five Year Plan and about 82000 MW capabilities of power generation in the 12th Five Year Plan. This will enable the company to cater to the ever growing demand of power transmission and distribution.

Your Company is looking for increasing its presence in Africa, Middle East and central Asia.

Company's Transmission and Distribution Division:

The Transmission and Distribution (T&D) business of the Company operates on Engineering Procurement Construction (EPC) basis in power transmission and distribution sector. With its execution capabilities, large manufacturing capacities for Transmission Tower & Conductor and Customer focus, your Company is recognised as a leading player in India.

The Company has set up world class Tower Testing Station at Deoli, Wardha, Maharashtra capable of testing towers up to 1200 Kv. The Tower Testing station has been acclaimed by domestic as well as international clients from the United States of America, Canada, Malaysia, Mexico etc. and the company has successfully tested towers up to 765 kV. R&D Centre set up at Deoli, Wardha is duly recognised by Department of Science & Technology, Government of India as R&D Centre.

The Company has also been expanding into overseas countries such as the United States of America, Canada, Malyasia, Algeria, Kenya, Afghanistan, Ethiopia, Bhutan, Nigeria, Ghana, Sri Lanka, Oman, Rwanda, Botswana, Tanzania, Mozambique, etc. We have been successful in penetrating Canadian markets with tower supply orders. The Company has received repeat orders of tower supply and tower testing from Canada.

With the thrust on privatization of transmission lines involving large investments in BOOT / BOO basis, the company is well positioned to capture the business opportunity having large manufacturing capacity for towers as well as conductors.

Company's Transmission Business (Domestic):

The T&D business of the Company mainly works with Powergrid, SEBs and private sector clients.

The power sector in India has an estimated capacity addition of more than 1,60,000 MW during the period 2012-17.

The Planning Commission, in its approach paper has projected an investment of over ₹ 45 Lakh Crore during the Twelfth Plan (2012-17). It is projected that atleast 50% of this investment will come from the private sector against the 36% anticipated in Eleventh Plan and public sector investment will need to increase to over ₹ 22.5 Lakh Crore as against an expenditure of ₹ 13.1 lakh Crore during Eleventh Plan. Financing infrastructure will, therefore, be a big challenge in the coming years and will require some innovative ideas and new models of financing. This entails expansion of transmission networks, strengthening of regional grids, building of more inter-related links and addition of inter-regional capacities of 23,600 MW, at 220 kV and above level. Opportunities also exist for the company in Built-Own-Operate (BOT) projects for setting up transmission line.

Company's Transmission Business (International):

The Company sees immense opportunities in the emerging markets such as Africa and Middle East on account of need of better power transmission network, funding support from multilateral agencies, power generation plans and spending by oil producing countries. The Company has bagged international orders from Ethiopia, Bhutan, Nigeria and Canada. It has also bagged orders for testing of towers from various domestic and international agencies.

Risk, Concerns& Threats:

The following are the major risks, concerns and threats to the business:

- Exposure to variation of prices of commodities, foreign exchange, interest rates, and rising hike in US Dollar rates.
- Exposure to risk of delay in execution due to right of way, forest clearances, approvals, etc
- Changes in policies of Government and counties where it operates.
- Increase of Government Taxes and duties.
- Shortage of skilled manpower.

The risks are mitigated with proper mix of orders across various counties, timely and adequate hedging of commodities and exchange exposure, optimisation of working capital limits, efficient working capital management and reduction in finance costs.

To keep pace with the growth, Management is continuously conscious of the need to ensure that various functional departments of the Company work in proper co-ordination. The Management is also aware of geographical spread of its sites and has appropriate control mechanism in place.

Company's Quality System:

The Company has ISO 9001: 2008, ISO 14000:2004 & ISO 18001:2007 certifications for "Design, Development, Manufacture, Supply and Construction of Overhead Transmission Line for Turnkey Projects including Sub-station Structures, Microwave Towers & similar Structures" by an internationally reputed certification agency viz. Det Norske Veritas (DNV), Netherlands.

The ISO Certifications have enabled the Company to project a better image and inspire greater confidence amongst its clients. The certification continues to be authenticated by DNV through their audits every year.

7. **INTERNATIONAL BUSINESS**

(1) Sofinter Group

The financial statement for Sofinter Group as at December 31, 2012 shows a net profit of Euro 2,369,646 on consolidated revenues of Euro 263 million. The Consolidated Financial Statement as at December 31, 2012 have been drawn up according to the IFRS accounting standards issued by the IASB and approved by the European Union (EU IFRS).

The net result of the Consolidated Financial Statement, for the first time in seven years, is again positive. This result was due to a combination of:

- Careful management of contracts in progress which enabled the Group to maintain anticipated contract margins;
- Particular attention to the structure costs that have been closely monitored and made as flexible as possible;
- Controlling debts;
- a process of unification of all organizational procedures, design and construction within the companies of the Group;
- Opening of opportunities in new markets as well as consolidation of the Group's presence in key markets.

a. Macchi Division

The market in which the Macchi Division operates is made up of major Oil & Gas projects in the Middle East, Southeast Asia and South America, with access to business normally through international EPC contractors. The Oil & Gas market, despite the current international crisis, maintains certain dynamism, good business expectations and Macchi Division leadership in the segment of large industrial boilers is internationally recognized and well –established. In 2012 the company further consolidated its market position with significant orders from major international customers, including Shell.

In the first quarter of 2013, the Company established a Representative office in Houston, for the development of projects related to the energy sector, for the North American market, which after a period of stagnation, is showing a new dynamism.

In 2012, despite the unfavorable market conditions, the Company was able to obtain a volume of acquisitions of around Euro 110 million. As a result of these acquisitions, the project portfolio as of 31 December 2012 amounts to approximately Euro 140 million, resulting in strong production coverage for 2013. The current offer portfolio of the Macchi Division is approximately Euro 300 million.

b. SWS Division

The SWS Division is dedicated to the business of water treatment for industrial use. This business includes plants for filtration, demineralization, degassing and desalination of sea water with MED technology.

The market in which the SWS Division operates is parallel to the one in which the Macchi Division operates; this parallel and the synergies achieved have already demonstrated their importance from a commercial standpoint in certain recent acquisitions.

Sales activities in 2012 were principally directed to providing various offers to international EPC contractors. The business areas showing the greatest interest are the Middle East and South America, with good prospects for success.

(2) AnsaldoCaldaieS.p.A.

In 2012, AnsaldoCaldaie completed its turn around by closing its financial year with a net profit of Euro 1,213,983 for the first time in seven years. All AnsaldoCaldaie orders were handled in full compliance with business plans and commercial budgets, thus maintaining the anticipated contract margins. This has mainly contributed to the return to profitability.

Oil, gas and coal boilers for producing electricity and HRSG boilers for combined cycle plants have been the main areas of sales activity in 2012. However, the order portfolio for 2012 is below planned levels, mainly due to a number of economic and social factors, including:

- general financial uncertainty in global markets;
- political uncertainty in the Middle East and North Africa regions;
- delays in issuing environmental permits in South America;
- slow growth of the Indian market because of problems relating to the supply of coal, water availability etc.

Customers of AnsaldoCaldaie, essentially international End Users of power stations, decisively slowed down their investment programs, due to the above reasons. The Company is still seeing the impact of this on new orders. However, AnsaldoCaldaie in the course of 2012 has a healthy pipeline of offers amounting to approximately Euro 3 billion. The countries where AnsaldoCaldaie is working such as Egypt, Morocco and Algeria, despite the risks related to the political crisis that has characterized this period, have neither impacted site operations nor investment plans in new capacities.

In the next 5 years forecast growth is in non-OECD countries with China and India in the lead, but also in the Middle East, Africa, Central and Southern America, all showing significant growth as well. The reputation of AnsaldoCaldaie in the market, its sound base technology, good capability of delivery and capacity to maintain contractual commitments will allow the Company to increase its presence in the markets around the world, in the years to come.

In order to consolidate the service activities, AnsaldoCaldaie has formed strategic alliances to meet the diverse needs of the market, in order to support a substantial growth plan in this business sector.

(3) Europower

Europower has continued its activity in the field of operation & maintenance of industrial installation, with good results, especially with reference to installations for producing electrical energy and for the combustion of solid city wastes. The company was also awarded a major rehabilitation and O&M contract worth about Euro 50 million and has several significant orders in the pipeline, in Italy and abroad.

The consolidated net debt of the Sofinter Group at the end of 2012 was Euro 79.1 million, a marginal improvement of Euro 3.5 million over the previous year. The Group respected all the financial covenants imposed by the Interbank Modification Agreement signed in November 2011, for the year 2012.

In relation to its activity and the use of financial instruments, the Group is exposed to a multiplicity of risks. The Group adopts specific procedures for the management of risk factors that could influence the results of the company's operations, in order to minimize any potential consequences.

(4) ITEA

In fiscal year 2012, ITEA has substantially completed research and performed tests for a wide range of fuels and industrial and urban waste for various clients, including in particular ENI. The tests performed finally confirmed that the flameless combustion technology patented by ITEA in major world countries represents a new way of burning, using also more complex and poorer quality fuels. Commercialization of the ITEA product continues, with particular reference to the biomass, industrial waste, municipal waste, and applications in the oil and gas sector, with specific reference to heavy crude oils and acid gas. In 2012, activities were launched in the U.S. through the establishment of a Joint Venture company with an industrial partner which received a grant of about 1 million US Dollars from the DOE (U.S Department of Energy) for constructing a deck using ITEA technology. The collaboration with ENEL started in the earlier years, continued in the field of coal combustion, also with perspectives related to the US market.

(5) Franco Tosi MeccanicaS.p.A.

During 2012, implementation of the Business Plan of Franco Tosi Meccanica S.p.A. (FTM) suffered due to the political and financial crisis in Italy and poor market conditions in general, for power equipment manufacturers. The company therefore slipped on commitments to its suppliers and creditors, who began mounting pressure through different legal means to recover their dues. Concurrently, inspite of the healthy order book of over EUR 130 mln, due to the non-cooperation from the banks and creditors; project deliveries began to slip, which considerably squeezed the company's topline and also resulted in substantial losses with the consequent erosion of net worth by more than 33% due to which the corporate capital has fallen below the minimum required by Italian law.

In this situation, if the company had formally approved its Financial Statements of 2012, the losses being more than 33% of the Corporate capital, Article 2447 of the Italian Civil code would have automically got triggered, making it mandatory for the Board to decide on recaptilisation of the company. However, such recaptilisation, if actioned, would not have safeguarded the end use of the money; since as stated herein before, the overdue unpaid creditors including the creditors for statutory debts would have forced payment of their dues from these funds, instead of these being used to drive operations.

This prompted the Board of FTM to consider the use of different legal instruments available under the laws of Italy to safeguard the company in a manner which would ensure continuity, and ultimately benefit all stake holders in this critical situation. To begin with, the Board of FTM, out of prudence decided against an audited Financial Statement of 2012. With this, the immediate urgency of recaptialising the company without a clear road map for the future to safeguard the operations was negated.

In addition, the Board of FTM filed on May 30th, 2013 with the court of Milan (and with the Companies Registry) a "preliminary" request for admission to the procedure of pre-insolvency composition agreement with creditors and restructuring debts ("concordato preventivo"), under Articles 161 Clause 6, Italian Government Publication dated 10 March 1942 no 267 – further amended in Sep 2012, in light of acute financial stress being faced by the company due to several extraneous reasons.

The said application was admitted by the Court on 7th June 2013. The Court on 25th July, 2013 has appointed a Commissioner, while maintaining the current Management and Board, whose task is to start appropriate procedures, including leasing, by which the operations of the company relating to the backlog and front log orders are preserved and completed while also drawing up a scheme for settlement of the outstanding debts of the creditors of the Company. The time limit available to the Commissioner and the Management to complete the above procedure and for the Court approval of the same is within the end of September/October 2013. Steps have been initiated to meet the above deadlines including the approval by the Court at which time the further way forward for the Company will get better defined.

(6) SAE Power Lines S.r.L.

The Company in 2012, recorded a turnover of Euro 31.82 Million, an EBITDA of Euro (2.71) million and PAT of Euro (4.17) million. Further, the order book at the end of the financial year was Euro 54 million.

The Company had received orders from Ghana, Togo and Benin to the tune of approximately Euro 26 million during the year.

(7) Campo Puma Oriente S.A.

The Puma Block Contract signed in March 2008 for a 20 year term, originally established as a Production Sharing Contract underwent a contract renegotiation process to migrate to the newly established Service Contract model implemented by the Hydrocarbon Ministry in Ecuador in 2010. The new contractual framework entitles the contractor to a dollar-per-barrel fee which is adjusted on a yearly basis based on the production price index, as reported by the U.S. Bureau of Labor Statistics. Minimum Work Program obligations of the operator under the service contract, however, remain unchanged and are completed.

The Puma Block Service Contract was signed and registered on 1st Feb, 2011 for a 18 year term. 9 new development wells and 2 exploratory wells have been drilled and over 80sq km of 3-D seismic are completed. The Puma Field is producing approx. 2,000 barrels of oil per day, and clocked revenues of USD 14.28 million during 2012. The field potential can be increased to approx. 4000 barrels of oil per day with enhanced recovery techniques including artificial lift, acid stimulation and water injection, all of which are contemplated for action in 2013. The Incremental barrels so produced will be paid at enhanced rates which are presently under negotiation with the concerned agencies. The Puma Field has proved developed and undeveloped reserves of 17.25 million barrels of oil and further probable reserves in the order of 1.5 million barrels making a total of 18.75 million barrels of Oil.

8. REAL ESTATE BUSINESS :

Real estate plays a critical role in the development of the Indian economy. It is the second largest employer after agriculture. Over the next decade, the real estate sector is expected to grow by 30 per cent. The sector is divided into four sub-sectors: housing, retail, hospitality, and commercial. The housing sub-sector contributes 5-6% to the country's gross domestic product (GDP). Meanwhile, retail, hospitality and commercial real estate are also growing significantly, catering to India's growing needs of infrastructure.

The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy, according to a study done by ICRA. A unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as five times. The positive effects of growth in real estate sector are spread over more than 250 ancillary industries.

Market Size

The Indian real estate market size is expected to touch US$ 180 billion by 2020. Demand for residential and retail real estate is rising throughout India, accompanied by increased demand for improved social infrastructure. India is going to produce an estimated 2 million new graduates from various Indian universities during this year, creating demand for 100 million square feet of office and industrial space.

Further, presence of a large number of Fortune 500 and other reputed companies will attract more companies to initiate their operational bases in India thus, creating more demand for corporate space.

Government Initiatives/Policies

This budding sector is today witnessing development in all areas such as - residential, retail and commercial. Easier access to bank loans and higher earnings by the ultimate user are some of the pivotal reasons behind the growing Indian real estate sector. Efforts to attract private investment into infrastructure through the Public-Private Partnership (PPP) route have met with considerable success at both Central Government and State Government levels.

With a view to catalyzing investment in townships, housing, built-up infrastructure and construction development projects as an instrument to generate economic activity, the Government of India has decided to allow FDI up to 100 per cent under the automatic route in townships. These create new employment opportunities and add to the available housing stock and built-up infrastructure.

Road Ahead

The real estate sector in India is ready to take a big leap in the coming years. Since 2010, the residential sector has been on a strong growth trajectory and with increasing urbanization the momentum is expected to continue. Strong demographic mix and increasing salary levels will be the key triggers for growth of the residential market in 2012. Salaried individuals in the age group of 30 to 35 years will emerge as the biggest contributors for demand in the residential category. This category of buyers has in past also been the main contributor to the growth of residential category. Most contractors in this are regional by nature and this a challenge for the Company to compete on the price and delivery

Contracting is generally trade specific as it is more tax efficient and the emergence of new tax laws shall give newer opportunities for general contracting with increased responsibility and trade volume.

The Company has during the year secured projects in the buildings sector valued at ₹ 600 Crores spread across Mumbai and Bangalore region. The major clients include Nathani and Godrej.

The Company has also entered into a Joint Venture for developing its property situated at Ambivli, Andheri and is currently in the process of obtaining various approvals for the same.

The Company has successfully completed a few projects as under:

- Hotel Leela Palace (5 Star), Chennai, with a built up area of approx. of 8 lakh Sqft.
- GSTAAD Hotel, Bangalore.
- Godrej Woodsmen Estate, Bangalore with a built up area of approx. 2.1 million Sqft.
- Some of the major projects under execution include:
- Iskcon temple project at Mayapur Kolkata.
- Runwal Greens, a high-rise residential development in the central suburb at Mulund, Mumbai.
- Salarpuria Gold one of the tallest Residential Tower of Sattva group at Bangalore.
- Runwal Elegant, a high-rise residential development at Andheri, Mumbai.
- Godrej Platinum, Bangalore a turnkey development of high end residential complex for Godrej Buildwell Pvt Ltd
- Shristi Mixed use development at Bhopal with construction area of approx. 2.8 million sq. ft. from Deepmala Infrastructure Pvt Ltd.
- Nathani Heights – 72 Storied Residential Tower

9. PUBLIC PRIVATE PARTNERSHIP PROJECTS :

The Company undertakes infrastructure development through its subsidiary viz. Gammon Infrastructure Projects Limited under the public-private-partnership (PPP) regime, whereby the projects are implemented through special purpose vehicles (SPVs) to implement the projects awarded to the Company.

The following section is an overview on the operations of the various SPVs.

Operational projects:

1. Rajahmundry Expressway Limited (REL)

REL is the SPV created for the project of widening and strengthening of a 53 kms stretch between Rajahmundry and Dharmavaram in Andhra Pradesh on NH5, connecting Chennai and Kolkata. The project achieved COD on 20th September, 2004, 70 days ahead of schedule. The project has a 17.5 - year concession period including a construction period of thirty months. The project has been capitalised at ₹ 25,642 Lakhs.

As of 31st March, 2013, REL has received 16 annuities from NH AI (each semi-annual annuity amounting to ₹ 2961.9 Lakhs).

The total income of REL for the year ended 31st March, 2013 stood at ₹ 5,984.54 Lakhs. The Profit after tax was ₹ 642.49 Lakhs.

2. Andhra Expressway Limited (AEL)

AEL is the SPV created for the project of widening and strengthening of the 47 km stretch between Dharmavaram and Tuni in Andhra Pradesh on NH 5, connecting Chennai and Kolkata. The project achieved COD on 30th October, 2004, 30 days ahead of schedule. The project has a 17.5 year concession period, including a construction period of thirty months. The project has been capitalised at ₹ 24,807 Lakhs.

As of 31st March, 2013, AEL has received 16 annuities from NH AI (each semi annual annuity amounting to ₹ 2791.2 Lakhs).

The total revenue of AEL for the year ended 31st March, 2013 stood at ₹ 5663.71 Lakhs. The Profit after tax was ₹ 709.97 Lakhs.

3. **Cochin Bridge Infrastructure Company Limited (CBICL)**

CBICL is an SPV promoted for developing the New Mattancherry Bridge, in Cochin, Kerala on BOT (Toll) basis. The 480 m long bridge along with 200 metres approach road on both ends which connects Fort Kochi (a heritage town and a famous tourist site) to Willingdon Island in the Cochin Port Trust area and is operational for nearly 13 years now.

The project had been capitalised at ₹ 2,574 Lakhs. The total revenue of CBICL for the year ended 31st March, 2013 stood at ₹ 526.66 Lakhs. The Profit after tax was ₹ 1.39 Lakhs.

4. **Mumbai Nasik Expressway Limited (MNEL)**

MNEL is the SPV created for widening,strengthening and operating the 99.5km Vadape–Gonde section of NH –3 on BOT basis. The concession period for the project is 20 years, including construction period of three years. The project has been capitalised at ₹ 92,718 Lakhs.

The Engineering, Procurement & Construction (EPC) contract of the project was awarded to the Company. MNEL commenced partial operations on May 2010 and tolling on entire stretch started in September 2011.

The total revenue of MNEL for the year ended 31st March, 2013 stood at ₹ 15,126.79 Lakhs. The Profit after tax was ₹ 4,098.42 Lakhs.

5. **Vizag Seaport Private Limited (VSPL)**

VSPL is the SPV formed to develop, construct, operate and manage two multipurpose berths in the northern arm of the inner harbour at Visakhapatnam Port on a BOT basis. The commercial operations began in July 2004. The concession period is 30 years, including the construction period. As of 31st March, 2013, the project has been capitalised at ₹ 32,551.90 Lakhs.

The total revenue of VSPL for the year ended 31st March, 2013 stood at ₹ 14,973.49 Lakhs. The Profit after tax was ₹ 1,243.77 Lakhs.

6. **Kosi Bridge Infrastructure Company Limited (KBICL)**

KBICL is the SPV incorporated for design, construction, development, finance,operation and maintenance of a 1.8 km long four-lane bridge across river Kosi on NH57 in the Supaul district of Bihar on BOT (Annuity) basis.

The project achieved Provisional COD on 8th Feb. 2012. The concession period is 20 years, including a construction period of 3 years. KBICL annuity receivable from NH AI semi-annually is ₹ 3,190 Lakhs during the entire operations period. KBICL has received three annuity payments from NHAI till date.

The project opened for Commercial Operations on 8th February, 2012.

The total revenue of KBICL for the year ended 31st March, 2013 stood at ₹ 9,061.89 Lakhs and incurred a loss of ₹ 721.13 Lakhs.

7. **Gorakhpur Infrastructure Company Limited (GICL)**

GICL is the SPV incorporated for design, construction, finance and maintenance of a 32.27 km long four lane by pass to Gorakhpur town on NH 28 in the State of Uttar Pradesh on BOT (Annuity) basis.

The EPC contract for the project was awarded to Gammon India Limited. GICL annuity receivable from NHAI semi-annually is ₹ 4,860 Lakhs during the entire operations period. GICL has received two annuity payments from NHAI till date.

The total revenue of GICL for the year ended 31st March, 2013 stood at ₹ 9,746.63 Lakhs and incurred a loss of ₹ 3,789.17 Lakhs.

Projects under Construction

1. **Rajahmundry Godavari Bridge Limited (RGBL)**

RGBL is the SPV incorporated for design, construction, operation and maintenance of a 4.15 km long four-lane bridge, which will connect Kovvur and Rajahmundry in Andhra Pradesh across the Godavari river. The concession period for the project is 25 years,including a construction period of three years. The total project cost is estimated to be ₹ 86,110 Lakhs. Financial closure for the project has been achieved and presently the project is under its implementation phase with a total capitalisation of ₹ 81,177 Lakhs as of 31st March, 2013.

The EPC contract for the project has been awarded to the Company.

2. **Patna Highway Projects Limited (PHPL)**

PHPL is the SPV incorporated for design, construction, finance and maintenance of a 63.17 km long four-lane dual carriageway on NH 77 in the State of Bihar on BOT (Annuity) basis. The concession period is 15 years, ending in February 2023, including a construction period of 30 months. PHPL will receive an annuity payment of ₹ 9,460 Lakhs from NHAI, semi-annually, in the entire operations period. The total project cost is estimated to be ₹ 94,005 Lakhs.

The EPC contract for the project has been awarded to the Company.

3. **Indira Container Terminal Private Limited (ICTPL)**

ICTPL is a SPV incorporated in 2007 to undertake the implementation, development, operations and maintenance of existing container operations of Mumbai Port Trust (MBPT) at its Ballard Pier Station (BPS), off the coast of Mumbai on BOT basis. The EPC contract along with Electrical and Fire fighting Contract for the project has been awarded to the Company.

The total envisaged project cost is ₹ 150,000 Lakhs with estimated COD of March 2014.

4. **Pravara Renewable Energy Limited (PREL)**

PREL is the SPV responsible for design, construction, finance and operation of a 30 MW cogeneration power project on BOOT basis with Padmashri Dr. Vitthalrao Vikhe Patil Sahakari Sakhar Karkhana Limited (Karkhana) in Pravara Nagar.

PREL shall be responsible for designing, development,procurement, installation, erection commissioning, operation and maintenance of the co-generation facility for a period of 25 years after commercial operation date.

The project has received all important clearances, including the environmental clearance from Ministry of Environment and Forest(MOEF).

5. **Sikkim Hydro Power Ventures Limited (SHPVL)**

SHPVL is the SPV incorporated for developing Rangit II Hydro electric Power Project in Sikkim on BOOT basis. The project involves the development of a 66 MW run-of-the river Hydroelectric Power Project on Rimbi river, a tributary of river Rangit. Concession period for the project is 35 years from the Commercial Operations Date (COD).

The project has received all major clearances and approvals including environmental clearance from MoEF.

Projects under development

1. **Patna Buxar Highways Limited (PBHL)**

PBHL is the SPV incorporated for design, construction, finance and maintenance of a 125.44 km long four-lane dual carriageway on NH 30& NH 84 in the State of Bihar and is to be developed on BOT(Toll) basis.

The Concession Period is 20 years including a construction period of 30 months. The total project cost is estimated to be ₹ 1,50,727 Lakhs. The Company will get a grant of ₹ 31,600 Lakhs from NH AI during construction of project.

2. **Vijayawada Gundugolanu Road Project Private Limited (VGRPPL)**

VGRPPL is the SPV incorporated for design, construction, finance and maintenance of Six- Laning of Vijayawada-Gundugolanu Section of NH 5 in Andhra Pradesh under NHDP Phase V to be executed in BOT (Toll) mode on DBFOT basis.

The Concession Period is 30 years from Appointed Date which is expected to start from September 2013. The total project cost is estimated at ₹ 208,750 Lakhs.

3. **BirmitrapurBarkote Highway Private Limited (BBHPL)**

BBHPL is the SPV incorporated for Rehabilitation and Up-gradation of Birmitrapur to Barkote Section of NH23 on Design, Build, Finance Operate and Transfer on BOT (Toll) Basis in the State of Odisha.

The Concession Period is 23 years,including a construction period 2.5 years. The total project cost is estimated to be ₹ 100,800 Lakhs.

4. **Yamunanagar Panchkula Highway Private Limited (YPHPL)**

YPHPL is the SPV incorporated for design, construction, finance and maintenance of a 104.77 km long four-lane dual carriageway on NH73 in the State of Haryana and is to be developed onBOT (Toll) basis.

The Concession Period is 22 years,including a construction period of 2.5 years. The Total Project Cost is estimated to be ₹ 137,670 Lakhs.

5. **Sidhi Singrauli Road Project Limited (SSRPL)**

SSRPL is the SPV incorporated for design, construction, finance and maintenance of a 102.6 km long four-lane dual carriageway on NH 75E in Madhya Pradesh and is to be developed on BOT (Toll) basis.

The Concession Period is 30 years, including a construction period of 2 years. The total project cost estimated to be ₹ 1,09,416 Lakhs.

6. **Mormugao Terminal Limited (MTL)**

MTL is the SPV promoted to providing Mechanised Handling Facilities for Handling Coal at Berth No. 11 on Design, Build, Finance, Operation and Transfer basis at Mormugao Port Trust with an estimated project cost of ₹ 37,500 Lakhs.

The concession period of 30 years including 2 years of construction.

7. **Youngthang Power Ventures Limited (YPVL)**

The project involves the development of a 261 MW run-of the river hydroelectric power project on the river Spiti in Himachal Pradeshon a BOOT basis at an estimated costof ₹ 250,000 Lakhs. The concession period of the project is 40 years post commencement of commercial operations.

8. **Tidong Hydro Power Limited (THPL)**

THPL, a Special Purpose Vehicle, has signed an agreement with GoHP for developing a 60 MW, Tidong – II hydro-electric project in Himachal Pradesh. The pre-feasibility report for the project has been prepared and submitted to GoHP, which has since been approved.

9. **SEZ Adityapur Limited (SEZAL)**

SEZAL was incorporated to implement the project of development of an SE Z for the units involved in manufacture of automobile and auto components at Adityapur, in Jharkhand in eastern India. The state government is expected to lease out the land to the SPV measuring approximately 90 acres for a period of 90 years. Adityapur Industrial Area Development Authority is the nodal agency for the project, which is awaiting forest clearance before handing over of the project land to SEZAL. Gammon Infrastructure Projects Limited owns 38%equity stake in SEZAL.

V RISK MANAGEMENT

The infrastructure sector continues to face challenges from both internal as well as external environment like shortage of skilled labor availability, access and adaptability to technologies, availability of competent subcontractors, frequent changes in the political, economic and social scenarios. To add to these challenges, the current economic slowdown has put a further strain on the sector operators due to change in funding environment resulting in a very demanding set-up with increased scrutiny from various stakeholders. Risk management is one of the key focus areas and your Company endeavours to protect its earnings and reduce / eliminate losses arising out of the various risks it faces. Over the years, your Company has steadily incorporated efficient practices in risk management to mitigate various types of risks.

Some of the key risks that the Company manages proactively and the various steps taken to mitigate these are listed here below:

1. Most of the contracts have an escalation clause and in case of those contracts which do not have an escalation clause, increases are extrapolated in the estimates at the tender stage to cater for the same should they arise. In both the situations, nevertheless, the key to manage the risk is in timely execution, which would not only ensure that costs are contained but also that penalties are obviated. To this end, the Company continuously reviews its business processes to strengthen its project management capabilities, tighten contract management, improve information flow and manpower retentions and enhance client relationship.

   In addition, the process of estimation is continuously reviewed with a view to make the bid realistic. This is of special significance in light of the severe competition prevailing in the Industry today which is exerting immense pressure on margins.

2. Defaults in payment of running bills and retention money by some of the clients put pressure on the working capital requirements of the Company and pushes up the financial costs. The Company evaluates client risks and would generally seek payment comfort through instruments like letter of Credit, Bank Guarantee etc. where risk perception is high.

3. The Company has overseas operations and hence exposed to several external risks. The Company addresses these risks by secondment of trained and competent personnel, engaging specialized agencies locally for proactive guidance and partnering with local business groups of repute in Joint Ventures.

4. The Company has in place adequate and comprehensive insurance covers for all its assets and projects to deal with calamities.

5. The Company has inflows and outflows in different currencies related to its Projects. In addition, it has foreign currency denominated borrowings. To the extent that the overall position exceeds the natural hedge, the Company evaluates and puts in place a hedging strategy, for which it is adequately equipped with necessary mandates at the operating level.

6 The internal audit cell of the Company has in place a comprehensive program across the Company. The internal controls of the Company are reviewed to detect and minimize the risks of fraud and misreporting. The reports of the internal controls are regularly reviewed by Audit Committee of the Board and their recommendation for better effectiveness implemented.

7. The Company has introduced controls through a Management System, striving to either eliminate the risk or reduce the adverse effects of Risk adequately in following ways:

   a. Reorganisation of marketing, bidding and estimation team which enhanced the pre-qualification, estimation, tender evaluation, formal pre-bid risk assessment and also offered greater commercial oversight on the attractiveness of opportunities and also threats.

   b. Improved project planning and management by re-organising, involvement of competent and experienced resources, focus on plant utilisation, efficiency and effectiveness, coordination meetings to address cross-functional issues, establishing DOA (Delegation of Authorities) and SOP's (Standard Operating Procedures) and effective utilisation of ERP in decision making process.

   c. Subcontractors selection, performance monitoring and evaluation, improved terms and conditions including performance guarantees (transfer of risk) wherever necessary etc.

   d. Skilled workforce shortage addressed through the establishment of a 'Hands On Training" centre at Mysore with a focus on providing residential hands on training on various construction trades, effectively developed and delivered specialised training to improve the project management skills covering planning, scheduling, estimation, surveying, contract management, billing, etc.

   e. Monitoring, periodic review and reporting of applicable statutory and regulatory compliance requirements, strengthening of internal audit function and improved verification process, established work procedures, guidelines, quality assurance methodologies and structured internal disclosures mechanism.

   f. Cash management committee established at the highest management level for streamlined fund allocation.

   g. Monitoring of cost and time over runs, creating sector finance controller position and integrating with execution team has resulted in improved cost effective decision making process, various ratio analysis related to cost facilitate execution team leaders to forecast the project cost/time over run.

Persistent efforts in implementing the mitigation plan will ultimately drive the Company to evolve a mature and sustainable Enterprise Risk Management (ERM) solution. The evolution of ERM will normally follow the path of Compliance, loss minimisation, risk management and measurement, strategic integration to optimisation of returns.

VI INTERNAL CONTROL SYSTEMS

The Company believes that sound internal controls and systems are related to the principle of good governance and should be exercised within a framework of proper checks and balances. The Company remains committed to ensuring an effective internal control environment that provides assurance on the operations and safeguarding of its assets. Conventional and strong internal audit processes, both at the Corporate and project level ensure concurrent monitoring of the adequacy and effectiveness of internal controls across the Company and the compliance status with laid down systems, policies and procedures. The Company has in place reasonably adequate systems of internal control commensurate with the size and nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets, executing transactions with proper authorization and ensuring compliance of corporate policies. In the ERP environment of the Company, authentication of IT security, rights to operate and view is given constant attention by the internal audit team.

The Internal audit function comprises of professionally qualified accountants, management graduates & engineers, who regularly review the planning and conduct of internal audits of major construction sites to ensure that internal controls are in place and Company's assets are safeguarded. In addition to the in-house team, a firm of Chartered Accountants has been appointed to carry out internal audits of various functional areas at Head Office.

Your Company's Internal Audit function is in the process of being certified for its internal processes as complying with ISO quality standards.

The Audit Committee consists of Independent Directors and is headed by experienced professionals. The Committee meets periodically to review the Auditors' reports & their observations and makes recommendations for adequacy, effectiveness of internal controls & required remedial action, if any, to the Board of Directors for its implementation.

VII SAFETY HEALTH AND ENVIRONMENT (SHE)

In order to achieve a sustained and continual growth in Safety, various Safety Management actions have been initiated by the Company. As an IMS certified company, specific attention is paid to implementing procedures and safe work practices. One of the areas where added attention is accorded is on the mode of innovating Safety related communications and management reviews which include:

- **E mailer -** an interesting way of informal safety communications on various safety and health related matters and aspects – which is now a continual mode of safety communication in the Company.
- **E- learning -** is another innovative way of Safety training introduced for effectively communicating and familiarizing on the implementations of the various safety procedures.
- **Safety Alert** - is yet another mode of communicating an accident for learning lessons for preventive means.
- Publishing of bi annual **Safety Magazine.**

- ❖ **Video conferences** with regions and site with the active involvement of the Business Heads and the Regional Heads through Business Head Level Safety Committee is yet another mode of Safety management review for strengthening safety in the various Business Sectors and projects.

Approach to Safety Management:

Safety management is carried out in a structured & scientific manner using the performance excellence model. This concept has helped in establishing a dynamic & scientific safety organisational structure both at Head Office and the project sites involving employees' participation in safety management and its implementation at site. Effective and value added safety documentation and establishing a positive safety communication with result oriented monitoring are the key pillars of this management structure leading to performance excellence in safety. The organisational structure has invoked dual reporting for the regional safety coordinators and the project safety in charges. Accordingly, administrative reporting of Safety coordinators / Safety in-charges rest with the respective projects and the functional reporting to HO Safety bringing ownership and responsibility to ensure safety in the project works. Sufficient care and monitoring is exercised to ensure that transparency in reporting of accidents including those cases of first aid injuries and Near Misses are exhibited by the Project; to ensure that accident cases are not hidden. This brings out a positive spirit in maintaining a safe work place and safe work practices. The various safety practices followed on project sites has earned the Company recognition in the field of safety through National Level Safety Awards and from Clients safety certificates.

Increased awareness on safety at all levels with active demonstration from top management and accepting zero deviation on safety - however trivial; has resulted in a positive trend in accident prevention work. Concentrating on Safety Related Deficiency identification and correction in large numbers followed by Near Miss Accidents reporting and investigation is a focus area being concentrated by the Company on a continual basis. All the measures taken for safety management is aimed at maintaining an injury free work site on all the Company's project sites and towards **'developing a positive safety culture'**.

The current financial year was very encouraging in terms of overall safety performance giving a progressive trend in construction safety. During the financial year 2012-13, the Company received the following prestigious awards at the National level.

- ❖ ShresthaSurakshaPuraskar for Unosugen – from National Safety Council of India for Construction Sector for the year 2012.
- ❖ CII Award for ISKCON Project, Mayapur for the year 2012.
- ❖ PrashansaPatra Award from National Safety Council of India.

The Company's projects were also encouraged for their good safety performances by various esteemed clients across the country as under.

- Jindal Civil Works, Bellar, Karnataka received first prize & certificate of appreciation from M/s Jindal Power Ltd.
- Mauda Chimney, Maharashtra received Safety Champion Certificate from M/s National Thermal Power Corporation.
- Malwa NDCT & Chimney, Madhya Pradesh, received Safety Certificate from M/s L&T.
- Munger Rail cum Road bridge, Bihar received Certificate of Merit from East Central Railways, Govt. of India.

- MbPT, Mumbai received certificate of appreciation from Mumbai Port Trust.
- Lapanga Chimney Orissa received certificate of Appreciation from M/s Hindalco.
- GMR Raipur, Chattisgarh received certificate of Appreciation from M/s GMR.
- Signature Bridge, New Delhi received Certificate of appreciation from M/d Delhi Tourism and Transportation Corporation Ltd.
- Godrej Platinum Bangalore, Karnataka got the first rank Safety award & certificate of appreciation amongst all the Godrej projects across the country.
- RunwalElegante, Mumbai received certificate of Appreciation from M/s Runwal.
- Mundra Chimney, Gujarat received Certificate of Participation from M/s Tata Power.
- Sasan, Madhya Pradesh Chimney received Certificate of Appreciation from M/s Reliance Power.
- Tiroda, Civil Works, Maharashatra received Certificate of Appreciation from M/s Adani Power.
- Raigarh NDCT, Chhatisgarh received certificate of Appreciation from M/s Jindal Power Ltd.
- Ennnore Chimney received certificate of Appreciation from M/s NTPC, Tamilnadu Energy Co. Ltd.
- Raghunathpur Chimney, West Bengal received Certificate of Appreciation from M/s Reliance Infra Ltd.
- Jaypee, NigrieChattisgarh received Certificate of Appreciation from M/s Jaypee Ltd.
- Amravati Chimney, Maharashatra got certificate of appreciation from M/s Indiabulls.

VIII HUMAN RESOURCES

During the financial year, the focus on the human resource activity was process reengineering, improved productivity and cost reduction.

In order to achieve the above, management of project based employees engaged through local muster rolls (LMR) was centralized. This resulted in consolidation of wage bill at corporate level. Project wise supervision cost was critically examined resulting in downsizing to reduce this cost.

In order to achieve increased effectiveness, key HR processes were reengineered. Earlier initiatives such as SAP implementation continued throughout this year. Various processes were automated, aiming at improving employee services.

The competency mapping exercise which was carried out for the support functions in the previous year is now being extended to other core functions such as planning, execution etc. The focus will also be on developing and strengthening the leadership across the Company. Creating a 'high performance work culture' will be the theme for the coming year. Hands-on technical training is being imparted at project sites.

As on 31 March 2013, the total number of employees was 2,982.

IX INFORMATION TECHNOLOGY

We continue to believe that Information Technology is the back bone of our business and accordingly invested wisely to keep up with the technology trends. While we invested heavily in the last year, this financial year the focus was to consolidate, stabilize and optimize the platform.

We continue to roll out high performance MPLS network at our new project locations. Important project locations are connected to HO using video conference(VC) thus enabling the management to conduct meetings and reviews over VC. This has resulted in reducing the travel cost and enhancing the productivity of key management personnel.

For better control and utilization of resources, a common operating environment is implemented at all project locations. This has helped reduce the downtime considerably and thus boosting the productivity of the users. As a part of this initiative, common internet link controlled through policies are distributed to sites.

IT awareness program is conducted at strategic locations where users from nearby project locations are invited to participate and benefit.

More importantly, Disaster Recovery and Business Continuity plan is implemented to ensure that we remain in business in case a disaster strikes.

The Company has also initiated ERP upgrade to reap the benefits of new technology solutions available in the market.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "Forward Looking Statements". Actual Results might differ from those anticipated because of changing ground realities, government policies, economic and political developments, market conditions etc.

Auditors' Report

To

The Members of
Gammon India Limited

Report on Financial Statements

We have audited the accompanying Financial Statements of **Gammon India Limited** ("the Company"), which comprises the Balance sheet as at 31st March, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory notes on that date in which are incorporated the returns of the Nagpur branch including the overseas branches at Algeria, Nigeria, Kenya, Bhutan, Ethiopia & Italy audited by branch auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

(a) We draw attention to Note no 15(a) of the explanatory notes relating to recoverability of an amount of ₹ 150.09 Crore, including 41.00 Crore recognized in the current year under trade receivables in respect of recognition of contract revenue where the Company has received arbitration awards in its favor in respect of which the client has preferred an appeal for setting aside the said arbitration awards and ₹ 58.00 Crore where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favor of the Company.

(b) Note no 35 regarding admission of the Company's proposal by the CDR empowered group for Corporate Debt Restructuring of the Company's debt.

(c) Note no 33 to the notes to accounts relating to the investments in overseas and Indian operations of the group and its consequent impairment assessments by the Company. The Company on the principle of prudence and conservatism has recognized provisions on certain amounts. The Impairment if any would be dependent on the achievement of the projections on the basis of which the impairment assessments were done.

(d) Note no 23 (a) regarding payment of remuneration to the managerial persons being in excess of the limits specified by the relevant provisions of Companies Act 1956 by ₹ 13.33 Crore exclusive of ₹ 2.90 Crore for the previous year. The Company has sought the shareholders' approval in the last General Meeting for the remuneration paid as the minimum remuneration and pursuant thereto made an application to the central government in this regard for such excess payment of managerial remuneration. Pending the final outcome of the Company's application no adjustments have been made to the accompanying financial statements in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by Section 227(3) of the Companies Act 1956, we report that:

   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.

   ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books. Proper returns adequate for the purpose of our audit have been received from the branches not visited by us.

iii) The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

iv) The reports on accounts of the branches audited by the other Auditors have been forwarded to us and have been appropriately dealt by us in preparing our report.

v) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

vi) On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of Clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956 on the said date.

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Dated : 30th May 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

(i) (a) The Company is maintaining proper records showing particulars, including quantitative details and situation of fixed assets;

(b) The Company has a program for physical verification of its fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets and operations. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) (a) Inventories, being project materials and the stocks of finished goods, stores and raw materials in respect if its manufacturing operations have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The discrepancies noticed between the physical stocks and books stocks were not material and the valuation of stock has been done on the basis of physically verified quantity. Therefore Shortage / Excess automatically get adjusted and the same is properly dealt in the books of accounts.

(iii) (a) The Company has during the year granted unsecured loans to 10 parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 814.13 Crore and at the end of the year balance of loans granted to such parties was ₹ 738.30 Crore.

(b) In our opinion the rate of interest, wherever charged, and the other terms and conditions of such loans are not prima-facie prejudicial to the interest of the Company.

(c) There are no stipulations for the repayment of principal and the interest, wherever charged. *The outstanding overdue interest receivable as at 31st March 2013 was ₹ 39.81 Crore.*

(d) The Company has not taken any loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us the *internal control procedure in respect of the purchase of inventory needs strengthening to make it commensurate with the size and nature of its operations*. In respect of the purchase of fixed assets and sale of goods and services the internal control procedures are commensurate with the size of the Company and the nature of its business. The Company is taking steps to strengthen its internal control procedure in respect of inventory to make it commensurate with the size and nature of its operations. There are however no cases of continuing failure to correct major weaknesses in internal controls.

(v) a) In our opinion and according to the information and explanations given to us the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.

b) All the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and the nature of services rendered by such parties.

(vi) The Company has not accepted any deposits from the public during the year under review and consequently the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA of the Act and the rules framed there under are not applicable. We are further informed that no orders have been passed by the Company law board in the case of the Company requiring compliance.

(vii) In our opinion the internal audit system is presently commensurate with the size and nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Company under 209(1)(d) of the Companies Act 1956 and are of the opinion that *prima facie* the prescribed records have been maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) (a) The Company is by and large regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, wealth tax, works contract tax, Service tax/VAT, Cess and sales tax dues with the appropriate authorities observed on a test check basis *except for many cases of delays observed in deposit of Tax Deducted at Source,Cess, VAT, Service tax and Provident fund at sites*.

(b) On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are arrears amounting to ₹ 0.18 Crore to be deposited with Investor Education and Protection Fund, ₹ 1.00 Crore in case of Service Tax, ₹ 0.51 Crore in case of Provident Fund, ₹ 0.16 Crore in case of Works contract tax, ₹ 0.17 Crore in case of Professional tax, ₹ 0.98 Crore in case of Cess , ₹ 0.03 in case of Deposit Linked Insurance Scheme, ₹ 0.02 Crore in case of Tax deducted at Source, and ₹ 0.02 Crore in case of Employee's State Insurance Scheme which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, the details of Sales tax, Income Tax, Service Tax and Excise duty that have not been deposited on account of dispute are stated in the statement attached herewith.

(x) The accumulated losses of the Company are less than 50% of the networth of the Company. However the Company has incurred cash losses in the current year but has not incurred cash losses in previous year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, *the Company has delayed payment of interest and repayment of principal dues to financial institution, bank and debenture holders of a sum of ₹ 718.86 Crore being principal repayment of Short term Loans where the period of delay ranged upto 90 days, ₹ 472 Crore in case of Long term loans where the period of delay ranged upto 90 days and ₹ 135.73 Crore in respect of Interest liabilities (for both short term and long term loans) accrued during the year where the period of delay ranged upto 90 days all of which were subsequently paid during the year.*

Further, there are defaults as at Balance Sheet date which includes amount of ₹ 28.58 Crore in case of Interest payments, ₹ 225 Crore in case of principal repayment of Short term Loans, ₹ 18.64 Crore in case of principal repayment of Long term loans, ₹ 8.01 Crore of interest not paid in case of Non–Convertible Debentures. The Company has overdrawn the Working Capital limit sanctioned by the Consortium bankers amounting to ₹ 7.25 Crore as on the date of Balance Sheet. The facilities wise break-up of continuing default is disclosed by the Company in Annexure 1 to the financial statements.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiii) The Company is not a nidhi/mutual benefit fund/societies. Accordingly the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations the Company has given corporate guarantee for loans taken by other Companies being subsidiary Companies of this Company from banks or financial institutions. The other terms and conditions are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on the information and explanation given by the management the terms loans during the year were taken for funding the cash flow mismatches and for working capital thereby the term loans taken during the year have been applied for the purpose for which the loans were obtained.

(xvii) In our opinion and according to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company as at March 31, 2013, we report that funds raised on *short term basis of ₹ 917.50 Crore have been applied for long term purposes.*

(xviii) The Company during the year has not made any preferential allotment of shares to any parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xix) The Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xxi) Based on the audit procedures performed and the information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the year.

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Dated : 30th May 2013

Statement Of Statutory Dues Outstanding On Account Of Disputes, As On 31st March, 2013,

Referred To In Para (ix)(c) of The Annexure To Auditors' Report

Name of the Statute	State	Nature of the dues	Amount in Crore	Period to which it relates	Forum where Dispute is pending
Sales Tax	A.P.	Reassessment matter	0.19	2001-02	H.C.
	A.P.	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	2.10	2002-03	Tribunal / H.C.
	A.P.	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	1.64	2003-04	Tribunal / H.C.
	A.P.	Disallowance of Inter state purchase	0.23	2005-07	H.C.
	A.P.	Levy of Penalty	1.90	2005-07	H.C.
Sales Tax	Gujarat	Levy of Penalty	0.01	2001-02	J C Appeals
	Gujarat	Levy of Penalty	0.22	2003-04	J C Appeals
Sales Tax	M.P.	Entry Tax	0.42	1992-2011	DC Appeals
Sales Tax	Maharashtra	Denial of deduction on Pre cost component	0.79	1993-94 to 1997-98	Tribunal / A.C. Appeals
		Disallowance of WCT & BST	5.84	2000 to 2002	Jt. Appeals / Tribunal
		Lease Matter	0.19	1998-99 to 2001-02	Bombay High Court / Jt. Appeals
		Lease Matter	0.10	2005-06	Jt. Appeals II
Sales Tax	Orissa	Lab. and Service Charges disallowed	0.11	1992-93 to 1999-00	A.C. Appeals
		Various disallowance	0.40	2001-04	A.C. Appeals
Sales Tax	West Bengal	Arbitrary demand	8.57	1997-2009	Sr. JCT (Appelate)
		Arbitrary demand	5.45	2008-09	Revisional Board
		Arbitary demand	4.98	2007-08	Tribunal
		Arbitary order	1.31	2007-08 (CST)	Tribunal
		Demand reassessment reopened	6.76	2005-06 & 2006 - 07	High Court
Sales Tax	Jharkhand	Non Receipt of F Form	0.04	2001-02	C.T.
Sales Tax	Chattisgarh	Entry Tax	0.38	1979-80 to 2007-08	Tribunal
Sales Tax	Assam	Arbitary Demand	1.07	2004-05 and 2006-07	Appeal
Sales Tax	Rajasthan	Increase in EC fees , Interest	0.74	2005-2009	DC Appeals/ Tax Law Board
Service Tax	Gujarat –	Whether for commercial purpose or not	5.65	2005-07	A.D.G.
Service Tax	Gujarat –	Pending for adjudication with commissione	5.72	2005-2010	Tribunal
Service Tax	Bhilai	Show Cause cum demand notice	1.00	2006-2010	A.D.G./ C.T
Service Tax	Karnataka	Non Inclusion of Value of Material	0.25	2006-07	DG –CEI
Service Tax	Imports	Show Cause cum demand notice	1.92	2004-08	A.D.G-CET
Service Tax	Chhattisgarh	Pending for adjudication with commissioner	1.52	2007-2011	SCN/ST/MUM/DIV
Service Tax	Various	Projects where materials are provided by client as free of Cost	22.01	2004-09	ST / HQ.
Service Tax	Various	Pending for adjudication with commissioner	12.78	2009-2012	DGCEI
Service Tax	Bangalore	free materials provided is not added.	2.58	Jan. 06 to March 2009	CESTAT
Excise	Chennai	Disputed Demand	0.03	2006	CESTAT Chennai
Service Tax	Maharashtra	Service Tax	5.95	April 08 to Jan 09	CESAT, Western Region, Mumbai
Service Tax	Maharashtra	Service Tax	4.77	Feb. 09 to Sept. 09	CESAT, Western Region, Mumbai
Service Tax	Maharashtra	Service Tax	6.53	Oct. 09 to March 10	CESAT, Western Region, Mumbai
Service Tax	Maharashtra	Service Tax	7.19	Apr. 10 to March 11	CESAT, Western Region, Mumbai
Service Tax	Maharashtra	Service Tax	4.22	Apr. 11 to March 12	Commisioner Service Tax, Nagpur
VAT	Gujarat	VAT	7.63	2008-09	Joint Commissioner (Appeals) , Vadodara
Service Tax	Gujarat	Service Tax	0.02	April 2009 to March 2010	Commissioner(Appeals), Vadodara
Service Tax	Gujarat	Service Tax	2.04	April 2006 to March 2007	Commissioner(Appeals), Vadodara
		TOTAL	**135.25**		

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Crore)

	Note No.	As At 31st March 2013		As At 31st March 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	27.50		27.50	
Reserves and Surplus	2	1,687.12		2,224.48	
			1,714.62		2,251.98
Non-Current Liabilities					
Long Term Borrowings	3	909.12		469.17	
Deferred Tax Liabilities (Net)	4	70.35		67.19	
Other Long Term Liabilities	5	365.28		304.48	
Long Term Provisions	6	12.58		13.10	
			1,357.33		853.94
Current Liabilities					
Short Term Borrowings	7	2,391.32		2,237.06	
Trade Payables	8	1,811.60		1,470.52	
Other Current Liabilities	9	1,167.52		912.68	
Short Term Provisions	6	8.87		15.21	
			5,379.31		4,635.47
TOTAL			8,451.26		7,741.39
ASSETS					
Non-Current Assets					
Fixed Assets	10				
- Tangible Assets		1,125.96		1,288.53	
- Intangible Assets		2.22		6.41	
- Capital Work in Progress		33.86		57.32	
		1,162.04		1,352.26	
Non-Current Investments	11	219.15		204.19	
Long Term Loans and Advances	12	1,944.86		1,079.44	
Long Term Trade Receivable	15	812.48		652.44	
Other Non-Current Assets	13	72.23		28.37	
			4,210.76		3,316.70
Current Assets					
Current Investments	11	2.21		4.53	
Inventories	14	2,001.98		1,808.52	
Trade Receivables	15	1,478.66		1,373.93	
Cash and Cash Equivalents	16	78.01		103.43	
Short Term Loan and Advances	12	311.00		901.72	
Other Current Assets	13	368.64		232.56	
			4,240.50		4,424.69
TOTAL			8,451.26		7,741.39

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

As per our report of even date

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

N. Jayendran
Partner
M.No. 40441

Mumbai, Dated : 30th May 2013

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

D. C. BAGDE
Deputy Managing Director

GIRISH BHAT
Chief Financial Officer

NAVAL CHOUDHARY
Non Executive Director

GITA BADE
Company Secretary
Mumbai, Dated : 30th May 2013

Statement Of Profit And Loss For The Year Ended 31st March, 2013

(₹ in Crore)

	Note No.	FY 2012-2013		FY 2011-2012	
Total Revenue					
Revenue from Operations (Net)	17	5,100.25		5,473.23	
Other Operating Revenue	18	97.11		59.89	
Other Income	19	132.42		159.52	
			5,329.78		5,692.64
Expenses					
Cost of Material Consumed	20	2,621.36		2,401.81	
Purchase of Stock in Trade	21	225.02		166.25	
Change in Inventory - WIP & FG	22	(265.09)		(295.41)	
Subcontracting Expenses		1,154.84		1,388.21	
Employee Benefit Expenses	23	518.76		513.69	
Foreign Exchange (Gain)/Loss	24	(0.22)		(14.85)	
Finance Costs	25	443.41		363.42	
Depreciation & Amortisation	26	107.39		101.99	
Other Expenses	27	857.59		909.70	
			5,663.06		5,534.81
Profit Before exceptional and extraordinary items			(333.28)		157.83
Exceptional Items	28		106.64		4.70
Profit Before Tax			(439.92)		153.13
Tax Expenses					
Current Income Tax		2.60		74.08	
Deferred Tax		3.15		(14.24)	
Prior year Tax Adjustments		-		6.25	
			5.75		66.09
Profit After Tax For The Year			(445.67)		87.04
Earning Per Equity Share	36				
Face Value per Share			2.00		2.00
Basic EPS			(32.82)		6.41
Diluted EPS			(32.82)		6.38

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

As per our report of even date

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

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Partner
M.No. 40441

Mumbai, Dated : 30th May 2013

For and on behalf of the Board of Directors

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Chief Financial Officer

NAVAL CHOUDHARY
Non Executive Director

GITA BADE
Company Secretary

Mumbai, Dated : 30th May 2013

Cash Flow Statement For The Year Ended 31ST March, 2013

(₹ in Crore)

		FY 2012-2013		FY 2011-2012	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax and extraordinary items		(439.92)		151.58
	Adjustments for :				
	Depreciation	107.39		101.99	
	(Profit)/Loss on Sale of Assets	(7.68)		2.00	
	(Profit)/Loss on Sale of Investments	(7.72)		(9.52)	
	Employees Compensation Expenses	(0.32)		-	
	Dividend Income	(0.28)		(0.27)	
	Interest Income	(114.33)		(137.87)	
	Interest Expenses	443.41		363.42	
	Foreign Exchange loss /gain	0.69		(14.06)	
	Exceptional Items	106.64		-	
	Provision for Doubtful Debt	1.10		0.13	
	Bad Debts Written off	1.47		10.08	
			530.37		315.90
	Operating Profit before Working Capital Changes		90.45		467.48
	Trade and Other Receivables	(267.26)		(337.08)	
	Inventories	(193.46)		(320.42)	
	Trade Payables & Working Capital Finance	433.77		328.77	
	Loan and Advances	(126.65)		21.67	
			(153.60)		(307.06)
	CASH GENERATED FROM THE OPERATIONS		(63.15)		160.42
	Direct Taxes paid		(64.58)		(98.78)
	Net Cash from Operating Activities		(127.73)		61.64
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Purchase of Fixed Assets	(43.05)		(86.66)	
	Sale of Fixed Assets	14.09		5.78	
	Loans given to Subsidiaries, Associates and others	(534.03)		(931.30)	
	Loans Refund from Subsidiaries, Associates and others	268.66		498.68	
	Other Bank Balances	0.42		(21.27)	
	Purchase of Investments				
	Subsidiary, Joint Ventures & Associates	(0.01)		(10.85)	
	Others	(15.00)		(1.45)	
	Sale of Investments:				
	Subsidiary, Joint Ventures & Associates	-		-	
	Others	10.01		12.38	
	Interest received	35.04		262.96	
	Dividend received	0.28		0.27	
	Net Cash from Investment activities		(263.59)		(271.46)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Interest Paid	(422.53)		(359.42)	
	Dividend Paid (Including Tax)	(3.04)		(6.09)	
	Proceeds from Long Term Borrowings	709.86		48.06	
	Repayment of Long Term Borrowings	(71.54)		(24.29)	
	Proceeds from / (Repayment of) Short Term Borrowings	153.60		576.12	
	Proceeds from issue of Share Capital & Share Premium	-		0.14	
	Net Cash from Financing activities		366.35		234.52
	NET INCREASE IN CASH AND CASH EQUIVALENTS		(24.97)		24.70
	Balance as on 31 March 2012		69.82		45.00
	Balance as on 31 March 2013		44.85		69.70
	NET INCREASE IN CASH AND CASH EQUIVALENTS		(24.97)		24.70
Note:	*Figure in brackets denote outflows*				
			As at 31 Mar 2013		As at 31 Mar 2012
	Cash and Cash Equivalents		44.82		69.82
	Effect of Exchange Rate Charges		0.03		(0.12)
	Balance Restated above		44.85		69.70

Statement of significant accounting policies and explanatory notes forms an integral part of the financial statements

As per our report of even date

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

N. Jayendran
Partner
M.No. 40441

Mumbai, Dated : 30th May 2013

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

D. C. BAGDE
Deputy Managing Director

GIRISH BHAT
Chief Financial Officer

NAVAL CHOUDHARY
Non Executive Director

GITA BADE
Company Secretary
Mumbai, Dated : 30th May 2013

Significant Accounting Policies And Explanatory Notes

A. Significant Accounting Policies :

1. Basis of preparation of Financial Statements:

(a) The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.

(b) The classification of assets and liabilities of the Company is done into current and non-current based on the criterion specified in the Revised Schedule VI notified under the Companies Act, 1956.

(c) The accounting policies discussed more fully below, are consistent with those used in the previous year.

2. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known.

3. Revenue Recognition:

(a) On Construction Contracts:

Long-term contracts including Joint Ventures are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected expenditure of the job.

Additional claims (including for escalation), which in the opinion of the Management are recoverable on the contract, are recognised at the time of evaluating the job.

(b) On supply of materials related to the transmission towers, revenue is recognized upon the delivery of goods to the client in accordance with the terms of contract. Sales include excise duty & other receivable from the customers but exclude VAT, wherever applicable.

(c) Insurance claims are accounted for on cash basis.

(d) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.

(e) Dividend Income is accounted when the right to receive the same is established.

4. Turnover :

Turnover represents work certified upto and after taking into consideration the actual cost incurred and profit evaluated by adopting the percentage of the work completion method of accounting.

Turnover also includes the revenue from the supply of material in the transmission tower contracts in accordance with the terms of contract.

5. Joint Venture :

(a) Joint Venture Contracts under Consortium are accounted as independent contracts to the extent of work completion.

(b) In Joint Venture Contracts under Profit Sharing Arrangement, services rendered to Joint Ventures are accounted as income on accrual basis, profit or loss is accounted as and when determined by the Joint Venture and net Investment in Joint Venture is reflected as investments or loans & advances or current liabilities.

6. Research and Development Expenses:

All expenditure of revenue nature is charged to the Statement of Profit and Loss of the period. All expenditure of capital nature is capitalised and depreciation provided thereon, at the rates as applied to other assets of similar nature.

7. Employee Retirement Benefits:

Retirement benefits in the form of provident fund and superannuation is a defined contribution scheme and contributions are charged to the Statement of Profit and Loss for the year/period when the contributions are due.

Gratuity a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

Leave encashment is recognised on the basis of an actuarial valuation made at the end of each year on projected Unit Credit Method.

Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.

8. Fixed Assets and Depreciation:

Fixed Assets are valued and stated at cost of acquisition less accumulated depreciation thereon. Revalued assets are stated at the revalued amount. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use.

Depreciation for the accounting period is provided on:

(a) Straight Line Method, for assets purchased after 2-4-1987, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

(b) Written Down Value Method, for assets acquired on or prior to 2-4-1987, at the rates as specified in Schedule XIV to the Companies Act, 1956.

(c) Depreciation on revalued component of the assets is withdrawn from the Revaluation Reserve.

(d) Depreciation on assets used for construction has been treated as period cost.

(e) Depreciation on assets situated in countries outside India are accounted at the rates of depreciation prescribed as per the relevant local laws of such countries which are as follows except in case of Oman Branch where the depreciation is as per Schedule XIV.

Assets Category	Ethiopia	Kenya	Nigeria	Rwanda	Algeria	Bhutan
Computers	25%	30%	-	50%	15%	15%
Computers Software	25%	-	-	-	-	-
Furniture and Fittings	20%	13%	10%	25%	15%	15%
Plant and Machineries	-	-	15%	-	15%	15%
Office Equipments	20%	-	15%	50%	15%	15%
Electrical fittings	-	-	15%	-	-	-
SPC Tools	20%	-	-	-	15%	15%
Vehicles	20%	-	-	-	20%	20%
Building/Store Cabin	-	-	-	-	5%	5%

(f) Intangible assets are amortised uniformly over three years.

9. Impairment of Assets:

On annual basis Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10. Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

11. Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

12. Inventories:

(a) Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on Weighted Average method.

(b) Stores and spares and material at construction site are valued and stated at lower of cost or net realisable value. The Weighted Average method of inventory valuation is used to determine the cost.

(c) Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.

(d) Work in progress from manufacturing operation is valued at cost and Costs are determined on Weighted Average method.

(e) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average method.

13. Foreign Currency Translation:

(a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.

(b) Current Assets and Current Liabilities are translated at the year end rate or forward contract rate.

(c) Any Gain or Loss on account of exchange difference either on settlement or translation is recognized in the Statement Profit and Loss.

(d) Fixed Assets acquired in foreign currencies are translated at the rate prevailing on the date of Bill of Lading.

(e) The transactions of Oman branch are accounted as a non-integral operation. The related exchange difference on conversion is accounted under Foreign Currency Translation Reserve Account.

(f) The transactions of branches at Kenya, Nigeria Algeria, Bhutan & Italy are accounted as integral operation.

(g) The exchange gain / loss on long term loans to non-integral operations being subsidiaries are restated to Foreign Exchange Translation Reserve Account and will be transferred to the Statement of Profit & Loss in the year when the disposal or otherwise transfer of the operations are done.

14. **Borrowing Cost:**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

15. **Employee Stock Option Scheme:**

Employee stock options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to Statement of Profit and Loss on graded vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding which is shown under Reserves and Surplus.

16. **Taxation:**

Tax expenses comprise Current Tax and Deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

17. **Sales Tax /Cenvat Credit / VAT / WCT:**

Sales Tax/VAT/Works Contract Tax on construction contracts are accounted on payment basis. The cost of Material (inputs) is accounted at purchase cost net of excise duty and Value Added Tax, wherever applicable. The excise duty elements of materials (inputs) is debited to "Modvat Credit Receivable A/c." and Value Added Tax element of materials (inputs) is debited to "VAT Credit Receivable A/c.", under the head "Loans & Advances" The excise duty and Value Added Tax payable on dispatch of goods are credited to Modvat Credit Receivable A/c. and VAT Credit Receivable A/c by debiting the same to excise duty and value added tax (sales tax), respectively in Statement of Profit & Loss.

18. **Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Disputed demands in respect of Central Excise, Customs, Income tax and Sales Tax are disclosed as Contingent Liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter.

Contingent Assets are neither recognized nor disclosed in the financial statements.

19. **Earning per share:**

Basic & Diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

20. **Prior Period Items:**

Prior period items are included in the respective head of accounts and material items are disclosed by way of notes to accounts.

B OTHER NOTES

1 Share Capital

(a) Authorised, Issued, Subscribed and Fully Paid up Capital: (₹ in Crore)

Particulars	As At 31st March 2013		As At 31st March 2012	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital:				
Equity Shares of ₹ 2/ - each	355,000,000	71.00	355,000,000	71.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	3,000,000	105.00	3,000,000	105.00
Issued, Subscribed and Fully Paid up Capital:				
Issued:				
Equity Shares of ₹ 2/ - each, fully paid	137,355,208	27.47	137,355,208	27.47
Subscribed and Fully Paid up Capital:				
Equity Shares of ₹ 2/ - each, fully paid	135,774,668	27.16	135,774,668	27.16
Share Forfeiture Account				
Money received in respect of Right Shares of ₹10/- each forfeited	170,948	0.34	170,948	0.34
TOTAL		27.50		27.50

Issued Share Capital includes 725,800 shares of ₹ 2 each kept in abeyance.

Share Forfeiture account includes ₹ 0.26 Crore of Share Premium collected on application in respect of forfeited shares.

(b) Reconciliation of number of shares outstanding (₹ in Crore)

Particulars	As At 31st March 2013		As At 31st March 2012	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	135,774,668	27.16	135,739,182	27.15
Add : Issued during the year - ESOP	-	-	35,486	0.01
As at the end of the year	135,774,668	27.16	135,774,668	27.16

(c) Details of Shareholding in excess of 5%

Name of Shareholder	As At 31st March 2013		As At 31st March 2012	
	No of Shares	%	No of Shares	%
Pacific Energy Private Limited	18,013,015	13.20	18,013,015	13.20
Warhol Limited	13,437,359	9.84	13,437,359	9.84
Devyani Estate and Properties Private Limited	12,182,805	8.93	11,782,805	8.63

(d) Aggregate number of Equity shares issued for consideration other than cash during five years immediately preceding the reporting date

Particulars	No of Shares	
	31-Mar-13	31-Mar-12
Equity Shares issued as consideration on merger of Associated Transrail Structures Limited with the Company	20,106,106	20,106,106
TOTAL	20,106,106	20,106,106

(e) Shares reserved under options to be given

17,400 (*Previous Year 43,580*) Equity shares have been reserved for issue as ESOP. Refer Note No. 34 for details of the ESOP Shares and Scheme.

(f) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity share is entitled to one vote per share. The distribution will be in proportion to the number of equity shares held by the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

2 Reserves & Surplus

(₹ in Crore)

Particulars	As At 31st March 2013		As At 31st March 2012	
(i) **Capital Redemption Reserve**		**105.00**		105.00
(ii) **Securities Premium Account**				
As per last Balance Sheet	**1,031.69**		1,031.11	
Add : On issue of Equity Shares on exercise of ESOP's	**-**		0.58	
		1,031.69		1,031.69
(iii) **Debenture Redemption Reserves**				
As per last Balance Sheet	**165.28**		121.00	
Add : Transferred from Surplus	**-**		47.43	
Less : Transferred to General Reserve	**84.28**		3.15	
		81.00		165.28
(iv) **Revaluation Reserves**				
As per last Balance Sheet	**236.17**		239.30	
Less : Reversal on A/c of Asset Transfer to Inventories (Refer Note 14(iii))	**116.34**		-	
Less : Transferred to General Reserve on Sale of Assets	**3.30**		-	
Less : Depreciation on Revalued Assets	**3.13**		3.13	
		113.40		236.17
(v) **Share Options Outstanding Account**				
Employee Stock Option Outstanding	**2.66**		2.66	
Less : For Lapse of ESOP	**0.98**		0.66	
Less : Transfer to Securities Premium on Exercise of ESOP	**1.46**		1.46	
Less : Deferred Employee Compensation Cost	**-**		-	
(Refer Note 34 for details)		**0.22**		0.54
(vi) **OTHER RESERVES**				
a) General Reserve				
As per last Balance Sheet	**225.48**		212.16	
Add : On Forfeiture/Lapse of ESOPs during the year	**-**		0.17	
Add : Transferred from Debenture Redemption Reserve	**84.28**		3.15	
Add : Transferred from Revaluation Reserve on Sale of Assets	**3.30**		-	
Add : Transferred from Surplus	**-**		10.00	
		313.06		225.48
b) Foreign Currency Translation Reserve				
As per last Balance Sheet	**41.98**		(12.09)	
Add : Arising out of current year	**27.98**		70.92	
Less : Amount recognised in the statement of Profit & Loss	**-**		16.85	
		69.96		41.98
c) Special Contingency Reserve		**50.00**		50.00
d) Surplus / (Deficit)				
Profit brought forward from last year	**368.34**		341.67	
Add : Profit for the year	**(445.67)**		87.04	
Add : Dividend from Own Shares (Refer Note 19 (a))	**0.12**		0.23	
Less : Transferred to General Reserve	**-**		10.00	
Less : Transferred to Debenture Redemption Reserve	**-**		47.43	
Less : Interim & Proposed Dividend on Equity Shares	**-**		2.73	
Less : Tax on Dividend	**-**		0.44	
		(77.21)		368.34
TOTAL		**1,687.12**		2,224.48

(a) The General reserve is created to comply with the The Companies (Transfer of Profit and Reserve rules 1975).

(b) The Foreign Currency Translation Reserve is created in terms of Accounting Standard 11 ''The effect of changes in foreign exchange rates' issued under the Companies Accounting Standard Rules 2006. During the year an amount of ₹ NIL (*Previous Year ₹ 16.85 Crore*) has been transferred from Foreign Currency Translation Reserve to the Statement of Profit & Loss on retirement of certain portion of the long term loans from the subsidiaries.

(c) The Special Contingency Reserve has been created by the Company to meet any possible contractual losses / liabilities / claims following the principles of conservatism and prudence.

(d) In accordance with Circular issued by Ministry of Corporate Affairs No. 04/2013 dated 11.02.2013 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. The excess balance of the Debenture Redemption Reserve as at the year end has been transferred to General Reserve. The Company has however not set aside or earmarked liquid assets of ₹ 4.50 Crore being 15% of the amount of Debenture due for redemption before 31st March 2014 as required by the aforesaid Circular.

3 Long Term Borrowings

(₹ in Crore)

Particulars	Non Current		Current Maturities	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Non Convertible Debentures				
Placed with Banks and Financial Institutions	**294.00**	374.00	**30.00**	-
Term Loans				
From Banks	**615.12**	95.17	**191.05**	22.68
TOTAL	**909.12**	469.17	**221.05**	22.68
The above amount includes				
Secured Borrowings	**909.12**	469.17	**221.05**	22.68
Unsecured Borrowings	**-**	-	**-**	-
Amount disclosed under the head "Other Current Liabilities" (note 9)			**221.05**	22.68

(a) **Term & Condition of Term Loan :**

Name of the Bank	Securities	Repayment Schedule
a) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Monthly instalments of ₹ 1.14 Crore each
b) IDBI Bank	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Monthly instalments of ₹ 0.75 Crore each
c) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Repayable on 18th, 21st & 24th month from the date of disbursement (27.03.2012)
d) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Repayable in 54 equal installments of ₹ 0.65 Crore. Moratorium period of 6 months from date of 1st disbursement i.e. 30.09.2012
e) United Bank of India f) Union Bank of India	Secured by Pari-passu charge of Commercial Property, 2nd charge on the present and future current assets with existing lenders and Personal Guarantee of Chairman & MD.	Repayable in 15 unequal quarterly installment, From Dec 2013 Onwards
g) Canara Bank	Secured by Pari-passu charges along with debenture holders of land parcel of Metropolitan Infra Housing Private Limited (MIPL) including Corporate Guarantee of MIPL, 2nd charge on Stock & Receivable of the Company.	Repayable in 12 unequal quarterly installment, From Mar 2013 Onwards.

The above mentioned loans carry an interest rate which is at a spread above / below the banks base rate or the banks prime lending rate or at a negotiated rate, the spread ranges from 50 to 300 bps.

Maturity profile of Term Loan : (₹ in Crore)

Period	31-Mar-2013	31-Mar-2012
1 - 2 years	**186.46**	72.49
2 - 3 years	**186.46**	13.69
3 - 4 years	**150.35**	8.99
4 - 5 years	**91.85**	-
TOTAL	**615.12**	95.17

(b) Redeemable Non Convertible Debentures are secured by hypothecation of specific Plant & Machinery with pari passu charge by mortgage of immovable property in Gujarat.

(₹ in Crore)

Repayment Terms	Interest Rate	31-Mar-2013	31-Mar-2012
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 5th Sep, 2010	9.50%	**50.00**	50.00
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 18th June, 2010	9.50%	**50.00**	50.00
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 7th May, 2009	10.50%	**74.00**	74.00
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 24th March, 2008	9.95%	**50.00**	50.00
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 5th Aug, 2005	7.50%	**-**	50.00
Due for repayment at the end of 5th, 6th and 7th year from the date of allotment being 25th July, 2008	11.05%	**100.00**	100.00
	TOTAL	**324.00**	374.00

(c) Based on contractual terms, 7.50% debentures valuing ₹ 50 Crore have been prepaid on 5th August, 2012.

(d) For details of continuing defaults as at 31st Mar 2013, Refer Annexure 1.

4 Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As At 31st March 2013		As At 31st March 2012	
Deferred Tax Liability				
Depreciation		**104.50**		93.67
Deferred Tax Asset				
Provision for Gratuity / Leave Salary	**6.35**		6.94	
Provision for Bonus and Disallowances u/s 43 B	**4.02**		3.33	
Foreign Exchange Translation Reserve	**23.78**		13.62	
Others	**-**		2.59	
		34.15		26.48
Deferred tax liability (Net)		**70.35**		67.19

5 Other Long Term Liabilities

(₹ in Crore)

Particulars	As At 31st March 2013		As At 31st March 2012	
Trade Payables				
Micro, Small & Medium Enterprises (Note 8(i))	**-**		-	
Retention / Security Deposits	**44.70**		49.33	
		44.70		49.33
Others				
Advances from Clients	**294.58**		243.15	
Margin Money Received	**12.00**		12.00	
Others	**14.00**		-	
		320.58		255.15
TOTAL		**365.28**		304.48

6 **Provisions** (₹ in Crore)

Particulars	Long Term		Short Term	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Provision for Employee Benefits				
Provision for Gratuity	**-**	-	**2.91**	3.17
Provision for Leave Benefits	**12.58**	13.10	**3.29**	5.35
Others				
Proposed Dividend	**-**	-	**-**	2.73
Corporate Tax on Dividend	**-**	-	**-**	0.44
Provision for Taxation Net of Taxes Paid	**-**	-	**2.67**	2.67
Other Provisions	**-**	-	**-**	0.85
TOTAL	**12.58**	13.10	**8.87**	15.21

Disclosure relating to Employee Benefits As per Revised AS - 15 (₹ in Crore)

Particulars	**As At 31st March 2013**		As At 31st March 2012	
(i) **Change in Benefit Obligation**				
Liability at the beginning of the year	**9.13**		9.32	
Interest Cost	**0.72**		0.74	
Current Service cost	**1.29**		1.06	
Past Service Cost (Non Vested Benefit)	**-**		-	
Past Service Cost (Vested Benefit)	**-**		-	
Benefit Paid	**(1.69)**		(2.04)	
Actuarial (gain) / loss on obligations	**(0.35)**		0.04	
Curtailments and Settlements	**-**		-	
Liability at the end of the year		**9.10**		9.13
(ii) **Fair Value of Plan Assets**				
Fair Value of Plan Assets at the beginning of the year	**5.96**		5.56	
Expected Return on Plan Assets	**0.50**		0.47	
Contributions	**1.42**		1.96	
Benefit Paid	**(1.69)**		(2.04)	
Actuarial gain /(loss) on Plan Assets	**-**		-	
Fair Value of Plan Assets at the end of the year		**6.19**		5.96
Total Actuarial (gain)/loss to be Recognised		**(0.35)**		0.04
(iii) **Actual Return on Plan Assets**				
Expected Return on Plan Assets	**0.50**		0.47	
Actuarial gain /(loss) on Plan Assets	**-**		-	
Actual Return on Plan Assets		**0.50**		0.47
(iv) **Amount Recognised in the Balance Sheet**				
Liability at the end of the year	**9.10**		9.13	
Fair Value of Plan Assets at the end of the year	**(6.19)**		(5.96)	
Difference	**2.91**		3.17	
Un-recognised Past service Cost	**-**		-	
Amount Recognised in the Balance Sheet		**2.91**		3.17
(v) **Expenses Recognised in the Income Statement**				
Current Service cost	**1.29**		1.06	
Interest Cost	**0.72**		0.74	
Expected Return on Plan Assets	**(0.50)**		(0.47)	
Net Actuarial gain / (loss) to be be Recognised	**(0.35)**		0.04	
Past Service Cost (Non Vested Benefit) Recognised	**-**		-	
Past Service Cost (Vested Benefit) Recognised	**-**		-	
Effect of Curtailment or Settlements	**-**		-	
Expense Recognised in the Profit & Loss Account		**1.16**		1.37

(vi) **Balance Sheet Reconciliation**			
Opening Net Liability	**3.17**		3.76	
Expenses as above	**1.16**		1.37	
Employers Contribution	**(1.42)**		(1.96)	
Effect of Curtailment or settlements	**-**		-	
Amount Recognised in the Balance Sheet		**2.91**		3.17
(vii) **Actuarial Assumptions**				
Discount Rate Current		**8.00%**		8.00%
(viii) **Investment Details**				
Government Securities		**43.50%**		43.50%
Debentures and Bonds		**37.66%**		37.66%
Equity Shares		**4.67%**		4.67%
Fixed Deposits		**14.17%**		14.17%
		100.00%		100.00%

Note :

(a) Employer's contribution includes payments made by the Company directly to its past employees.

(b) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

(d) In the absence of data of experience adjustments, the same is not disclosed.

(e) The Company's Leave Encashment liability is entirely unfunded.

7 **Short-term Borrowings**

The borrowings are analysed as follows: (₹ in Crore)

Particulars	**As At 31st March 2013**		As At 31st March 2012	
Loans repayable on demand :				
Cash Credit from Consortium Bankers		**1,298.76**		572.67
Loans and Advances from Related Parties :		**38.46**		4.98
Other Loans and Advances:				
Buyers Credit	**77.54**		60.45	
Commercial Paper	**-**		225.00	
(Maximum O/s during the year ₹ 355 Crore (*Previous Year ₹ 550 Crore*))				
Short Term Loans - From Banks	**976.56**		1,373.96	
		1,054.10		1,659.41
TOTAL		**2,391.32**		2,237.06
The above amount includes				
Secured Borrowings		**1,942.76**		572.67
Unsecured Borrowings		**448.56**		1,664.39

(i) Cash Credit from Canara Bank Led Consortium are secured by charge over all the Company's Assets in India excluding Leasehold Property, Freehold Property and Plant & Machinery hypothecated to the Bankers and Financial Institutions under various asset financing schemes.

(ii) Cash Credit facility carries an interest rate of 100 to 275 bps above base rate. Other loans are at a spread above / below the banks base rate or bank prime lending rate or at a negotiated rate. The spread ranges from 50 to 300 bps. Loan from related party carries interest @ 12%.

(iii) Securities for Short Term Loan :

Name of the Bank	**Securities**
a) Bank of Baroda	Secured by Stock and Receivables of the Company
b) Export-Import Bank of India	Secured by Underlying Project Assets of the Company
c) IDBI Bank	Charge on movable fixed assets & Current Assets of the Company
d) DBS Bank	Charge on movable fixed assets & Current Assets of the Company
e) Syndicate Bank	Second Charge On Plant and Machinery of the Company
c) Uco Bank	Subservient Charge on movable fixed assets & Current Assets of the Company

(iv) Buyers Credit are secured by guarantee of consortium bankers.

(v) For details of continuing defaults as at 31 March 2013, Refer Annexure 1.

8 **Trade Payables**

(₹ in Crore)

Particulars	As At 31st March 2013	As At 31st March 2012
Trade Payables		
Micro Small and Medium Enterprises	-	-
Retentions & Deposit	162.17	120.89
Others	1,649.43	1,349.63
TOTAL	1,811.60	1,470.52

(i) As per the intimation available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

(ii) The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

9 **Other Current Liabilities**

(₹ in Crore)

Particulars	As At 31st March 2013		As At 31st March 2012	
Current Maturities of Term Loan (Refer Note 3)		221.05		22.68
Advances from Clients		726.28		712.73
Interest accrued and due		36.60		7.10
Interest accrued but not due		35.39		44.01
Income received in advance		0.03		0.14
Unpaid Dividends		0.76		0.75
Unpaid Matured Deposits		-		0.07
Payables for Capital Goods		18.90		17.40
Other Payables				
- Duties and Taxes Payable	33.01		30.64	
- Others	95.50		77.16	
		128.51		107.80
TOTAL		1,167.52		912.68

(i) Unpaid dividend includes ₹ 0.21 Crore (*Previous Year ₹ 0.17 Crore*) and Unpaid matured deposits includes interest accrued and due ₹ NIL (*Previous Year ₹ 0.01 Crore*) towards interest on fixed deposit to be transferred to the Investor Education & Protection Fund.

Note 10

Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block

Tangible Assets (₹ in Crore)

PARTICULARS	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Wind Mill	Electric Installation	Total
GROSS BLOCK									
As at 1st April 2011	4.71	362.19	1,259.37	95.76	11.32	31.40	26.95	4.25	1,795.95
Additions	-	1.26	66.60	3.76	3.48	4.49	-	0.40	79.99
Disposals/Adjustments	-	0.07	28.01	5.49	-	-	-	-	33.57
As at 31st March 2012	**4.71**	**363.38**	**1,297.96**	**94.03**	**14.80**	**35.89**	**26.95**	**4.65**	**1,842.37**
Additions	-	5.61	58.08	1.01	1.87	1.25	-	0.25	68.07
Disposals/Adjustments	(1.36)	121.59	9.72	3.07	(3.03)	0.32	-	-	130.31
As at 31st March 2013	**6.07**	**247.40**	**1,346.32**	**91.97**	**19.70**	**36.82**	**26.95**	**4.90**	**1,780.13**
DEPRECIATION									
As at 1st April 2011	0.10	32.42	357.49	53.93	2.77	11.21	11.22	0.56	469.70
Charge for the Year	0.03	5.62	83.19	7.68	1.90	2.61	2.79	0.21	104.03
Disposals/Adjustments	-	0.02	14.95	4.92	-	-	-	-	19.89
As at 31st March 2012	**0.13**	**38.02**	**425.73**	**56.69**	**4.67**	**13.82**	**14.01**	**0.77**	**553.84**
Charge for the Year	0.03	5.59	87.57	7.94	3.86	1.19	2.79	0.23	109.19
Disposals/Adjustments	-	-	6.07	2.74	0.04	0.01	-	-	8.86
As at 31st March 2013	**0.16**	**43.61**	**507.23**	**61.89**	**8.49**	**15.00**	**16.80**	**1.00**	**654.17**
NET BLOCK									
As at 31st March 2012	4.58	325.36	872.23	37.34	10.13	22.07	12.94	3.88	1,288.53
As at 31st March 2013	**5.91**	**203.79**	**839.09**	**30.08**	**11.21**	**21.82**	**10.15**	**3.90**	**1,125.96**

Intangible Assets

PARTICULARS	Computer Software	Tower Design	Total
GROSS BLOCK			
As at 1st April 2011	3.20	3.47	6.67
Additions	3.76	-	3.76
Disposals/Adjustments	-	-	-
As at 31st March 2012	**6.96**	**3.47**	**10.43**
Additions	0.08	-	0.08
Disposals/Adjustments	2.94	-	2.94
As at 31st March 2013	**4.10**	**3.47**	**7.57**
AMORTISATION			
As at 1st April 2011	0.18	2.75	2.93
Charge for the Year	0.43	0.66	1.09
Disposals/Adjustments	-	-	-
As at 31st March 2012	0.61	3.41	4.02
Charge for the Year	1.33	-	1.33
Disposals/Adjustments	-	-	-
As at 31st March 2013	**1.94**	**3.41**	**5.35**
NET BLOCK			
As at 31st March 2012	6.35	0.06	6.41
As at 31st March 2013	**2.16**	**0.06**	**2.22**

NOTES :

1) Freehold Property includes cost of Freehold Land ₹ 3.86 Crores including the revaluation portion. (*Previous Year ₹ 123.50 Crore*)

2) Leasehold Land is at cost less amount written off.

3) The Company has once again revalued on 31st March, 2007 all its Freehold Property , most of which were revalued earlier on 31st March, 1999 by Approved valuers.

   The consequent increase in the value of Fixed Assets pursuant to the second revaluation amounted to ₹ 186.89 Crore and had been credited to the Revaluation Reserve A/c.

4) Depreciation for the Year amounts to ₹ 109.39 Crore (*Previous Year ₹ 104.03 Crore*) from which has been deducted a sum of ₹ 3.13 Crore (*Previous Year ₹ 3.13 Crore*) being the depreciation in respect of Revaluation of Fixed Assets which had been drawn from the Revaluation Reserve.

5) Borrowing cost capitalised to Capital Work In Progress is NIL (*Previous Year ₹ 2.41 Crore*).

6) The disposal / adjustment of free hold property during the year ended 31st March 2013 includes reversal of revaluation reserve of ₹ 116.34 Crore on reclassification of fixed asset to inventories and ₹ 3.30 Crore on account of sale of revalued asset.

Note - 11

	Face Value ₹	Nos. as on 31.03.2013	Nos. as on 31.03.2012	31.03.2013 ₹ In Crore	31.03.2012 ₹ In Crore
NON CURRENT INVESTMENTS (AT BOOK VALUE)					
1. TRADE INVESTMENTS :					
a) INVESTMENT IN EQUITY INSTRUMENTS (INDIAN)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares : (Unquoted unless otherwise stated)					
Subsidiaries :					
Gammon Infrastructure Projects Limited (Quoted)	2	**528,000,000**	528,000,000	**105.60**	105.60
Ansaldocaldaie Boilers India Private Limited	10	**36,700,000**	36,700,000	**37.15**	37.15
ATSL Infrastructure Project Limited	10	**25,500**	25,500	**0.03**	0.03
Deepmala Infrastructure Private Limited	10	**5,100**	5,100	**0.01**	0.01
Franco Tosi Hydro Private Limited	10	**10,000**	10,000	**0.01**	0.01
Franco Tosi Turbines Private Limited	10	**10,000**	10,000	**0.01**	0.01
Gactel Turnkey Projects Limited	10	**5,050,000**	5,050,000	**5.05**	5.05
Gammon & Billimoria Limited	10	**51,000**	51,000	**0.05**	0.05
Gammon Power Limited	10	**50,000**	50,000	**0.05**	0.05
Gammon Realty Limited	10	**15,049,940**	15,049,940	**15.05**	15.05
Gammon Retail Infra Private Limited	10	**10,000**	10,000	**0.01**	0.01
Metropolitan Infrahousing Private Limited	10	**8,416**	8,416	**0.01**	0.01
Patna Water Supply Distribution Network Private Limited	10	**7,399**	-	**0.01**	-
Rajahmundry Godavari Bridge Limited	10	**441,250**	441,250	**0.44**	0.44
SAE Transmission India Limited	10	**50,000**	50,000	**0.05**	0.05
Tidong Hydro Power Limited	10	**25,500**	25,500	**0.03**	0.03
Transrail Lighting Limited	10	**31,000,000**	16,000,000	**31.00**	16.00
Gorakhpur Infrastructure Company Limited	10	**16,828,987**	16,828,987	**16.83**	16.83
Kosi Bridge Infrastructure Company Limited	10	**12,562,831**	12,562,831	**12.56**	12.56
Rajahmundry Expressway Limited (REL) *	10	**5,655,000**	5,655,000	**5.65**	5.65
Andhra Expressway Limited (AEL) *	10	**5,655,000**	5,655,000	**5.65**	5.65
				235.25	220.24
Add : Acquisition of Beneficial Interest in REL & AEL in lieu of Deposit paid				**5.66**	5.66
				240.91	225.90
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received				**44.50**	44.50
(A)				**196.41**	181.40
Others :					
Plamach Turnkeys Limited (Formerly known as Gammon Turnkeys Limited)	100	**600**	600	**0.01**	0.01
Shah Gammon Limited	100	**835**	835	**0.01**	0.01
STFA Piling (India) Limited (Fully Provided)	10	**217,321**	217,321	**0.22**	0.22
Indira Container Terminal Private Limited *	10	**26,407,160**	26,407,160	**26.41**	26.41
Less : Transfer of Beneficial Interest in SPV in lieu of Deposit Received				**(26.41)**	(26.41)
(B)				**0.24**	0.24
b) INVESTMENT IN EQUITY INSTRUMENTS (FOREIGN)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares : (Unquoted, fully paid up)					
Subsidiaries :					
Associated Transrail Structure Limited Nigeria	Naira 1	**10,000,000**	10,000,000	**0.36**	0.36
ATSL Holdings B.V. (Netherland) *	€ 100	**180**	180	**0.12**	0.12
Campo Puma Oriente SA	$ 1	**6,441**	6,441	**0.03**	0.03
Gammon Holdings (Mauritius) Limited *	$ 1	**15,000**	15,000	**0.07**	0.07
Gammon Holdings B.V. *	€ 100	**180**	180	**0.12**	0.12
Gammon International B.V. *	€ 100	**180**	180	**0.12**	0.12
Gammon International FZE	AED 150000	**1**	1	**0.17**	0.17
P.Van Eerd Beheersmaatschappij B.V. *	€ 453.78	**35**	35	**0.05**	0.05
(C)				**1.04**	1.04

	Face Value ₹	Nos. as on 31.03.2013	Nos. as on 31.03.2012	31.03.2013 ₹ In Crore	31.03.2012 ₹ In Crore
Others :					
Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000		1,142	1,142	0.18	0.18
(under Liquidation) (Fully Provided)					
Finest S.p.A. Italy (Associate)	€ 1	780,000	780,000	19.52	19.52
(D)				19.70	19.70
TOTAL TRADE INVESMTNETS (A+B+C+D)				217.39	202.38
2. OTHER INVESTMENTS :					
a) INVESTMENT IN EQUITY INSTRUMENTS					
Investments through Gammon India Trust (E)				1.68	1.68
(*Company's own shares*)(*Refer Note (a)*)					
b) INVESTMENT IN GOVERNMENT SECURITIES :					
Government Securities lodged with Contractees as Deposit :					
Unquoted :					
Sardar Sarovar Narmada Nigam Limited - Bonds				0.30	0.30
Others				0.12	0.12
Government Securities Others - Unquoted				0.12	0.12
(Indira Vikas Patras and National Savings Certificates)					
(F)				0.54	0.54
TOTAL OTHER INVESMTNETS (E+F)				2.22	2.22
TOTAL (A+B+C+D+E+F)				219.61	204.60
Less : Provisions for diminution in the value of Investment				0.46	0.41
TOTAL NON CURRENT INVESTMENTS				219.15	204.19
** These shares are pledged*					
SUMMARY OF NON CURRENT INVESTMENTS :					
Unquoted					
Aggregate Book Value of Foreign Investments				20.74	20.74
Aggregate Book Value of Indian Investments				91.59	76.58
				112.33	97.32
Quoted					
Aggregate Book Value of Indian Investments				107.28	107.28
Market Value of Quoted Investments				621.11	798.74

Note :

(a) Pursuant to the scheme of amalgamation, the Company owns 58,04,620 equity shares of itself through Gammon India Trust which was allotted the shares against the Company's holding in erstwhile ATSL in terms of the order of the Hon'ble High Court of Mumbai and Gujarat.

(b) The Company has pledged 43,02,86,305 equity shares of Gammon Infrastructure Projects Limited (GIPL) in favour of lenders of the said GIPL for a borrowing made by them.

(c) The details of Beneficial & Contractual interest acquired and transferred in favour of it's subsidiary M/s Gammon Infrastructure Projects Limited is detailed herein below -

ACQUIRED (₹ in Crore)

Name of the Company	As At 31st March 2013		As At 31st March 2012	
	No of Shares	Deposit Received	No of Shares	Deposit Received
Rajahmundry Expressway Limited	4,360,500	2.77	4,360,500	2.77
Andhra Expressway Limited	4,564,500	2.89	4,564,500	2.89
TOTAL		5.66		5.66

TRANSFERRED				(₹ In Crore)
Name of the Company	As At 31st March 2013		As At 31st March 2012	
	No of Shares	Deposit Received	No of Shares	Deposit Received
Rajahmundry Expressway Limited	**5,655,000**	**8.48**	5,655,000	8.48
Andhra Expressway Limited	**5,655,000**	**8.49**	5,655,000	8.49
Kosi Bridge Infrastructure Company Limited	**12,562,831**	**12.56**	12,562,831	12.56
Gorakhpur Infrastructure Company Limited	**14,947,238**	**14.95**	14,947,238	14.95
Indira Containers Terminal Private Limited	**26,407,160**	**26.40**	26,407,160	26.40
Tidong Hydro Power Limited	**25,500**	**0.03**	25,500	0.03
TOTAL		**70.91**		70.91

In respect of these shares where the voting rights and beneficial rights are so transferred the holder continues to be the original allottee as per the record of the respective Company.

Note - 11

	Face Value ₹	Nos. as on 31.03.2013	Nos. as on 31.03.2012	31.03.2013 ₹ In Crore	31.03.2012 ₹ In Crore
CURRENT INVESTMENTS (AT BOOK VALUE)					
1. INVESTMENT IN EQUITY INSTRUMENTS:					
(Fully paid-up unless otherwise stated) - Current					
Ordinary Shares : (Quoted)					
Bank of Baroda	10	**4,200**	4,200	**0.04**	0.04
Cords Cable Industries Limited	10	**33,502**	33,502	**0.45**	0.45
Gujarat State Financial Corporation	10	**4,600**	4,600	**0.01**	0.01
HDFC Bank Limited	2	**5,345**	5,345	**0.02**	0.02
Housing Development Finance Corporation Limited	2	**40,000**	40,000	**0.18**	0.18
ICICI Bank Limited	10	**2,500**	2,500	**0.04**	0.04
Infosys Limited	5	**400**	400	**0.03**	0.03
Larsen & Toubro Limited	2	**8,000**	8,000	**0.05**	0.05
Sadbhav Engineering Limited	1	**11,240**	11,240	**0.02**	0.02
Technofab Engineering Limited	10	**175,000**	1,025,000	**0.47**	2.77
Ultratech Cement Limited	10	**1,600**	1,600	**0.04**	0.04
(A)				**1.35**	3.65
2. MUTUAL FUND (Quoted)					
Investments through Gammon India Trust					
ICICI Prudential FMP		**1,019,427**	1,019,427	**1.02**	1.02
IDFC FMP		**230,000**	230,000	**0.23**	0.23
(B)				**1.25**	1.25
TOTAL (A+B)				**2.60**	4.90
Less : Provisions for diminution in the value of Investment				**0.39**	0.37
TOTAL CURRENT INVESTMENTS				**2.21**	4.53
SUMMARY OF CURRENT INVESTMENTS :					
Unquoted					
Aggregate Book Value of Foreign Investments				**-**	-
Aggregate Book Value of Indian Investments				**-**	-
				-	-
Quoted					
Aggregate Book Value of Indian Investments				**2.60**	4.89
Market Value of Quoted Investments				**7.96**	20.43

12 Loans and Advances:- (Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2013	31-Mar-2012	31-Mar-2013	31-Mar-2012
Capital Advance	**4.79**	6.47	**-**	-
Loans and Advances to related parties:				
Unsecured and Considered Good	**1,571.45**	758.92	**24.02**	638.85
Unsecured and Considered Doubtful	**95.24**	-	**-**	-
Less : Provision for doubtful	**(95.24)**	-	**-**	-
Other Deposits:				
Considered Good	**27.00**	47.87	**34.32**	29.54
Considered doubtful	**-**	-	**3.60**	3.60
Less : Provision for doubtful	**-**	-	**(3.60)**	(3.60)
Advances recoverable in cash or kind				
Prepaid Expenses	**3.69**	0.43	**6.92**	11.68
Advance to Creditors / Sub Contractor	**36.76**	22.24	**153.98**	125.35
Other Loans And Advances				
Taxes Paid Net of Provisions	**254.38**	192.39	**-**	-
Staff Advances	**-**	-	**3.14**	3.70
Indirect Taxes and Duties recoverable	**28.28**	21.51	**20.08**	25.54
Other Advances	**18.51**	29.61	**68.54**	67.06
Deposits with Joint Stock Companies:				
Unsecured and Considered doubtful	**1.07**	-	**6.40**	6.40
Less : Provision for doubtful	**(1.07)**	-	**(6.40)**	(6.40)
TOTAL	**1,944.86**	1,079.44	**311.00**	901.72

(i) **Detail of Loans & Advances given to Related Parties** (₹ in Crore)

Name of the Related Party	Non Current		Current	
	31-Mar-2013	31-Mar-2012	31-Mar-2013	31-Mar-2012
Unsecured and Consider Good				
Gammon International FZE	**61.16**	73.07	**-**	-
P.Van Eerd Beheersmaatschappij B.V.	**-**	5.04	**-**	-
Gammon International B.V.	**255.64**	211.08	**-**	-
Campo Puma Oriente SA	**11.88**	2.35	**-**	-
Gammon Holdings (Mauritius) Limited	**1.43**	0.26	**-**	-
Gammon Holdings B.V.	**201.86**	218.43	**-**	-
Fin Est S.p.A.	**0.52**	2.73	**-**	-
ATSL Holding B.V. (Netherland)	**96.01**	28.32	**-**	-
SAE Power Lines S.r.L.	**25.74**	22.07	**8.18**	6.89
RAS Cities and Township Private Limited	**12.00**	12.00	**-**	-
Transrail Lighting Limited	**42.10**	41.00	**-**	-
Associated Transrail Structure Limited Nigeria	**-**	-	**1.55**	1.27
JV Gammon-FECP, Nigeria	**-**	-	**10.89**	0.86
Franco Tosi Turbines Private Limited	**-**	-	**0.41**	0.11
Deepmala Infrastructure Private Limited	**196.58**	-	**-**	110.50
Sikkim Hydro Power Ventures Limited	**-**	0.01	**-**	-
Gammon Cidade Tensacciai Joint Venture	**-**	-	**0.48**	0.25
Gammon OJSC Mosmetrostroy JV	**-**	3.32	**-**	-
Gammon Infrastructure Projects Limited	**-**	-	**-**	73.55
Vizag Seaport Private Limited	**-**	-	**-**	0.01
Gammon & Billimoria Limited	**39.37**	44.74	**-**	-
Gammon Realty Limited	**111.58**	83.04	**-**	-
Kosi Bridge Infrastructure Company	**-**	-	**0.61**	0.39
Haryana Biomass Projects Limited	**0.07**	0.07	**-**	-
Rajahmundry Godavari Bridge Limited	**-**	-	**0.35**	0.35
Ansaldocaldaie Boilers India Private Limited	**6.34**	-	**-**	5.55
Gammon Power Limited	**-**	-	**0.01**	0.01
Gammon Progressive JV	**0.52**	0.52	**-**	-
Gammon Rizzani JV	**0.44**	1.80	**-**	-
Mumbai Nasik Expressway Limited	**-**	-	**0.01**	0.01

Name of the Related Party	Non Current		Current	
	31-Mar-2013	31-Mar-2012	31-Mar-2013	31-Mar-2012
Jaeger Gammon Joint Venture	1.91	1.11	-	-
Gammon Archirodon Joint Venture	0.03	0.03	-	-
Gammon JMC Joint Ventures	0.05	0.03	-	-
Gammon Encee JV	4.85	4.84	-	-
OSE Gammon Joint Venture	0.14	0.14	-	-
Atlanta India Limited Gammon JV	1.31	1.19	-	-
Gammon Sew Joint Venture	-	-	0.06	1.03
BBJ Gammon JV	0.70	0.30	-	-
Gactel Turnkey Projects Limited	35.43	-	-	22.77
Rajahmundry Expressway Limited	-	-	0.12	0.12
Andhra Expressway Limited	-	-	0.44	0.15
Franco Tosi Meccanica S.p.A.	-	0.91	-	-
Metropolitan Infra Housing Private Limited	463.79	-	-	405.33
Punjab Bio-Mass Power	-	0.01	-	-
Sofinter S.p.A.	-	0.49	0.69	-
SAE Transmission India Limited	-	-	0.20	0.20
Gammon AL Matar JV	-	-	-	9.51
Tidong Hydro Power Limited	-	-	0.02	-
TOTAL A	1,571.45	758.92	24.02	638.85
Unsecured and Considered Doubtful				
Gammon International FZE	15.69	-	-	-
P.Van Eerd Beheersmaatschappij B.V.	5.93	-	-	-
Gammon International B.V.	0.69	-	-	-
Gammon Holdings B.V.	71.25	-	-	-
ATSL Holding BV (Netherland)	1.68	-	-	-
TOTAL B	95.24	-	-	-
TOTAL (A + B)	1,666.69	758.92	24.02	638.85

- Provision for loan to related party arise out of impairment of investment of P.Van Eerd Beheersmaatschappij B.V. and Gammon Holdings B.V. (Refer Note 33)

(ii) **Detail of Loans & Advances in the nature of loans**

Disclosure of amounts outstanding at period end as per Clause 32 of the Listing Agreement (₹ in Crore)

Name of the Related Party	Amount Outstanding		Maximum Outstanding	
	31-Mar-2013	31-Mar-2012	31-Mar-2013	31-Mar-2012
Subsidiaries / Fellow Subsidiaries :				
Gammon International FZE *	61.16	73.07	76.85	73.07
P.Van Eerd Beheersmaatschappij B.V. *	-	5.04	5.93	5.04
Gammon International B.V. *	255.64	211.08	256.33	211.08
Campo Puma Oriente SA	11.88	2.35	11.88	208.16
Gammon Holdings (Mauritius) Limited *	1.43	0.26	1.43	0.26
Gammon Holdings B.V. *	201.86	218.43	273.11	218.43
ATSL Holding B.V. (Netherland)	96.01	28.32	101.50	28.55
SAE Power Lines S.r.L.	33.92	28.97	36.72	33.05
Transrail Lighting Limited	42.10	41.00	57.10	41.00
ATSL, Nigeria Co	1.55	1.27	1.56	1.36
Deepmala Infrastructure Private Limited	196.58	110.50	239.82	169.51
Gammon Infrastructure Projects Limited	-	73.55	73.55	73.95
Gammon & Billimoria Limited	39.37	44.74	44.74	44.74
Gammon Realty Limited	111.58	83.04	111.58	94.25
Ansaldocaldaie Boilers India Private Limited	6.34	5.55	6.33	5.55
Gammon Power Limited *	0.01	0.01	0.01	0.15
Franco Tosi Turbines Private Limited *	0.41	0.11	0.41	0.11
Gactel Turnkey Projects Limited *	35.43	22.77	125.88	110.12
Metropolitan Infra Housing Private Limited	463.79	405.33	475.94	467.15
Associates & Group Companies :				
Fin Est S.p.A.	0.52	2.73	2.73	2.73

** These loans are interest free.*

Note - None of the above loanees have invested in shares of the Company.

13 Other Assets

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Unbilled Revenue	**-**	-	**232.62**	103.91
Interest Accrued Receivable	**66.50**	-	**127.22**	114.43
Other Receivable	**5.73**	28.37	**8.80**	14.22
TOTAL	**72.23**	28.37	**368.64**	232.56

14 Inventories

(₹ in Crore)

Particulars	As At 31st March 2013	As At 31st March 2012
Raw Material	**58.73**	105.57
Material at Construction Site	**468.56**	511.64
Stores and Spares	**7.97**	10.48
Work In Progress - Real Estate	**20.80**	-
Work In Progress	**1,403.71**	1,142.49
Finished Goods (incl goods in transit ₹ NIL (*Previous Year ₹ 1.09 Crore*)	**42.21**	38.34
TOTAL	**2,001.98**	1,808.52

(i) Valuation methodology :

(As taken, valued and certified by the Managing Director)

Raw Material	Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on weighted average method
Work In Progress	Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs. Work in progress from manufacturing operation is valued at cost and Costs are determined on weighted average method.
Finished Goods	Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on weighted average method.
Stores & Spares Materials of Construction Site	Stores and Construction Materials are valued and stated at lower of cost or net realisable value. The weighted average method of inventory valuation is used to determine the cost.
Work In Progress - Real Estate	Work-in-Progress on construction contracts reflects value of land, material inputs and project expenses
Other Scrap Material	As realisable value

(ii) During the year the Company has re-estimated life of certain Loose Tools acquired during the year. Due to this change loss for the year is lower by ₹ 0.20 Crore (*Previous year ₹ NIL*)

(iii) During the year, the Company has decided to develop its land situated at Andheri carried as a Fixed Asset. Accordingly, the amount carried in the books as fixed assets of ₹ 116.39 Crore is classified as Current asset after reversal of revaluation reserve of ₹ 116.34 Crore in respect of the Andheri land and the net amount of ₹ 0.05 Crore is shown under Inventories as Work-in-Progress – Real Estate.

15 Trade receivables

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Trade Receivables :				
(Unsecured, considered good unless otherwise stated)				
Outstanding for a period exceeding six months	**759.92**	600.76	**740.06**	621.43
Other Debts	**52.56**	51.68	**738.60**	752.50
Doubtful Debts			**1.55**	1.55
Provision for doubtful debts	**-**	-	**(1.55)**	(1.55)
TOTAL	**812.48**	652.44	**1,478.66**	1,373.93

(a) In respect of the road projects undertaken by the Company, in furtherance to the recommendation of the Dispute Resolution Board (DRB), the Company has been awarded claims by the Arbitration Tribunal for an aggregate amount of ₹ 150.09 Crore (*Previous Year ₹ 109.09 Crore*) which has been recognized as revenue & included in Non-Current Trade Receivables. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favourable awards from the DRB and the arbitration tribunal, the Management is reasonably certain that the claims will get favourable verdict from the courts.

The Company had also recognised revenue of ₹ 58 Crore in respect of one of the project based on advanced negotiation and discussion with the client and is confident of realising the same, pending the final revision in contract value.

(b) Trade Receivable include the following amount from Related Parties:

(₹ in Crore)

Name of the Party	As At 31st March 2013	As At 31st March 2012
Indira Container Terminal Private Limited (Joint Venture)	**5.63**	11.03
Kosi Bridge Infrastructures Company Limited	**66.13**	73.82
Mumbai Nasik Expressway Limited	**25.44**	22.15
Rajahmundry Godavari Bridge Limited	**1.83**	-
Pravara Renewable Energy Limited	**5.06**	-
Patna Highway Project Limited	**23.37**	-
Deepmala Infrastructure Private Limited	**3.13**	-
SAE Power lines S.r.l.	**125.70**	93.42
Transrail Lighting Limited	**2.63**	0.31
Gammon Atlanta	**6.38**	6.38
OSE Gammon	**52.98**	10.38
Gammon OSE	**4.30**	5.45
Gammon Progressive	**2.33**	-
Gammon Srinivasa	**9.85**	4.92
Gammon Archirodon	**3.07**	3.07
Gammon BBJ	**0.40**	0.40
Gammon Sew	**0.60**	0.47
Jaegar Gammon	**6.59**	8.78
GIL JMC	**12.40**	13.68
Patel Gammon	**75.15**	63.30
Hyundai Gammon	**5.03**	5.03
Gammon OJSC Mosmetrostroy	**55.01**	4.07
Gammon Pratibha	**14.30**	-
TOTAL	**507.31**	326.66

16 Cash and Bank Balances

(₹ in Crore)

Particulars	As At 31st March 2013		As At 31st March 2012	
Cash and Cash Equivalent				
Cash Balances	**5.25**		3.29	
Funds In Transit	**0.47**		43.22	
Bank Balances	**39.10**		23.31	
		44.82		69.82
Others				
Unpaid Dividend	**0.76**		0.75	
Other Bank Balances	**6.69**		6.16	
Bank Deposits (On Margin Account)	**25.74**		26.70	
		33.19		33.61
TOTAL		**78.01**		103.43

(a) Other Bank balances include ₹ 6.69 Crore (*Previous Year ₹ 6.15 Crore*) with bank branches in foreign countries relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries.

(b) Balances in Foreign Bank Accounts are as per ledger and in case of some of the banks are subject to reconciliation.

17 **Revenue from Operations**

(₹ in Crore)

Particulars	FY 2012-2013		FY 2011-2012	
Turnover	5,203.78		5,549.17	
Less : Excise Duty	(103.53)		(75.94)	
		5,100.25		5,473.23
TOTAL		5,100.25		5,473.23

(a) Disclosure in accordance with Accounting Standard - 7 (Revised), in respect of contracts entered into on or after April 1, 2003 :

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Turnover for the year	3,474.36	4,373.06
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	19,449.09	15,876.48
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	2,168.66	2,062.80
Contract Advances (Net)	696.69	694.52
Gross Amount due from Customers for contract work	1,377.45	1,188.33
Gross Amount due to customers for contract work	43.83	30.20

(b) **Breakup of Turnover**

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Sale of products		
(i) Towers Sale	792.33	474.58
(ii) Conductor Sale	400.77	232.96
(iii) Wind mill	2.62	2.69
(iv) Brought out Sale	268.74	203.21
Less :- Excise duty	(103.53)	(75.94)
Sub Total	1,360.92	837.49
Sale of services		
(i) Construction / Erection Services	3,713.16	4,611.69
(ii) Testing Charges	26.16	24.05
Sub Total	3,739.33	4,635.74
TOTAL	5,100.25	5,473.23

18 **Other Operating Income**

(₹ in Crore)

Particulars	FY 2012-2013		FY 2011-2012	
Consultancy Fees		-		0.04
Export Incentive		3.61		1.65
Sale of Scrap		30.81		20.87
Freight Charges		56.32		36.61
Miscellaneous Operating Income		6.37		0.72
Other Contractual Revenue	19.21		18.14	
Less : Sub Contract Cost	(19.21)		(18.14)	
		-		-
TOTAL		97.11		59.89

19 **Other Income**

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Interest Income	114.33	137.87
Miscellaneous Income	0.63	9.56
Prior Period Income	1.78	2.30
Profit on Sale of Assets	7.68	-
Profit on Sale of Current Investments	7.72	9.52
Dividend Received From Current Investments	0.28	0.27
TOTAL	132.42	159.52

(a) Dividend received from own investment held through Gammon Trust is adjusted in Surplus ₹ 0.12 Crore (*Previous Year ₹ 0.23 Crore*).

20 Cost of Materials Consumed

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Opening Stock	**617.21**	583.60
Add : Purchases (Net of Discount)	**2,531.45**	2,435.42
Less : Closing Stock	**527.30**	617.21
TOTAL	**2,621.36**	2,401.81

(a) **Breakup of Material Consumed** (₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Project Materials Consumed	**1,713.23**	1,867.32
Raw Material Consumed - Manufacturing	**908.13**	534.49
TOTAL	**2,621.36**	2,401.81

(b) **Raw Material Consumed - Manufacturing** (₹ in Crore)

Particulars	FY 2012-2013		FY 2011-2012	
	Amount	**%**	Amount	%
Raw Materials :				
Imported	**73.48**	**8.09%**	56.74	10.62%
Indigenous	**834.65**	**91.91%**	477.75	89.38%
TOTAL	**908.13**	**100.00%**	534.49	100.00%

(c) **Consumption of Raw Material - Manufacturing** (₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Transmission Line Towers & Parts		
Steel	**578.70**	333.54
Zinc	**51.43**	33.65
Conductor		
Aluminium Ingots	**18.98**	142.18
Aluminium / EC Wire Rod	**227.67**	10.74
GI Wire	**31.35**	14.38
TOTAL	**908.13**	534.49

21 Purchase of Stock in Trade

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Traded item - Brought out material	**225.02**	166.25
(*Conductor, Insulators & Hardware item*)		
TOTAL	**225.02**	166.25

22 Changes in inventories of finished goods and work-in-progress

(₹ in Crore)

Particulars	FY 2012-2013		FY 2011-2012	
Inventory Adjustments - WIP				
Opening - Construction	**1,129.96**		835.26	
- Manufacturing	**12.53**		11.76	
		1,142.49		847.02
Less : Closing				
- Construction	**(1,386.11)**		(1,129.96)	
- Manufacturing	**(17.60)**		(12.53)	
		(1,403.71)		(1,142.49)
Inventory Adjustments - FG				
Stock at Commencement	**38.34**		38.40	
Less : Stock at Closing	**(42.21)**		(38.34)	
		(3.87)		0.06
TOTAL		**(265.09)**		(295.41)

23 Employee Benefits

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Salaries, Bonus, Perquisites etc.	**478.50**	467.81
Contribution to Employees welfare funds, gratuity and leave encashment	**24.63**	25.20
Staff Welfare expenses	**15.95**	20.68
ESOP Compensation Cost	**(0.32)**	-
TOTAL	**518.76**	513.69

(a) The Company has made application to the Central Government for payment of Managerial Remuneration (*Previous Year ₹ 2.87 Crore Excess*) in case of inadequacy of profits during the year. The said application is pending approval. The managerial remuneration of ₹ 13.33 Crore paid during the year is in accordance with the permission sought but is subject to approval.

24 Foreign Exchange (Gain)/Loss

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Exchange (Gain) / Loss	**(3.98)**	(17.20)
Mark to Market on Fx Transactions	**3.76**	2.35
TOTAL	**(0.22)**	(14.85)

25 Finance Cost

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Interest Expense	**436.53**	358.78
Other Borrowing Costs	**6.88**	4.64
TOTAL	**443.41**	363.42

26 Depreciation & Amortisation

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Depreciation	**109.19**	104.03
Less : Depreciation on Revalued Assets	**(3.13)**	(3.13)
Amortisation	**1.33**	1.09
TOTAL	**107.39**	101.99

27 Other Expenses

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Plant Hire Charges	**46.31**	63.69
Consumption of Stores and Spares	**97.81**	84.54
Outward Freight	**67.75**	40.53
Sales Tax	**88.55**	99.99
Service Tax	**65.87**	68.95
Power & Fuel	**141.54**	182.05
Fees & Consultations	**67.47**	46.46
Rent, Rates & Taxes	**41.15**	38.05
Travelling Expenses	**38.58**	53.04
Communication	**8.35**	8.20
Insurance	**43.07**	35.09
Repairs to Plant & Machinery	**2.48**	22.70
Repairs to Building	**0.14**	0.25
Other Repairs & Maintenance	**13.27**	11.01
Bank Charges & Commission	**33.61**	30.62
Other Site Expenses	**44.63**	52.23
Sundry Expenses (None of which is more than 1% of individually)	**51.18**	51.34
Prior Period Expenses	**0.90**	1.62
Bad Debts Written Off	**1.47**	10.08
Provision for Doubtful Debts	**1.10**	0.13

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Loss on Sale of Assets	-	2.00
Loss on Joint Venture	**0.66**	5.87
Branch Audit Fees	**0.65**	0.37
Remuneration to Auditors	**1.05**	0.89
TOTAL	**857.59**	909.70

(a) Remuneration to Auditors

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
- Audit Fees including Consolidation	**0.64**	0.58
- Tax Audit	**0.11**	0.11
- Limited Review	**0.14**	0.11
- Certification	**0.05**	0.02
- Other Services	**0.10**	0.06
- Reimbursement of Out of Pocket Expenses	**0.01**	0.01
TOTAL	**1.05**	0.89

(b) Consumption of Stores and Spares

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Project Site	**35.54**	32.87
Manufacturing	**62.27**	51.67
TOTAL	**97.81**	84.54

(₹ in Crore)

(c) Particulars	FY 2012-2013		FY 2011-2012	
	Amount	**%**	Amount	%
Stores & Spare Parts (Manufacturing)				
Imported	**0.20**	**0.32%**	0.28	0.54%
Indigenous	**62.07**	**99.68%**	51.39	99.46%
TOTAL	**62.27**	**100.00%**	51.67	100.00%

(d) Sundry expense includes an amount of ₹ 0.25 Crore given as donation to a political party.

28 Exceptional Items

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Provision for impairment towards exposure to P. Van Eerd Beheersmaatschappij B.V. (Refer Note 33)	**25.75**	-
Provision for impairment of Gammon Holdings B.V. (Refer Note 33)	**69.54**	-
Provision towards operation in Oman (Refer Note 43)	**11.35**	-
Towards Stamp duty payment for merger	-	4.70
TOTAL	**106.64**	4.70

29 CIF Value of Imports

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Raw Materials	**82.02**	53.35
Including Traded Goods ₹ 8.33 Crore (Previous Year ₹ 2.41 Crore)		
Machinery	**17.68**	3.81
Stores & Spares	**4.70**	7.82
TOTAL	**104.40**	64.98

30 Earnings in Foreign Exchange (₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
FOB Value of Exports	**222.93**	153.04
Revenue from Overseas Project and receipts from World Bank aided Projects in Foreign Currency	**68.21**	44.75
Interest	**3.07**	21.21
Tower Testing Charges	**9.30**	16.48
TOTAL	**303.51**	235.48

31 Expenditure in Foreign Currency (₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Travelling	**0.86**	0.35
Interest Paid	**2.65**	2.76
Expenditure at Foreign Sites / Branch	**65.77**	33.07
Professional, Technical & Consultancy	**5.37**	5.88
Other Matters (Books, Periodicals, Subscription etc.)	**1.87**	1.79
TOTAL	**76.52**	43.85

32 Remittance of Dividend in Foreign Currency (₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
(i) Numbers of Non Resident Shareholders		
a) For FY 2011-12 Final	**12**	
b) For FY 2010-11 Final		12
(ii) Numbers of shares held by them		
a) For FY 2011-12 Final	**7,933,545**	
b) For FY 2010-11 Final		7,933,545
(ii) Gross Amount of Dividend		
a) For FY 2011-12 Final	**0.16**	
b) For FY 2010-11 Final		0.32

33 Diminution in the Value of Investments

(a) The Company through its Special Purpose Investment Vehicle holds the following stakes :
- Franco Tosi Mecannica S.p.A., Italy (FTM)
- Sofinter S.p.A., Italy
- Sadelmi S.p.A., Italy
- SAE S.r.l., Italy

(b) The Company has carried out an impairment test of its investments in Sofinter and SAE Italy. Considering the business plans of these entities and the results of the tests and the fact that all these entities have an healthy order book positions and adequate references in international markets notwithstanding the turbulent market conditions in Europe, the management is of the view that there is no impairment of its investments in these companies.

(c) The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij B.V., Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for Euro 7.5 million., Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A, Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l. wholly held by Busi Group.

The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons.

In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards its funded exposures in connection with the Investment in Sadelmi of ₹ 25.72 Crore and has charged the same as an exceptional item. The Company has exposure of ₹ 64.78 Crore in respect of Corporate Guarantee towards which it will make provisions as and when the same translates to funded exposures

(d) The Board of FTM has approved on 29 May 2013, to go in for a procedure permitted under recently notified Italian laws to minimize the risks attributed to the Company's legacy statutory and other debts, while at the same time seeking to ensure the timely execution of ongoing and future projects by optimizing operational cash flows. This involves restructuring the Company with approval of the court and will be carried out within a time frame of between 60 days to 120 days. Post restructuring, the operations of the Company are forseen to significantly turn around and bring it back to profitability. Management is of the view that due to this restructuring there will be no impairment of its investment in the Company. However on a prudent basis the Company has provided as impairment of ~ ₹ 69.54 Crore (Euro 10 Mn) towards its exposure to Gammon Holdings B.V. holding Company of FTM.

(e) Considering the losses in one of its subsidiary M/s Ansaldo Caldaie Boilers India Private Limited (ACBI), the Company has carried out an impairment test of its investments in ACBI. Considering the business plans of the entity as approved by the board of ACBI and the results of the tests and the fact that the Company is in the process of executing certain jobs to be received from M/s Ansaldo Caldaie S.p.A and the jobs to be secured by it and adequate references in that context, the management is of the view that there is no permanent dimunition in the value of its investments in the Company.

34 ESOP Scheme

Pursuant to the amalgamation of ATSL with the Company, the outstanding options of the employees of the erstwhile ATSL outstanding as on 1st April 2008 have been taken up as an obligation by the Company in accordance with the Scheme approved by the court. Accordingly the Company has accounted for the grant of 1,06,300 options to such employees at an exercise prize of ₹ 80 per share. The Company will issue two equity shares against each option in terms of the scheme of amalgamation approved by the Courts.

The options were granted by the erstwhile ATSL on 27th March 2007. The options vest in a graded manner over the period of four years and are exercisable during a period of three years from the date of vesting thereof.

Since the assets and liabilities of the erstwhile ATSL has been accounted at the book value, the accounting effect in the accounts are continued at the same value.

The fair value of the option however has been computed under the Black Scholes method considering the data of the Company as on the date of grant of option for the purpose of disclosure as required under Guidance note on Employee share based payments detailed hereunder.

Options granted on 27th March, 2007 :

Vesting Date	No of Options	Exercise Period	Intrinsic Value on the date of grant of options ₹	Fair Value of options as on date of grant of option ₹
28th September 2008	21,260	28.9.08 to 27.9.11	250.00	677.65
28th September 2009	26,575	28.9.09 to 27.9.12	250.00	677.65
28th March 2010	26,575	28.3.10 to 27.3.13	250.00	677.65
28th March 2011	31,890	28.3.11 to 27.3.14	250.00	677.65
	106,300			

Had the compensation cost been accounted under the Fair value method, the Company's net profit would have changed as follows :

Particulars	FY 2012-2013	FY 2011-2012
Net Income as reported	**(445.67)**	87.04
Add : ESOP compensation cost as accounted on Intrinsic value method	**-**	-
Less : ESOP compensation cost as accounted on fair value method	**-**	-
Net Profit Adjusted	**(445.67)**	87.04
Basic earnings per share - as reported	**(32.82)**	6.41
Basic earning per share – Adjusted	**(32.82)**	6.41
Diluted earning per share – as reported	**(32.82)**	6.38
Diluted earning per share – Adjusted	**(32.82)**	6.38

The fair value of options accounted pursuant to the scheme of amalgamation was determined as at the date of grant of the options using the Black Scholes Option Pricing Model with the following assumptions:

Risk Free Interest Rate	7.50%
Expected Dividend Yield	0.39%
Expected life of the option	3 Years
Expected Volatility of Share Price	52.64%

The status of Employees stock options is as under :

Particulars	As At 31st March 2013	As At 31st March 2012
Option Shares Outstanding at the beginning of the year	**21,790**	46,233
Options exercised during the year	**-**	17,743
Option Shares granted during the year	**-**	-
Option Shares lapsed during the year	**13,090**	6,700
Option Shares Outstanding at the end of the year	**8,700**	21,790

During the year NIL (*P.Y. 17,743*) options were exercised by the employees against which NIL equity shares (*P.Y. 35,486*) were allotted and 13,090 (*P.Y. 6,700*) options were lapsed during the year on account of cessation of employment. None of the 21,790 options outstanding have been forfeited during the year.

35 The board of directors in its meeting had decided to approach the banks through the corporate debt restructuring (CDR) process for restructuring of the Company's debt. The CDR empowered group in its meeting held on 25th March, 2013 has admitted the Company's proposal under the CDR which is under consideration.

36 Earning Per Share

Earnings per share (EPS) = Net Profit attributable to shareholders / Weighted Number of Shares Outstanding

Particulars	FY 2012-2013	FY 2011-2012
Net profit attributable to the Equity Share holders (₹ in Crore)	**(445.67)**	87.04
Outstanding equity shares at the end of the year	**135,774,668**	135,774,668
Weighted Number of Shares during the period – Basic	**135,774,668**	135,751,805
Weighted Number of Shares during the period – Diluted	**136,515,084**	136,514,212
Earning Per Share – Basic (₹)	**(32.82)**	6.41
Earning Per Share – Diluted (₹)	**(32.82)**	6.38

- Since the options granted are anti dilutive hence diluted EPS is not computed.

Particulars	FY 2012-2013	FY 2011-2012
Nominal Value of Equity Shares (₹ per share)	**2.00**	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	**135,774,668**	135,739,182
Add: Issue of shares under ESOP	**-**	35,486
Number of Equity Shares at the end	**135,774,668**	135,774,668
Weighted average of equity shares at the end	**135,774,668**	135,751,805
For Dilutive EPS :		
Weighted average no. of shares in calculating basic EPS	**135,774,668**	135,751,805
Add: Shares kept in abeyance	**725,800**	725,800
Add: On grant of stock option under ESOP	**14,616**	36,607
Weighted average no. of shares in calculating dilutive EPS	**136,515,084**	136,514,212

37 Disclosure under Accounting Standard – 19 "Leases" of the Companies (Accounting Standards) Rule , 2006

The Company has taken various residential/godowns/offices premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in Statement of Profit and Loss Account under Rent, Rates and Taxes.

The Company has taken certain equipment on an operating lease and the future minimum committed lease rentals are given as follows on the basis of current usage-

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Payable not late then one year	**2.65**	-
Payable between one to five years	**7.59**	-
Payable after five years	**-**	-

38 Contingent Liability

(₹ in Crore)

S.N.	Particulars	As At 31st March 2013	As At 31st March 2012
1	Liability on contracts remaining to be executed on Capital Accounts	**18.27**	23.90
2	Counter Guarantees given to Bankers for Guarantees given by them and Corporate Guarantees, on behalf of subsidiary, erstwhile subsidiary, associate Companies	**6,479.50**	5,923.72
3	Corporate Guarantees and Counter Guarantees given to Bankers towards Company's share in the joint Ventures for guarantees given by them to the Joint Venture Project clients	**105.08**	148.60
4	Disputed Sales Tax liability for which the Company has gone into Appeal	**43.45**	29.71
5	Claims against the Company not acknowledged as debts	**68.34**	56.11
6	Disputed Excise Duty Liability	**0.05**	0.03
7	Disputed Service Tax Liability	**53.44**	21.13
8	Against bill discounting	**7.68**	13.39
9	Outstanding Letters of Credit Pending Acceptance	**459.56**	-
10	On partly paid shares (Refer Note 46(iii))	**-**	-
11	In respect of Income Tax Matters of Company and its Joint Ventures	**45.11**	19.70
12	Commitment towards capital contribution in subsidiary under contractual obligation	**47.36**	47.36
13	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited.	**4.93**	4.93

14 There is a disputed demand of UCO Bank pending since 1986, of US$ 436251 i.e. ₹ 1.72 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of US$ 30584 i.e. ₹ 0.12 Crore, which adjustment has not been accepted by the Company.

15 The Company had deposited during previous year, customs duty of ₹ 2.20 Crore under protest in respect of certain machineries imported for the project in Sikkim. The Company contends that the import of machinery is duty free as per the Project Import regulations prevailing then. The Company has preferred an appeal against the levy of Custom Duty. Pending outcome of the appeal, the said amount is carried under Advances recoverable in cash or in kind.

16 Counter claims in arbitration matters referred by the Company – liability unascertainable.

39 Segment Reporting

The Company is engaged mainly in "Construction and Engineering" segment. During the year, the Company has started Real Estate Business which is a different segment of "Real Estate Development" and additionally the Company has revenue from Windmills. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Accounting Standard AS -17 is done. The Company also primarily operates under one geographical segment namely India.

40 Quantitative information of Derivative instruments entered into by the Company and outstanding as at balance sheet date

(a) **For Un-hedged Foreign Currency Exposures :**

Foreign currency exposure un-hedged as at 31 Mar 2013 is ₹ 1081.33 Crore (*Previous Year ₹ 770.86 Crore*) receivables and ₹ 242.17 Crore (*Previous year ₹ 208.50 Crore*) payables. Currency wise unhedged amounts are as follows-

Currency	**As At 31st March 2013**		As At 31st March 2012	
	Receivables	**Payables**	Receivables	Payables
USD - US Dollar	**130,779,803**	**34,330,854**	105,677,260	21,058,063
EURO	**42,055,991**	**1,191,055**	19,523,543	1,716,590
GBP - Great Britain Pound	**-**	**11,811**	-	25,243
AED - UAE Dirham	**95,560**	**-**	95,560	-
OMR - Omani Rial	**-**	**-**	4,596,144	3,742,084
SEK - Swedish Kronor	**-**	**26,863**	-	-
DZD - Algeria	**113,792,364**	**211,088,907**	169,060,250	194,462,060
NAIRA - Nigeria	**1,170,092**	**6,213,707**	1,170,092	6,213,707
KSH - Kenya	**76,465,896**	**43,402,704**	77,376,509	45,431,178
BTN - Bhutan	**309,331,135**	**243,049,649**	238,723,153	180,350,595
CAD - Canadian Dollar	**4,467,527**	**126,987**	827,302	-
BIRR - Ethopia	**30,666,033**	**16,319,706**	4,350,051	8,247,664
RWF - Rwandan Franc	**130,030,285**	**8,774,930**	-	-

(b) Foreign currency hedged exposure for receivables is ₹ Nil (*Previous Year ₹ 37.55 Crore*)

Currency	**As At 31st March 2013**	As At 31st March 2012
USD	**-**	7,250,000

41 The balance with The Freyssinet Prestressed Concrete Company Limited is as per books of accounts and subject to reconciliation.

42 Joint Venture

(a) **Details of Joint Ventures entered into by the Company :**

	Name of Joint Venture	**Description of Interest**	**% of involvement**
1	BBJ Gammon	Jointly Controlled Operation	49.00%
2	CMC - Gammon JV	Jointly Controlled Operation	50.00%
3	Gammon - CGS - Marti - Dolsar JV	Jointly Controlled Operation	57.00%
4	Gammon - CMC JV	Jointly Controlled Operation	60.00%
5	Gammon - CMC JV	Jointly Controlled Operation	50.00%
6	Gammon - CRFG JV	Jointly Controlled Operation	55.00%
7	Gammon - HG JV	Jointly Controlled Operation	74.00%
8	Gammon - HG JV	Jointly Controlled Operation	74.00%
9	Gammon - HG JV	Jointly Controlled Operation	74.00%
10	Gammon - Technofab JV	Jointly Controlled Operation	51.00%
11	Gammon - Technofab JV	Jointly Controlled Operation	51.00%
12	Gammon AG JV	Jointly Controlled Operation	51.00%
13	GAMMON ARCHIRODON	Jointly Controlled Operation	98.50%
14	Gammon Atlanta	Jointly Controlled Operation	50.00%
15	Gammon BBJ	Jointly Controlled Operation	50.00%
16	Gammon Construtora Tensacuai	Jointly Controlled Operation	60.00%
17	GAMMON LIMAK	Jointly Controlled Operation	51.00%
18	Gammon Limak (Vishnugod Pipalnote HEPP)	Jointly Controlled Operation	51.00%
19	Gammon-Marti	Jointly Controlled Operation	60.00%
20	Gammon- Marti JV	Jointly Controlled Operation	60.00%

	Name of Joint Venture	Description of Interest	% of involvement
21	Gammon OSE	Jointly Controlled Operation	50.00%
22	Gammon Pratibha (BWSSB)	Jointly Controlled Operation	70.00%
23	Gammon Progressive	Jointly Controlled Operation	50.00%
24	GAMMON RIZZANI	Jointly Controlled Operation	50.00%
25	GAMMON SEW	Jointly Controlled Operation	90.00%
26	Gammon Srinivasa	Jointly Controlled Operation	80.00%
27	Gammon Tensacuai	Jointly Controlled Operation	80.00%
28	Gammon-Geomiller	Jointly Controlled Operation	51.00%
29	GIL JMC	Jointly Controlled Operation	70.00%
30	GIL Simplex (Dholakal Tupul)	Jointly Controlled Operation	51.00%
31	GIL Simplex (Khongsang Imphal)	Jointly Controlled Operation	51.00%
32	Hyundai Gammon	Jointly Controlled Operation	49.00%
33	IM - JV	Jointly Controlled Operation	12.25%
34	JFE - Gammon Joint Venture	Jointly Controlled Operation	40.00%
35	JFE - Gammon Joint Venture	Jointly Controlled Operation	40.00%
36	MI - JV	Jointly Controlled Operation	9.80%
37	OSE GIL	Jointly Controlled Operation	50.00%
38	Patel Gammon	Jointly Controlled Operation	49.00%
39	Sanoje- Gammon JV	Jointly Controlled Operation	26.00%
40	Afghanistan ATSL AEPC Consortium	Jointly Controlled Operation	75.00%
41	Consortium between SAE Powerlines Srl and ATSL	Jointly Controlled Operation	NIL
42	Consortium SAE - GAMMON	Jointly Controlled Operation	37.03%
43	Gammon - FCEP - Joint Venture - Nigeria	Jointly Controlled Operation	80.13%
44	JV Siemens Limited And ATSL, Kenya	Jointly Controlled Operation	19.79%
45	SAE - GAMMON Consortium	Jointly Controlled Operation	51.56%
46	SAE - GIL Consortium	Jointly Controlled Operation	33.91%
47	SAE - Gammon Consoritum	Jointly Controlled Operation	85.46%
48	Bhutan Consortium Jyoti Structures Limited & Gammon India Limited	Jointly Controlled Entity	50.00%
49	Gammon Al Matar	Jointly Controlled Entity	85.00%
50	Gammon Encee Consortium	Jointly Controlled Entity	51.00%
51	Jaeger Gammon	Jointly Controlled Entity	90.00%
52	Gammon Construtora Cidade Tensaccia Joint Venture	Jointly Controlled Entity	60.00%
53	Gammon OJSC Mosmetrostroy Joint Venture	Jointly Controlled Entity	51.00%

(b) Details of Income & Expenditure and Assets & Liabilities of Jointly controlled entities as per the audited accounts of the Joint venture entity are as under.

	Particulars of JV with share	Share of Assets	Share of Liabilities	Share of Income	Share of Expenditure
1	Gammon Al Matar (85%) (Refer Note 43)	-	-	-	-
		(11.71)	*(3.63)*	*(1.65)*	*(6.57)*
2	Gammon Encee Consortium (51%)	4.76	1.40	-	-
		(4.76)	*(1.40)*	-	-
3	Jaeger Gammon (90%)	9.90	9.78	25.59	25.60
		(9.38)	*(9.25)*	*(57.19)*	*(57.20)*
4	Gammon Construtora Cidade Tensaccia Joint Venture (60%)	53.94	53.78	32.02	32.27
		(36.36)	*(36.22)*	*(19.91)*	*(19.71)*
5	Gammon OJSC Mosmetrostroy Joint Venture (51%)	100.30	117.50	235.44	235.82
		(139.03)	*(146.55)*	*(98.82)*	*(99.15)*
6	Bhutan Consortium Jyoti Structures Limited & Gammon India Limited (50%)	48.14	48.14	69.78	69.78
		(44.36)	*(44.36)*	*(46.14)*	*(46.14)*

(*Previous year figures are in brackets*)

43 Joint Venture and operations in Oman

The Company has during the year suspended its operations at Oman JV and its branch office and has provided towards all receivables and assets in connection therewith. The Company has also suspended recognition of the results of the Joint Venture in its financials and does not expect any liabilities in connection therewith.

44 Disclosure of transactions with Related Parties, as required by Accounting Standard - 18 'Related Party Disclosures has been set out in a separate Annexure - 2.

45 Previous year figures are regrouped and rearranged with those of the current year to make them comparable.

46 Details of rounded off amounts

The financial statements are represented in Rupees Crore. Those items which were not represented in the financial statement due to rounding off to the nearest Rupees Crore are given below:

(₹)

	Currency	As At 31st March 2013	As At 31st March 2012
(i)	**Non Current Investment**		
	Airscrew (India) Limited	**1,000**	1,000
	Alpine Environmental Engineers Limited	**20,000**	20,000
	Bhagirathi Bridge Construction Company Limited	**30,000**	30,000
	Modern Flats Limited (Unquoted)	**22,100**	22,100
	Neptune Tower Properties Private Limited	**1,000**	1,000
	Investment In Partnership - Capital Contribution - Gammon Shah	**25,000**	25,000
(ii)	**Current Investment**		
	HDFC Mutual Fund - Floating Rate Income Fund	**18,438**	18,438
(iii)	**Contingent Liability**		
	Contingent Liability on partly paid shares	**19,000**	19,000

As per our report of even date

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

N. Jayendran
Partner
M.No. 40441

Mumbai, Dated : 30th May 2013

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

D. C. BAGDE
Deputy Managing Director

GIRISH BHAT
Chief Financial Officer

NAVAL CHOUDHARY
Non Executive Director

GITA BADE
Company Secretary

Mumbai, Dated : 30th May 2013

Details of continuing defaults as at 31 Mar 2013

Annexure 1

(₹ in Crore)

Bank / Company	Facility	Due On	Amount	Type
Bank of Baroda	Short Term Loan	Feb	40.00	Principle Repayment
Bank of Baroda	Short Term Loan	March	40.00	Principle Repayment
Syndicate Bank	Short Term Loan	Jan	100.00	Principle Repayment
IDBI Bank	Short Term Loan	Jan	45.00	Principle Repayment
Canara Bank	Long Term Loan	March	17.50	Principle Repayment
Bank of Maharashtra	Term Loan	March	1.14	Principle Repayment
Development Bank of Singapore	Short Term Loan	March	0.27	Interest
Development Bank of Singapore	Short Term Loan	March	0.16	Interest
Bank of Baroda	Short Term Loan	March	2.07	Interest
Syndicate Bank	Short Term Loan	March	1.02	Interest
Syndicate Bank	Short Term Loan	Jan	0.04	Interest
IDBI Bank	Short Term Loan	Jan	1.30	Interest
UCO Bank	Short Term Loan	Jan	2.12	Interest
UCO Bank	Short Term Loan	Feb	1.92	Interest
UCO Bank	Short Term Loan	March	2.12	Interest
United Bank of India	Long Term Loan	Jan	2.65	Interest
United Bank of India	Long Term Loan	Feb	2.40	Interest
United Bank of India	Long Term Loan	March	2.65	Interest
Union Bank of India	Long Term Loan	Jan	2.39	Interest
Union Bank of India	Long Term Loan	Feb	2.16	Interest
Union Bank of India	Long Term Loan	March	1.84	Interest
ICICI Prudential	NCD	March	2.49	Interest
LIC	NCD	March	5.53	Interest
Franco Tosi Turbines Private Limited	Interest on ICD	March	0.54	Interest
Franco Tosi Turbines Private Limited	Interest on ICD	March	0.76	Interest
Gammon Road Infra	Interest on ICD	March	0.00	Interest
GACTEL	Interest on ICD	March	0.03	Interest
Bank of Maharashtra	Term Loan	March	1.23	Interest
Bank of Baroda	Demand Loan	March	0.28	Interest
Export -Import Bank of India	Demand Loan	March	0.52	Interest
Export -Import Bank of India	Demand Loan	March	0.10	Interest
Canara Bank	Cash Credit	March	4.06	Excess Limit withdrawn
Syndicate	WCDL	March	0.89	Excess Limit withdrawn
Bank of Baroda	Cash Credit	March	1.09	Excess Limit withdrawn
Allahabad Bank	Cash Credit	March	0.13	Excess Limit withdrawn
Allahabad Bank	WCDL	March	1.08	Excess Limit withdrawn

Annexure 2

A) Related Party Disclosure (AS - 18)

	SUBSIDIARIES
1	Ansaldocaldai Boilers India Private Limited
2	ATSL B.V., Netherland
3	ATSL Infrastructure Projects Limited
4	Associated Transrail Structures Limited, Nigeria
5	Campo Puma Oriente SA
6	Deepmala Infrastructure Private Limited
7	Franco Tosi Hydro Private Limited
8	Franco Tosi Turbines Private Limited
9	Gactel Turnkey Projects Limited
10	Gammon & Billimoria Limited
11	Gammon Holdings (Mauritius) Limited
12	Gammon Holdings B.V.
13	Gammon Infrastructure Projects Limited
14	Gammon International B.V.
15	Gammon International FZE
16	Gammon Power Limited
17	Gammon Realty Limited
18	Gammon Retail Infrastructure Private Limited
19	Metropolitan Infrahousing Private Limited
20	P.Van Eerd Beheersmaatschappaji B.V.
21	Patna Water Supply Distribution Network Private Limited
22	SAE Transmission India Limited
23	Transrail Lighting Limited
	STEPDOWN SUBSIDIARIES
24	Andhra Expressway Limited
25	Aparna Infraenergy India Private Limited
26	Birmitrapur Barkote Highway Private Limited
27	Chitoor Infra Company Private Limited
28	Cochin Bridge Infrastructure Company Limited
29	Dohan Renewable Energy Private Limited
30	Earthlink Infrastructure Projects Private Limited
31	Franco Tosi Meccanica S.p.A.
32	Gammon & Billimoria LLC
33	Gammon Italy S.r.l.
34	Gammon Logistics Limited
35	Gammon Projects Developers Limited
36	Gammon Renewable Energy Infrastructure Limited
37	Gammon Renewable Energy Private Limited
38	Gammon Road Infrastructure Limited
39	Gammon Seaport Infrastructure Limited
40	Ghaggar Renewable Energy Private Limited
41	Gorakhpur Infrastructure Company Limited
42	Haryana Biomass Power Limited
43	Indori Renewable Energy Private Limited
44	Jaguar Projects Developers Limited
45	Kasavati Renewable Energy Private Limited
46	Kosi Bridge Infrastructure Company Limited
47	Lilac Infrastructure Developers Limited
48	Marine Projects Services Limited
49	Markanda Renewable Energy Private Limited
50	Mormugao Terminal Limited
51	Mumbai Nasik Expressway Limited
52	Pataliputra Highway Limited
53	Patna Buxar Highways Limited
54	Patna Highway Projects Limited
55	Pravara Renewable Energy Limited
56	Preeti Township Private Limited
57	Rajahmundry Expressway Limited
58	Rajahmundry Godavari Bridge Limited
59	Ras Cities And Townships Private Limited
60	SAE Powerlines S.r.l.
61	Satluj Renewable Energy Private Limited
62	Sidhi Singrauli Road Project Limited
63	Segue Infrastructure Projects Private Limited
64	Sikkim Hydro Power Ventures Limited
65	Sirsa Renewable Energy Private Limited
66	Tada Infra Development Company Limited
67	Tangri Renewable Energy Private Limited
68	Tidong Hydro Power Limited
69	Vijaywada Gundugolanu Road Projects Private Limited
70	Vizag Seaport Private Limited
71	Yamuna Minor Minerals Private Limited
72	Yamunanagar Panchkula Highway Private Limited
73	Youngthang Power Ventures Limited
	ASSOCIATES
1	Eversun Sparkle Maritime Services Private Limited
2	Modern Toll Roads Limited
3	Finest S.p.A. Italy
	KEY MANAGERIAL PERSONNEL
1	Mr Abhijit Rajan
2	Mr Himanshu Parikh
3	Mr Rajul A Bhansali
4	Mr Rohit Modi
5	Mr D C Bagde
	RELATIVES OF KEY MANAGERIAL PERSONNEL
1	Mr Harshit Rajan
2	Mrs Sandhya Bagde
3	Ms. Ruchi Bagde

	JOINT VENTURE
1	Gammon AL Matar
2	Gammon Atlanta
3	Gammon Archirodon
4	Gammon BBJ
5	Gammon Cidade Tensacciai
6	Gammon Encee Rail JV
7	Gammon Limak
8	Gammon Mosmetrostroy
9	Gammon OSE
10	Gammon Pratibha
11	Gammon Progressive
12	Gammon Rizzani
13	Gammon SEW
14	Gammon SEW
15	Gammon Srinivasa
16	GIL JMC
17	Haryana Bio Mass Power Limited
18	Hyundai Gammon
19	Indira Container Terminal Private Limited
20	Jaeger Gammon JV
21	OSE Gammon
22	Patel Gammon
23	Sofinter S.p.A
24	Gammon FECP JV Naigeria
25	Consortium of Jyoti Structure & GIL

B) Related Parties transactions during the year in normal course of business :

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
SUBSIDIARIES				
Subcontracting Income	**325.81**		834.15	
Gorakhpur Infrstructure Company Limited		**13.63**		120.45
Kosi Bridge Infrastructure Company Limited		**3.85**		172.89
Patna Highway Projects Limited		**204.08**		307.15
Rajahmundry Godavari Bridge Limited		**41.94**		227.45
Subcontracting Expenditure	**0.65**		4.33	
SAE Power Lines S.r.l		**-**		4.33
Transrail Lighting Limited (TLL)		**0.65**		-
Operating And Maintenance Income	**19.21**		18.14	
Andhra Expressway Limited		**9.34**		8.82
Rajahmundry Expressway Limited		**9.87**		9.32
Operating And Maintenance Expenses	**19.21**		18.14	
Gammon Infrastructure Projects Limited		**19.21**		18.14
Purchase of Goods	**2.22**		7.60	
GACTEL Turnkey Project Limited		**0.09**		4.04
SAE Power Lines S.r.l		**-**		1.55
Transrail Lighting Limited (TLL)		**2.13**		2.01
Sale of Goods	**36.26**		65.54	
SAE Power Lines S.r.l		**30.55**		65.30
Purchase of Investments / Advances towards Equity/Allotment of Shares	**15.01**		10.85	
Transrail Lighting Limited (TLL)		**15.00**		10.85
Rent Income	**-**		0.07	
Gammon Infrastructure Projects Limited		**-**		0.07
Receiving of Services	**33.27**		7.76	
GACTEL Turnkey Project Limited		**27.75**		4.61
SAE Power Lines S.r.l		**3.09**		3.08
Insurance Claim Received	**0.29**		-	
Andhra Expressway Limited		**0.28**		-

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Insurance Claim Transferred	0.29		-	
Gammon Infrastructure Projects Limited		0.29		-
Finance provided (incl. Loans and equity contribution in cash or in kind)	547.18		919.76	
ATSL Holding B.V., Netherland		69.37		14.60
Deepmala Infrastructure Private Limited		133.77		236.65
GACTEL Turnkey Project Limited		102.16		112.41
Gammon International B.V.		33.85		89.25
Metropolitan Infrahousing Private Limited		87.27		342.56
Finance provided for expenses & on a/c payments	3.39		124.13	
Ansaldo Caldaie Boilers India Private Limited		0.78		0.55
GACTEL Turnkey Project Limited		0.95		0.69
Metropolitan Infrahousing Private Limited		-		102.22
SAE Power Lines S.r.l		1.29		1.22
Transrail Lighting Limited (TLL)		-		16.08
Amount liquidated towards the finance provided	281.84		597.04	
Gammon Infrastructure Projects Limited		92.58		0.43
Campo Puma Orient SA		-		205.81
Deepmala Infrastructure Private Limited		48.00		141.44
GACTEL Turnkey Project Limited		90.51		90.00
Metropolitan Infrahousing Private Limited		28.80		136.73
Interest Income during the year	101.98		117.37	
Metropolitan Infrahousing Private Limited		57.90		58.27
Campo Puma Orient SA		0.44		18.65
Gammon Realty Limited		8.53		11.63
Deepmala Infrastructure Private Limited		17.06		7.58
Finance received (incl. Loans and equity contribution in cash or in kind)	108.36		8.50	
Gammon Road Infrastructure Limited		45.00		-
Gammon Seaport Infrastructure Limited		30.00		-
Franco Tosi Turbines Private Limited		-		8.50
Patna Water Supply Distribution Network Private Limited		33.36		-
Finance received for expenses & on a/c payments	0.06		0.22	
Gammon Infrastructure Projects Limited		0.04		0.11
Gammon & Billimoria Limited		0.02		0.11
Amount liquidated towards the above finance	75.09		3.53	
Gammon Road Infrastructure Limited		45.00		-
Gammon Seaport Infrastructure Limited		30.09		-
Franco Tosi Turbines Private Limited		-		3.50
Interest Paid	3.53		0.85	
Franco Tosi Turbines Private Limited		0.60		0.85
Patna Water Supply Distribution Network Private Limited		2.71		-
Contract Advance received	26.23		24.27	
Deepmala Infrastructure Private Limited		-		16.00
Gorakhpur Infrstructure Company Limited		17.93		-
Pravara Renewable Energy Limited		7.07		5.95
SAE Power Lines S.r.l		1.23		2.32

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Refund against Contract advance	**44.91**		52.22	
Deepmala Infrastructure Private Limited		**7.40**		-
Sikkim Hydro Power Venture Limited		**20.23**		-
Pravara Renewable Energy Limited		**4.79**		2.31
Patna Highway Projects Limited		**-**		37.50
Rajahmundry Godavari Bridge Limited		**12.49**		12.41
Margin Money received against BG	**-**		12.00	
Ansaldo Caldaie Boilers India Private Limited		**-**		12.00
Guarantees and Collaterals Outstanding	**2,969.66**		2,930.65	
Ansaldo Caldaie Boilers India Private Limited		**252.90**		315.76
Deepmala Infrastructure Private Limited		**233.80**		283.80
Franco Tosi Meccanica S.p.A		**499.98**		481.18
Gammon Holding B.V.		**390.61**		427.76
Gammon International B.V.		**244.78**		314.93
Metropolitan Infrahousing Private Limited		**175.00**		275.00
Pledge of Shares (Number of shares)	**430,286,305**		-	
Gammon Infrastructure Projects Limited		**430,286,305**		-
Provision made for doubtful debts	**95.29**		-	
Gammon Internationl FZE		**15.69**		-
Gammon Holding B.V.		**71.25**		-
Outstanding Balances Receivables				
Loans and Advances	**1,644.21**		1,373.48	
Deepmala Infrastructure Private Limited		**196.58**		110.50
Gammon Holding B.V.		**273.11**		218.43
Gammon International B.V.		**256.33**		211.08
Gammon Realty Limited		**111.57**		83.05
Metropolitan Infrahousing Private Limited		**463.67**		405.20
Interest Receivable	**167.21**		94.78	
Deepmala Infrastructure Private Limited		**28.22**		12.87
Gammon Realty Limited		**38.28**		30.60
Metropolitan Infrahousing Private Limited		**85.65**		33.55
Trade & Other Receivable	**283.55**		202.32	
Kosi Bridge Infrastructure Company Limited		**66.74**		74.20
Mumbai Nasik Expressway Limited		**25.45**		22.16
SAE Power Lines S.r.l		**134.82**		100.32
Outstanding Balances Payable				
Trade & Other Payable	**151.97**		95.34	
Patna Water Supply Distribution Network Private Limited		**33.36**		-
Deepmala Infrastructure Private Limited		**24.60**		16.00
Gorakhpur Infrstructure Company Limited		**17.93**		0.70
Patna Highway Projects Limited		**-**		9.52
Pravara Renewable Energy Limited		**16.69**		9.59
Rajahmundry Godavari Bridge Limited		**16.44**		22.82

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year Amounts	Current Year Amounts from Major Parties	Previous Year Amounts	Previous Year Amounts from Major Parties
ASSOCIATES				
Amount liquidated towards the finance provided	2.32		-	
Finest S.p.A.		2.32		-
Interest Income during the year	0.12		0.22	
Finest S.p.A.		0.12		0.22
Outstanding Balances Receivables	1.61		3.68	
Finest S.p.A.		1.61		3.68
KEY MANAGERIAL PERSONNEL				
Remuneration paid	13.33		18.98	
Mr Abhijit Rajan		8.74		12.22
Mr H.V. Parikh		2.12		1.70
Mr R A Bhansali		0.92		0.82
Mr Rohit Modi		0.58		3.38
Mr D C Bagde		0.97		0.86
RELATIVES OF KEY MANAGERIAL PERSONNEL				
Remuneration paid	0.63		0.66	
Mr Harshit Rajan		0.62		0.66
Ms Ruchi Bagde		0.01		-
JOINT VENTURE				
Subcontracting Income	643.93		506.88	
Gammon OJSC Mosmetrostroy JV		238.21		66.83
Indira Container Terminal Private Limited		33.48		155.94
Jaeger Gammon		25.15		55.85
Patel Gammon		168.16		168.97
Subcontracting Expenditure	-		0.08	
Consortium of Jyoti Structure & GIL		-		0.08
Sale of Goods	35.52		24.07	
Consortium of Jyoti Structure & GIL		35.52		24.07
Finance provided for expenses & on a/c payments	34.81		15.90	
Gammon FECP JV Naigeria		10.02		-
Gammon SEW		3.52		-
Gammon OJSC Mosmetrostroy JV		15.57		12.24
Amount liquidated towards the finance provided	20.05		13.96	
Gammon OJSC Mosmetrostroy JV		12.49		8.90
Gammon SEW		4.49		-
Gammon Al Matar JV		-		4.02
Finance received for expenses & on a/c payments	37.91		0.01	
Gammon Enceerail		-		0.01
Gammon OJSC Mosmetrostroy JV		37.91		-
Amount liquidated towards the above finance	29.06		-	
Gammon OJSC Mosmetrostroy JV		29.06		-

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Interest paid during the year	**2.41**		3.33	
Gammon Cidade Tensacciai		**2.35**		2.42
Gammon SEW		**-**		0.37
Jaeger Gammon		**-**		0.29
Contract Advance received	**68.63**		75.71	
Gammon OJSC Mosmetrostroy JV		**5.91**		20.91
Jaeger Gammon		**14.71**		39.53
Patel Gammon		**41.72**		13.52
Refund received against Contract Advance	**93.10**		104.88	
Indira Container Terminal Private Limited		**14.66**		33.35
Gammon OJSC Mosmetrostroy JV		**17.43**		2.23
Jaeger Gammon		**17.00**		52.57
Patel Gammon		**27.51**		12.67
Guarantees and Collaterals Outstanding	**583.38**		384.26	
Gammon Cidade Tensacciai		**124.51**		-
Gammon OJSC Mosmetrostroy JV		**168.09**		168.09
Jaeger Gammon		**32.45**		40.24
Gammon FECP JV Naigeria		**94.39**		-
Consortium of Jyoti Structure & GIL		**58.04**		-
Outstanding Balances Receivables				
Trade & Other Receivable	**302.17**		182.63	
Gammon OJSC Mosmetrostroy JV		**55.01**		7.37
OSE Gammon		**53.12**		10.52
Consortium of Jyoti Structure & GIL		**24.07**		19.98
Patel Gammon		**75.15**		63.30
Outstanding Balances Payable				
Trade & Other Payable	**189.21**		185.67	
Consortium of Jyoti Structure & GIL		**17.81**		36.45
Gammon Cidade Tensacciai		**63.97**		45.08
Gammon OJSC Mosmetrostroy JV		**80.53**		89.21
Indira Container Terminal Private Limited		**5.00**		0.21
Patel Gammon		**18.78**		4.58

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LTD
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act,1956

Sr. No.	Particulars	ATSL Infrastructure Projects Limited	Deepmala Infrastructure Private Limited	GACTEL Turnkey Projects Limited	Gammon & Billimoria Limited	Gammon Infrastructure Projects Limited	Gammon Power Limited	Gammon Realty Limited	Gammon Retail Infrastructure Private Limited	Transrail Lighting Limited
	Financial year ending on	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**
1	Share Capital (including share application money pending allotment)	500,000	100,000	50,500,000	1,000,000	1,476,155,376	500,000	200,500,000	100,000	310,000,000
2	Reserves	(147,794)	(523,742)	(260,189,003)	14,630,193	4,982,649,828	36,015	(500,349,046)	(120,778)	(276,895,033)
3	Liabilities	200,032,091	6,703,947,415	2,522,746,339	969,618,830	6,776,739,430	20,188,816	1,514,606,121	29,922	982,446,462
4	Total Liabilities	200,384,297	6,703,523,673	2,313,057,336	985,249,023	13,235,544,634	20,724,831	1,214,757,075	9,144	1,015,551,429
5	Total Assets	200,384,297	6,703,523,673	2,313,057,336	985,249,023	13,235,544,634	20,724,831	1,214,757,075	9,144	1,015,551,429
6	Investments (excluding subsidiary companies)	-	-	20,987,520	-	609,222,280	-	-	-	-
7	Turnover	-	-	1,120,100,263	-	1,243,406,537	-	-	-	751,979,362
8	Profit before taxation	(9,888)	(385,284)	(109,167,137)	3,157,386	376,273,932	693,351	(52,556,739)	(25,416)	(56,336,380)
9	Provision for taxation	-	-	76,061	975,632	72,006,087	(384,162)	-	8,745	(120,968)
10	Profit after taxation	(9,888)	(385,284)	(109,243,198)	2,181,754	304,267,845	1,077,513	(52,556,739)	(34,161)	(56,215,412)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-
	Details of Investment									
	I) Joint Ventures/Associates									
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	21,439,500	-	-	-	-
	SEZ Adityapur LImited	-	-	-	-	190,000	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	507,830,000	-	-	-	-
	Modern Toll Roads	-	-	-	-	244,700	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	30,518,080	-	-	-	-
	Sadelmi Spa	-	-	-	-	-	-	-	-	-
	Maa Durga	-	-	-	-	49,000,000	-	-	-	-
	Ansaldo GB-Engineering Private Limited	-	-	-	-	-	-	-	-	-
	II) Other									
	Non Traded, Reddemable, Quoted NCDs'	-	-	-	-	-	-	-	-	-
	Investment in mutual fund	-	-	20,938,520	-	-	-	-	-	-
	Share of Profit/(Losses) in a Partnership Firm	-	-	-	-	-	-	-	-	-
	Other	-	-	49,000	-	-	-	-	-	-

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LTD
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act,1956

Sr. No.	Particulars	Metropolitan Infrfahousing Private Limited	SAE Transmission India Limited (SAET)	Franco Tosi Hydro Private Limited	Franco Tosi Turbines Private Limited	Preeti Township Private Limited	Patna Water Supply Distribution Networks Private Limited	Ansaldocaldaie boilers India Private Limited	Andhra Expressway Limited*	Aparna Infraenergy India Private Limited*	Birmitrapur Barkote Highway Private Limited *
	Financial year ending on	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**
1	Share Capital (including share application money pending allotment)	100,000	500,000	100,000	951,450	1,000,000	100,000	500,000,000	290,000,000	500,000	100,000
2	Reserves	935,236,203	2,763,862	(56,155)	(14,281,207)	(1,106,095)	(2,284,765)	(232,314,525)	310,051,045	(143,609)	(226,583)
3	Liabilities	8,471,600,124	34,504,986	45,426	233,241,846	85,274,062	527,753,362	1,182,282,476	1,348,821,202	369,976,592	100,502,037
4	Total Liabilities	9,406,936,327	37,768,848	89,271	219,912,089	85,167,967	525,568,597	1,449,967,951	1,948,872,247	370,332,983	100,375,454
5	Total Assets	9,406,936,327	37,768,848	89,271	219,912,089	85,167,967	525,568,597	1,449,967,951	1,948,872,247	370,332,983	00,375,454
6	Investments (excluding subsidiary companies)	-	-	-	-	-	-	180,050,000	8,500,000	-	-
7	Turnover	-	34,445,723	-	27,898,682	-	138,982,604	1,089,447,528	558,240,000	-	-
8	Profit before taxation	(240,792,644)	1,442,860	(18,020)	(18,310,497)	(40,632)	(2,276,405)	(304,288,213)	73,583,166	(60,911)	(226,583)
9	Provision for taxation	-	625,000	-	1,413	-	8,360	12,529,516	2,585,555	-	-
10	Profit after taxation	(240,792,644)	817,860	(18,020)	(18,311,910)	(40,632)	(2,284,765)	(316,817,729)	70,997,611	(60,911)	(226,583)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-	-

	Details of Investment										
	I) Joint Ventures/Associates										
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-	-	-	-	-
	Sadelmi Spa	-	-	-	-	-	-	-	-	-	-
	Maa Durga	-	-	-	-	-	-	-	-	-	-
	Ansaldo GB-Engineering Private Limited	-	-	-	-	-	-	180,050,000	-	-	-
	II) Other										
	Non Traded, Reddemable, Quoted NCDs'	-	-	-	-	-	-	-	-	-	-
	Investment in mutual fund	-	-	-	-	-	-	-	8,500,000	-	-
	Share of Profit/(Losses) in a Partnership Firm	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LTD
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act,1956

Sr. No.	Particulars	Cochin Bridge Infrastructure Company Limited*	Chitoor Infra Company Private Limited*	Earthlink Infrastructure Projects Private Limited*	Gammon Logistics Limited*	Gammon Projects Developers Limited*	Gammon Renewable Energy Infrastructure Limited*	Gammon Road Infrastructure Limited*	Gammon Seaport Infrastructure Limited*	Gorakhpur Infrastructure Company Limited*
	Financial year ending on	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**
1	Share Capital (including share application money pending allotment)	64,000,700	100,000	100,000	25,500,000	2,500,000	500,000	500,000	500,000	542,870,500
2	Reserves	42,859,191	(51,714)	(63,158)	(69,348,189)	(2,386,988)	(1,234,826)	(10,518,345)	(58,139)	(393,232,355)
3	Liabilities	163,536,774	126,877,089	209,099,868	45,340,599	6,470,636	52,899,372	19,379,280	105,696	7,369,399,628
4	Total Liabilities	270,396,665	126,925,375	209,136,710	1,492,410	6,583,648	52,164,546	9,360,935	547,557	7,519,037,773
5	Total Assets	270,396,665	126,925,375	209,136,710	1,492,410	6,583,648	52,164,546	9,360,935	547,557	7,519,037,773
6	Investments (excluding subsidiary companies)	-	-	-	-	-	-	-	-	-
7	Turnover	52,581,275	-	-	-	-	-	-	-	974,663,014
8	Profit before taxation	173,860	(10,089)	(9,395)	(1,429,796)	(37,121)	(56,801)	(10,448,102)	8,489	(378,886,678)
9	Provision for taxation	34,000	-	-	-	-	-	-	2,600	25,821
10	Profit after taxation	139,860	(10,089)	(9,395)	(1,429,796)	(37,121)	(56,801)	(10,448,102)	5,889	(378,912,499)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-

	Details of Investment									
	I) Joint Ventures/Associates									
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-	-	-	-
	Sadelmi Spa	-	-	-	-	-	-	-	-	-
	Maa Durga	-	-	-	-	-	-	-	-	-
	Ansaldo GB-Engineering Private Limited	-	-	-	-	-	-	-	-	-
	II) Other									
	Non Traded, Reddemable, Quoted NCDs'	-	-	-	-	-	-	-	-	-
	Investment in mutual fund	-	-	-	-	-	-	-	-	-
	Share of Profit/(Losses) in a Partnership Firm	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LTD
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act,1956

Sr. No.	Particulars	Haryana Biomass Power Limited*	Jaguar Projects Developers Limited*	Kosi Bridge Infrastructure Company Limited*	Lilac Infrastructure Developers Limited*	Marine Projects Services Limited*	Mumbai Nasik Expressway Limited*	Mormugao Terminal Limited *	Patna Buxar Highways Limited*	Pataliputra Highway Limited*
	Financial year ending on	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**
1	Share Capital (including share application money pending allotment)	500,000	500,000	483,000,000	500,000	500,000	520,000,000	500,000	561,147,030	1,500,000
2	Reserves	(13,356,290)	643,106	(103,436,763)	(88,838)	2,123,552	998,749,946	(58,429)	(15,866,507)	(132,426,647)
3	Liabilities	13,026,722	6,742	4,709,017,588	6,742	6,742	7,882,465,415	23,725,837	750,293,095	638,863,996
4	Total Liabilities	170,432	1,149,848	5,088,580,825	417,904	2,630,294	9,401,215,361	24,167,408	1,295,573,618	507,937,349
5	Total Assets	170,432	1,149,848	5,088,580,825	417,904	2,630,294	9,401,215,361	24,167,408	1,295,573,618	507,937,349
6	Investments (excluding subsidiary companies)	-	-	-	-	-	-	-	-	-
7	Turnover	-	-	899,654,418	-	-	1,512,493,443	-	-	-
8	Profit before taxation	(119,465)	(8,399)	(72,113,798)	(11,279)	(10,309)	107,672,848	(58,429)	(687,380)	(66,748,006)
9	Provision for taxation	-	-	-	-	-	(302,169,801)	-	-	-
10	Profit after taxation	(119,465)	(8,399)	(72,113,798)	(11,279)	(10,309)	409,842,649	(58,429)	(687,380)	(66,748,006)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-

	Details of Investment									
	I) Joint Ventures/Associates									
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-	-	-	-
	Sadelmi Spa	-	-	-	-	-	-	-	-	-
	Maa Durga	-	-	-	-	-	-	-	-	-
	Ansaldo GB-Engineering Private Limited	-	-	-	-	-	-	-	-	-
	II) Other									
	Non Traded, Reddemable, Quoted NCDs'	-	-	-	-	-	-	-	-	-
	Investment in mutual fund	-	-	-	-	-	-	-	-	-
	Share of Profit/(Losses) in a Partnership Firm	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LTD
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act,1956

Sr. No.	Particulars	Patna Highway Projects Limited*	Pravara Renewable Energy Limited*	Ras Cities and Townships Private Limited*	Rajahmundry Expressway Limited*	Rajahmundry Godavari Bridge Limited*	Sikkim Hydro Power Ventures Limited*	Segue Infrastructure projects Private Limited*	Sidhi Singrauli Road Project Limited *
	Financial year ending on	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013
1	Share Capital (including share application money pending allotment)	25,000,000	174,000,000	100,000	290,000,000	1,765,000,000	31,739,000	100,000	500,000
2	Reserves	(5,225,019)	(3,677,324)	649,627	370,978,994	1,028,323,185	(2,205,530)	(62,117)	(48,924)
3	Liabilities	7,284,662,707	867,224,095	368,377,980	1,505,714,980	5,311,656,464	1,086,193,909	78,203,775	113,010,685
4	Total Liabilities	7,304,437,688	1,037,546,771	369,127,607	2,166,693,974	8,104,979,649	1,115,727,379	78,241,658	113,461,761
5	Total Assets	7,304,437,688	1,037,546,771	369,127,607	2,166,693,974	8,104,979,649	1,115,727,379	78,241,658	113,461,761
6	Investments (excluding subsidiary companies)	-	-	-	9,500,000	-	-	-	-
7	Turnover	-	-	-	593,843,240	-	-	-	-
8	Profit before taxation	(661,508)	(131,154)	(8,627)	65,667,437	(301,414)	(28,180)	(9,537)	(48,924)
9	Provision for taxation	-	-	-	1,418,266	-	-	-	-
10	Profit after taxation	(661,508)	(131,154)	(8,627)	64,249,171	(301,414)	(28,180)	(9,537)	(48,924)
11	Dividend - Equity	-	-	-		-	-	-	-
12	Dividend - Preference	-	--	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-

	Details of Investment								
	I) Joint Ventures/Associates								
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-	-	-
	Sadelmi Spa	-	-	-	-	-	-	-	-
	Maa Durga	-	-	-	-	-	-	-	-
	Ansaldo GB-Engineering Private Limited	-	-	-	-	-	-	-	-
	II) Other								
	Non Traded, Reddemable, Quoted NCDs'	-	-	-	-	-	-	-	-
	Investment in mutual fund	-	-	-	9,500,000	-	-	-	-
	Share of Profit/(Losses) in a Partnership Firm	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LTD
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act,1956

Sr. No.	Particulars	Tada Infra Developer Company Limited*	Tidong Hydro Power Limited*	Vijaywada Gundugolanu Road Projects Private Limited*	Vizag Seaport Private Limited*	Yamunanagar Panchkula Highway Private Limited *	Youngthang Power Ventures Limited*
	Financial year ending on	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**	**31st March, 2013**
1	Share Capital (including share application money pending allotment)	500,000	500,000	100,000	871,912,640	190,500,000	144,500,000
2	Reserves	(1,808,499)	(112,006)	(6,752,988)	(11,870,534)	(2,510,796)	(23,125,463)
3	Liabilities	2,542,286	12,606,460	365,952,346	3,350,835,938	112,658,722	586,354,693
4	Total Liabilities	1,233,787	12,994,454	359,299,358	4,210,878,044	300,647,926	707,729,230
5	Total Assets	1,233,787	12,994,454	359,299,358	4,210,878,044	300,647,926	707,729,230
6	Investments (excluding subsidiary companies)	-	-	-	-	-	-
7	Turnover	-	-	-	1,357,606,702	-	-
8	Profit before taxation	(8,287)	(8,798)	(132,439)	124,377,059	(2,510,796)	(11,583,710)
9	Provision for taxation	-	-	-	-	-	-
10	Profit after taxation	(8,287)	(8,798)	(132,439)	124,377,059	(2,510,796)	(11,583,710)
11	Dividend - Equity	-	-	-	102,009,419	-	-
12	Dividend - Preference	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-

	Details of Investment						
	I) Joint Ventures/Associates						
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-
	Sadelmi Spa	-	-	-	-	-	-
	Maa Durga	-	-	-	-	-	-
	Ansaldo GB-Engineering Private Limited	-	-	-	-	-	-
	II) Other						
	Non Traded, Reddemable, Quoted NCDs'	-	-	-	-	-	-
	Investment in mutual fund	-	-	-	-	-	-
	Share of Profit/(Losses) in a Partnership Firm	-	-	-	-	-	-
	Other	-	-	-	-	-	-

*** Subsidiaries of Gammon Infrastructure Projects Limited, a subsidiary of Gammon India Limited ("the Company")**

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

D. C. BAGDE
Deputy Managing Director

C. C. DAYAL
Director

R. A. BHANSALI
Executive Director

GIRISH BHAT
Chief Financial Officer

GITA BADE
Company Secretary

Mumbai, Dated : 21st June 2013.

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LTD
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act,1956

Sr. No.	Particulars	Gammon Italy Srl	SAE Powerlines Srl	Gammon & Billimoria LLC	P.Van Eerd Beheersmaatsc-happaji B.V.	ATSL Holdings B.V., Netherlands	Associated Transrail Structures Limited., Nigeria	Campo Puma Oriente S.A.	Gammon Holdings B.V.	Gammon International B.V.	Gammon International FZE	Franco Tosi Meccanica SPA	Gammon Holdings (Mauritius) Limited
	Financial year ending on	31st Dec, 2012	31st Dec, 2012	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st Dec, 2012	31st March, 2013	31st March, 2013	31st March, 2013	31st Dec, 2012	31st March, 2013
	Currency	EURO	EURO	AED	EURO	EURO	Naira	USD	EURO	EURO	AED	EURO	USD
	Exchange rate on the last day of financial year	72.26	72.26	14.78	69.54	69.54	0.34	54.78	69.54	69.54	14.78	72.26	54.39
1	Share Capital (including share application money pending allotment)	722,600	935,534,106	14,780,000	1,104,434	1,251,720	3,382,000	657,360	1,251,720	1,251,720	2,217,000	4,000,145,740	820,636
2	Reserves	(1,396,641)	(958,460,647)	(593,548,197)	(843,932,848)	(298,737,487)	(19,338,911)	(737,120,536)	(1,411,086,498)	(1,285,690,335)	(33,589,633)	(3,797,377,599)	(23,192,299)
3	Liabilities	1,010,990	3,018,280,205	1,292,513,931	879,297,190	1,740,740,890	16,042,199	4,624,230,918	5,912,039,185	5,579,969,914	779,092,175	15,176,187,623	28,610,577
4	**Total Liabilities**	336,949	2,995,353,664	713,745,734	36,468,776	1,443,255,124	85,288	3,887,767,742	4,502,204,407	4,295,531,299	747,719,542	15,378,955,763	6,238,914
5	**Total Assets**	336,949	2,995,353,664	713,745,734	36,468,776	1,443,255,124	85,288	3,887,767,742	4,502,204,407	4,295,531,299	747,719,542	15,378,955,763	6,238,914
6	Investments (excluding subsidiary companies)	-	-	-	-	521,912,485	-	3,102,353,281	-	-	-	373	-
7	Turnover	-	1,883,953,262	411,921,718	-	-	-	763,930,458	-	-	-	1,967,958,322	-
8	Profit before taxation	(255,352)	(286,249,837)	(335,851,812)	(588,227,620)	(78,174,244)	(2,131,257)	(226,167,179)	(283,996,785)	(251,018,232)	(6,203,497)	(1,954,790,898)	(20,826,280)
9	Provision for taxation	-	7,842,542	-	-	-		-	-	-	-	3,886,601	-
10	Profit after taxation	(255,352)	(294,092,379)	(335,851,812)	(588,227,620)	(78,174,244)	(2,131,257)	(226,167,179)	(283,996,785)	(251,018,232)	(6,203,497)	(1,958,677,499)	(20,826,280)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-	-	-	-

	Details of Investment												
	I) Joint Ventures												
	Punjab Biomass Power Limited	-	-	-	-	-	-	-	-	-	-	-	-
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-	-	-	-	-
	ATSL Infrastructure Projects Limited	-	-	-	-	-	-	-	-	-	-	-	-
	Haryana Biomass Power Limited	-	-	-	-	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
	Sadelmi S.p.A	-	-	-		-	-	-	-	-	-	-	-
	II) Other												
	Non Traded, Reddemable, Quoted NCDs'	-	-	-	-	-	-	-	-	-	-	-	-
	Investment in mutual fund	-	-	-	-	-	-	-	-	-	-	-	-
	Sadelmi S.p.A.	-	-	-	-	521,912,485	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	3,102,353,281	-	-	-	373.00	-

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director
C. C. DAYAL
Director
GIRISH BHAT
Chief Financial Officer
Mumbai, Dated : 21st June 2013.

D. C. BAGDE
Deputy Managing Director
R. A. BHANSALI
Executive Director
GITA BADE
Company Secretary

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2013

Sr. No.	Particulars	No. of shares/ Units/ Bonds	Face value	Book value	Quoted / Unquoted
1	**Gammon Infrastructure Projects Limited**				
	Non Current investment (at cost):				
	Jointly controlled entity:				
	Fully paid equity shares:				
	SEZ Adityapur Limited	19,000	10	190,000	Unquoted
	Indira Container Terminal Private Limited	50,783,000	10	507,830,000	Unquoted
	Blue Water Iron Ore Terminal private Limited	3,051,808	10	30,518,080	Unquoted
	Maa Durga	4,900,000	10	49,000,000	Unquoted
	TOTAL			**587,538,080**	
	Non Current investment (at cost):				
	Associates Companies:				
	Fully paid equity shares:				
	Eversun Sparkle Maritimes Services Private Limited	2,143,950	10	21,439,500	Unquoted
	Modern Toll Roads	24,470	10	244,700	Unquoted
	TOTAL			**21,684,200**	
2	**GACTEL Turnkey Projects Limited**				
	Current Investment (at cost)				
	Other Companies				
	Canara Robeco Liquid Plus Institutional Daily Dividend Fund	14,160.65	10	17,569,263	Unquoted
	ING Liquid Fund - Daily Dividend Option	38,377.71	10	3,369,257	Unquoted
	Non Current investment (at cost):				
	Other Companies				
	National Saving Certificate	7	5000	35,000	Unquoted
	National Saving Certificate	4	1000	4,000	Unquoted
	National Saving Certificate	1	10000	10,000	Unquoted
	TOTAL			**20,987,520**	
3	**Ansaldocaldaie boilers India Private Limited**				
	Non Current investment (at cost):				
	Associates Companies:				
	Fully paid equity shares:				
	Ansaldo GB-Engineering Private Limited	18,005,000	10	**180,050,000**	Unquoted
4	**Campo Puma Oriente S.A.**				
	Non Current investment (at cost):				
	Other Companies				
	Oil Exploration Assets			**3,102,353,281**	Unquoted
5	**P.Van Eerd Beheersmaatsc-happaji B.V. -Netherland**				
	Non Current investment (at cost):				
	Other Companies				
	Fully paid equity shares:			**521,912,485**	Unquoted
6	**Andhra Expressway Limited**				
	Current Investment (at cost)				
	Other Companies				
	Birla Mutual Fund - Growth schemes	40,834.464	10	**8,500,000**	Unquoted
7	**Rajahmundry Expressway Limited**				
	Current Investment (at cost)				
	Other Companies				
	Birla Mutual Fund - Growth schemes	45,638.519	10	**9,500,000**	Unquoted

Auditors' Report

TO
THE BOARD OF DIRECTORS OF GAMMON INDIA LIMITED

We have audited the accompanying consolidated financial statements of Gammon India Limited ('GIL' or 'the Company') and its Subsidiaries, Joint ventures and Associates (Gammon Group), which comprises of the consolidated Balance Sheet as at 31st March 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis of Qualified Opinion

(a) *The accounts of one of the subsidiaries Franco Tosi Meccanica S.p.A(FTM) have not been audited for reasons mentioned in note 11A(a) of the financial statements which inter-alia covers the application for pre-insolvency composition agreement with creditors in Italian court. The consolidated financials therefore include the unaudited management prepared financial results of FTM whose net assets represent ₹ 1537.52 Crore, Revenue of 153.70 Crore and net cash flow of ₹ (5.09) Crore.*

(b) *As referred to in note 1(b)(v) of the financial statements the auditors of one of the Joint ventures have qualified their opinion regarding absence of sufficient information to assess the recoverability of the net receivables of Euro 9.50 million i.e. ₹ 66.06 Crore the Company's share being Euro 4.48 million (₹ 29.73 Crore) in one of the associates whose financial statements reflect a negative equity of about Euro 12.70 million(₹ 91.77 Crore).*

(c) *The said auditors have also qualified their report for an amount of Euro 3.00 million i.e. ₹ 20.86 Crore [Company's share being Euro 1.35 million (₹ 9.39 Crore)] regarding recognition of possible claims resulting in trade receivables being overstated by the same amount and consequent effect on profits recognized of Euro 2.10 million i.e. ₹ 14.60 Crore [Company's share being Euro 0.95 million (₹ 6.57 Crore)] as qualified by the said auditors.*

(d) *The auditors of one of the subsidiaries have qualified their audit opinion regarding receivables of AED 2.70 million (₹ 3.93 Crore) which is due to the Company as a sub-contractor. Since the said Company has back to back terms with the main contractor, the recoverability of the said amounts is dependent on successful outcome of the main contractor's dispute with the client, the auditors are of the opinion that substantial portion of the same should be considered as impaired.*

Qualified Opinion

In our opinion, *except for the effects arising out of the audit of Franco Tosi Meccanica S.p.A (FTM) and the acceptance of the said FTM's application for pre-insolvency composition agreement with creditors described in para(a) of the basis for qualification and the effects of the other matters described in the basis for qualified opinion paragraph* and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Gammon Group as at 31st March, 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the loss of the Gammon Group for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Gammon Group for the year ended on that date.

Emphasis of Matter

(a) We draw attention to Note no 16(a) of the explanatory notes relating to recoverability of an amount of ₹ 150.09 Crore, including ₹ 41.00 Crore recognized in the current year under trade receivables in respect of recognition of contract revenue where the Company has received arbitration awards in its favor in respect of which the client has preferred an appeal for setting aside the said arbitration awards and ₹ 58.00 Crore where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favor of the Company.

(b) Note no 4(f) regarding admission of the Company's proposal by the CDR empowered group for Corporate Debt Restructuring of the Company's debt.

(c) no 29(b) & (c) to the notes to accounts relating to the investments in overseas and Indian operations of the group and its consequent impairment assessments by the Company. The Company on the principle of prudence and conservatism has recognized provisions on certain amounts. The Impairment if any would be dependent on the achievement of the projections on the basis of which the impairment assessments were done.

(d) Note no 24 (a) regarding payment of remuneration to the managerial persons being in excess of the limits specified by the relevant provisions of Companies Act, 1956 by ₹ 13.33 Crore exclusive of ₹ 2.90 Crore for the previous year. The Company has sought the shareholders' approval in the last General Meeting for the remuneration paid as the minimum remuneration and pursuant thereto made an application to the central government in this regard for such excess payment of managerial remuneration. Pending the final outcome of the Company's application no adjustments have been made to the acCompanying financial statements in this regard.

Other Matters

(a) We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of ₹ 6538.25 Crore as at March 31, 2013, total revenue of ₹ 950.88 Crore and cash flows of ₹ (190.82) Crore for the year then ended;

(b) Certain joint venture companies whose financial statements reflect total assets of ₹ 2115.53 Crore as at March 31, 2013, total revenue of ₹ 1324.36 Crore and cash flows amounting to ₹ (103.79) Crore for the year then ended, the Company's share of such assets, total revenue and total cash flows being ₹ 1004.22 Crore, ₹ 631.92 Crore and ₹ (52.60) Crore respectively and

(c) Certain associates, the Company's share in the loss of such associates being ₹ 11.40 Crore for the year ended March 31, 2013.

The above mentioned financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

The subsidiaries referred in para (a) above does not include the standalone financial statements of Gammon Infrastructure Projects Limited where the audit has been conducted by us as the Joint Auditors.

(d) The financial statements of certain subsidiaries whose financial statements reflect total assets of ₹ 1537.93 Crore as at March 31, 2013, total revenue of ₹ 204.66 Crore and cash flows of ₹ 0.63 Crore for the year then ended and certain joint ventures whose financial statements reflect total assets of ₹ 29.86 Crore as at March 31, 2013, total revenue of ₹ 0.35 Crore and cash flows of ₹ (0.03) Crore for the year then ended, the Company's share of such assets, revenue and cash flows being ₹ 16.93 Crore, ₹ 0.31 Crore and ₹ (0.03) Crore respectively and associates in which the Company's share in the loss of such associates being ₹ 0.11 Crore are based on unaudited financial statements certified by the respective managements of the said entities .

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Dated : 21th June 2013.

Consolidated Balance Sheet As At 31st March, 2013

(₹ in Crore)

	Note No.	As At 31st March 2013		As At 31st March 2012	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	2	27.50		27.50	
Reserves and Surplus	3	1,082.00		2,123.00	
			1,109.50		2,150.50
Minority Interest			335.53		318.29
Non-Current Liabilities					
Long Term Borrowings	4	6,206.67		4,528.08	
Deferred Tax Liabilities (Net)	5	202.10		192.72	
Other Long Term Liabilities	6	542.51		365.17	
Long Term Provisions	7	339.63		271.10	
			7,290.91		5,357.07
Current Liabilities					
Short Term Borrowings	8	3,378.94		3,869.05	
Trade Payables	9	2,670.16		2,339.92	
Other Current Liabilities	10	2,346.99		2,330.50	
Short Term Provisions	7	289.33		275.48	
			8,685.42		8,814.95
TOTAL			17,421.36		16,640.81
ASSETS					
Non-Current Assets					
Fixed Assets	11				
- Tangible Assets		2,404.76		2,571.65	
- Intangible Assets		2,371.44		1,757.31	
- Capital Work in Progress		65.32		90.37	
- Intangible Assets under Development		2,029.22		2,164.53	
		6,870.74		6,583.86	
Goodwill on Consolidation	11A	579.34		672.33	
Non-Current Investments	12	338.51		321.88	
Long Term Loans and Advances	13	791.95		710.48	
Long Term Trade Receivable	16	786.94		712.50	
Deferred Tax Assets	5	82.73		39.78	
Other Non-Current Assets	14	113.23		101.90	
			9,563.44		9,142.73
Current Assets					
Current Investments	12	7.02		6.49	
Inventories	15	2,424.23		2,212.02	
Property Development Account	15A	1,491.50		1,335.41	
Trade Receivables	16	2,241.28		2,203.54	
Cash and Cash Equivalents	17	460.80		747.03	
Short Term Loans and Advances	13	794.26		779.21	
Other Current Assets	14	438.83		214.39	
			7,857.92		7,498.08
TOTAL			17,421.36		16,640.81

Statement of significant accounting policies and explanatory notes forms an integral part of the Consolidated financial statements

As per our report of even date

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

N. Jayendran
Partner
M.No. 40441

Mumbai, Dated : 21st June 2013.

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

D. C. BAGDE
Deputy Managing Director

C. C. DAYAL
Director

R. A. BHANSALI
Executive Director

GIRISH BHAT
Chief Financial Officer

GITA BADE
Company Secretary

Mumbai, Dated : 21st June 2013.

Consolidated Statement Of Profit And Loss For The Year Ended 31st March, 2013

(₹ in Crore)

	Note No.	FY 2012-2013		FY 2011-2012	
Total Revenue					
Revenue from Operations (Net)	18	7,344.44		8,037.35	
Other Operating Revenue	19	149.78		111.22	
Other Income	20	91.37		180.86	
			7,585.59		8,329.44
Expenses					
Cost of Material Consumed	21	3,143.46		3,038.26	
Purchase of Stock in Trade	22	292.48		266.66	
Change in Inventory - WIP & FG	23	(349.36)		(74.72)	
Subcontracting Expenses		1,554.48		1,676.69	
Employee Benefit Expenses	24	968.68		968.87	
Foreign Exchange (Gain)/Loss	25	14.81		4.07	
Finance Costs	26	827.35		652.83	
Depreciation & Amortisation	27	343.67		242.96	
Other Expenses	28	1,503.91		1,536.27	
			8,299.48		8,311.89
Profit Before exceptional and extraordinary items			(713.89)		17.54
Exceptional Items	38		(190.46)		(35.56)
Profit Before Tax and Share in Associates			(904.35)		(18.02)
Tax Expenses					
Current Income Tax		43.50		120.06	
Mat Credit Entitlement		(4.87)		(1.71)	
Deferred Tax		(34.54)		(29.08)	
Prior year Tax Adjustments		1.97		6.25	
			6.06		95.52
Profit After Tax			(910.41)		(113.54)
Profit/(Loss) in Associates			(11.51)		(6.51)
Transferred to Minority Interest			72.09		16.18
Profit/(Loss) of Sale/Dilution of Investments			-		(1.27)
Profit After Tax For The Year			(849.83)		(105.14)
Earning Per Equity Share	31				
Face Value per Share			2.00		2.00
Basic EPS			(62.59)		(7.75)
Diluted EPS			(62.59)		(7.75)

Statement of significant accounting policies and explanatory notes forms an integral part of the Consolidated financial statements

As per our report of even date

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

N. Jayendran
Partner
M.No. 40441

Mumbai, Dated : 21st June 2013.

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

D. C. BAGDE
Deputy Managing Director

C. C. DAYAL
Director

R. A. BHANSALI
Executive Director

GIRISH BHAT
Chief Financial Officer

GITA BADE
Company Secretary

Mumbai, Dated : 21st June 2013.

Consolidated Cash Flow Statement For The Year Ended 31st March, 2013

(₹ in Crore)

		FY 2012-2013		FY 2011-2012	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before Tax and extraordinary items		(904.35)		(18.02)
	Adjustments for :				
	Depreciation	343.67		242.96	
	(Profit)/Loss on Sale of Assets	(8.68)		1.79	
	(Profit)/Loss on Sale of Investments	(10.97)		(6.84)	
	Dividend Income	(0.41)		(3.24)	
	Interest Income	(21.52)		(27.92)	
	Interest Expenses	827.35		652.83	
	Foreign Exchange loss /gain	11.72		8.87	
	Provision for Periodic Maintenance	44.19		28.21	
	Provision for Dimunition in value of Investment	-		2.20	
	Exceptional Items	190.46		35.56	
	Preliminary Expenses Written off	-		2.25	
	Provision for Doubtful Debt	30.62		8.27	
	Bad Debts Written off	46.74		45.92	
			1,453.17		990.86
	Operating Profit before Working Capital Changes		548.82		972.84
	Effect of Foreign Currency Translation of Cash Flows	(36.83)		(20.66)	
	Trade and Other Receivables	(189.54)		(102.64)	
	Inventories	(368.29)		(1,266.84)	
	Trade Payables & Working Capital Finance	537.71		398.18	
	Loan and Advances	(161.92)		(23.67)	
			(218.87)		(1,015.64)
	CASH GENERATED FROM THE OPERATIONS		329.95		(42.81)
	Direct Taxes paid		(81.41)		(197.68)
	Net Cash from Operating Activities		248.54		(240.49)
B	**CASH FLOW FROM INVESTMENT ACTIVITIES**				
	Purchase of Fixed Assets	(713.68)		(1,426.65)	
	Sale of Fixed Assets	15.62		5.80	
	Loans given to Subsidiaries, Associates and others	(49.65)		(22.29)	
	Loans Refund from Subsidiaries, Associates and others	48.51		18.93	
	Other Bank Balances	(42.21)		(0.30)	
	Purchase of Investments				
	Subsidiary, Joint Ventures & Associates	(11.22)		(7.52)	
	Others	(409.51)		(602.18)	
	Sale of Investments:				
	Subsidiary, Joint Ventures & Associates	-		-	
	Others	308.48		535.87	
	(Acquisition) / Reduction of Stake in Subsidiaries	3.34		33.17	
	Interest received	(51.99)		446.09	
	Dividend received	0.41		3.24	
	Net Cash from Investment activities		(901.90)		(1,015.84)

(₹ in Crore)

		FY 2012-2013		FY 2011-2012	
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Interest Paid	**(791.71)**		(647.83)	
	Minority Interest Contribution	**79.58**		43.52	
	Dividend Paid (Including Tax)	**(3.05)**		(13.37)	
	Proceeds from Long Term Borrowings	**1,655.90**		1,970.49	
	Proceeds from / (Repayment of) Short Term Borrowings	**(531.78)**		-	
	Foreign Currency Translation Reserve	**7.06**		(8.87)	
	Preliminary Expenses	**-**		(2.25)	
	Movement in Other Reserves	**(90.09)**		89.70	
	Proceeds from issue of Share Capital & Share Premium	**(0.84)**		0.17	
	Net Cash from Financing activities		**325.07**		1,431.56
	NET INCREASE IN CASH AND CASH EQUIVALENTS		**(328.29)**		175.23
	Balance as on 31 March 2012		**661.24**		486.01
	Balance as on 31 March 2013		**332.96**		661.24
	NET INCREASE IN CASH AND CASH EQUIVALENTS		**(328.29)**		175.23
Note:	Figure in brackets denote outflows				
			As at 31 Mar 2013		As at 31 Mar 2012
	Cash and Cash Equivalents		**332.93**		661.36
	Effect of Exchange Rate Charges		**0.03**		(0.12)
	Balance Restated above		**332.96**		661.24

Statement of significant accounting policies and explanatory notes forms an integral part of Consolidated the financial statements

As per our report of even date

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

N. Jayendran
Partner
M.No. 40441

Mumbai, Dated : 21st June 2013.

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

D. C. BAGDE
Deputy Managing Director

C. C. DAYAL
Director

R. A. BHANSALI
Executive Director

GIRISH BHAT
Chief Financial Officer

GITA BADE
Company Secretary

Mumbai, Dated : 21st June 2013

Statement Of Significant Accounting Policies And Notes To The Consolidated Financial Statements

A ACCOUNTING POLICIES

1 Principles of consolidation :

The Consolidated Financial Statements comprise the financial statements of GAMMON INDIA LTD. ("the Company") and its Subsidiary companies (the Company and its subsidiaries are hereinafter referred to as 'the Group'), Associates and Joint Ventures in the form of jointly controlled entities. The Consolidated Financial Statement has been prepared on the following basis:

(a) Interests in Subsidiaries

The Financial Statements of the Company and its subsidiary companies have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Accounting Standard - 21 "Consolidated Financial Statements" issued by Institute of Chartered Accountants of India ('AS-21').

The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

The excess of cost of investments of the Company over its share of equity in the Subsidiary is recognised as goodwill. The excess of share of equity of Subsidiary over the cost of investments is recognised as capital reserve.

The revenue related to construction services in respect of the BOT contracts, which are governed by Service concession agreements with government authorities (grantor), is considered as exchanged with the grantor against toll collection rights/annuities receivable, profit from such contracts is considered as realized. Accordingly, BOT contracts awarded where work is subcontracted within the group, the inter group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated.

(b) Interests in Joint Ventures

The Company's interests in Joint Ventures in the nature of Jointly controlled entities are included in these Consolidated Financial Statements using the proportionate consolidation method as per the Accounting Standard – 27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India ('AS-27').The group combines its share of each of the assets, liabilities, income and expenses of the joint venture with similar items, on a line by line basis.

(c) Investment in Associates

Investments in Associate Companies are accounted under the equity method as per the Accounting Standard – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India ('AS -23').

Under the equity method, the investment in associates is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. The income statement reflects the Group's share of the results of operations of the associates.

The excess of the Company's cost of investment over its share of net assets in the associate on the date of acquisition of investment is accounted for as goodwill. The excess of the Company's share of net assets in the associate over the cost of its investment is accounted for as capital reserve.

Goodwill / Capital Reserve is included/adjusted in the carrying amount of the investment.

2 Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known.

3 Revenue Recognition :

(a) On Construction Contracts :

Long-term contracts including Joint Ventures are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected expenditure of the job.

Additional claims (including for escalation), which in the opinion of the Management are recoverable on the contract, are recognised at the time of evaluating the job.

(b) In case of certain high end boilers the milestones method is used for the measurement of the stage of completion, so as to ensure greater compliance of the valuation in the financial statements with respect to the effective stage of completion of the activities.

(c) On supply of materials related to the transmission towers, revenue is recognized upon the delivery of goods to the client in accordance with the terms of contract. Sales include excise duty & other receivable from the customers but exclude VAT, wherever applicable.

(d) Revenue from providing services are recognized in income statement at the moment said services are completed. As for works in progress, they are measured based on the status of completion of work. Whenever the results of the agreement cannot be reliably evaluated, revenues are recognized only to the extent that costs are deemed to be recoverable.

(e) Insurance claims are accounted for on cash basis.

(f) On Infrastructure Development Business :

(i) Annuity and Toll Receipts :

The toll fees collection from the users is accounted when the amount is due and recovered.

The cash compensation on account of multiple entries of cars has been accounted on accrual basis as per the order of Government of Kerala for which Supplementary Concession Agreement is being worked out between the Government of Kerala, Greater Cochin Development Authority and Cochin Bridge Infrastructure Company Limited. (a subsidiary of the Company).

The annuity income earned from Build, Operate, Transfer ('BOT') projects is recognised on a time basis over the period during which the annuity is earned. Revenues from bonus and other claims are recognised upon acceptance from customer/counterparty.

(ii) Berth Operations :

Revenue by way of berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharf age, barge freight, other charges etc. are recognised on an accrual basis and is billed as per the terms of the contract with the customers at the rates approved by Tariff Authority for Marine Ports (TAMP) as the related services are performed.

Other operating income is recognised on an accrual basis when the same is due.

(g) Cargo freight income :

Cargo freight income is recognized at the time of booking of the consignment and is being accounted net of rebates, discounts and booking commission.

(h) Revenue for design and assemblies are recognized on the basis of work progress reports provided for each contract.

(i) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.

(j) Dividend Income is accounted when the right to receive the same is established.

4 Turnover :

Turnover represents work certified upto and after taking into consideration the actual cost incurred and profit evaluated by adopting the percentage of the work completion method of accounting.

Turnover in respect of the BOT contracts, governed by Service concession agreements with government authorities (grantor), is considered as exchanged with the grantor against toll collection rights/annuities receivable and not eliminated.

Turnover also includes the revenue from the supply of material in the transmission tower contracts in accordance with the terms of contract and revenues in respect of the infrastructure development business.

5 Research and Development Expenses :

The Costs of research are charged at the moment they are borne.

The Costs for development in relation to a specific project are capitalized only when the Company is able to show the technical possibility of carrying out the intangible asset in order to make it available for use and sale, its intention to make it available for use and sale, the modalities the activity can provide for future economic benefits, the availability of technical, financial, as well as any other kind of resources in order to carry out development and its capacity to reliably assess the cost attributable to the activity during its development.

After the original recognition, the costs of development are assessed net of the corresponding quotas of amortization and of the impairment loss. Further capitalized costs for development are amortized with reference to the period of time where it is expected that the project thereof will produce revenue for the Company.

6 Joint Venture :

(a) Joint Venture Contracts under Consortium are accounted as independent contracts to the extent of work completion.

(b) In Joint Venture Contracts under Profit Sharing Arrangement, services rendered to Joint Ventures are accounted as income on accrual basis, profit or loss is accounted as and when determined by the Joint Venture and net Investment in Joint Venture is reflected as investments or loans & advances or current liabilities.

7 Employee Retirement Benefits :

The companies of the Group have both defined contribution plans and defined benefit plans.

Retirement benefits in the form of provident fund and superannuation is a defined contribution scheme and contributions are charged to the Profit and Loss Account for the year/period when the contributions are due.

Gratuity a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

Leave encashment is recognised on the basis of an actuarial valuation made at the end of each year on projected Unit Credit Method.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

In case of certain subsidiaries and a joint venture the entitlement of employee's retirement benefit is based upon the employee's final salary and length of service, subject to the completion of a minimum service period based on the laws of the respective country. The expected costs of these benefits are accrued over the period of employment. The terminal benefits are paid to employees' on their termination or leaving employment. Accordingly, the Company does not expect settlement against terminal benefit obligation in the near future.

8 Fixed Assets

Fixed Assets are valued and stated at cost of acquisition less accumulated depreciation thereon. Revalued assets are stated at the revalued amount. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Assets held by virtue of financial lease agreements, through which the risks and benefits associated with ownership thereof are essentially transferred to the Group, are recognised as Group assets and accounted for at their current value or, if lower, the current value of the minimum payments due for the leasing, including any sum to be paid for exercising the purchase option. The corresponding liability to the lessor is represented in the accounts under financial payables.

Capital work in progress represents the costs incurred on project activity till completion of the project. It includes all direct material, labour and sub-contracting costs and those indirect costs related to constructions that are identifiable with or allocable to the project including borrowing costs.

Depreciation and Amortization :

Indian Operations

Depreciation for the accounting period is provided on :

(a) Straight Line Method, for assets purchased after 2-4-1987, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

(b) Written down Value Method, for assets acquired on or prior to 2-4-1987, at the rates as specified in Schedule XIV to the Companies Act, 1956.

(c) Depreciation on revalued component of the assets is withdrawn from the Revaluation Reserve.

(d) The depreciation on assets used for construction has been treated as period cost.

(e) The Infrastructure Projects Assets are amortized over a period of the rights given under the various Concession Agreements to which they relate.

(f) Expenses incurred by the Company on periodic maintenance (required to be incurred by it in the 5th, 10th and 15th year as per the Contract with NHAI) are capitalised on the completion of said activity as the same enhances the useful life of the project. These costs are amortised over the period up to which the next periodic maintenance is due. The periodic maintenance of 15th year is written off over the balance concession period.

Overseas Operations

Depreciation is charged on a straight line basis over the useful life of the assets or as prescribed as per the relevant local laws of such country. Where the asset being depreciated is made up of distinctly identifiable elements, whose useful life significantly differs from that of the other parts the deprecation is provided separately in accordance with the component approach.

The estimated useful lives of the assets for calculating depreciation are as follows:

Assets	From	To
Building	20 Years	40 Years
Plant & Machinery	3 Years	20 Years
Computer	3 Years	7 Years
Furniture & Fixtures	3 Years	10 Years
Office Equipment	2 Years	15 Years
Motor Vehicles	3 Years	8 Years
Temporary Site Office	2 Years	8 Years

Intangible Assets :

Intangible assets are amortised over the period of the useful life of the rights and it begins when the asset is available for use. Intangible assets of infinite useful lives are not amortized but subject to impairment test, on an annual basis.

Intangible assets are represented by non-monetary elements, identifiable and lacking physical consistency, controllable and capable of generating future economic benefits. These elements are recorded at purchase and/or production cost, inclusive of any directly attributable expenses for preparing the asset for use, net of accumulated amortisation and any impairment losses.

Intangible assets also represents the concession rights in relation to toll roads to collect toll fees for improvement, operations and maintenance, rehabilitation and strengthening of existing 2 lane road and widening to 4 lane divided carriageway from Km. 539.500 to Km. 440.000 (Vadape-Gonde Section) of NH-3 on Build, Operate and Transfer (BOT) basis in the State of Maharashtra. Such costs include all construction costs including sub-contract costs and other costs attributable to the said project asset including borrowing costs and the proportionate cash payout (negative grant) at the end of concession period to NHAI.

Hitherto the amortisation of intangible assets arising out of service concession agreements was based on units of usage method i.e. on the number of vehicles expected to use the project facility over the concession period as estimated by the management. During the year, based on notification dated April 17, 2012 issued by the Ministry of Corporate Affairs, the Company has changed the method of amortisation of intangible assets arising out of service concession agreement prospectively. Effective April 1, 2012 the amortisation is in proportion to the revenue earned for the period to the total estimated toll and annuity revenue i.e. expected to be collected over the balance concession period. Had the Company followed the earlier method, the amortisation would have been higher by ₹ 1.85 Crore.

9 **Impairment of Assets :**

On annual basis Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10 **Investments :**

Investments are classified as current and long term investments. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

Investments in associates are accounted under Equity Method as per Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by Institute of Chartered Accountants of India('AS 23').

11 Inventories :

(a) In case of the Indian Operations, the Stores and Construction Materials are valued and stated at lower of cost or net realisable value. The Weighted Average method of inventory valuation is used to determine the cost. Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof.

(b) Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profit in evaluated jobs.

(c) Work in progress from manufacturing operation is valued at cost and Costs are determined on Weighted Average method.

(d) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average method except in case of overseas operations and an Indian subsidiary where the finished goods are valued on Weighted Average Cost basis.

(e) In case of the overseas Operations and an Indian subsidiary, the Stores & spares and Construction materials are valued at Weighted Average Cost basis.

(f) Works in progress for service contracts are measured based on the status of completion of work. Whenever the results of the agreement cannot be reliably evaluated, revenues are recognized only to the extent that costs are deemed to be recoverable. The costs for purchasing goods and services are recognized in the income statement on accrual basis and develop into decreases in economic benefits, which occur in the form of cash outflows, or of impairment of assets or incurring liabilities.

12 Foreign Currency Translation :

Initial Recognition

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Fixed Assets acquired in foreign currencies are translated at the rate prevailing on the date of Bill of Lading.

Conversion

Current Assets and Current Liabilities are translated at the year end rate or forward contract rate.

Exchange Differences

(a) Any Gain or Loss on account of exchange difference either on settlement or translation is recognized in the Profit and Loss Account.

(b) The exchange gain / loss on long term loans to non integral operations being subsidiaries are restated to Foreign Exchange Translation Reserve Account and will be transferred to the profit & loss account in the year when the disposal of or otherwise transfer of the operations are done.

Translation

(a) The transactions of Oman branch are accounted as a non-integral operation. The related exchange difference on conversion is accounted under Foreign Currency Translation Reserve Account.

(b) The transactions of branches at Kenya, Nigeria, Bhutan and Algeria are accounted as integral operation.

(c) The conversion of component financial statements expressed in foreign currency are as follows:

(i) the assets and liabilities are converted using the exchange rates in effect as of the balance sheet date;

(ii) the income and expenditure are converted using the average exchange rate for the period/year;

(iii) the "foreign exchange translation reserve" comprises both the exchange differences generated by the conversion of the economic quantities using a rate other than the closing one and those generated by the conversion of the opening shareholders' equities at an exchange rate other than the closing one for the reporting period;

(iv) goodwill and adjustments deriving from the fair value linked to the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted using the period end exchange rate.

(d) In line with notification of the Companies (Accounting Standards) Amendment Rules 2011 issued by Ministry of Corporate Affairs on March 31, 2011 amending Accounting Standard - 11 (AS - 11) The Effects of Changes in Foreign Exchange Rates (revised 2003), the Company has chosen to exercise the option under para 46 inserted in the standard by the notification. Accordingly, exchange differences on all long term monetary items, with retrospective effect from April 01, 2007, are:

(i) To the extent such items are used for the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.

(ii) In other cases accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised to the profit and loss account over the balance life of the long term monetary item but not beyond March 31, 2020.

13 Borrowing Cost :

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

14 Employee Stock Option Scheme :

Employee stock options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to profit and loss account on graded vesting basis over the vesting period of the options. The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option Outstanding which is shown under Reserves and Surplus.

15 **Taxation:**

Tax expenses comprise Current Tax and Deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Few Subsidiaries are eligible for 100% tax holiday under section 80-IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the Company.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

In case of overseas subsidiaries and joint ventures, current taxes are calculated on the basis of the taxable income for the year, applying the tax rate in force, in those countries, as of the balance sheet date.

16 **Provision, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provisions for risks and charges are recognized for losses and liabilities whose existence is certain or probable but the timing or amount of the obligation is uncertain as of the financial year end date.

Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Disputed demands in respect of Central Excise, Customs, Income tax and Sales Tax are disclosed as Contingent Liabilities. Payment in respect of such demands, if any, is shown as advance, till the final outcome of the matter.

Contingent Assets are neither recognized nor disclosed in the financial statements.

17 **Earnings per share :**

Basic and diluted earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of share split.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

18 **Operating Lease :**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term.

19 **Derivatives :**

As of the date the contract is entered into, the derivative instruments are recorded at fair value and, if the derivative instruments do not qualify for being recorded as hedging instruments, the changes in the fair value recorded after initial statement as handled as components of the operating result for the year if they relate to forward transactions (sales or purchases) and the financial result for the year if relating to interest rate swaps. If instead the derivative instruments satisfy the requirements for being classified as hedging instruments, the subsequent changes in the fair value are recorded following the specific criteria indicated below. With regard to each financial derivative qualified for recording as a hedging instrument, its relationship with the hedged item is documented, along with the risk management objectives, the hedging strategy and the methods for checking the effectiveness. The effectiveness of each hedge is checked both at the time of initiating each derivative instrument, and over its duration. As a rule, a hedge is considered highly effective if, both at the start and over its duration, the changes in the fair value in the event of a fair value hedge or in the cash flows expected in the future in the event of a cash flow hedge of the hedged element, are essentially offset by the changes in the fair value of the cash flows of the hedging instrument.

When the hedge concerns the fair value changes of assets or liabilities recorded in the financial statements (fair value hedge), both the changes in the fair value of the hedging instruments and the changes in the hedged item are charged to the income statement. If the hedge is not perfectly effective, or differences are noted between the aforementioned changes, the "ineffective" part represents financial expense/income recorded among the negative/positive components of the profit for the year.

In the event of hedging aimed at neutralising the risk of the changes in cash flows originated by the future execution of obligations contractually defined at the balance sheet date (cash flow hedge), the changes in the fair value of the derivative instrument registered after the initial statement are recorded, solely in relation to the effective part, under the item "Cash flow reserve" as part of the shareholders' equity. When the economic effects originated by the hedged item occur, the reserve is transferred to the income statement. If the hedge is not perfectly effective, the fair value change of the hedging instrument, referring to the ineffective portion of it is immediately recorded in the income statement. If, over the duration of a derivative instrument, the occurrence of the expected cash flows and the hedged item is no longer considered highly probable, the portion of the "cash flow reserve" relating to this instrument is immediately transferred to the income statement for the year, vice versa, in the event that a derivative instrument is transferred or can no longer be qualified as an effective hedging instrument, the portion of the "Cash flow reserve" representative of the fair value changes of the instrument, recorded up to that moment, is maintained as a component of shareholders' equity and transferred to the income statement following the classification approach described above, at the same time as the manifestation of the transaction originally hedged.

The fair value of financial instruments listed on an active market is based on the market prices as of the balance sheet date. The fair value of instruments which are not listed on an organised market is determined by using valuation techniques based on a series of methods and assumptions linked to market conditions as of the balance sheet date. Other techniques, such as the estimation of the discounted cash flows, are used for the purpose of determining the fair value of the other financial instruments. The fair value of interest rate swaps is calculated using the average rate at maturity as of the balance sheet date.

Given the short-term characteristics of trade receivables and payables, it is deemed that the book values, net of any bad debts provisions for doubtful receivables, represent a good approximation of the fair value.

20 Grant :

Public Grants, in the presence of a formal allocation resolution, and in any event, when the right to their disbursement is considered definitive since reasonably certainty exists that the Group will observe the conditions envisaged for perception thereof and that the grants will be collected, are recorded on an accrual basis in direct correlation with the costs incurred. The public grants provided for investments are therefore booked against the purchase price or the production costs of the asset. Other operating grants are credited to the income statement under the item "Other revenues and income".

The SPV on receipt of grant as equity support from NHAI accounts the same under Shareholders funds under Reserves and Surplus, in accordance with the terms of the concession granted to the Company. The grant related to operations not forming part of equity support will be credited to the Profit and Loss account.

21 Deferred Payment Liability :

The deferred payment liability represents the cash payout (Negative grant) payable to the NHAI as per the terms of the Concession agreement at the end of the Concession period. The said deferred payment liability does not carry any interest thereon.

22 Minority Interest :

Minority interest comprises of amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the date of the investments.

B OTHER NOTES

1 The consolidated financial statements comprise the financial statements of GAMMON INDIA LIMITED (GIL) (the holding Company), its Subsidiary Companies, Joint Ventures and Associates consolidated on the basis of the relevant accounting standards.

a. SUBSIDIARIES :

The following Subsidiary Companies have been consolidated in the financial statement as per AS-21 as on March 31, 2013.

Name of the Subsidiaries	Country of Incorporation	2012-13		2011-12	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Gammon Infrastructure Projects Limited	India	74.98%	74.98%	75.53%	75.53%
Andhra Expressway Limited ('AEL')	India	100.00%	74.98%	100.00%	75.53%
Aparna Infraenergy India Private Limited ('AIIPL')	India	100.00%	74.98%	100.00%	75.53%
Cochin Bridge Infrastructure Company Limited ('CBICL')	India	97.66%	73.23%	97.66%	73.76%
Chitoor Infrastructure Company Private Limited ('CICPL')	India	100.00%	74.98%	100.00%	75.53%
Dohan Renewable Energy Private Limited ('DREPL')	India	100.00%	74.98%	100.00%	75.53%
Earthlink Infrastructure Projects Private Limited ('EIPPL')	India	100.00%	74.98%	100.00%	75.53%
Gammon Logistics Limited ('GLL')	India	100.00%	74.98%	100.00%	75.53%
Gammon Projects Developers Limited (GPDL')	India	100.00%	74.98%	100.00%	75.53%
Gammon Renewable Energy Infrastructure Limited ('GREIL')	India	100.00%	74.98%	100.00%	75.53%
Gammon Road Infrastructure Limited ('GRIL')	India	100.00%	74.98%	100.00%	75.53%
Gammon Seaport Infrastructure Limited ('GSIL')	India	100.00%	74.98%	100.00%	75.53%
Gammon Renewable Energy Private Limited ('GREPL')	India	100.00%	74.98%	100.00%	75.53%
Gorakhpur Infrastructure Company Limited ('GICL')	India	96.53%	72.38%	96.53%	72.91%
Haryana Biomass Power Limited ('HBPL')	India	100.00%	74.98%	100.00%	75.53%
Indori Renewable Energy Private Limited ('IREPL')	India	100.00%	74.98%	100.00%	75.53%
Jaguar Projects Developers Limited ('JPDL')	India	100.00%	74.98%	100.00%	75.53%
Kasavati Renewable Energy Private Limited ('KREPL')	India	100.00%	74.98%	100.00%	75.53%
Kosi Bridge Infrastructure Company Limited ('KBICL')	India	100.00%	74.98%	100.00%	75.53%
Lilac Infraprojects Developers Limited ('LIDL')	India	100.00%	74.98%	100.00%	75.53%
Markanda Renewable Energy Private Limited ('MREPL')	India	100.00%	74.98%	100.00%	75.53%
Marine Project Services Limited ('MPSL')	India	100.00%	74.98%	100.00%	75.53%
Mumbai Nasik Expressway Limited ('MNEL')	India	79.99%	59.98%	79.99%	60.42%
Patna Buxar Highways Limited ('PBHL')	India	100.00%	74.98%	100.00%	75.53%
Pataliputra Highways Limited ('PHL')	India	100.00%	74.98%	100.00%	75.53%
Patna Highway Projects Limited ('PHPL')	India	100.00%	74.98%	100.00%	75.53%
Pravara Renewable Energy Limited ('PREL')	India	100.00%	74.98%	100.00%	75.53%
Ras Cities and Townships Private Limited ('RCTPL')	India	100.00%	74.98%	100.00%	75.53%
Rajahmundry Expressway Limited ('REL')	India	100.00%	74.98%	100.00%	75.53%
Rajahmundry Godavari Bridge Limited ('RGBL')	India	55.65%	41.73%	51.00%	38.52%
Satluj Renewable Energy Private Limited ('SREPL')	India	100.00%	74.98%	100.00%	75.53%
Sikkim Hydro Power Ventures Limited ('SHPVL')	India	100.00%	74.98%	100.00%	75.53%
Segue Infrastructure Projects Private Limited ('SIPPL')	India	100.00%	74.98%	100.00%	75.53%
Sirsa Renewable Energy Private Limited ('Sirsa REPL')	India	100.00%	74.98%	100.00%	75.53%
Tada Infrastructure Development Company Limited ('TIDCL')	India	100.00%	74.98%	100.00%	75.53%
Tangri Renewable Energy Private Limited ('TREPL')	India	100.00%	74.98%	100.00%	75.53%
Tidong Hydro Power Limited ('THPL')	India	51.00%	38.24%	51.00%	38.52%
Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	India	100.00%	74.98%	100.00%	75.53%
Vizag Seaport Private Limited ('VSPL')	India	73.76%	55.31%	73.76%	55.71%
Yamuna Minor Minerals Private Limited ('YMMPL')	India	100.00%	74.98%	100.00%	75.53%
Youngthang Power Ventures Limited ('YPVL')	India	100.00%	74.98%	100.00%	75.53%
Birmitrapur Barkote Highway Private Limited ('BBHPL')	India	100.00%	74.98%	-	-
Mormugao Terminal Limited ('MTL')	India	100.00%	74.98%	-	-
Sidhi Singrauli Road Project Limited ('SSRPL')	India	100.00%	74.98%	-	-

Name of the Subsidiaries	Country of Incorporation	2012-13		2011-12	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Yamunanagar Panchkula Highway Private Limited ('YPHPL')	India	**100.00%**	**74.98%**	-	-
ATSL Infrastructure Projects Limited	India	**100.00%**	**87.74%**	100.00%	88.00%
GACTEL Turnkey Projects Limited ('GACTEL')	India	**100.00%**	**100.00%**	100.00%	100.00%
Gammon & Billimoria Limited ('GB')*	India	**50.94%**	**50.94%**	50.94%	50.94%
Gammon & Billimoria LLC ('GBLLC')	Dubai	**49.00%**	**49.00%**	49.00%	49.00%
Gammon International FZE ('GIFZE')	Dubai	**100.00%**	**100.00%**	100.00%	100.00%
P.Van Eerd Beheersmaatschappaji B.V.- Netherlands ('PVAN')	Netherlands	**100.00%**	**100.00%**	100.00%	100.00%
Deepmala Infrastructure Private Limited ('DIPL')	India	**51.00%**	**51.00%**	51.00%	51.00%
Gammon Retail Infrastructure Private Limited ('GRIPL')	India	**99.00%**	**99.00%**	99.00%	99.00%
Gammon Power Limited ('GPL')	India	**100.00%**	**100.00%**	100.00%	100.00%
Campo Puma Oriente S.A.	Panama	**73.76%**	**66.39%**	73.76%	66.39%
ATSL Holding B.V., NetherLands	Netherlands	**100.00%**	**100.00%**	100.00%	100.00%
SAE Powerlines Srl (Subsidiary of ATSL Holdings BV)	Italy	**100.00%**	**100.00%**	100.00%	100.00%
Transrail Lighting Limited ('TLL')	India	**100.00%**	**100.00%**	100.00%	100.00%
Associated Transrail Structures Limited, Nigeria	Nigeria	**100.00%**	**100.00%**	100.00%	100.00%
Gammon Realty Limited ('GRL')	India	**75.06%**	**75.06%**	75.06%	75.06%
Gammon Holding B.V. ('GHBV')	Netherlands	**100.00%**	**100.00%**	100.00%	100.00%
Franco Tosi Meccanica SpA	Italy	**83.94%**	**83.94%**	75.10%	75.10%
Gammon Italy Srl	Italy	**100.00%**	**100.00%**	100.00%	100.00%
Gammon International B.V. ('GIBV')	Netherlands	**100.00%**	**100.00%**	100.00%	100.00%
Metropolitan Infrahousing Private Limited ('MIPL')	India	**84.16%**	**84.16%**	84.16%	84.16%
SAE Transmission India Limited ('SAET')	India	**100.00%**	**100.00%**	100.00%	100.00%
Franco Tosi Hydro Private Limited ('FTH')	India	**100.00%**	**100.00%**	100.00%	100.00%
Franco Tosi Turbines Private Limited ('FTT')	India	**100.00%**	**85.63%**	100.00%	77.72%
Preeti Townships Private Limited	India	**60.00%**	**45.04%**	60.00%	45.04%
Ansaldocaldaie Boilers India Private Limited ('ACB')	India	**73.40%**	**85.37%**	73.40%	85.37%
Gammon Holdings (Mauritius) Limited ('GHM')	India	**100.00%**	**100.00%**	100.00%	100.00%
Patna Water Supply Distribution Network Private Limited ('PWS')	India	**73.99%**	**73.99%**	-	-

(i) The results for Franco Tosi Meccanica, Campo Puma Oriente SA and SAE S.r.L for the period January 2012 to December 2012 have been consolidated in the above results, being the financial year of the said Companies. The figures for the period January to March 2013 have not been consolidated in the said accounts as the same are not available. However effect for significant Intra-group transactions have been given in these consolidated financial statements. The results of FTM are as per unaudited management accounts for reasons mentioned in Note 11A(a).

(ii) *Gammon & Billimoria Limited holds 49% of the equity of Gammon & Billimoria (LLC), a limited liability Company registered in Dubai hereafter referred as G&B LLC. Since the Management and Operational control of G&B LLC is with Gammon & Billimoria Limited, G&B LLC is being consolidated as a Subsidiary under Accounting Standard (AS) - 21 issued by the Institute of Chartered Accountants of India.

(iii) During the current year, Birmitrapur Barkote Highway Private Limited ('BBHPL'), Sidhi Singrauli Road Project Limited (SSRPL'), Yamunanagar Panchkula Highway Private Limited ('YPHPL') and Mormugao Seaport Limited were incorporated as a subsidiaries of the Group. The name of Yamuna Renewable Energy Private Limited was changed to Yamuna Minor Minerals Private Limited and Mormugao Seaport Limited was changed to Mormugao Terminal Limited ('MTL').

(iv) During the year Franco Tosi Meccanica Spa has issued 47,834,600 Equity Shares of Euro 0.23 each to Gammon Holdings BV.

(v) Effect of acquisition of Subsidiaries during the year on Financial Statements.

(₹ in Crore)

Name of the Joint Venture	Current Year	Previous Year	Current Year	Previous Year
	Effect on Group Profit/(Loss) after Minority Interest		Net Assets	
Haryana Biomass Power Limited	-	-	-	0.02

b. JOINTLY CONTROLLED ENTITIES

The following Jointly Controlled Entities have been considered applying AS-27 on the basis of audited accounts (except stated otherwise) for the year ended March 31, 2013.

Details of Joint Ventures entered into by the Company:

Name of the Joint Venture	Country of Incorporation	2012-13 Ownership Interest	2012-13 Effective Interest	2011-12 Ownership Interest	2011-12 Effective Interest
Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')*	India	**10.12%**	**7.59%**	31.00%	23.41%
Indira Container Terminal Private Limited ('ICTPL')	India	**50.00%**	**37.49%**	50.00%	37.77%
Maa Durga Expressway Private Ltd ('MDEPL')	India	**49.00%**	**36.74%**	-	-
SEZ Adityapur Limited ('SEZAL')	India	**38.00%**	**28.49%**	38.00%	28.70%
Gammon Al Matar (GALM)	Oman	**85.00%**	**85.00%**	85.00%	85.00%
Gammon Encee Rail (Consortium)	India	**51.00%**	**51.00%**	51.00%	51.00%
Sofinter S.p.A	Italy	**45.00%**	**45.00%**	45.00%	45.00%
Gammon - Cons - Tensaccia – JV(GCT)	India	**60.00%**	**60.00%**	60.00%	60.00%
Gammon – Ojsc Mosmetrostroy – JV(GOM)	India	**51.00%**	**51.00%**	51.00%	51.00%
Jaeger Gammon (JG)	India	**90.00%**	**90.00%**	90.00%	90.00%
Ansaldo caldaie-GB Engineering (P) Ltd.	India	**50.00%**	**36.70%**	50.00%	36.70%
Gammon SEW	India	**90.00%**	**90.00%**	90.00%	90.00%
Gammon Jyoti Bhutan Consortium	India	**50.00%**	**50.00%**	-	-

*GIPL had entered into a Joint Venture agreement for a 31% equity stake in BWIOTPL. However, GIPL had contributed only 10.12% in the equity capital of BWIOTPL. During the current year, BWIOTPL has initiated the process of liquidation and the group management believes that it does not have any obligation to further contribute in the equity capital of BWIOTPL. Accordingly the same has been consolidated considering the Company's 10.12% holding of the group as against 31% consolidated in the prior year. As the Company had contributed less than its share in the prior year an amount of ₹ 48,566,978 which was shown as payable has been written back during the year.

(i) In case of Sofinter the financial statements for the period January 2012 to 31st December 2012 are only available and have been considered for consolidation and accordingly the results of operations from January to March 2013 have not been included in the consolidated financial statements .The details of the Companies that are consolidated as part of Sofinter group are tabulated hereunder.

Name of Subsidiaries	Country of Incorporation	Ownership Interest 2012	Ownership Interest 2011
Ansaldo Caldaie S.p.A.	Italy	**100%**	100%
Europower S.p.A.	Italy	**100%**	100%
Commissioning Italia S.r.l.	Italy	**100%**	100%
Eco Engineering S.r.l.	Italy	**100%**	100%
Itea S.p.A.	Italy	**100%**	100%
CCA Centro Combustione Ambiente S.r.l.	Italy	**100%**	100%
Consorzio Macchi Idromacchine	Italy	**70%**	70%
S.W.S. Saline Water Specialists S.r.l.	Italy	**100%**	100%
S.C. Euroboiler S.r.l.	Romania	**100%**	100%
Ansaldo Caldaie Boilers Egypt SAE	Egypt	**98%**	98%
NITCO S.p.A	Italy	**100%**	79.59%
Consorzio Ecosar	Italy	**97%**	97%
Consorzio Nitcomisa	Italy	**100%**	67.50%
Multiservice S.p.A.	Italy	**95%**	-

(ii) The proportionate share of assets, liabilities, income and expenditure of the Joint Ventures consolidated in the accounts is tabulated hereunder

(₹ in Crore)

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
ASSETS		
Non-current assets		
Fixed assets :		
Tangible assets (Net)	**200.28**	205.70
Intangible assets (Net)	**32.59**	19.43
Capital work in progress	**20.27**	31.26
Intangible assets under development	**228.18**	167.32
Goodwill on Consolidation	**448.44**	426.12
Non-current investments	**2.56**	2.70
Deferred Tax Assets	**27.80**	21.05
Long-term loans and advances	**36.57**	73.49
Other Non Current Assets	**0.71**	5.04

(₹ in Crore)

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
Current assets		
Current investments	0.92	-
Inventories	144.22	112.74
Trade receivables	408.78	364.34
Cash and Bank Balances	218.91	271.85
Short-term loans and advances	150.29	146.17
Other current assets	6.20	5.70
	1,926.72	1,852.91
LIABILITIES		
Non-current liabilities		
Long-term borrowings	427.93	426.52
Deferred tax liabilities (net)	1.50	0.73
Trade payables, non-current	-	-
Deferred payment liability	-	-
Other long-term liabilities	42.79	56.53
Long-term provisions	74.89	73.14
Share Application Money Pending Allotment	1.00	1.00
Minority Interest	(3.08)	(12.37)
Current Liabilities		
Short-term borrowings	198.08	198.55
Trade payables, current	442.16	450.05
Other current liabilities	350.76	286.07
Short-term provisions	47.84	38.40
Reserves and surplus		
Surplus / (deficit) in the statement of profit and loss :	-	-
Opening balance	(45.49)	(42.23)
During the current year	140.29	50.72
Total reserves, surplus and liabilities	1,678.67	1,527.11
INCOME		
Revenue from operations	1,065.45	1,258.49
Other income	9.29	11.76
Total income	1,074.74	1,270.25
EXPENSES		
Cost of Material Consumed	266.34	268.88
Purchase of stock in Trade	-	-
Change in Inventory and FG	(0.71)	355.07
Subcontracting expenses	270.80	149.82
Employee benefit expenses	156.77	159.19
Other expenses	194.74	229.97
Exceptional items	-	-
Finance Cost	24.56	30.06
Depreciation and amortisation	16.80	19.17
Total expenses	929.30	1,212.16
Profit before tax	145.44	58.09
Provision for tax	5.16	7.37
Profit after tax	140.28	50.72

(iii) The above figures pertaining to the Joint Venture Companies are based on the audited accounts for the year ended March 31, 2013 except for SEZAL and BWIOTPL which are based on the un-audited management accounts.

(iv) **Sofinter**

The Sofinter Group, in compliance with the provisions of the Agreement signed with the banking system in December 2009 (2009 Interbank Agreement), i.e. to recapitalize Ansaldo Caldaie S.p.A. before December 2011, identified a partner interested in investing in the Group. That partner identified was the Company B.T.Global Investors Ltd. (B.T.) The Company is a SPV established in Cyprus. The signing of the agreements with the B.T. took place on 28 January 2011 and led to an Investment Agreement signed both by Sofinter and Ansaldo Caldaie, and by the existing Sofinter Shareholders , and also a Shareholders Agreement, that defines the "governance" of the Companies in the Sofinter Group.

The validity of the agreements was inter-alia subject to an agreement with the banks that provide financing to the Sofinter Group in order to provide adequate lines of credit to allow for reaching the strategic objectives in the Business Plan, payment by Sofinter, as of the closing date, of Euro 2.00 million, simultaneously with the entry of the funds from the new investor B.T. (for an amount equal to Euro 18.00 million), as a capital increase in Ansaldo Caldaie.The new agreement to modify and supplement the 2009 agreement (2011 Interbank Modification Agreement), was signed on 28 November 2011.

At the same time as the signing of the banking agreement, the investor subscribed and paid a capital increase in Sofinter S.p.A for 17,484,917 new shares with no nominal value (representing 10% of the Share Capital of Sofinter, after the increase) for an amount equal to Euro 5.00 million, subscribed and paid a "to be converted bond loan", issued newly by Sofinter, for a total value of Euro 13.00 million, carrying interest at the annual gross rate of 1%. The investor may convert that loan at its own discretion by 31 July 2013, being the date of maturity of the "to be converted bond loan in either shares of Ansaldo Caldaie S.p.A., in which case Sofinter will transfer to B.T. a number of shares that represent 50% of the Share Capital of Ansaldo Caldaie, at a price equal to Euro 13.00 million or in new shares of Sofinter S.p.A. (free from pledges or restrictions in favour of third parties), in order to increase B.T.'s Shareholding in Sofinter from 10% to a stake of between a minimum of 29% and a maximum of 39%. That range shall be evaluated according to the difference between the consolidated Shareholders' Equity of Sofinter as of 30 June 2010 and that as of 31 December 2012.

(v) The value of the equity interest at the closing date of Itro Pte Limited. is NIL because the entity, carried at equity, reports negative equity of Euro (12.70) million as of 31 December 2012. To make good the Group's proportionate share of equity, Sofinter S.p.A. posted a provision for loss coverage for a corresponding amount under 'Provisions for risks and charges'. Moreover, Itro Pte Limited has a net exposure to banks of about Euro 9.00 million and loans from shareholders of Euro 20.20 million, whereof Euro 9.50 million from Sofinter S.p.A.. Itro Pte Ltd also has a net debt of Euro 2.50 million to the subsidiary Itea. Overall, the Group has a net exposure to the associated Company Itro Pte Ltd equal to Euro 12.00 million. The directors, while unable to forecast with reasonable certainty the timeframe within which those receivables can be collected, consider their recovery reasonable. In detail, the directors believe that thanks to recent modifications to its plant and continuous maintenance the associated Company will be able to complete the start-up phase in a reasonable timeframe and to start generating sufficient cash flows to enable it to discharge its financial commitments. These expectations will be reflected in the business plan that is currently being prepared and that will be submitted shortly to the shareholders of Itro Pte Limited for approval. These facts have been mentioned by the respective Company's Auditor in the Audit report .

c. **ASSOCIATES**

The following Associates have been accounted for on one line basis applying the equity method in accordance with the Accounting Standard (AS) – 23 " Accounting for Investment in Associates in Consolidated Financial Statements".

(₹ in Crore)

Name of Company	% Share Held	Original Cost of Investments	Goodwill/ (Capital Reserve)	Adjusted/ Accumulated Profit/ (Loss) upto previous period	Profit for the Current Period	Adjustments for the current period	Carrying Amount of Investment
Itro PTE ltd*	***22.05%***	***7.90***	***-***	***(18.11)***	***(10.66)***	***20.87***	***0.00***
	22.05%	*7.53*	*-*	*(16.12)*	*(7.30)*	*15.89*	*(0.00)*
Ecopower s.r.l.*	***9.00%***	***0.17***	***(0.04)***	***0.72***	***0.00***	***-***	***0.85***
	9.00%	*0.16*	*(0.04)*	*0.69*	*(0.00)*	*-*	*0.81*
SWS G&B*	***22.50%***	***0.03***	***-***	***-***	***-***	***-***	***0.03***
	22.50%	*0.03*	*-*	*-*	*-*	*-*	*0.03*
Europower Middle East*	***22.05%***	***0.16***	***-***	***-***	***-***	***(0.16)***	***-***
	22.05%	*0.15*	*-*	*-*	*-*	*-*	*0.15*
Cons Ansaldo energie riun.*	***11.25%***	***0.09***	***-***	***-***	***-***	***(0.04)***	***0.05***
	11.25%	*0.09*	*-*	*-*	*-*	*(0.04)*	*0.05*
Multiservice*	***15.75%***	***-***	***-***	***-***	***-***	***-***	***-***
	15.75%	*0.11*	*-*	*-*	*-*	*-*	*0.11*
Oristano Ambiente*	***18.00%***	***0.15***	***-***	***-***	***-***	***-***	***0.15***
	18.00%	*0.14*	*-*	*-*	*-*	*-*	*0.14*
Unity Power Alliance*	***22.50%***	***0.00***	***-***	***-***	***(0.49)***	***0.49***	***(0.00)***
	0.00%	*-*	*-*	*-*	*-*	*-*	*-*
ESMSPL**	***23.27%***	***1.70***	***-***	***(0.36)***	***0.01***	***0.03***	***1.38***
	23.27%	*1.70*	*-*	*(0.62)*	*0.27*	*(0.01)*	*1.34*
MTL**	***36.93%***	***0.02***	***-***	***(0.00)***	***(0.00)***	***-***	***0.02***
	36.93%	*0.02*	*-*	*-*	*(0.00)*	*-*	*0.02*
Fin est Spa	***50.00%***	***19.52***	***-***	***1.38***	***(0.11)***	***-***	***20.79***
	50.00%	*19.52*	*7.57*	*0.65*	*0.73*	*-*	*20.90*
TOTAL		***29.73***	***(0.04)***	***(16.36)***	***(11.25)***	***21.19***	***23.27***
		29.44	*7.53*	*(15.40)*	*(6.31)*	*15.84*	*23.55*

* Marked Companies are Associates of Joint Venture , Sofinter Group and hence proportionate share of its investments and share of profit/(loss) is taken.

**Marked Companies are Associates of Subsidiary GIPL.

2 Share Capital

(a) Authorised, Issued, Subscribed and Fully Paid up Capital: (₹ in Crore)

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
	No of Shares	Amount	No of Shares	Amount
Authorised Capital:				
Equity Shares of ₹ 2/ - each	**355,000,000**	**71.00**	355,000,000	71.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	**3,000,000**	**105.00**	3,000,000	105.00
Issued, Subscribed and Fully Paid up Capital:				
Issued:				
Equity Shares of ₹ 2/ - each, fully paid	**137,355,208**	**27.47**	137,355,208	27.47
Subscribed and Fully Paid up Capital:				
Equity Shares of ₹ 2/ - each, fully paid	**135,774,668**	**27.16**	135,774,668	27.16
Share Forfeiture Account				
Money received in respect of Right Shares of ₹ 10/- each forfeited	**170,948**	**0.34**	170,948	0.34
TOTAL		**27.50**		27.50

Issued Share Capital includes 725,800 shares of ₹ 2 each kept in abeyance.

Share Forfeiture account includes ₹ 0.26 Crore of Share Premium collected on application in respect of forfeited shares.

(b) Reconciliation of number of shares outstanding (₹ in Crore)

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	**135,774,668**	**27.16**	135,739,182	27.15
Add : Issued during the year - ESOP	-	-	35,486	0.01
As at the end of the year	**135,774,668**	**27.16**	135,774,668	27.16

(c) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31-Mar-2013		As at 31-Mar-2012	
	No of Shares	%	No of Shares	%
Pacific Energy Private Limited	**18,013,015**	**13.20**	18,013,015	13.20
Warhol Limited	**13,437,359**	**9.84**	13,437,359	9.84
Devyani Estate and Properties Private Limited	**11,782,805**	**8.93**	11,782,805	8.63

(d) Aggregate number of Equity shares issued for consideration other than cash during five years immediately preceding the reporting date

Particulars	No of Shares	
	31-Mar-13	31-Mar-12
Equity Shares issued as consideration on merger of Associated Transrail Structures Ltd with the Company	**20,106,106**	20,106,106
TOTAL	**20,106,106**	20,106,106

(e) Shares reserved under options to be given

17,400 (*Previous Year 43,580*) Equity shares have been reserved for issue as ESOP.

(f) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity share is entitled to one vote per share. The distribution will be in proportion to the number of equity shares held by the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

3 **Reserves & Surplus**

(₹ in Crore)

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
(i) Capital Reserve				
As per Last Balance Sheet	**140.65**		49.67	
Add : Fresh receipts	**20.34**		90.98	
Less : Transfer to Minority Interest	**(84.67)**		-	
		76.32		140.65
(ii) Capital Redemption Reserve		**105.00**		105.00
(iii) Securities Premium Account				
As per last Balance Sheet	**1,296.76**		1,296.90	
Less : Utilised on issuance of Bonus Shares	**(1.05)**		-	
Add : Premium on Exercise of ESOP's	**-**		0.71	
Less : Security premium on divestment of Joint Venture Company	**-**		(1.50)	
Add/(Less) : Share premium transferred from (to) Minority Interest	**(1.63)**		0.65	
Less : Share issue expenses during the year	**(0.14)**		-	
		1,293.94		1,296.76
(iv) Debenture Redemption Reserves				
As per last Balance Sheet	**165.28**		121.00	
Add : Transferred from Surplus	**-**		47.43	
Less : Transferred to Surplus	**-**		-	
Less : Transferred to General Reserve	**(84.28)**		(3.15)	
		81.00		165.28
(v) Revaluation Reserves				
As per last Balance Sheet	**256.60**		257.04	
Less : Reversal on A/c of Asset Transfer to Inventories (Refer Note 15A)	**(116.34)**		-	
Less : Transferred to General Reserve on Sale of Assets	**(3.30)**		-	
Add / (Less) : Exchange Difference	**1.32**		2.69	
Less : Depreciation on Revalued Assets	**(3.13)**		(3.13)	
		135.15		256.60
(vi) Share Options Outstanding Account				
As per Last Balance Sheet	**3.63**		3.63	
Less : Employee stock options exercised	**(0.02)**		(0.02)	
Less : Forfeiture of employee stock options offered	**(0.43)**		(0.08)	
	3.18		3.53	
Less : Deferred employee compensation outstanding	**(0.00)**		(0.00)	
Add : Short accounting of ESOPs in prior years	**0.03**		0.03	
Less : Transfer to General Reserve on Lapse of ESOP's	**(1.23)**		(0.89)	
Less : Transfer to Securities Premium A/c on Exercise of ESOP's	**(1.46)**		(1.46)	
		0.52		1.20
(vii) Other Reserves				
General Reserve				
As per last Balance Sheet	**256.83**		234.21	
Add : On Forfeiture/Lapse of ESOPs during the year	**-**		0.42	
Add : Transferred from Debenture Redemption Reserve	**84.28**		3.15	
Add : Transferred from Revaluation Reserve on sale of assets	**3.30**		-	
Add : Transferred from Surplus	**(0.03)**		19.05	
		344.38		256.83

(₹ in Crore)

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
Foreign Currency Translation Reserve				
As per last Balance Sheet	**44.55**		(52.35)	
Add / (Less) : Arising out of current year	**54.33**		80.05	
Add / (Less) : Amount recognised in the statement of Profit & Loss	**-**		16.85	
		98.88		44.55
Foreign Currency Monetary Item Translation Difference Reserve				
As per last Balance Sheet	**(22.55)**		4.71	
Add / (Less) : Arising out of current year	**(41.17)**		(37.92)	
Add / (Less) : Amount recognised in the statement of Profit & Loss	**11.57**		10.14	
Add / (Less) : Translation Difference	**(0.52)**		0.52	
		(52.65)		(22.55)
Special Contingency Reserve		**50.00**		50.00
Other Reserves		**1.19**		2.48
Surplus / (Deficit)				
Profit brought forward from last year	**(173.80)**		64.37	
Add : Profit for the year	**-**		-	
Transfer from Debenture Redemption Reserve	**-**		-	
Dividend from Own Shares	**0.12**		0.23	
Sub-Total	**(173.68)**		64.60	
Less : Loss for the year	**(849.83)**		(105.14)	
Transfer to Debenture Redemption Reserve	**-**		(47.43)	
Transfer to General Reserve	**-**		(19.06)	
Proposed Dividend	**(2.29)**		(2.73)	
Tax on Dividend	**(1.48)**		(7.73)	
Reversal of Profits	**-**		-	
Transferred to Foreign Currency Translation Reserve	**(23.70)**		(56.46)	
Adjustments to Minority Interest	**(0.09)**		(0.58)	
Amount Transferred to Capital Reserve	**(0.70)**		(0.28)	
Other Adjustments	**0.04**		1.01	
		(1,051.74)		(173.80)
TOTAL		**1,082.00**		2,123.00

(a) The General reserve is created to comply with the The Companies transfer of Profit and Reserve rules 1975.

(b) The Foreign Currency Translation Reserve is created in terms of Accounting Standard 11 ''The effect of changes in foreign exchange rates' issued under the Companies Accounting Standard Rules 2006.

(c) During the year an amount of ₹ NIL (Previous Year ₹ 16.85 Crore) has been transferred from Foreign Currency Translation Reserve to the Statement of Profit & Loss on retirement of certain portion of the long term loans from the subsidiaries.

(d) The Special Contingency Reserve has been created by the Company to meet any possible contractual losses / liabilities / claims following the principles of conservatism and prudence.

(e) In accordance with Circular issued by Ministry of Corporate Affairs No. 04/2013 dated 11.02.2013 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures. The excess balance of the Debenture Redemption Reserve as at the yearend has been transferred to General Reserve. The Company has however not set aside or earmarked liquid assets of ₹ 4.50 Crore being 15% of the amount of Debenture due for redemption before 31st March 2014 as required by the aforesaid Circular.

(f) Dividend received from own investment held through Gammon Trust is adjusted under Surplus ₹ 0.12 Crore (Previous Year ₹ 0.23 Crore).

(g) Capital reserve includes grant of received by two SPVs of the Group, from NHAI and the Government of Andhra Pradesh in the nature of equity support of the grantor and includes a sum of ₹ NIL Crore (Company share ₹ NIL Crore) [Previous year ₹ 6.59 Crore (Company share ₹ 3.3 Crore)] being the difference between the consideration paid for the take over of the assets and liabilities as per business transfer agreement and the valuation of the same as approved by professional valuers of one of the Joint Ventures of the group.

(h) In line with notification of the Companies (Accounting Standards) Amendment Rules 2009 issued by Ministry of Corporate Affairs on March 31, 2009 amending Accounting Standard - 11 (AS - 11) "The Effects of Changes in Foreign Exchange Rates (revised 2003)", some of the overseas Subsidiaries who have prepared the accounts as per Indian GAAP for the purposes of consolidation have choosen to exercise the option under para 46 inserted in the standard by the notification.

During the year based on the clarification issued by the Institute of Chartered Accountants of India regarding the presentation of Foreign Currency Monetary Items Translation Difference Account the same has been classified under Reserves and surplus. The Figures of the previous period also have been regrouped and rearranged.

During the year ₹ 11.57 Crore (Previous Year Credit of ₹ 10.14 Crore) amortisation cost charged to the profit and loss account out of Foreign Currency Monetary Item translation Difference Account.

₹ 52.65 Crore Debit (Previous Year Credit of ₹ 22.55 Crore) accumulated in the "Foreign Currency Monetary Item translation Difference Account", being the amount remaining to be realised as at March 31, 2013.

4 Long Term Borrowings

(₹ in Crore)

Particulars	Non Current		Current Maturities	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Non Convertible Debentures				
Placed with Banks and Financial Institutions	**469.00**	549.00	**30.00**	3.50
Term Loans				
From Banks	**3,891.15**	2,572.34	**426.41**	588.14
From Financial Institutions	**1,422.46**	931.20	**152.41**	27.53
From Others	**164.55**	200.97	**25.01**	82.33
Deferred Payment Liabilities	**120.00**	120.00	**-**	-
Finance Lease Obligations	**118.68**	100.54	**7.11**	4.82
Loans from Minority Shareholders	**20.83**	13.72	**-**	-
Convertible bonds issued by Joint Venture Company	**-**	40.31	**42.69**	-
TOTAL	**6,206.67**	4,528.08	**683.63**	706.32
The above amount includes				
Secured Borrowings	**5,841.24**	4,146.04	**622.35**	687.73
Unsecured Borrowings	**365.43**	382.04	**61.28**	18.59
Amount disclosed under the head "Other Current Liabilities" (note 10)	**-**	-	**683.63**	706.32

(a) **Term Loan - GIL**

(i)

Name of the Bank	Securities	Repayment Schedule
a) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Monthly instalments of ₹ 1.14 Crore each.
b) IDBI Bank	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Monthly instalments of ₹ 0.75 Crore each.
c) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Repayable on 18th, 21st & 24th month from the date of disbursement (27.03.2012).
d) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Repayable in 54 equal installments of ₹ 0.65 Crore. Moratorium period of 6 months from date of 1st disbursement i.e. 30.09.2012 .
e) United Bank of India f) Union Bank of India	Secured by Pari-passu charge of Commercial Property, 2nd charge on the present and future current asseets with existing lenders and Personal Guarantee of Chairman & MD.	Repayable in 15 unequal quarterly installment, From December 2013 Onwards .
g) Canara Bank	Secured by Pari-passu charges along with debenture holders of land parcel of Metropolitan Infra Housing Pvt Ltd (MIPL) including Corporate Guarantee of MIPL, 2nd charge on Stock & Receivable of the Company.	Repayable in 12 unequal quarterly installment, From March 2013 Onwards.

The above mentioned loans carry an interest rate which is at a spread above / below the banks base rate or the banks prime lending rate or at a negotiated rate, the spread ranges from 50 to 300 bps.

(ii) Project loans - Public Private Partnership Projects

The above term loans from banks and financial institutions are primarily taken by various project executing entities of the Group for the execution of the projects. These loans are secured by a first mortgage and charge on all the movable properties, immovable properties, tangible assets, intangible assets and all bank accounts (including escrow bank accounts) save and except the project assets of each individual borrowing Company in the Group.

Loans from others are secured by first charge on proceeds/ receivables to be received from the National Highways Authority of India (NHAI) towards annuities to be received for the period between the Scheduled Commercial Operation Date and the actual Commercial Operations Date (COD). This loan carries interest rate in the range of 13% p.a. The loan is repayable on from March 1, 2014.

One of the SPV of the Group has obtained a new secured term loan from a financial institution for which charge was yet to be created as at 31 March 2013. No Charge has been created as on the date of the balance sheet.

Term loan from financial instituion also includes loan availed by GIPL and is secured by a) Pledge of equity shares of one of the SPV for an aggregate value of ₹ 219.45 Crore, b) a first and exclusive charge on the Designated account, Debt Service Reserve aggregating to ₹ 10.10 Crore as on March 31, 2013. Surplus Monies and the sale proceeds to be received by the Borrower due to Mumbai Nasik Expressway Limited 'MNEL' Stake sale and/or the Lender exercising its power in respect of the Borrower's stake in MNEL under the Loan Agreement. The balance is secured by equity shares of GIPL pledged by the Company. This term loan carries an interest rate of 14% p.a. It's repayment is entirely due on September 15, 2014.

The above mentioned long term loans carry an interest rate which is at a spread above/below the bank's base rate or bank prime lending rate or G-sec rate or at a negotiated rate. The spread ranges from 50 to 300 bases points. In case of consortium of lenders the rate applicable is the highest rate charged by any one member of the consortium thereof.

Loan from others, carries interest rate in the range of 11% to 14% p.a.

(iii) Investment Spv's (GIBV, GHBV, Pvan, ATSL BV)

The Loan is secured by charge over DSRA A/c of the Company. The Parent Company has also pledged its entire shareholding of the Company with the Bank and also provided Corporate Guarantee.

During the year Term Loan from ICICI Bank has been restructured with effect from 1st October, 2012 . The applicable interest rate is equal to 3 months LIBOR plus 275 bps for GIBV, 6 months LIBOR plus 275 bps for PVAN and 3 months LIBOR plus 250 bps for GHBV & ATSL BV. Interest & instalment is due and paid on Quaterly basis. The interest rate will increase by 125 bps if not repaid before 30th September 2014 with retrospective effect from 1st October 2012. Provision has been made for such additional amounts by the respective SPV's.

During the year Term Loan from ICICI Bank, UK PLC has been restructured with effect from 1st October, 2012 . The applicable interest rate is equal to 3 months LIBOR plus 360 bps for GIBV, Interest & instalment is due and paid on Quaterly basis. The interest rate will increase by 125 bps if not repaid before 30th September 2014 with retrospective effect from 1st October 2012.

(iv) The Term loan for TLL is secured by First charge on all Fixed Assets and Current Assets of the Company and Corporate Guarantee of the Holding Company. The loan is repayable in monthly instalment of ₹ 0.88 Crore for 24 months and ₹ 0.62 Crore for 9 months.The applicable rate of interest is @13.25% p.a.

(v) The Term loan for ACBI is secured on First charge on entire Current Assets of the Company. The Collateral Security is a First charge on Fixed Assets of the Company. The repayment schedule after a Moratorium of one year is repayable in 16 quarterly instilments starting from April 2013. The interest is chargeable at 375 bps above the Bank's base rate.

(vi) Sofinter : Repayment to Unicredit is scheduled for 2019 (previously 2016), calls for the first instalment on 30 June 2013. The interest rate applied is variable and equal to the six-month Euribor with application of a spread of 2%.The loan is secured by pledge on 100% of Ansaldo's shares and 45% of Sofinter's shares. Repayment to Monte Paschi di Siena is scheduled for 2016 (previously 2014), calls for the first principal payment on 20 February 2012. The interest rate applied is variable and equal to the six-month Euribor with application of a spread of 2%. Repayment to Banca Intesa San Paolo S.p.A. is scheduled for the 2016 period (previously 2013), calls for the first principal payment on 15 March 2013. Repayment will be made on the basis of a repayment plan which envisages straight-line principal payments.The interest rate applied is variable and equal to the three-month Euribor with application of a spread of 2%.

(vii) The Term Loan for ACGB is secured by Equitable Mortgage of Land and Building and Hypotication of Plant and Machiney. The interest is chargeable at 320 bps above Bank's base rate.

(viii) The Term Loan for GACTEL is secured by Hypotication of Fixed Assets and Current Assets of the Company and negative lien on 75% of land at bhopal and construction thereon standing In the name of DIPL and corporate guarantee of GIL.

(ix) The term Loan for DIPL is secured by first charge on 75% of total Plot of Land admeasuring 14.88 acres sittuated at South TT nagar in Bhopal (M.P) and are repayable in 8 equal quarterly instalment after a morotorium of 24 months.

(x) Franco :- Loan from Financial Institution has been agreed for a repayment plan with 20 quarterly instilments starting from 2013 and secured by a mortgage for a total of Euro 8.00 million. Loan from the Banca Carige is secured by a mortgage on movable and privilege. The plan signed provides for rescheduling there payment of debt in 36 semi-annual instalments starting from 2015.

(b) **Non Convertible Debentures**

(i) Redeemable Non Convertible Debentures are secured by hypothecation of specific Plant & Machinery with pari passu charge by mortgage of immovable property in Gujarat.

(₹ in Crore)

Repayment Terms	Interest Rate	31-Mar-2013	31-Mar-2012
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 5th September, 2010	9.50%	**50.00**	50.00
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 18th June, 2010	9.50%	**50.00**	50.00
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 7th May, 2009	10.50%	**74.00**	74.00
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 24th March, 2008	9.95%	**50.00**	50.00
Due for repayment at the end of 8th, 9th and 10th year from the date of allotment being 5th August, 2005	7.50%	**-**	50.00
Due for repayment at the end of 5th, 6th and 7th year from the date of allotment being 25th July, 2008	11.05%	**100.00**	100.00
TOTAL		**324.00**	374.00

(ii) Based on contractual terms, 7.50% debentures valuing ₹ 50.00 Crore have been prepaid on 5th August, 2012.

(iii) The 13.65% debentures of ₹ 175.00 Crore is secured by mortage of immoveable property , out of which ₹ 100.00 Crore is reedemable in November 2014 and ₹ 75.00 Crore is reedemable in March 2015.

(c) **Deferred payment liability, unsecured**

As per the terms of the concession agreement between MNEL and NHAI, MNEL is required to make a cash payout ('Negative Grant') of ₹ 120.00 Crore in the last year of the concession period (i.e. March, 2026). The same is capitalised as toll concession rights and is represented as deferred payment liability in the financial statements.

(d) An investor invested in the equity of one of the Joint Venture of the Company an amount equal to Euro 5.00 million and paid a "to be converted Bond Loan", issued by the JV, for a total value of Euro 13.00 million, that bare interest at the annual gross rate of 1%. The Bond Loan needs to be converted by 31 July 2013 at the discretion of the investor. The "to be converted Bond Loan" is classified within "borrowings", due to the fact that the conversion alternative of the above mentioned Bond Loan into JV's shares allows the allotment of a variable number of shares. This characteristic qualifies the above mentioned Bond Loan as a financial liability , without considering obligation to convert the Bond Loan.

(e) **Pledge of Shares**

The equity shares held by the Company and / or GIL in a Subsidiary and /or Joint Venture Company of the Group are pledged with respective lenders or consortium of lenders for the individual secured loan availed by the said Subsidiary and / or Joint Venture Company from their respective lenders or consortium of lenders.

Company Name	Rate	Number of Equity Shares Pledged	
		As At 31st March 2013	As At 31st March 2012
Andhra Expressway Limited ('AEL')	₹ 10/-	**13,175,970**	13,171,442
Cochin Bridge Infrastructure Company Limited ('CBICL')	₹ 10/-	**1,664,019**	1,664,019
Gorakhpur Infrastructure Company Limited ('GICL')	₹ 10/-	**27,686,396**	37,279,629
Kosi Bridge Infrastructure Company Limited ('KBICL')	₹ 10/-	**20,767,040**	20,767,040
Mumbai Nasik Expressway Limited ('MNEL')	₹ 10/-	**38,942,800**	16,120,000
Patna Buxar Highways Limited ('PBHL')	₹ 10/-	**13,000**	-
Pataliputra Highways Limited ('PHL')	₹ 100/-	**7,350**	7,350
Patna Highway Projects Limited ('PHPL')	₹ 10/-	**750,000**	750,000
Rajahmundry Expressway Limited ('REL')	₹ 10/-	**14,744,579**	14,744,579
Rajahmundry Godavari Bridge Limited ('RGBL')	₹ 10/-	**89,573,750**	89,573,750
Vizag Seaport Private Limited ('VSPL')	₹ 10/-	**61,515,633**	61,515,633
Indira Container Terminal Private Limited ('ICTPL')*	₹ 10/-	**16,500,000**	20,000,000
Gammon Holdings BV ('GHBV')	100	**180**	180
Gammon International BV ('GIBV')	100	**180**	180
P.Van Eerd Beheersmaatschappaji B.V.- Netherlands ('PVAN')	453.78	**35**	35
ATSL Holding B.V., Nether Lands	100	**180**	180
Gammon Infrastructure Projects Limited	₹ 2/-	**430,286,305**	-
TOTAL		**715,627,417**	275,594,017

(f) **Maturity Profile**

(₹ in Crore)

Period	31-Mar-2013	31-Mar-2012
Installments payable within one year ie. Upto March 31, 2013	**683.63**	706.32
Installments payable between 1 to 5 years	**3,654.04**	2,508.05
Installments payable beyond 5 years	**2,552.63**	2,020.03
TOTAL	**6,890.30**	5,234.40

(g) The board of directors in its meeting had decided to approach the banks through the corporate debt restructuring (CDR) process for restructuring of the Company's debt. The CDR empowered group in its meeting held on 25th March 2013 has admitted the Company's proposal under the CDR which is under consideration.

5 Deferred Tax Liabilities & Deferred Tax Assets

(₹ in Crore)

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
Deferred Tax Liability		**202.10**		192.72
Deferred Tax Asset		**82.73**		39.78
Breakup of the same	**DTL**	**DTA**	DTL	DTA
Deferred Tax Liabilities				
- Depreciation	**251.64**	**32.48**	236.22	3.83
- Foreign Exchange Translation Reserve	**(23.78)**	**-**	(12.76)	-
- On Account of Lease	**0.53**	**9.38**	0.68	9.34
- Others	**20.26**	**2.70**	16.32	2.32
Sub-Total	**248.64**	**44.57**	240.45	15.49
Deferred Tax Asset				
- On Account of Gratuity/Leave Encashment Provision	**7.56**	**0.16**	7.60	0.06
- Risk and Contingencies	**16.22**	**14.65**	15.47	12.83
- On Account of Tax losses	**18.43**	**36.95**	20.90	26.51
- On Account of unaborbed Depreciation	**-**	**60.46**	-	-
- Others	**4.34**	**15.09**	3.78	15.88
Sub-Total	**46.54**	**127.30**	47.74	55.27
Deferred Tax Liabilities	**202.10**		192.72	
Deferred Tax Assets		**82.73**		39.78

One of the SPV has unabsorbed depreciation as per tax returns which is available for set off against taxable income. The SPV has recognised the deferred tax asset credit estimating its future taxable income on the basis of the actual traffic plying on the road during the balance period of the Concession which satisfies the test of virtual certainty supported by convincing evidence for recognising the deferred tax asset on the unabsorbed depreciation as per the tax returns. The SPV has obtained an independent expert's opinion about the satisfaction of the convincing evidence as required by Accounting Standard (AS) - 22 on Accounting for taxes on income. The deferred tax asset recognised in respect of this SPV amounts to ₹ 33.03 Crore on the unabsorbed depreciation as per the tax returns available for set off from future taxable income.

6 Other Long Term Liabilities

(₹ in Crore)

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
Trade Payables				
Micro, Small & Medium Enterprises (Note 9(i))	**-**		-	
Retention / Security Deposits	**47.10**		49.67	
Others	**-**		-	
		47.10		49.67
Others				
Advances from Clients	**320.58**		199.24	
Other Long Term Liabilities	**174.83**		116.26	
		495.41		315.50
TOTAL		**542.51**		365.17

7 Provisions

(₹ in Crore)

Particulars	Long Term		Short Term	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Provision for Employee Benefits				
Provision for Gratuity				
- India Companies	**0.82**	0.60	**3.34**	3.61
- Overseas Companies	**89.79**	88.07	**16.47**	14.94
Provision for Leave Benefits	**14.99**	14.44	**7.05**	8.85
Provision for Cash Compensation	**-**	-	**0.17**	1.95
Others				
Provision for Periodic Maintenance	**72.40**	28.21	**-**	-
Provision for Risk & Contingencies	**-**	-	**162.41**	151.47
Proposed Dividend	**-**	-	**2.29**	2.73
Corporate Tax on Dividend	**-**	-	**1.48**	0.44
Provision for Taxation Net of Taxes Paid	**161.63**	138.27	**79.15**	91.49
Other Provisions	**-**	1.51	**16.97**	-
TOTAL	**339.63**	271.10	**289.33**	275.47

(a) Disclosure relating to Employee Benefits As per Revised AS - 15 (₹ in Crore)

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
(i) Change in Benefit Obligation		
Liability at the beginning of the year	10.38	10.15
Interest Cost	0.83	0.81
Current Service cost	1.81	1.44
Past Service Cost (Non Vested Benefit)	-	(0.24)
Past Service Cost (Vested Benefit)	-	0.01
Benefit Paid	(1.87)	(2.05)
Actuarial (gain) / loss on obligations	(0.49)	0.25
Liability Transferred in	0.04	-
Curtailments and Settlements	-	-
Liability at the end of the year	10.70	10.37
(ii) Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	6.24	5.88
Expected Return on Plan Assets	0.53	0.50
Contributions	1.62	2.06
Benefit Paid	(1.70)	(2.20)
Actuarial gain /(loss) on Plan Assets	(0.11)	0.00
Fair Value of Plan Assets at the end of the year	6.58	6.24
Total Actuarial (gain)/loss to be Recognised	(0.49)	0.25
(iii) Actual Return on Plan Assets		
Expected Return on Plan Assets	0.53	0.50
Actuarial gain /(loss) on Plan Assets	(0.01)	0.00
Actual Return on Plan Assets	0.51	0.50
(iv) Amount Recognised in the Balance Sheet		
Liability at the end of the year	10.73	10.37
Fair Value of Plan Assets at the end of the year	6.57	6.24
Difference	4.16	4.13
Un-recognised Past service Cost	-	0.08
Amount Recognised in the Balance Sheet	4.16	4.21
(v) Expenses Recognised in the Income Statement		
Current Service cost	1.74	1.44
Interest Cost	0.82	0.81
Expected Return on Plan Assets	(0.53)	(0.50)
Net Actuarial gain / (loss) to be be Recognised	(0.43)	0.25
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	(0.01)	0.01
Effect of Curtailment or Settlements	(0.04)	(0.02)
Expense Recognised in the Profit & Loss Account	1.56	1.99
(vi) Balance Sheet Reconciliation		
Opening Net Liability	4.16	4.26
Expenses as above	1.57	1.99
Employers Contribution	(1.60)	(2.04)
Liability Transferred in	0.04	
Effect of Curtailment or settlements	-	-
Amount Recognised in the Balance Sheet	4.16	4.21
(vii) Actuarial Assumptions		
Discount Rate Current	8.00%	8.00%

Note :

(a) Employer's contribution includes payments made by the Company directly to its past employees..

(b) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

(d) The Company's Leave Encashment liability is entirely unfunded.

(e) The above information is presented only to the extent of the information available for the Indian Companies including the Holding Company.

(b) Disclosure relating to Provisions As per Revised AS - 29

(₹ in Crore)

Account Head	Opening Balance	Provisions Made	Reversed during the year	Paid/ Utilisations	Closing Balance
Provisions for Risk and Contingencies	**151.47**	**62.98**	**-**	**(52.04)**	**162.41**
	(138.89)	12.17	-	278.19	151.47
Provisions for Periodic Maintenance	**28.21**	**44.19**	**-**	**-**	**72.40**
	-	28.21	-	-	28.21
Cash Compensation Scheme	**1.95**	**0.43**	**-**	**(2.21)**	**0.17**
	1.68	0.36	(0.09)	-	1.95

8 Short-term Borrowings

(₹ in Crore)

Particulars		As at 31-Mar-2013		As at 31-Mar-2012	
Loans repayable on demand :					
Cash Credit from Consortium Bankers			**1,620.45**		579.12
Loans and Advances from Minority Shareholders :			**230.23**		213.27
Other Loans and Advances:					
Buyers Credit		**77.54**		60.45	
Commercial Paper		**-**		225.00	
(Maximum O/s during the year ₹ 355 Crore (*Previous Year ₹ 550 Crore*))					
Short Term Loans	- From Banks	**1,363.81**		2,640.96	
	- From Others	**86.91**		150.25	
			1,528.26		3,076.66
TOTAL			**3,378.94**		3,869.05
The above amount includes					
Secured Borrowings			**2,002.47**		856.57
Unsecured Borrowings			**1,376.47**		3,012.48

(i) Cash Credit from Canara Bank Led Consortium are secured by charge over all the Company's Assets in India excluding Leasehold Property, Freehold Property and Plant & Machinery hypothecated to the Bankers and Financial Institutions under various asset financing schemes.

(ii) Borrowings from Bank are Secured by the First Mortgage on the Company Properties called "Area Sud" in the municipality of Legnano-Milano.

(iii) Buyers Credit are secured by guarantee of consortium bankers.

(iv) Cash Credit facility carries an interest rate of 100 to 275 bps above base rate. Other loans are at a spread above / below the banks base rate or bank prime lending rate or at a negotiated rate. The spread ranges from 50 to 300 bps.

(v) Securities for Short Term Loan :

Name of the Bank	Securities
a) Bank of Baroda	Secured by Stock and Receivables of the Company
b) Export-Import Bank of India	Secured by Underlying Project Assets of the Company
c) IDBI Bank	Charge on movable fixed assets & Current Assets of the Company
d) DBS Bank	Charge on movable fixed assets & Current Assets of the Company
e) Syndicate Bank	Second Charge On Plant and Machinery of the Company
f) Uco Bank	Subservient Charge on movable fixed assets & Current Assets of the Company

(vi) Cash Credit of ACBI from IDBI bank is secured against first charges on entire Current Assets of the Company. The Collateral Security is on Fixed Assets of the Company.

(vii) Cash Credit of TLL from banks is secured by First charge over entire current assets of the Company, First charge over entire fixed assets of the Company and Corporate Guarantee of GIL ,the Holding Company.

9 Trade Payables

(₹ in Crore)

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
Trade Payables	2,670.16	2,339.92
TOTAL	2,670.16	2,339.92

10 Other Current Liabilities

(₹ in Crore)

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
Current Maturities of Term Loan (Refer Note 4)		683.63		706.32
Advances from Clients		1,200.55		1,174.00
Interest accrued but not due		44.46		51.70
Interest accrued payable		57.74		14.88
Income received in advance		0.17		0.14
Unpaid Dividends		0.76		0.75
Unpaid Matured Deposits		-		0.07
Share Application Money Pending Allotment		12.01		17.64
Payables for Capital Goods		40.91		29.24
Other Payables				
- Duties and Taxes Payable	118.99		87.43	
- Others	187.77		248.33	
		306.76		335.76
TOTAL		2,346.99		2,330.50

Note 11

Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block

Tangible Assets (₹ in Crore)

Particulars	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture And Fixtures	Wind Mill	Electric Installation	Total
Cost									
As at 1st April 2011	175.85	975.92	2,121.52	120.64	48.21	45.34	26.95	4.25	3,518.68
Additions	1.15	24.26	97.35	9.72	7.24	6.56	-	0.40	146.68
Disposals/Adjustments	-	(19.80)	(49.13)	(6.68)	(5.71)	(1.54)	-	-	(82.86)
Foreign Translation Adjustments	23.78	84.09	108.47	3.47	4.09	1.28	-	-	225.18
On Account of proportion Change	(17.85)	(2.13)	(15.99)	(0.17)	(1.30)	(0.59)	-	-	(38.03)
As at 31st March 2012	**182.93**	**1,062.34**	**2,262.22**	**126.98**	**52.53**	**51.05**	**26.95**	**4.65**	**3,769.65**
Additions	3.41	5.74	61.50	2.87	4.13	1.62	-	0.34	79.61
Disposals/Adjustments	(3.32)	(124.00)	(21.30)	(5.16)	3.87	(5.34)	-	-	(155.25)
Foreign Translation Adjustments	7.72	30.36	39.65	1.39	0.18	0.25	-	-	79.55
On Account of proportion Change	-	-	-	-	-	-	-	-	-
As at 31st March 2013	**190.74**	**974.44**	**2,342.07**	**126.08**	**60.71**	**47.58**	**26.95**	**4.99**	**3,773.56**
Depreciation									
As at 1st April 2011	24.65	136.06	720.54	68.15	24.42	20.12	11.21	0.56	1,005.71
Charge for the Year	5.95	19.24	117.54	11.38	4.71	4.03	2.79	0.21	165.85
Disposals/Adjustments	-	(8.77)	(16.55)	(5.83)	(1.32)	(1.55)	-	-	(34.02)
Foreign Translation Adjustments	0.90	15.06	39.75	1.93	2.19	0.63	-	-	60.46
On Account of proportion Change	(0.10)	-	0.08	0.00	0.00	0.02	-	-	0.00
As at 31st March 2012	**31.40**	**161.59**	**861.36**	**75.63**	**30.00**	**23.25**	**14.00**	**0.77**	**1,198.00**
Charge for the Year	4.43	21.03	119.81	12.29	7.28	2.15	2.79	0.24	170.02
Disposals	(6.11)	(1.00)	(15.77)	(3.40)	0.91	(4.85)	-	-	(30.22)
Foreign Translation Adjustments	1.46	6.69	21.03	0.43	1.17	0.21	-	0.00	31.00
On Account of proportion Change	-	-	-	-	-	-	-	-	-
As at 31st March 2013	**31.18**	**188.31**	**986.43**	**84.95**	**39.37**	**20.76**	**16.79**	**1.01**	**1,368.80**
Net Block									
As at 31st March 2012	**151.53**	**900.75**	**1,400.86**	**51.34**	**22.53**	**27.80**	**12.95**	**3.88**	**2,571.65**
As at 31st March 2013	**159.56**	**786.13**	**1,355.64**	**41.13**	**21.34**	**26.82**	**10.16**	**3.98**	**2,404.76**

Intangible Assets (₹ in Crore)

Particulars	BOT concession Assets	Compuetr Software	Licences & Trade Marks & Similar Right	Development Cost	Licence Fees	Others	Total
Cost							
As at 1st April 2011	1,356.08	6.03	29.31	43.58	12.50	35.36	1,482.86
Additions	857.79	6.51	3.25	1.14	-	0.30	868.99
Disposals/Adjustments	(163.82)	(0.05)	(1.44)	(0.24)	-	(0.08)	(165.62)
Foreign Translation Adjustments	-	0.22	3.93	7.26	-	5.55	16.96
On Account of proportion Change	-	-	(1.85)	(4.24)	-	(2.60)	(8.70)
As at 31st March 2012	**2,050.06**	**12.71**	**33.20**	**47.49**	**12.50**	**38.53**	**2,194.49**
Additions	735.23	0.18	0.04	15.27	-	1.76	752.49
Disposals/Adjustments	-	(2.95)	0.00	-	-	0.87	(2.08)
Foreign Translation Adjustments	-	0.08	1.36	2.32	-	1.88	5.64
On Account of proportion Change	-	-	-	-	-	-	-
As at 31st March 2013	**2,785.29**	**10.02**	**34.61**	**65.08**	**12.50**	**43.04**	**2,950.54**
Depreciation							
As at 1st April 2011	287.42	1.53	19.76	34.49	-	34.96	378.16
Charge for the Year	62.58	1.63	2.77	5.35	-	0.17	72.50
Disposals/Adjustments	(19.79)	0.05	-	0.24	-	0.08	(19.42)
Foreign Translation Adjustments	-	0.12	1.01	1.95	-	2.75	5.83
On Account of proportion Change	-	-	0.01	0.10	-	0.00	0.11
As at 31st March 2012	**330.21**	**3.33**	**23.55**	**42.13**	**-**	**37.96**	**437.18**
Charge for the Year	127.33	2.44	2.55	3.63	-	0.77	136.72
Disposals	(0.07)	-	-	-	-	-	(0.07)
Foreign Translation Adjustments	-	0.05	1.08	2.24	-	1.90	5.27
On Account of proportion Change	-	-	-	-	-	-	-
As at 31st March 2013	**457.47**	**5.82**	**27.18**	**48.00**	**-**	**40.63**	**579.10**
Net Block							
As at 31st March 2012	**1,719.85**	**9.38**	**9.65**	**5.36**	**12.50**	**0.57**	**1,757.31**
As at 31st March 2013	**2,327.82**	**4.20**	**7.43**	**17.08**	**12.50**	**2.41**	**2,371.44**

1. Leasehold Land is at cost less amount written off.
2. The Company has once again revalued on 31st March, 2007 all its Freehold Property , most of which were revalued earlier on 31st March, 1999 by Approved valuers.

   The consequent increase in the value of Fixed Assets pursuant to the second revalutaion amounted to ₹ 186.89 Crore and has been credited to the Revaluation Reserve A/c.
3. Depreciation for the Year amounts to ₹ 343.67 Crore (Previous Year ₹ 238.79 Crore) from which has been deducted a sum of ₹ 3.13 Crore (Previous Year ₹ 3.13 Crore) being the depreciation in respect of Revaluation of Fixed Assets which has been drawn from the Revaluation Reserve. Depreciation for the year ended 31st March, 2013 amount to ₹ 0.03 Crore has been transferred to Project Development Cost.
4. The disposal / adjustment of free hold property during the year ended 31st March 2013 includes reversal of revaluation reserve of ₹ 116.34 Crore on reclassification of fixed asset to inventories and ₹ 3.30 Crore on account of sale of revalued asset.
5. Depreciation and Amortisation includes amortisation on Investment Property amounting to ₹ 40.39 Crore.
6. Depreciation charge for the year includes an amount of ₹ 0.17 Crore (Previous Year ₹ 0.03 Crore) capitalised to Intangible asset under development and ₹ 0.01 Crore (Previous Year ₹ 0.01 Crore) has been transferred to Capital WIP.
7. Land to the extent of 36.515 acres out of a total of 66.458 acres and buildings standing on the said lands, taken over by one of the Joint Venture form G B Engineering Private Limited was registered in the name of the Company after the year end.

11A Goodwill/Capital Reserve on Consolidation (₹ in Crore)

Particulars	As at 31-Mar-2013		As at 31-Mar-2012	
Goodwill on Consolidation	716.92		683.43	
Less Capital Reserve on Consolidation	11.10		11.10	
		705.82		672.33
Less Provision for Impairment of Goodwill		(126.48)		-
TOTAL		579.34		672.33

(a) During 2012, implementation of the Business Plan of Franco Tosi faced a lot of difficulties due to several reasons. Notably:

(i) Cancellation of a large contract of approximately Euro 175.00 million in Iraq with a potential cash surplus of Euro 50.00 million.

(ii) Shrinking of the world markets for turbines geographically, mainly to the Middle East, Africa and South/Central America.

(iii) Political and financial crisis within Italy, due to which it was impossible to get any form of financial support from the banking system in general to efficiently execute the current orders on hand, amounting to over Euro 130.00 million.

(iv) Impaired cash collections for nearly 8 months from the Italian public sector companies due to non-receipt of tax certificates on account of prolonged negotiations between the Company and the State for reschedulement of its large legacy statutory debts, leading to a severe squeeze on working capital as well as fresh order booking from the Italian state companies.

Due to the above reasons, the Company slipped on many commitments to its suppliers and creditors, who began mounting pressure through different legal means to recover their dues. Concurrently, inspite of the healthy order book of over Euro 130.00 million, due to the non-cooperation from the banks and creditors; project deliveries began to slip, which considerably squeezed the Company's topline and also resulted in substantial losses with the consequent erosion of net worth by more than 33% due to which the corporate capital has fallen below the minimum required by Italian law.

In this situation, if the Company had formally approved its Financial Statements of 2012, the losses being more than 33% of the Corporate capital, Article 2447 of the Italian Civil code would have atomically got triggered, making it mandatory for the Board to decide on recapitilisation of the Company. However, such recapitilisation, if actioned, would not have safeguarded the end use of the money; since as stated herein before, the overdue unpaid creditors including the creditors for statutory debts would have forced payment of their dues from these funds, instead of these being used to drive operations.

This prompted the Board of FTM to consider the use of different legal instruments available under the laws of Italy to safeguard the Company in a manner which would ensure continuity, and ultimately benefit all stake holders in this critical situation. To begin with, the Board of FTM, out of prudence decided against an audited Financial Statement of 2012. With this, the immediate urgency of recapitalising the Company without a clear road map for the future to safeguard the operations was negated. In addition, the Board of FTM decided to file on May 30th with the court of Milan (and with the Companies Registry) a "preliminary" request for admission to the procedure of pre-insolvency composition agreement with creditors ("concordato preventivo"), under Articles 161 Clause 6, Italian Government Publication dated 10 March 1942 no 267 – further amended in Sep 2012. Article 161, foresees the possibility to deposit a request of "concordato" (so called "simplified" or "blank"), attaching the financial statements of the last 3 financial years and reserving the possibility to submit the proposal, the plan and the residual necessary documentation within a term fixed by the judge between 60 and 120 days, extendable by the judge once for 60 days due to justified reasons.

The said application from Franco Tosi has been admitted by the Milan court on 07 June 2013 on the procedure and has granted a period of time of 120 days (which could be extended for additional 60 days for justified reasons) to file the final proposal for admission to the procedure of pre-insolvency composition agreement with creditors (the **"Proposal"**).

The concordato procedure chosen by FTM is for continuity purposes and not liquidation and will enable FTM to achieve a restructuring arrangement with creditors and can be accessed by it in a state of crisis (ranging from temporary to acute) to facilitate the restructuring of its debts. This is a flexible procedure and is expected to be completed within about 6/8 months starting from the Proposal.

Such procedure will enable FTM to submit to its creditors for their approval a proposed settlement of their credits, also implying a sensible write-off of the relevant credits and/or satisfaction of the creditors under any form (including assignment of assets). 51% of the value of the creditors admitted to the procedure will have to approve the plan as confirmed by the court.

While under procedure FTM will continue its normal activity but being a debtor in possession procedure, FTM and its management are subject to court supervision and the supervision of a court-appointed office holder. Besides, no creditor can initiate action of any kind against FTM until final approval by the court thereby giving it protection to continue its operations unhindered.

The management is of the view that FTM has sufficient assets to meet the liabilities as may be approved by the court as part of the overall plan, while ordinary business operations will continue without hindrances, considering the healthy order backlog as well as the large front log of orders under evaluation.

Notwithstanding the above, considering the complexity of the situation, economic condition prevalent in Europe and as a measure of prudence, the Company has made provision towards impairment of the entire Goodwill arising on consolidation of FTM into the Company of an amount of ₹ 109.16 Crore and has charged the same as an exceptional item.

(b) Although the order book position and the assessment of impairment did not indicate any impairment requirement, considering the economic situation in Europe and particularly Italy and as measure of prudence the Company has made provision towards impairment of the entire Goodwill arising on consolidation of SAE Powerlines S.r.L into the Company of an amount of ₹ 17.63 Crore and has charged the same as an exceptional item.

12 Investments

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2013	31-Mar-2012	31-Mar-2013	31-Mar-2012
Investment Properties				
-Oil Exploration Assets	310.24	244.18	-	-
Investments in Shares & Debentures				
-Associates as per AS-23	23.27	23.55	-	-
-Other Investments				
Quoted	-	-	1.35	3.65
Unquoted	56.37	53.11	-	-
Investment in Partnership	0.00	0.00	-	-
Investments in Mutual Funds	-	-	6.06	3.21
Investment in Government Securities	0.55	0.55	-	-
Investment in Own Shares through GIL Trust	1.69	1.69	-	-
Grand Total	392.12	323.08	7.41	6.86
Less :Provision for Diminution in value of investment	(53.61)	(1.20)	(0.39)	(0.37)
TOTAL	338.51	321.88	7.02	6.49

(a) The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij B. V, Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for Euro 7.50 million., Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A, Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l. wholly held by Busi Group.

The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons.

In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards the Investment in Sadelmi of ₹ 52.59 Crore and has charged the same as an exceptional item.

(b) **OIL Exploration Assets**

INVESTMENT IN CAMPO PUMA ORIENTE S.A AND CONSORSIO PEGASO

(i) CONSORCIO PEGASO (Pegaso) was established in Quito – Ecuador on October 31st, 2006 comprising of several Companies making it an independent economic unit in order to carry out in partnership agreements for exploration and exploitation oil. During the year 2010, on July 1st one of the members of the consortium transferred the rights and obligations to the extent 67% in favor of the Company Campo Puma Oriente S.A., The Ministry had on December 30th, 2009 authorized the change of the Operator of the Contract for the Exploitation of Crude Oil and Additional Exploration of Hydrocarbons of Campo Marginal PUMA, to CPO.

(ii) CPO entered into a New Contract negotiated in December, 2010 and signed on January 21st 2011. The Consortium contemplates a rise in crude oil production for the year 2011 with which will obtain revenues which will allow it to continue operating as an going concern. Significantly it is projected to have net income that allows it to absorb the generated losses and it is estimated to carry the corresponding amortization of accumulated deficit in three years as from 2011, drilling of two wells, purchase and installation of additional production facilities and acquisition of other support equipment.

(iii) The contract has been modified to a Service Contract with effective date at February 1st 2011 with a view to lend services to the Ministry of Hydrocarbons by the Contractor, with its own resources and at its risk, for exploration and exploitation of hydrocarbons, including crude oil, in the Area of the Contract, in accordance with the terms and conditions set in the Amending Contract and established under the Applicable Law.

(iv) Breakup of Investments in Campo Puma Oriente

(₹ in Crore)

Particulars	31-Dec-2012	31-Dec-2011
Capitalised Investment	201.61	168.84
Capitalised Administration Expense	1.07	-
Drilling Investment	33.42	42.93
Work In Progress	27.70	26.96
Facilities Investment	21.11	16.57
Exploration investment	80.80	2.27
Secondary Recovery	0.48	-
(-) Amortisation Of Capitalised Investment	(57.96)	(21.29)
(-) Amortisation Of Precontract expenses	(5.56)	(0.26)
Others	7.57	8.16
TOTAL	310.24	244.18

(v) Drilling Investment : This represents the 100% of share of the rights and obligations that Consortium Pegaso maintains (100% in 2011). There were three wells drilled during the year.

(vi) Capitalised Investment represents the 100% of share of rights and obligations that Consortium Pegaso maintains(100% in 2011).The values of investments in Development and executed and completed production by December 2012 on which it is performed the corressponding amortisation and capitalised expenses administration.

(vii) Work in progress represents precontract expenses of CPO until entered as member of Consortium Pegaso and the percentage of share of Consortium pegaso's expenses.

(viii) Amortisation of Capitalised Investment is based on the method applicable to the marginal contracts based on the accounting regulation for service contracts in the respective country.

(ix) On March 15, 2012, Campo Puma Oriente S.A. as member of Consorcio Pegaso made a formal request to the Ministry of Non-Renewable Natural Resources asking for their approval for a transfer of 7.38% of shares from Joshi Technologies International, Inc. in favor of Gammon India Limited. Until the date of this report, this process still pending to be approve.

13 Loans and Advances (Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Loans and Advances				
Capital Advance	**101.24**	85.57	**-**	-
Loans and Advances to related parties	**15.31**	2.61	**74.25**	37.58
Security & Other Deposits	**60.88**	79.88	**34.64**	31.17
Loans and Advances Considered doubtful	**-**	-	**3.60**	3.60
Less : Provision for doubtful loans and advances	**-**	-	**(3.60)**	(3.60)
Advances recoverable in cash or kind				
Prepaid Expenses	**54.01**	-	**58.58**	53.93
Advance to Creditors / Sub Contractor	**125.73**	120.87	**249.47**	188.07
Other Loans And Advances				
Taxes Paid Net of Provisions	**288.72**	220.24	**17.87**	33.55
Staff Advances	**-**	-	**3.98**	4.64
Indirect Taxes and Duties recoverable	**-**	-	**161.50**	137.62
Others	**139.75**	196.81	**193.97**	292.65
Deposits with Joint Stock Companies				
Unsecured and Considered good	**6.31**	4.50	**-**	-
Unsecured and Considered doubtful	**1.46**	0.39	**6.40**	6.40
Less : Provision for doubtful deposits	**(1.46)**	(0.39)	**(6.40)**	(6.40)
TOTAL	**791.95**	710.48	**794.26**	779.21

14 Other Assets

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Unbilled revenue	**-**	-	**232.62**	103.91
Interest Accrued Receivable	**66.72**	1.39	**33.92**	25.75
Accrued Income	**-**	-	**143.08**	64.67
Mat Credit Entitlement	**19.52**	16.47	**-**	-
Other Receivable	**26.99**	84.05	**29.21**	20.06
TOTAL	**113.23**	101.90	**438.83**	214.39

15 Inventories

(₹ in Crore)

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
Raw Material	**142.53**	182.62
Material at Construction Site	**472.90**	525.62
Stores and Spares	**15.23**	7.20
Work In Progress	**1,726.09**	1,434.34
Finished Goods	**67.48**	62.24
TOTAL	**2,424.23**	2,212.02

(i) Valuation methodology :
(As taken, valued and certified by the Managing Director)

Raw Material	Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on weighted average method.
Work In Progress	Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs. Work in progress from manufacturing operation is valued at cost and Costs are determined on weighted average method.
Finished Goods	Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on weighted average method.
Stores & Spares Materials of Construction Site	Stores and Construction Materials are valued and stated at lower of cost or net realisable value. The weighted average method of inventory valuation is used to determine the cost.
Other Scrap Material	As realisable value

15A Property Development Account

(₹ in Crore)

Particulars	31-Mar-2013	31-Mar-2012
Balance at the beginning of the year	**1,335.41**	445.67
Add : expenses incurred during the year and directly charged to the project	**-**	-
Cost of Leasehold Land	**-**	-
Cost of freehold land	**20.90**	769.57
Less : Material Transfer to statement of Profit & Loss	**(26.64)**	-
Cost of Material Consumed	**10.63**	-
Labour and Other related expenses	**2.36**	1.30
Site Development permisssion fees	**3.71**	31.20
Finance Costs	**140.33**	83.21
Stock in Hand	**-**	0.49
Other Expenses	**4.80**	3.97
Closing Balance	**1,491.50**	1,335.41
TOTAL	**1,491.50**	1,335.41

Project Development account includes expenses incurred under the following broad heads

(₹ in Crore)

Particulars	31-Mar-2013	31-Mar-2012
Cost of Leasehold Land	**343.56**	343.56
Cost of Freehold land	**763.83**	769.57
Land Development Expenses	**51.66**	34.95
Finance Cost	**309.74**	169.41
Other Expenses	**22.71**	17.92
TOTAL	**1,491.50**	1,335.41

During the year, the Company has decided to develop its land situated at Andheri carried as a Fixed Asset. Accordingly, the amount carried in the books as fixed assets of ₹ 116.39 Crore is classified as Current asset after reversal of revaluation reserve of ₹ 116.34 Crore in respect of the Andheri land and the net amount of ₹ 0.05 Crore is shown under Property Development Account.

16 Trade receivables

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2013	31-Mar-2012	**31-Mar-2013**	31-Mar-2012
Trade Receivables				
(Unsecured, considered good unless otherwise stated)				
Outstanding for a period exceeding six months	**734.38**	660.82	**623.67**	1,116.85
Other Debts	**52.56**	51.68	**1,617.61**	1,086.70
(Unsecured, considered doubtful)				
Doubtful Debts	**-**	-	**46.15**	47.34
Provision for doubtful debts	**-**	-	**(46.15)**	(47.34)
TOTAL	**786.94**	**712.50**	**2,241.28**	2,203.54

(a) In respect of the road projects undertaken by the Company, in furtherance to the recommendation of the Dispute Resolution Board (DRB), the Company has been awarded claims by the Arbitration Tribunal for an aggregate amount of ₹ 150.09 Crore (Previous Year ₹ 109.09 Crore) which has been recognized as revenue & included in Non-Current Trade Receivables. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favourable awards from the DRB and the arbitration tribunal, the Management is reasonably certain that the claims will get favourable verdict from the courts.

The Company had also recognised revenue of ₹ 58.00 Crore in respect of one of the project based on advanced negotiation and discussion with the client and is confident of realising the same, pending the final revision in contract value.

(b) Under the Concession Agreement dated 27th October, 1999, executed between CBICL, GIL the holding Company of the Group, Government of Kerala (GOK) and Greater Cochin Development Authority (GCDA) dated January 6th, 2001; the entire project has been assigned to CBICL as a Concessionaire for the purpose of developing, operating and maintaining the infrastructure facility on BOT basis for 13 years and nine months.

Subsequently, a Supplementary Concession Agreement is to be executed as per the Government of Kerala's Order Nos. G.O. (M.S.) No. 11/2005/PWD dated 24th January, 2005 and G.O. (M.S) No. 16/2005/PWD dated 1st March, 2005 between the Government of Kerala, Greater Cochin Development Authority and CBICL. In terms of the order, the period of concession has been increased by 6 years and CBICL is entitled to yearly annuity receipts which it is accounting as Trade receivables. The annuities have not been collected till date. CBICL has not made any provision against the said receivables. As the annuities has not been received till date, CBICL has initiated arbitration procedures.

17 Cash and Bank Balances

(₹ in Crore)

Particulars	Current			
	As at 31-Mar-2013		As at 31-Mar-2012	
Cash and Cash Equivalent				
Cash Balances	**7.83**		6.65	
Funds In Transit	**0.85**		43.96	
Bank Balances	**324.25**		610.75	
		332.93		661.36
Others				
Unpaid Dividend	**0.76**		0.75	
Other Bank Balances	**102.32**		6.17	
Fixed Deposit Account (On Margin Account)	**24.79**		78.74	
		127.87		85.66
TOTAL		**460.80**		747.02

(a) Other Bank balances include ₹ 50.26 Crore (Previous Year ₹ 6.15 Crore) with bank branches in foreign countries relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries.

(b) Balances in Foreign Bank Accounts are as per ledger and in case of some of the banks are subject to reconciliation.

18 Revenue from Operations (Gross)

(₹ in Crore)

Particulars	FY 2012-2013		FY 2011-2012	
Turnover	**7,452.47**		8,116.28	
Less : Excise Duty	**(108.03)**		(78.93)	
		7,344.44		8,037.35
TOTAL		**7,344.44**		8,037.35

(a) **Disclosure in accordance with Accounting Standard - 7 (Revised), in respect of contracts entered into on or after April 1,2003:**

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Turnover for the year	**3,770.23**	4,709.73
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	**20,411.74**	17,167.09
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	**2,262.20**	2,104.36
Contract Advances (Net)	**873.45**	736.99
Gross Amount due from Customers for contract work	**1,487.54**	1,313.85
Gross Amount due to customers for contract work	**61.07**	91.48

Disclosure under AS - 7 has been done only for the holding Company and the Indian Subsidiaries in the absence of similar disclosure information being available from the other component Companies in these financial statements especially the overseas Subsidiaries and Joint Ventures.

(b) The group undertakes various projects on build-operate-transfer basis as per the Service Concession Agreements with the government authorities. The construction cost incurred by the operator on contracts with the group companies are considered as exchanged with the grantor against toll collection / annuity rights from such agreements and therefore the profits from such intra-group contracts is considered realised by the group and not eliminated for consolidation under AS – 21 Consolidated Financial Statements. The revenue and contract profit during the year fom such contracts not eliminated in the above results is ₹ 386.44 Crore (Previous Year ₹ 936.42 Crore) and ₹ 119.08 Crore (Previous Year ₹ 325.32 Crore) respectively.

19 Other Operating Income

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Operating Grant Received	**20.62**	17.15
Export Incentive	**3.61**	1.64
Sale of Scrap	**34.80**	24.63
Freight Charges	**58.03**	37.51
Fees & Miscellaneous Receipts	**27.47**	11.59
Interest on Early Completion Bonus	**-**	4.03
Revenue from O & M activities	**5.25**	14.67
TOTAL	**149.78**	111.22

20 Other Income

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Interest Income	**21.52**	27.92
Miscellaneous Income	**44.92**	37.93
Profit on sale of Assets	**9.48**	0.72
Profit on sale of Investments	**10.97**	10.38
Dividend Received From Current Investments	**0.41**	3.24
Insurance Claim Received	**4.07**	27.28
Profit on sale of Extingushment of debentures	**-**	73.39
TOTAL	**91.37**	180.86

(a) Dividend received from own investment held through Gammon Trust is adjusted under appropriation ₹ 0.12 Crore (Previous Year ₹ 0.23 Crore).

21 Cost of Materials Consumed

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Opening Stock	**707.70**	661.37
Add : Purchases (Net of Discount)	**3,053.75**	3,084.59
Less : Closing Stock	**(617.99)**	(707.70)
TOTAL	**3,143.46**	3,038.26

22 Purchase of Stock in Trade

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Brought out material	**292.48**	266.66
TOTAL	**292.48**	266.66

23 Changes in inventories of finished goods work-in-progress

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Inventory Adjustments - WIP	**(341.67)**	(70.62)
Inventory Adjustments - FG	**(7.68)**	(4.10)
TOTAL	**(349.35)**	(74.72)

24 Employee Benefits

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Salaries, Bonus, Perquisites etc.	**837.41**	859.53
Contribution to Employees welfare funds, gratuity and leave encashment	**97.55**	73.46
Staff Welfare expenses	**33.72**	35.88
TOTAL	**968.68**	968.87

(a) The Company has made application to the Central Government for payment of Managerial Remuneration (Previous Year ₹ 2.87 Crore Excess)in case of inadequacy of profits during the year. The said application is pending approval. The managerial remuneration of ₹ 13.33 Crore paid during the year is in accordance with the permission sought but is subject to approval.

25 Foreign Exchange (Gain)/Loss

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Exchange (Gain) / Loss	**11.05**	2.37
Mark to Market on Fx Transactions	**3.76**	1.70
TOTAL	**14.81**	4.07

26 Finance Cost

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Interest Expense	**779.45**	617.93
Other Financial Charges	**47.90**	41.58
Finance Cost Transferred to CWIP	**-**	(6.68)
TOTAL	**827.35**	652.83

27 Depreciation & Amortisation

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Depreciation on Tangible Assets	**210.16**	173.59
Less : Depreciation on Revalued Assets	**(3.13)**	(3.13)
Amortisation on Intangible Assets	**95.92**	64.49
Amortisation on Investment Properties	**40.72**	8.01
TOTAL	**343.67**	242.96

28 Other Expenses

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Plant Hire Charges	64.03	91.68
Consumption of Stores and Spares	105.14	94.98
Outward Freight	104.12	82.17
Sales Tax	89.42	100.53
Service Tax	65.70	69.06
Power & Fuel	183.82	215.44
Fees & Consultations	150.22	170.58
Rent, Rates & Taxes	75.98	78.32
Travelling Expenses	67.32	84.05
Communication	16.00	18.23
Insurance	64.64	75.98
Repairs to Plant & Machinery	31.85	49.41
Bank Charges & Commission	68.44	51.80
Bad Debts Written off	46.74	45.92
Loss on sale of Assets	0.80	2.51
Provision for Doubtful Debts	30.62	8.27
Remuneration to Auditors	1.05	0.89
Loss on Joint Venture	4.66	(0.77)
Loss on sale of investments	-	3.54
Provision for diminution in value of investments	-	2.20
Sundry Expenses (None of which is more than 1% of total revenue individually)	333.36	291.48
TOTAL	1,503.91	1,536.27

(a) **Remuneration to Auditors.**

Remuneration to auditor of components are merged with fees and consultations.

29 Diminution in the Value of Investments

(a) **The Company through its Special Purpose Investment Vehicle holds the following stakes :**
- Franco Tosi Mecannica S.p.A., Italy
- Sofinter S.p.A., Italy
- Sadelmi S.p.A., Italy
- SAE S.r.L., Italy

(b) The Company has carried out an impairment test of its investments in Sofinter and SAE Italy. Considering the business plans of these entities and the results of the tests and the fact that all these entities have an healthy order book positions and adequate references in international markets notwithstanding the turbulent market conditions in Europe, the management is of the view that there is no impairment of its investments in these companies.

(c) Considering the losses in one of its subsidiary M/s Ansaldo Caldaie Boilers India Private Limited (ACBI), the Company has carried out an impairment test of its investments in ACBI. Considering the business plans of the entity as approved by the board of ACBI and the results of the tests and the fact that the Company is in the process of executing certain jobs to be received from M/s Ansaldo Caldaie S.p.A and the jobs to be secured by it and adequate references in that context, the management is of the view that there is no permanent diminution in the value of its investments in the Company.

30 Significant Accounting Policies followed by the Company are attached with the Standalone Financial Statements. Due to inherent diversities in the legal and regulatory environment governing accounting principles, the accounting policies would be better understood when referred from the individual financial Statements However, the following are instances of diverse accounting policies followed by the Subsidiaries, which may materially vary with these Consolidated Financial Statements.

(a) In case of SAE the Work-in-progress has been recorded on the basis of the criterion of the completion or the status of progress; the revenues and the job margin are recognized according to the progress of the productive activity as against the method of computing the percentage of work completed is determined by the expenditure incurred on the job till each review date to total expenditure of the job.

(b) In the absence of disclosures made in the accounts of one of the overseas Joint Venture Company regarding effect of acquisition and disposal of Subsidiaries, no such disclosure is possible to be made in the Consolidated Account.

(c) Disclosures relating to the employee benefits for the overseas components have not been given in the absence of data in the required format.

31 Earning Per Share

Earnings per share (EPS) = Net Profit attributable to shareholders / Weighted Number of Shares Outstanding

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
Net profit attributable to the Equity Share holders (₹ in Crore)	**(849.83)**	(105.14)
Outstanding equity shares at the end of the year	**135,774,668**	135,774,668
Weighted Number of Shares during the period – Basic	**135,774,668**	135,751,805
Weighted Number of Shares during the period – Diluted	**136,515,084**	136,514,212
Earning Per Share – Basic (₹)	**(62.59)**	(7.75)
Earning Per Share – Diluted (₹)	**(62.59)**	(7.75)
Since the effect on the Diluted EPS is anti dilutive, no effect for the same has been given		

Reconciliation of weighted number of outstanding during the year :

Particulars	As at 31-Mar-2013	As at 31-Mar-2012
Nominal Value of Equity Shares (₹ per share)	**2.00**	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	**135,774,668**	135,739,182
Add: Issue of shares under ESOP	**-**	35,486
Number of Equity Shares at the end	**135,774,668**	135,774,668
Weighted average of equity shares at the end	**135,774,668**	135,751,805
For Dilutive EPS :		
Weighted average no. of shares in calculating basic EPS	**135,774,668**	135,751,805
Add: Shares kept in abeyance	**725,800**	725,800
Add: On grant of stock option under ESOP	**14,616**	36,607
Weighted average no. of shares in calculating dilutive EPS	**136,515,084**	136,514,212

32 Disclosure under Accounting Standard – 19 "Leases" of the Companies (Accounting Standards) Rule , 2006

The Company has taken various residential/godowns/offices premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in Profit and Loss Account under Rent, Rates and Taxes.

DIPL, one of the Subsidiary Company has taken 15 acres of land on lease basis for a period of 30 years renewable for each period of 30 years at a time without any additional cost to the Company. The land is to be used for development of reality facilities such as retail mall, commercial offices and hotel etc. Therefore, the cost of leased land and expenditure during development stage has been directly debited to "Project work-in-progress", which is shown under Current Assets.

VSPL, one of the Subsidiary of the Company has taken land on lease from Visakhapatnam Port Trust under non-cancellable operating lease agreements and temporary housing from others under cancellable operating lease agreements. Total rental expense under non-cancellable operating leases was ₹ 0.92 Crore (Previous year: ₹ 0.59 Crore) and under cancellable operating leases was ₹ 0.08 Crore (Previous year: ₹ 0.07 Crore) which has been disclosed as lease rentals in the statement of profit and loss.

Further, another SPV has also taken an office premises on a non-cancellable operating lease. The monthly lease rents amounts to ₹ 0.10 Crore (Previous year : ₹ 0.10 Crore).

A detailed break up of amount payable to leasing Companies is as follows -

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Within 1 Year	**10.97**	6.62
Between 1 and 5 Years	**53.22**	24.86
Beyond 5 Years	**75.32**	90.18

33 Contingent Liability

(₹ in Crore)

S.N.	Particulars	31 Mar 2013	31 Mar 2012
i	Liability on contracts remaining to be executed on Capital Accounts	**133.74**	1,008.61
ii	Counter Guarantees given to Bankers for Guarantees given by them and Corporate Guarantees, on behalf of Subsidiary, erstwhile Subsidiary, Associate Companies*	**6,734.94**	6,401.18
iii	Corporate Guarantees and Counter Guarantees given to Bankers towards Company's share in the Joint Ventures for guarantees given by them to the Joint Venture Project clients	**117.84**	553.80
iv	Corporate Guarantees and Counter Guarantees given to Bankers by a step down Subsidiary & Joint Venture for their projects	**866.41**	1,011.61
v	Disputed Sales Tax liability for which the Company has gone into Appeal	**44.32**	29.71
vi	Claims against the Company not acknowledged as debts	**187.10**	103.90
vii	Disputed Excise Duty Liability	**0.05**	0.03
viii	Disputed Customs Duty Liability	**-**	-
ix	Disputed Service Tax Liability	**53.44**	21.13
x	Against bill discounting	**7.68**	22.20
xi	Since Realised	**-**	(8.81)
xii	On partly paid shares	**-**	-
xiii	In respect of Income Tax Matters	**45.72**	19.70
xiv	Commitment towards capital contribution in Subsidiary under contractual obligation	**47.36**	47.36
xv	Letter of Credit	**468.83**	28.84
xvi	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Ltd.	**4.93**	4.93
xvii	Contingent Liability in respect of legal dispute of Joint Venture	**-**	11.07
xviii	There is a disputed demand of UCO Bank pending since 1986, of USD 436251 i.e. ₹ 1.72 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. ₹ 0.12 Crore, which adjustment has not been accepted by the Company		
xix	The Company had deposited customs duty of ₹ 2.20 Crore under protest in respect of certain machineries imported for the project in Sikkim. The Company contends that the import of machinery is duty free as per the Project Import regulations prevailing then. The Company has preferred an appeal against the levy of Custom Duty. Pending outcome of the appeal, the said amount is carried under Advances recoverable in cash or in kind		
xx	Counter claims in arbitration matters referred by the Company – liability unascertainable		

* Corporate guarantees includes an amount of USD 35.00 Million (₹ 179.04 Crore) issued on behalf of a wholly owned Subsidiary guaranteeing its contractual commitment towards purchase of securities.

(a) Claims against the Company not acknowledged as debt includes :

(i) During the year, some of the subsidiaries of the Group has received block assessment orders raising demand u/s 143(3) read with section 153(A) of the Income Tax Act, 1961 for assessment years from 2005-06 to 2011-12 totalling to ₹ 75.61 Crore. The subsidiaries of the Group are of the view that the said Orders are unjustified and unsustainable and hence is in the process of filing appeals against the said assessment Orders with the Commissioner of Income-Tax (Appeals). Since the subsidiaries of the Group proposes to appeal against these orders, they believe that no liability will ultimately result from these and accordingly no provision has been made in these financial statements in respect of these amounts.

(ii) An amount of ₹ 17.77 Crore claimed by the collector and district registrar, Rajahmundry, pursuant to and Order dated March 15, 2005, as deficit stamp duty payable on the concession agreement entered into between a subsidiary of the Group and NHAI, classifying the concession agreement as a 'lease' under Article 31(d) of the Indian Stamp Act. The subsidiary has impugned the Order by way of a writ petition before the High Court of Andhra Pradesh at Hyderabad. No provision is considered necessary in respect of the said demand, as the management of the subsidiary believes that there is no contravention of the Indian Stamp Act.

(iii) A winding up petition against a subsidiary of the Group, has been filed by a creditor for recovery of ₹ 1.41 Crore. The subsidiary is disputing the said amount and has recognised ₹ 0.17 Crore payable as there are claims and counter claims by both parties. Pending the final outcome of such proceeding, the claim from the trade payable is disclosed as a contingent liability. The management of the said is of the view that the same would be settled and does not expect any additional liabilities towards the same.

(iv) Export obligation under EPCG scheme by a Subsidiary of group Company amounts to ₹ 22.90 Crore (Previous Year ₹ 27.89 Crore)

(v) In terms of the individual Contracts signed by SPVs they are required to carry major periodic maintenance of the roads they are operating as a part of commitment against receipt of Tolling Rights and / or Annuities. The said SPVs have made provisions towards the same in their respective financial statements.

(vi) One of the SPV's engaged in generating power from a bagasse power plant has committed to purchase bagasse when the power plant becomes operational. The total commitment to purchase the bagasse, upto March 31, 2013, is ₹ 6.50 Crore (Previous year :₹ 6.00 Crore).

(vii) In case of the Ansaldo Caldaie S.p.A. guarantees in favour of the customers Middle Delta for the Banha plant for approximately Euro 21.00 million, West delta Electricity for the Abu Qir plant job for approximately Euro 38.00 million, and Cairo Electricity for the El Tebbin plant for approximately Euro 21.00 million and in favour of the customer East Delta for Suez Plant for an amount of approximately Euro 36.00 and the Sofinter S.p.A. guarantees in favour of the client Consorzio TUC Costrucoes which amount is Euro 13.80 million and of the customer Mitsubishi which the amount is approximately Euro 8.60 million, and of the customer Marubeni which amount is approximately Euro 7.60 million.

(viii) The total capital commitment as on March 31, 2013 is ₹ 7510.52 Crore (Previous year : ₹ 901.84 Crore).The capital commitments are in respect of projects where the concession agreements have been signed and does not include projects where only Letters of Intents are held.

34 Segment Reporting

The Company is engaged in three segments-"Construction and Engineering, Oil exploration and Realty Development" including businesses acquired on account of new acquisitions. The revenue from oil exploration and realty development are less than threshold limit of 10% and hence no disclosure of separate segment reporting is made in terms of Accounting Standard AS -17.

The Group although operates on a worldwide basis across the globe, they operate in two principal geographical areas of the world in India and the other countries. The following table presents the break-up of the revenues and assets regarding the geographical segment.

Particulars	Amount (₹ in Crore)			Percentage (%)	
	Domestic	Overseas	Total	Domestic	Overseas
Segment Revenue	**6,195.33**	**1,298.89**	**7,494.22**	**82.67**	**17.33**
	6,295.90	1,852.67	8,148.57	77.26	22.74
Segment Asset	**13,575.70**	**3,845.63**	**17,421.33**	**77.93**	**22.07**
	12,475.04	3,516.00	15,991.04	78.01	21.99
Capital Expenditure	**5,759.55**	**1,111.20**	**6,870.75**	**83.83**	**16.17**
	5,481.06	1,102.80	6,583.86	83.25	16.75

35 Quantitative information of Derivative instruments entered into by the Company and outstanding as at balance sheet date

(a) **For Un-hedged Foreign Currency Exposures for the Holding Company:**

Foreign currency exposure un-hedged as at 31 Mar 2013 is ₹ 1081.33 Crore (Previous Year ₹ 770.86 Crore) receivables and ₹ 242.17 Crore (Previous year ₹ 208.50 Crore) payables. Currency wise unhedged amounts are as follows-

Currency	FY 2012-2013		FY 2011-2012	
	Receivables	Payables	Receivables	Payables
USD - US Dollar	**130,779,803**	**34,330,854**	105,677,260	21,058,063
EURO	**42,055,991**	**1,191,055**	19,523,543	1,716,590
GBP - Great Britain Pound	**-**	**11,811**	-	25,243
AED - UAE Dirham	**95,560**	**-**	95,560	-
OMR - Omani Rial	**-**	**-**	4,596,144	3,742,084
SEK - Swedish Kronor	**-**	**26,863**	-	-
DZD - Algeria	**113,792,364**	**211,088,907**	169,060,250	194,462,060
NAIRA - Nigeria	**1,170,092**	**6,213,707**	1,170,092	6,213,707
KSH - Kenya	**76,465,896**	**43,402,704**	77,376,509	45,431,178
BTN - Bhutan	**309,331,135**	**243,049,649**	238,723,153	180,350,595
CAD - Canadian Dollar	**4,467,527**	**126,987**	827,302	-
BIRR - Ethopia	**30,666,033**	**16,319,706**	4,350,051	8,247,664
RWF - Rwandan Franc	**130,030,285**	**8,774,930**	-	-

(b) Foreign currency hedged exposure for receivables is ₹ Nil (*Previous Year ₹ 37.55 Crore*)

Currency	FY 2012-2013	FY 2011-2012
USD	-	7,250,000

(c) The breakup of the outstanding derivative position of the overseas Subsidiaries is tabulated hereunder

(₹ in Crore)

Particulars	As at 31st Dec, 2012		As at 31st Dec, 2011	
	Assets	Liabilities	Assets	Liabilities
Derivatives on exchange rates	**0.77**	**0.52**	3.46	3.15
Derivatives on interest rates	**-**	**0.09**	-	0.84
Total non-current derivatives	**0.77**	**0.61**	3.46	3.99

36 Joint Venture

(a) **Details of Joint Ventures entered into by the Company :**

S. N	Name of Joint Venture	Description of Interest	% of involvement
1	Afghanistan ATSL AEPC Consortium	Jointly Controlled Operation	75.00%
2	BBJ Gammon	Jointly Controlled Operation	49.00%
3	Gammon Limak (Vishnugod Pipalnote HEPP)	Jointly Controlled Operation	51.00%
4	Gammon Atlanta	Jointly Controlled Operation	50.00%
5	Gammon BBJ	Jointly Controlled Operation	50.00%
6	Gammon CMC (DFCC Eastern Corridor)	Jointly Controlled Operation	65.00%
7	Gammon Construtora Tensacuai	Jointly Controlled Operation	60.00%
8	Gammon Limak (Vishnugod Pipalnote HEPP)	Jointly Controlled Operation	51.00%
9	Gammon Marti	Jointly Controlled Operation	60.00%
10	Gammon OSE	Jointly Controlled Operation	50.00%
11	Gammon - CMC JV	Jointly Controlled Operation	60.00%
12	Gammon - CMC JV	Jointly Controlled Operation	50.00%
13	Gammon - CRFG JV	Jointly Controlled Operation	55.00%
14	Gammon - HG JV	Jointly Controlled Operation	74.00%
15	Gammon - HG JV	Jointly Controlled Operation	74.00%
16	Gammon - HG JV	Jointly Controlled Operation	74.00%
17	Gammon - Technofab JV	Jointly Controlled Operation	51.00%
18	Gammon AG JV	Jointly Controlled Operation	51.00%
19	GAMMON ARCHIRODON	Jointly Controlled Operation	98.50%
20	GAMMON RIZZANI	Jointly Controlled Operation	50.00%
21	Gammon Pratibha (BWSSB)	Jointly Controlled Operation	70.00%
22	Gammon Progressive	Jointly Controlled Operation	50.00%
23	Gammon Srinivas	Jointly Controlled Operation	80.00%
24	Gammon Technofab (Transmission & Distribution of Electricity & Water)	Jointly Controlled Operation	70.00%
25	Gammon Tensacuai	Jointly Controlled Operation	80.00%
26	Gammon-CGS-MARTI-DOLSAR	Jointly Controlled Operation	57.00%
27	Gammon-Geomiller	Jointly Controlled Operation	51.00%
28	Gammon-Marti	Jointly Controlled Operation	60.00%
29	GIL Simplex (Dholakal Tupul)	Jointly Controlled Operation	51.00%
30	GIL Simplex (Khongsang Imphal)	Jointly Controlled Operation	51.00%
31	Hyundai Gammon	Jointly Controlled Operation	49.00%
32	OSE GIL	Jointly Controlled Operation	50.00%
33	Patel Gammon	Jointly Controlled Operation	49.00%
34	Gammon - FCEP - Joint Venture - Nigeria	Jointly Controlled Operation	80.13%
35	SAE - GIL Consortium	Jointly Controlled Operation	33.91%
36	SAE - GAMMON Consortium	Jointly Controlled Operation	51.56%
37	Consortium SAE - GAMMON	Jointly Controlled Operation	37.03%
38	JV Siemens Ltd. And ATSL, Kenya	Jointly Controlled Operation	19.79%
39	Consortium between SAE Powerlines Srl and ATSL	Jointly Controlled Operation	Nil
40	GIL JMC	Jointly Controlled Operation	70.00%
41	IM - JV	Jointly Controlled Operation	12.25%
42	JFE - Gammon Joint Venture	Jointly Controlled Operation	40.00%
43	JFE - Gammon Joint Venture	Jointly Controlled Operation	40.00%
44	MI - JV	Jointly Controlled Operation	9.80%
45	Sanoje- Gammon JV	Jointly Controlled Operation	26.00%
46	SAE - Gammon Consoritum	Jointly Controlled Operation	85.46%
47	Bhutan Consortium Jyoti Structures Ltd. & Gammon India Ltd.	Jointly Controlled Entity	50.00%

37 Joint Venture and operations in Oman

The Company has during the year suspended its operations at Oman JV and its branch office and has provided towards all receivables and assets in connection therewith. The Company has also suspended recognition of the results of the Joint Venture in its financials and does not expect any liabilities in connection therewith.

38 Exceptional Item

(₹ in Crore)

Particulars	FY 2012-2013	FY 2011-2012
Unamortised portion of periodic maintenance written off	-	70.20
Prior period expenses	-	4.87
Others Adjustments	-	0.89
Provision for Dimunition in Value of Investment (refer Note 12 a)	**52.59**	-
Provision for Impairment of Goodwill in FTM and SAE (refer Note 11 A)	**126.48**	-
Provision towards operation in Oman (Refer Note 37)	**11.39**	-
Less :		
Developer fees eliminated earlier, now reversed	-	40.40
Total exceptional items	**190.46**	35.56

39 Disclosure of transactions with Related Parties, as required by Accounting Standard - 18 'Related Party Disclosures has been set out in a separate statement - 1 annexed to this schedule

As per our report of even date

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

N. Jayendran
Partner
M.No. 40441

Mumbai, Dated : 21st June 2013.

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

D. C. BAGDE
Deputy Managing Director

C. C. DAYAL
Director

R. A. BHANSALI
Executive Director

GIRISH BHAT
Chief Financial Officer

GITA BADE
Company Secretary

Mumbai, Dated : 21st June 2013.

Statement - 1

Related Party Disclosure (AS - 18)

A	Relationship
	JOINT VENTURES
1	Afghanistan ATSL AEPC Consortium
2	BBJ Gammon
3	Bhutan Consortium Jyoti Structures Limited & Gammon India Limited
4	Blue Water Iron Ore Terminal Private Limited
5	Consortium between SAE Powerlines Srl and ATSL
6	Consortium SAE - GAMMON
7	Gammon - FCEP - Joint Venture - Nigeria
8	Gammon Al Matar JV
9	Gammon Ansaldo (Kakrapara BOT Pkg.I)
10	Gammon Atlanta
11	Gammon BBJ
12	Gammon CMC (DFCC Eastern Corridor)
13	Gammon Construtora Cidade Tensaccia Joint Venture
14	Gammon Construtora Tensacuai
15	Gammon Encee Consortium JV
16	Gammon Limak (Vishnugod Pipalnote HEPP)
17	Gammon Marti
18	Gammon OJSC Mosmetrostroy Joint Venture
19	Gammon OSE
20	Gammon Patel
21	Gammon Pratibha (BWSSB)
22	Gammon Progressive
23	Gammon Srinivas
24	Gammon Technofab (Transmission & Distribution of Electricity & Water)
25	Gammon Tensacuai
26	Gammon-CGS-MARTI-DOLSAR
27	Gammon-Geomiller
28	Gammon-Marti
29	Gammon-Mosmetrostroy (Bangalore Metro)
30	GIL Simplex (Dholakal Tupul)
31	GIL Simplex (Khongsang Imphal)
32	Hyundai Gammon
33	Indira Container Terminal Private Limited
34	Jaeger Gammon
35	Jager Gammon
36	JV Siemens Limited And ATSL, Kenya
37	OSE GIL
38	Patel Gammon
39	SAE - GAMMON Consortium
40	SAE - GIL Consortium
41	SEZ Adityapur Limited
	ASSOCIATES & GROUP COMPANIES
1	Eversun Sparkle Maritime Services Private Limited
2	Modern Toll Roads Limited
3	Finest S.p.A. Italy
	KEY MANAGERIAL PERSONNEL
1	Mr Abhijit Rajan
2	Mr Himanshu Parikh
3	Mr Rajul A Bhansali
4	Mr Rohit Modi
5	Mr D C Bagde
6	Mr Kishor Kumar Mohanty
7	Mr Parag Parikh
8	Mr R K Malhotra
	RELATIVES OF KEY MANAGERIAL PERSONNEL
1	Mr Harshit Rajan
2	Mrs Sandhya Bagde
3	Ms. Ruchi Bagde

B) **Related Parties transactions during the year in normal course of business :**

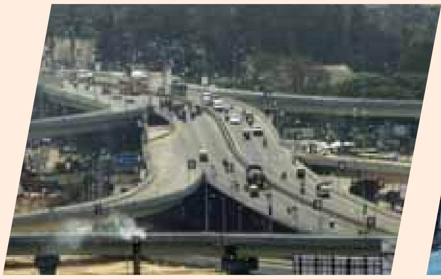
(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
ASSOCIATES				
Amount liquidated towards the finance provided	2.32		-	
Finest S.p.A.		2.32		-
Interest Income during the year	0.12		0.22	
Finest S.p.A.		0.12		0.22
Outstanding Balances Receivables	1.61		3.21	
Finest S.p.A.		1.61		3.21
TOTAL	4.05		3.43	
KEY MANAGERIAL PERSONNEL				
Remuneration paid	18.69		23.25	
Mr Abhijit Rajan		8.79		12.27
Mr Himanshu Parikh		2.13		1.71
Mr Rajul A Bhansali		1.11		1.00
Mr Rohit Modi		0.58		3.38
Mr D C Bagde		0.97		0.86
Mr Kishor Kumar Mohanty		2.58		2.22
Mr Parag Parikh		1.70		0.67
Mr R K Malhotra		0.83		1.14
RELATIVES OF KEY MANAGERIAL PERSONNEL				
Remuneration paid	0.63		-	
Mr Harshit Rajan		0.62		-
Ms Ruchi Bagde		0.01		-
TOTAL	19.32		23.25	
JOINT VENTURE				
Subcontracting Income	331.36		255.33	
Jager Gammon		25.15		55.85
Consortium of Jyoti Structure & GIL		42.46		19.54
Gammon Pratibha		37.32		-
OSE Gammon JV		45.33		-
Patel Gammon		168.16		168.97
Subcontracting Expenditure	-		0.08	
Consortium of Jyoti Structure & GIL		-		0.08
Sale of Goods	35.52		24.07	
Consortium of Jyoti Structure & GIL		35.52		24.07
Finance provided for expenses & on a/c payments	12.23		-	
Gammon Atlanta JV		0.12		0.38
Gammon BBJ JV		1.10		0.30
Jager Gammon JV		0.81		1.12
Gammon Pratibha		-		0.54
Gammon Progressive		-		0.10
Gammon FECP JV Naigeria		10.02		-

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year Amounts	Current Year Amounts from Major Parties	Previous Year Amounts	Previous Year Amounts from Major Parties
Amount liquidated towards the finance provided	**2.11**		0.44	
Gammon BBJ JV		**0.70**		-
Gammon Rizzani		**1.41**		-
Gammon Progressive		**-**		0.44
Interest paid during the year	**0.05**		0.91	
GIL Archirodon JV		**-**		0.16
Hyundai Gammon		**0.05**		0.05
Gammon SEW JV		**-**		0.37
Jager-Gammon		**-**		0.29
Contract Advance received	**56.43**		53.06	
Jager-Gammon		**14.71**		39.53
Patel Gammon		**41.72**		13.52
Refund received against Contract Advance	**44.51**		67.73	
Jager-Gammon		**17.00**		52.57
Patel Gammon		**27.51**		12.67
Guarantees and Collaterals Outstanding	**290.78**		181.16	
OSE Gammon JV		**20.83**		24.36
Gammon Atlanta JV		**8.95**		8.95
Gammon Limak JV		**-**		17.00
Consortium of Jyoti Structure & GIL		**58.04**		-
Patel Gammon		**28.05**		21.21
Gammon Srinivas JV		**7.00**		19.65
Jager-Gammon		**32.45**		40.24
Gammon FECP JV Naigeria		**94.39**		-
Outstanding Balances Receivables				
Trade & Other Receivable	**234.86**		149.21	
Consortium of Jyoti Structure & GIL		**24.07**		19.98
Gammon Atlanta JV		**7.69**		7.56
OSE Gammon JV		**53.12**		10.52
Gammon JMC		**12.46**		13.71
Jager-Gammon		**8.50**		9.57
Patel Gammon		**75.15**		63.30
Outstanding Balances Payable				
Trade & Other Payable	**39.33**		51.17	
Consortium of Jyoti Structure & GIL		**17.81**		36.45
Patel Gammon		**18.78**		4.58
Gammon SEW JV		**1.43**		6.16
Jager-Gammon		**0.70**		2.97
TOTAL	**1,047.19**		783.15	

Gammon Firsts



Clove leaf flyover of five kilometres at Hebbal, Bangalore, in 2003, the longest in India at that time

Urban viaduct of two kilometres at J.J. Hospital, Mumbai, in 2002, the longest in India at that time

Longest span Cantilever bridge of 140 metres across the river Jadukata, Meghalaya, in 2001

Tallest cooling tower of 141 metres at Panipat, Haryana, in 2000, the tallest in India at that time

Railway tunnel of seven kilometres for Konkan Railway at Ratnagiri, Maharashtra, in 1995, the longest in Asia at that time

First cable-stayed bridge in India at Akker, Sikkim, in 1988

First 500 MW thermal power station at Trombay, Maharashtra, in 1983

River bridge of six kilometres across the Ganges at Patna, Bihar, in 1982, the longest in India at that time

First reinforced piling job in India for construction of the foundation of Gateway of India, Mumbai, Maharashtra, in 1922

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