



GAMMON
Builders to the Nation



ANNUAL REPORT 2011-12

CONTENTS

CHAIRMAN'S ADDRESS	1
BOARD OF DIRECTORS	4
CONSORTIUM BANKERS & AUDITORS	5
AN INDUSTRY LEADER	8
REGION-WISE PROJECTS	10
FINANCIAL HIGHLIGHTS OF THE DECADE	12
PERFORMANCE HIGHLIGHTS	16
KEY PROJECTS	18
PUBLIC PRIVATE PARTNERSHIP PROJECTS	20
DIRECTOR'S REPORT	23
REPORT ON CORPORATE GOVERNANCE	34
MANAGEMENT DISCUSSION AND ANALYSIS	54
FINANCIAL STATEMENTS	76
CONSOLIDATED ACCOUNTS	124

Dear Shareholders,

The financial year 2011-12 witnessed several upheavals in the economy and financial markets, globally and India was no exception. The continuing uncertainty in the Eurozone and slowdown in the US economy resulted in an environment fraught with unimaginable risks and uncertainty on all fronts, including political. In this scenario, India witnessed a sharp decline in the value of the rupee, high inflationary pressures, a decline in industrial output and the consequent slowdown in growth of GDP to 6.9%. Expectations for the current year are pegged even lower.

The push in infrastructure spend which aided India's growth story in the recent past has stagnated since the last year for various domestic reasons, not the least being the slowdown in decision making process within the Government. This has adversely affected the pace of order booking and has resulted in delays in awards and execution. In the international markets for EPC players there continue to be opportunities. However, in the overall context of currency volatility, intense competition and other risks not commensurate with margins, the approach of your Company in these markets has been cautious. Further, inflationary pressures resulted in an all-round increase in costs especially of petroleum products and major construction materials. All these factors have led to higher working capital requirements and an increase in debts and finance costs. This has majorly impacted the bottom lines of infrastructure majors in India during the year and no early reversal of this trend is foreseen for infrastructure companies in the current year as well. Your Company's EPC business, like its peers has been, and continues to be, impacted by all these events.



CHAIRMAN'S ADDRESS

Additionally, in the first quarter of this year, a policy change announced by the Finance Ministry, has put severe restrictions on financing of unsecured short term loans, which are a major source for infrastructure companies, in general. Pending regularization through securitization of these loans, the cash flows have been squeezed, with consequent impact on turnover and profitability. Your Company has taken steps to address this issue with its consortium of banks and hopes for an early solution. Meanwhile, to meet these challenges, the Company has put in place deep austerity measures, the effects of which will be seen in the current financial year.

Against the backdrop of the severe economic and financial



Gammon House

stress in the global markets and especially in the Eurozone the operations of the Company's step down subsidiaries in Italy brought some cheer with a sharp decline in after tax losses, as compared to the previous year, while being significantly EBITDA positive. Notwithstanding this the environment continues to be tough and uncertain for these Companies and close attention is being bestowed to

timely address the attendant risks. Meanwhile, continuous improvement in operational efficiency and cost control are being vigorously pursued across all functions and activities to meet the emerging challenges. Considering the lapse of over 3 years since these investments were made and the future outlook for these Companies including the present scenario in the Indian Power Sector, various options of restructuring are being considered in the current financial year with the aim to de-risk the parent as much as possible. The development arm of the Group has also been able to buck the reverse trend, by increasing its project basket and



Tuticorin Chimney for Coastal Energen

improving its overall performance notwithstanding the above problems. This has been possible through a mix of careful acquisition, efficient and timely delivery and better management of operational assets to meet committed revenue streams.

Operational details of the various businesses of the Company are available in the Management Discussion and Analysis Report and I am therefore not dwelling on the same. I need hardly stress that your Company is fully geared to address the current situation as it unfolds and is taking all steps to bring back the equilibrium to its operations and put it back on a growth trajectory once more.

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

BOARD OF DIRECTORS

MR. PETER GAMMON

Chairman Emeritus

MR. ABHIJIT RAJAN

Chairman & Managing Director

MR. HIMANSHU PARIKH

Executive Director

Domestic Operations

MR. RAJUL A. BHANSALI

Executive Director

International Operations

MR. DIGAMBAR C. BAGDE

Executive Director

Deputy Managing Director,
Transmission & Distribution
Business

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



Hotel Leela Palace, Chennai

*Tunnel boring machine at Parbati Hydroelectric Project,
Himachal Pradesh*

CONSORTIUM BANKERS

COMPANY SECRETARY

GITA BADE

AUDITORS

NATVARLAL VEPARI & Co.

CANARA BANK

PUNJAB NATIONAL BANK

ALLAHABAD BANK

ICICI BANK

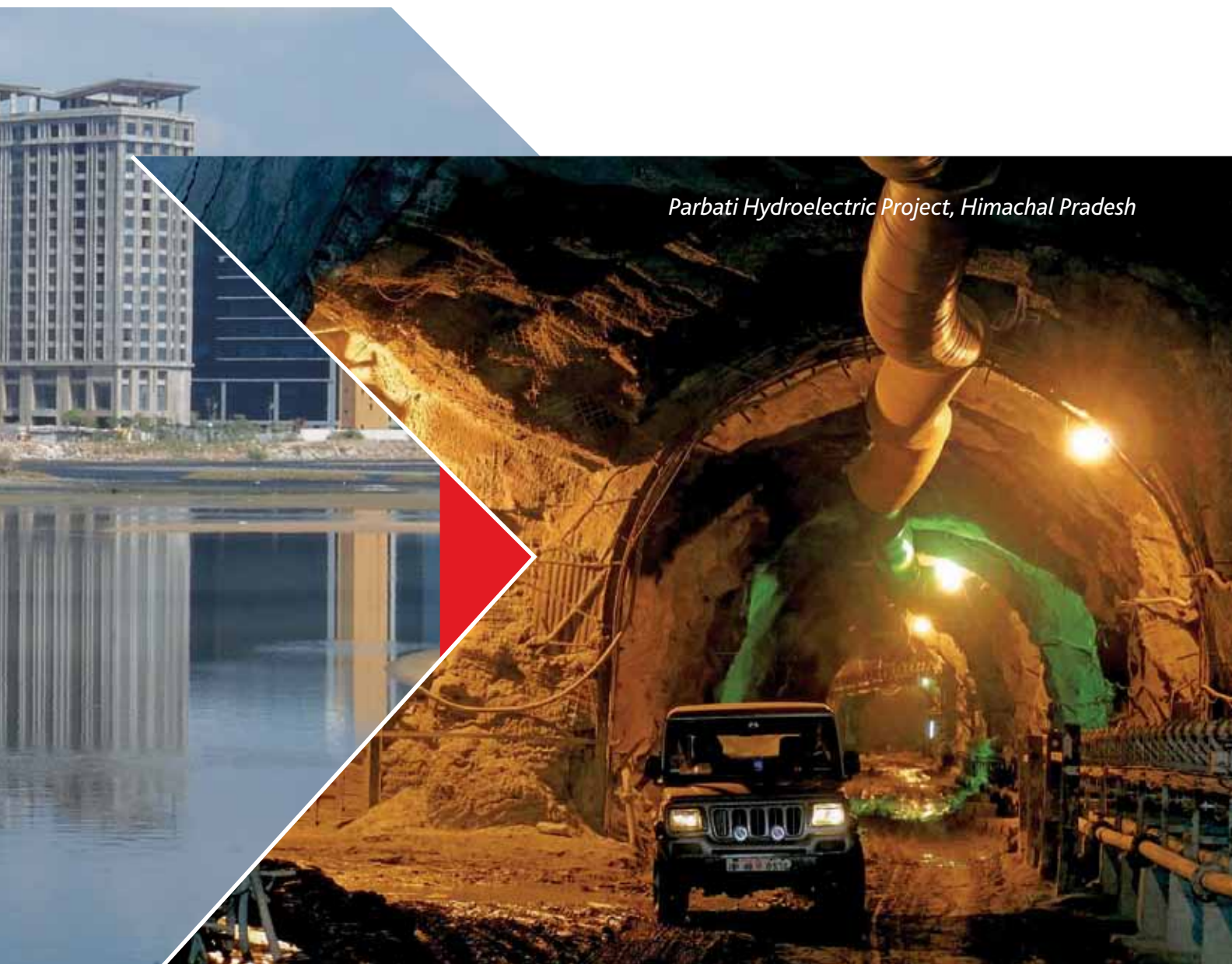
SYNDICATE BANK

IDBI BANK

ORIENTAL BANK OF COMMERCE

BANK OF BARODA

DBS BANK LTD



Parbati Hydroelectric Project, Himachal Pradesh

Gorakhpur Bypass, Uttar Pradesh





AN INDUSTRY LEADER



Galvanizing Plant at Deoli, Maharashtra

BALANCE SHEET

(₹ in Crore)

SOURCE OF FUNDS	As at 31 st March 2012	As at 31 st March 2002	APPLICATION OF FUNDS	As at 31 st March 2012	As at 31 st March 2002
Shareholders Funds	2251.98	184.47	Non-Current Assets	3316.40	256.89
Non-Current Liabilities	842.11	65.72	Current Assets	4424.98	366.70
Current Liabilities	4647.29	373.40			

PROFIT & LOSS ACCOUNT

(₹ in Crore)

PARTICULARS	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	2002-03
Turnover	5533.12	5557.97	4534.25	3681.96	2513.74	2084.33	1645.69	866.60	1119.72	726.65
Profit Before Tax	151.58	176.40	211.25	208.69	139.34	143.06	111.16	51.59	54.46	35.28

STRONG FINANCIAL RATING CARE has assigned the following ratings

FACILITIES	Amount (₹ in Crore)	Ratings
Long Term Bank Facilities	1,100	CARE A+
Long / Short Term Bank Facilities	10,400	CARE A+ / A1+
Non Convertible Debentures	500	CARE A+
CP / STD	100	CARE A1+
CP / STD*	900	CARE A1+

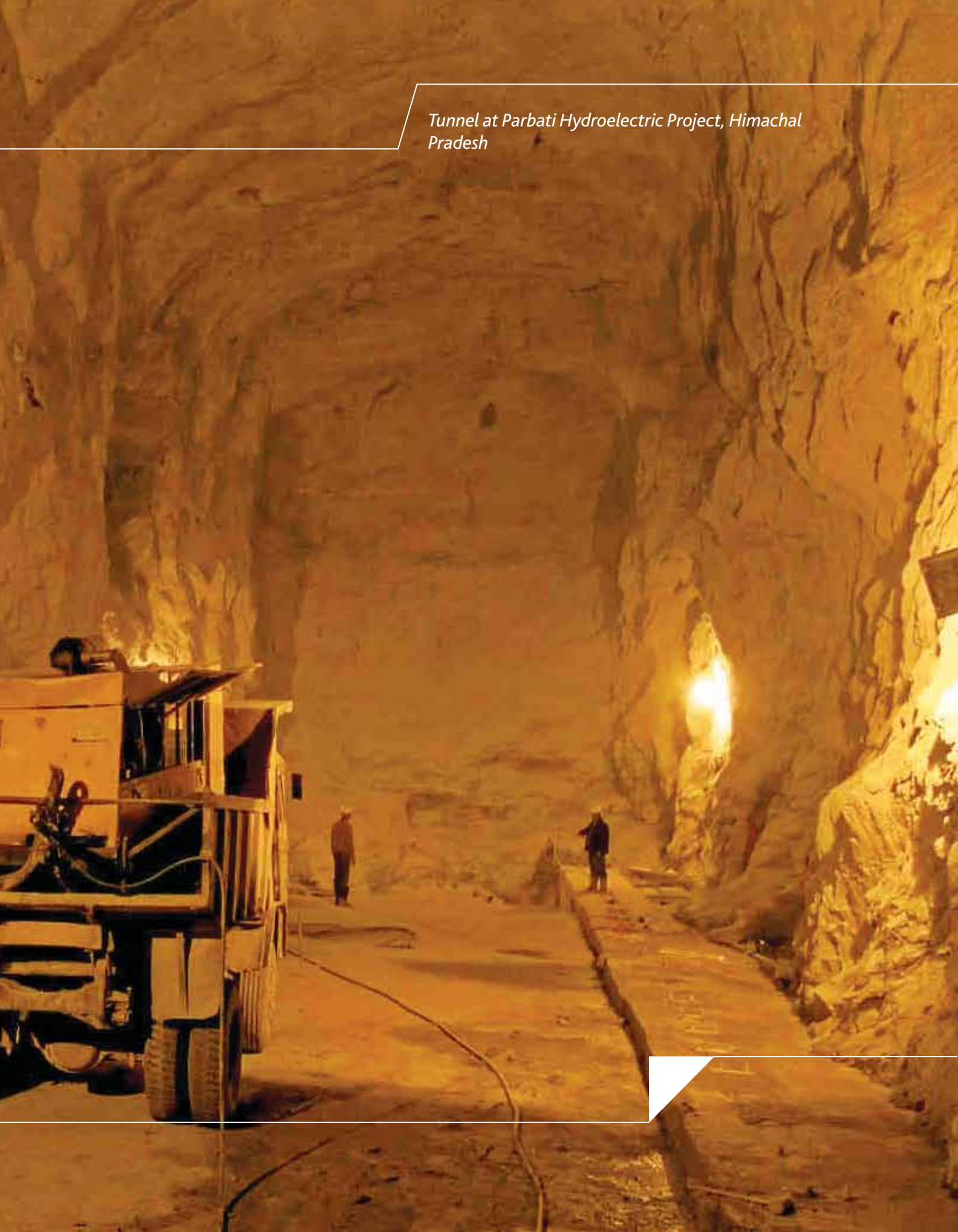
* Carved out of Working Capital

REGION-WISE PROJECTS

as on 31st March 2012

Areas of Specialisation	North Zone	South Zone	East Zone	West Zone	Total
Transport Engineering	6	6	18	5	35
Energy Projects/High-rise Structures/ Industrial Structures	15	23	11	23	72
Hydro Power/Tunnel/Irrigation Projects	5	5	6	1	17
Building Works	1	7	2	9	19
Ground Engineering & Environment Protection	0	1	4	3	8
Pipeline and Marine Projects	3	1	2	4	10
Total	30	43	43	45	161

Tunnel at Parbati Hydroelectric Project, Himachal Pradesh



FINANCIAL HIGHLIGHTS OF THE DECADE

	2002-03	2003-04*	Apr04-Dec04 9 Months
A. FINANCIAL POSITION			
Share Capital	12.84	12.84	15.58
Employee Stock Option Outstanding	-	-	-
Equity Shares Warrants	-	-	-
Reserves & Surplus (Excluding Revaluation of Assets)	113.55	139.25	309.62
Revaluation reserves	71.73	70.22	69.13
SHAREHOLDERS FUNDS:	198.12	222.31	394.33
Loan Funds	188.26	218.18	303.10
Deferred Tax Liability	26.61	31.98	36.59
Fixed Assets (Net) [Excluding Revaluation of Assets]	215.17	225.09	253.33
Amount of Revaluation	71.73	70.22	69.13
Total Net Fixed Assets (Including Revaluation of Assets)	286.90	295.31	322.47
Investments	76.90	80.50	89.63
B. OPERATING RESULTS:			
TURNOVER	726.65	1,119.72	866.60
Net Profit before tax	35.28	54.46	51.59
Net Profit after tax	20.93	34.09	42.90
Dividend Distributed	3.16	3.16	3.85
Tax on Dividend	0.40	0.40	0.55
Cash Profits	47.00	59.40	63.96
C. EQUITY SHARE DATA (FACE VALUE PER SHARE ₹ 2/- EACH)			
Earning per Share ₹ (on Base capital 1999-2000)	33.22	54.11	68.10
Earning per Share ₹ (on Weighted Average Capital)	15.06	23.42	5.92
D. IMPORTANT RATIOS:			
Debt Equity ratio	1.49	1.43	0.93
Sales/Average of Net Fixed Assets (Number of Times)	3.79	5.09	3.62
Book Value of Share (Without Revaluation Reserve)	-	-	208.74
Book Value of Share (With Revaluation Reserve)	-	-	253.12

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

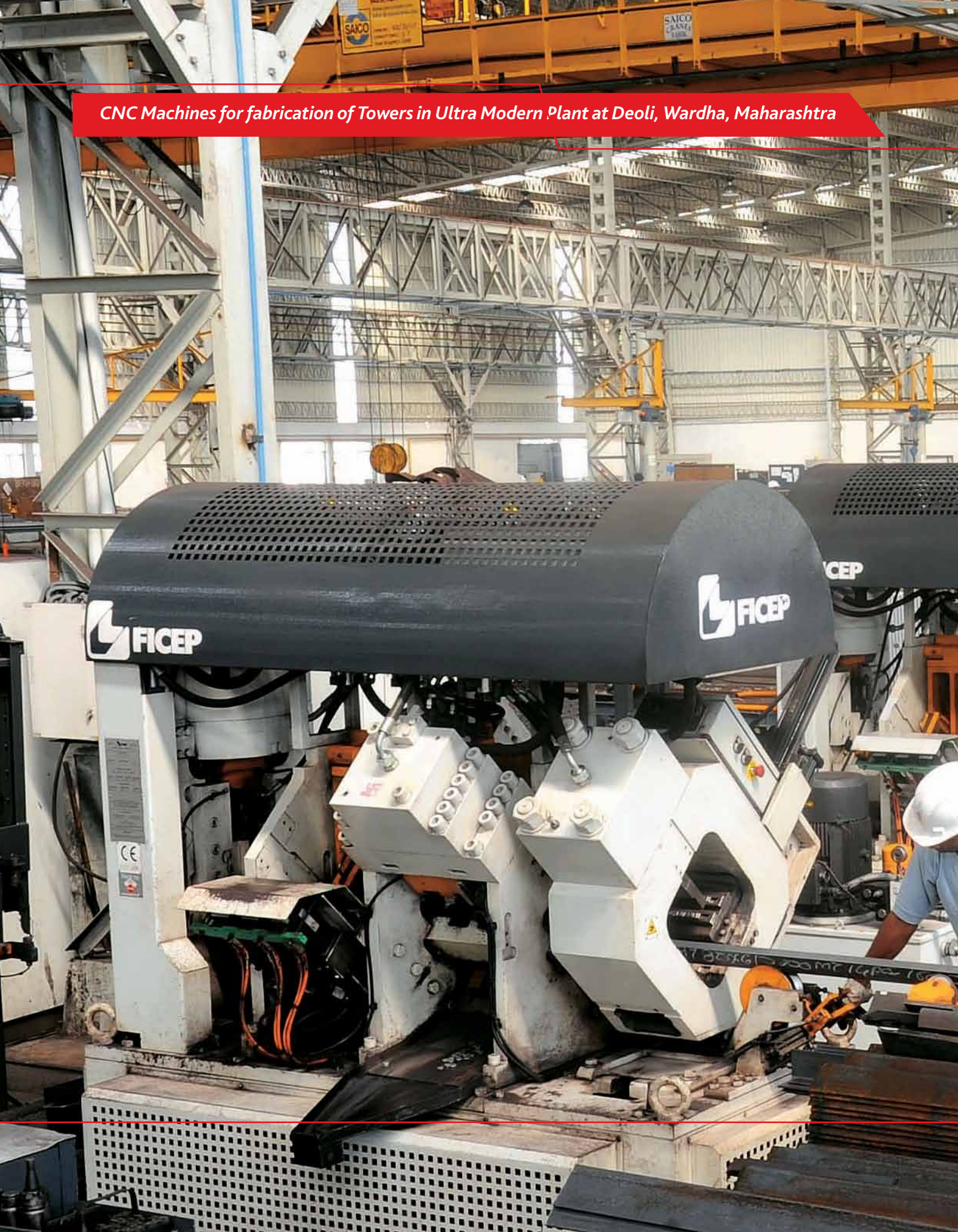
Mumbai Offshore Container Terminal Project

Turbine made by Franco Tosi

(₹ in Crore)

Jan05-Mar06 15 Months	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12
17.69	17.69	17.69	126.71	25.83	27.49	27.50
-	-	-	1.81	1.75	1.16	0.54
-	-	-	-	18.60	-	-
840.79	879.78	961.31	1,206.55	1,656.29	1848.85	1987.77
67.34	252.80	249.66	245.57	242.43	239.30	236.17
925.82	1,150.27	1,228.66	1,580.64	1,944.90	2,116.80	2,251.98
170.59	371.49	377.06	972.27	1,294.56	2,126.15	2,728.91
34.53	37.92	37.17	54.36	71.73	81.43	67.19
309.70	448.68	541.79	737.84	926.56	1,143.35	1,116.09
67.34	252.80	249.66	245.57	242.43	239.30	236.17
377.04	701.48	791.45	983.41	1,168.99	1,382.65	1352.26
116.19	150.44	160.78	220.61	197.84	211.30	208.72
1,645.69	2,084.33	2,513.74	3,681.96	4,534.25	5,636.85	5,533.12
111.16	143.06	139.34	208.69	211.25	176.4	151.58
102.83	98.36	88.32	139.00	144.79	118.45	87.04
5.25	4.37	4.34	12.80	13.73	10.63	2.73
0.73	0.64	0.74	2.17	2.28	1.74	0.44
137.86	136.98	133.78	210.12	232.96	219.86	174.79
163.22	156.13	140.19	220.63	229.83	188.02	138.16
13.43	5.12	9.93	12.46	10.72	9.16	6.41
0.20	0.41	0.39	0.73	0.76	1.13	1.21
5.89	5.49	5.08	5.75	5.45	5.45	4.90
98.97	103.46	112.92	115.12	133.59	138.32	148.47
106.72	132.60	141.64	138.10	152.61	155.95	165.86

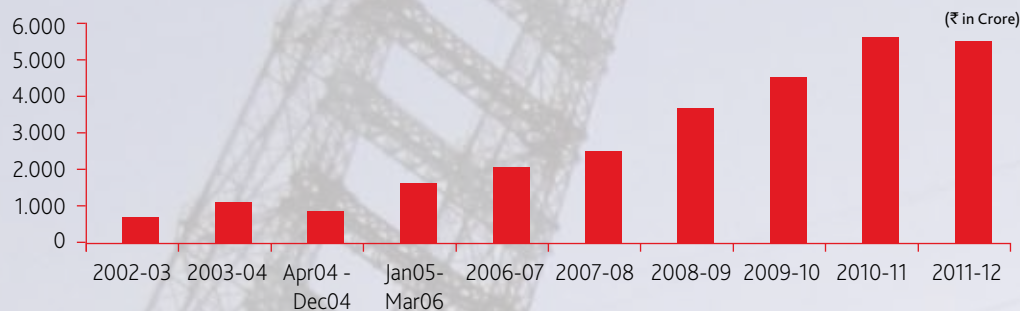
CNC Machines for fabrication of Towers in Ultra Modern Plant at Deoli, Wardha, Maharashtra



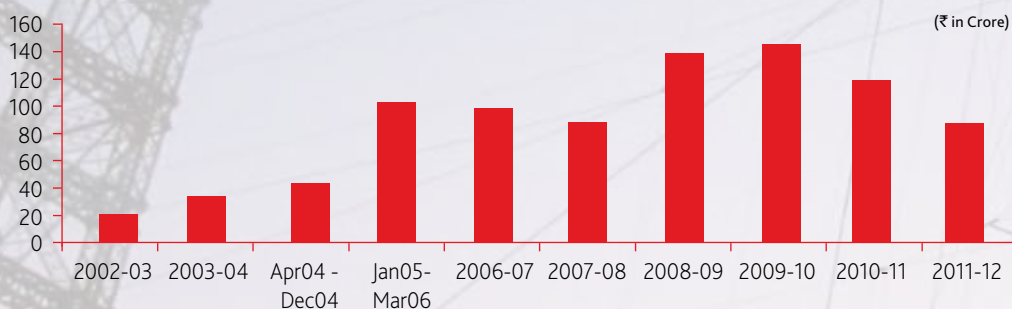


PERFORMANCE HIGHLIGHTS

TURNOVER



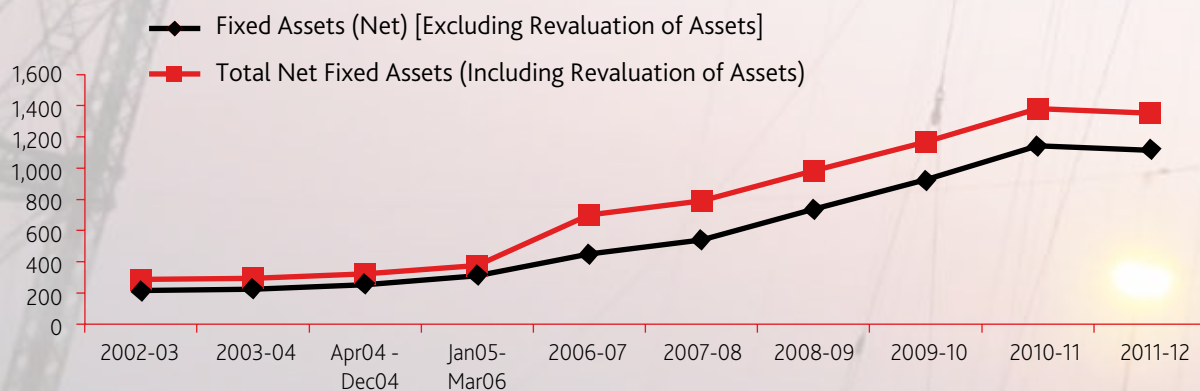
NET PROFIT AFTER TAX



NET WORTH (EXCLUDING REVALUATION RESERVE)



FIXED ASSETS



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



Transmission lines



KEY PROJECTS

as on 31st March 2012

► Chennai Metro 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.

Client: National Highway Authority of India.

Cost: ₹ 1075 crore

► Patna Muzaffarpur Road Works

Upgradation of Hajipur-Muzaffarpur section of the existing NH-77 to four lane dual carriageway. New bypass starting at km 46.300 and connecting NH-28 of East-West corridor at km 515.045.

Client: National Highway Authority of India.

Cost: ₹ 750 crore

► Godavari Bridge

Design and Construction of Major Bridge across river Godavari.

Client: Rajahmundry Godavari Bridge Limited.

Cost: ₹ 700 crore

► AP Lift Irrigation Scheme

Stage 3 Pumping station (5X30 MW) of Kalwakurthy Lift Irrigation Scheme.

Client: Irrigation and Command Area Development Department – Govt. of Andhra Pradesh.

Cost: ₹ 631.99 crore



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(T & D Business)

► Signature Bridge

Construction of Bridge and its approaches over river Yamuna D/s of existing bridge at Wazirabad, Delhi.

Client: Delhi Tourism & Transportation Development Corporation Limited.

Cost: ₹ 631.81 crore

► Parbati HE 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

► Gorakhpur Bypass

Design and Construction of four-lane Km 0.00 to Km.32.27 of Gorakhpur Bypass on NH-28 in the state of Uttar Pradesh on Annuity Basis.

Client: National Highway Authority of India.

Cost: ₹ 560 crore

► Patna Water Supply Distribution Network

Design, Construction, Installation, Commissioning, Management, Operation & Maintenance of Intake, RWPH, 220 MLD Water Treatment Plant and Water Supply Distribution Network in Patna (Bihar) under the JNNURM Scheme on DBO Basis.

Client: Bihar Urban Infrastructure Development Corporation Limited.

Cost: ₹ 548.83 crore

► AP Irrigation Package – 19

Investigation, Designs and execution of water conveyor system with capacity of 84.21 Cumecs from Thipparam reservoir to Chevella Reservoir Main Canal-Reach 3 with all associated work such as lined gravity canal CM & CD works including distributory network of 25,000 acres from Muhunnadabad(v) to Cherial(v) km 70.00 to km 96.00.

Client: Irrigation and Command Area Development Department – Government of Andhra Pradesh.

Cost: ₹ 435.89 crore

PUBLIC PRIVATE PARTNERSHIP PROJECTS

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 Highway Authority of India (NHAI)

Project Cost: ₹ 256 crore

Concession Period: 17.5 years

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

As of March 31, 2012, REL has received 14 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 Highway Authority of India (NHAI)

Project Cost: ₹ 248 crore

Concession Period: 17.5 years

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

As of March 31, 2012, AEL has received 14 annuities from NHAI (each semi-annual annuity amounting to ₹ 2791.2 lakhs).

Cochin Bridge Infrastructure Company Limited (CBICL)

The 750 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

The construction was completed 10 months ahead of schedule, which resulted in the early collection of toll revenues.

CBICL is also entitled to receive a fixed annual annuity payment of ₹ 1.54 crore from GOK.

Andhra Expressway





Vizag Jetty, Andhra Pradesh



Kosi Bridge, Bihar

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 Highway Authority of India

Project Cost: ₹ 811 crore

Concession Period: 20 Years

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

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: ₹ 318.34 crore

Concession Period: 30 years

Commercial operations begun in July 2004 and VSPL has handled 5.55 million tons of cargo in the financial year ending March 2012.

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 on BOT cum Annuity basis.

Client: National Highway Authority of India (NHAI)

Project Cost: ₹ 31.90 crore

Concession Period: 20 years

KBICL has obtained Commercial Operations Date and in February 2012 project was inaugurated for commercial operations.



Cochin Bridge, Kerala

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 Highway Authority of India (NHAI)

Project Cost: ₹ 753 crore

Concession Period: 20 years

The project has been formally inaugurated on March 31, 2012. The EPC Contract for the project was awarded to Gammon India Limited.

Parbati Hydroelectric Project, Himachal Pradesh



DIRECTOR'S REPORT

Your Directors have pleasure in presenting their 90th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

1. FINANCIAL PERFORMANCE & OPERATIONS:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2011-2012	2010-2011*	2011-2012	2010-2011*
Profit before Other Income, Depreciation & Interest	459.77	220.94	689.13	406.95
Add:				
Other Income	157.22	280.82	180.86	557.74
Less:				
Depreciation	101.99	91.71	242.96	241.23
Interest	363.42	233.65	652.83	459.31
Profit before Tax	151.58	176.40	(25.80)	264.15
Less:				
Provision for Taxation	64.54	57.95	95.52	150.10
Profit after Taxation	87.04	118.45	(121.32)	114.05
Transferred to Minority Interest	Nil	Nil	(16.18)	(4.03)
Profit for the year	87.04	118.45	(105.14)	110.02
Add:				
Profit brought forward from the previous year	341.67	273.36	64.37	40.94
Available for Appropriation	428.71	391.81	(40.77)	150.96
Appropriations:				
Transfer to General Reserve	10.00	12.00	19.06	32.21
Transfer to Debenture Redemption Reserve	47.43	45.50	47.43	45.50
Transfer from Debenture Redemption Reserve	Nil	(19.15)	Nil	(19.16)
Dividend from Own Shares	(0.23)	(0.58)	(0.23)	(0.58)
Transfer to Capital Reserve	Nil	Nil	0.28	0.99
Transfer to Foreign Currency Translation Reserve	Nil	Nil	56.46	6.06
Adjustments to Minority Interest	Nil	Nil	0.58	3.42
Dividend (Proposed) Equity Shares	2.73	10.63	2.73	10.63
Tax on Dividend	0.44	1.74	7.73	7.52
Other Adjustments	Nil	Nil	(1.01)	Nil
Balance carried to Balance Sheet	368.34	341.67	(173.80)	64.37

*Figures for the previous period have been regrouped.

The year under review was a difficult period for the construction industry and for the Company. With fewer projects to bid for the order booking was sluggish. Competition continued to be intense due to low entry barriers resulting in smaller players underquoting to capture the projects. Further government inaction, delays in awarding projects, delays in clearances by various government agencies, bureaucratic apathy, rising inflation leading to an increase in prices of major construction raw materials such as steel, cement, bitumen leading to price escalation in contracts, squeeze on liquidity caused by higher interest costs, leading to delay in projects and delay in timely recoveries from clients all had a dampening effect on the overall performance of the Company. The impact led to pressures on the working capital and resulted in higher debt.

The Turnover of the Company on a Standalone basis stood at ₹ 5533 crore for the year ended 31st March, 2012 (₹ 5558 crore previous year). Operating Profit (PBDIT) amounted to ₹ 460 Crore (₹ 221 Crore previous year). After providing ₹ 102 Crore (₹ 92 Crore for the previous year) towards depreciation and ₹ 65 Crore (₹ 58 crore previous year) towards tax for current and deferred taxation, the net profit amounted to ₹ 87 Crore (₹ 118 Crore previous year). The annualized percentage decrease in turnover over previous year amounted to 0.04%. The order book position of your Company as on 31st March, 2012 stood at ₹ 15078 Crore.

On a consolidated basis the turnover of the Gammon group stood at ₹ 8038 crore for the year ended 31st March, 2012. The annualized percentage decrease in turnover over previous year amounted to 8%. The group made a Loss of ₹ 105.14 crores for the year ended 31st March, 2012 as compared to a Profit of ₹ 110.02 crore in the previous year. This was mainly on account of increase in interest costs due to higher borrowings.

The recessionary trends in the infrastructure sector continues in the current financial year 2012-13. The Company has posted a Loss of ₹ 19.61 crore during the first quarter ended 30th June, 2012. The Company has taken several critical steps for improving its funds flow, including strong austerity measures across the Company, the effects of which will be seen in the current financial year.

A review of the performance of various business sectors has been given in detail in the Management, Discussion & Analysis Report which forms part of the Annual Report.

2. DIVIDEND:

The Board of Directors at its meeting held on 14th August, 2012 has, subject to the Shareholder's approval, recommended a final dividend of ₹ 0.20 paise (10%) per share of face value of ₹ 2/- each for the year 31st March, 2012 on the equity shares. The dividend payout for the year under review is ₹ 2.73 Crores. Dividend Distribution Tax aggregates to ₹ 0.44 Crores.

3. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradeable in electronic form. As of 31st March, 2012, 93.01% of the Company's total paid-up capital representing 126,959,750 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/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 Secured Non-Convertible Debentures. The Company redeemed debentures aggregating to ₹ 50 Crores. 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	1,100	CARE A+
Long / Short Term Bank Facilities	10,400	CARE A+ / CARE A1+
Non-Convertible Debentures	500	CARE A+
CP / STD*	900	CARE A1+
CP / STD	100	CARE A1+

*Carved out of working capital limits.

In the first quarter of this year, a policy change announced by the Finance Ministry, has put severe restrictions on financing of unsecured short term loans, which are a major source of funding for infrastructure companies, in general. Pending regularization through securitization of these loans, the cash flows have been squeezed, with consequent impact on turnover and profitability. Your Company has taken steps to address this issue with its consortium of banks and hopes for an early solution.

5. PUBLIC DEPOSITS:

Your Company did not invite or accept deposits from public during the year under review. 35 deposits (pertaining to previous year) aggregating to ₹ 570,000/- remained unclaimed as on 31st March, 2012. Of the above, 1 deposit amounting to ₹ 15,000/- has since been claimed and paid.

6. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, the Company has transferred Fixed Deposits amounting to ₹ 70,000/- and Dividend (for the year 2003-04) amounting to ₹ 191,170/- 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 period ended 31st December, 2004 is due for transfer to IEPF on 1st September, 2012.

7. 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.

8. 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 Buxar Highways Limited
2. Vijayawada Gundugolanu Road Project Private Limited
3. Aparna Infraenergy India Private Limited
4. Haryana Biomass Power Limited

During the year under review, the name of Satyavedu Infra Company Private Limited (Company's step down subsidiary) was first changed to Chitoor Infrastructure Projects Private Limited Ltd. and then changed to Earthlink Infrastructure Projects Private Limited. The name of Tada Sez Private Ltd. was first changed to Tada Infrastructure Projects Private Ltd. and then changed to Segue Infrastructure Projects Private Ltd.

During the current financial year, your Company incorporated the following subsidiaries:

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

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, copies of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and Auditors' Report of the subsidiary companies for the year ended 31st March, 2012 have not been attached to the Company's accounts for the year ended 31st March, 2012 as the Company has fulfilled the following conditions:

- (i) The Board of Directors, vide its resolution dated 23rd August 2012, accorded its consent for not attaching the balance sheet of the subsidiaries;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) The Company as well as its subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them;
- (vii) The Company has given Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiary companies along with exchange rate as on closing day of the financial year;

The Financial Statements of the subsidiary companies are available for inspection by the shareholders at the registered office of the Company. Shareholders who wish to have a copy of the accounts of the subsidiaries will be provided the same on receipt of written request from them.

9. DIRECTORS' COMMENTS

With reference to the Auditors' qualification in point no. 5 of their report dated 14th August, 2012 on the Standalone Financial Statements for the year ended 31st March, 2012 read together with their qualification in point no. 8(b) of their Report dated 23rd August, 2012 on the Consolidated Financial Statements for the year ended 31st March, 2012 with respect to certain contingent liabilities amounting to OR 615637 (₹ 8.26 Crore) of the Company's Joint Venture in Oman, the Board would like to inform the members that the Joint venture has appealed in the higher court and based on legal advice obtained your management is confident that the contingent liability would not result in an obligation to the Company.

With reference to the Auditors' observation in point no. 3(c) of their report dated 14th August, 2012 on the Standalone Financial Statements for the year ended 31st March, 2012 and point no. 9 (c) of their Report dated 23rd August, 2012 on the Consolidated Financial Statements for the year ended 31st March, 2012 relating to excess managerial remuneration paid, the Directors would like to inform the members that remuneration paid to the aforementioned Directors during the Financial Year 2011-2012, though approved by the Shareholders, has exceeded the limits as prescribed under Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 for that year and the Company is seeking Shareholders' approval and the approval of the Central Government for payment of the remuneration to the Directors as "Minimum Remuneration" for the Year 2011-2012.

With reference to the Auditors' qualification in point no. 8(a) of their Report dated 23rd August, 2012 on the Consolidated Financial Statements for the year ended 31st March, 2012 with respect to the extent of recoverability of receivables in Dubai from the debtors including retention aggregating to AED 37.30 millions i.e. ₹ 52.63 crore, the Board would like to inform the members that the management is of the opinion that the amount is contractually recoverable and the component company is in negotiations with the client and hence no provision is made towards the same.

With reference to the Auditor's observations in point no. xxi of the annexure to their Audit Report dated 14th August 2012, your Board would like to inform the members that during internal investigations by the management instances of malafide conduct by certain employees were observed at two sites by the company. The management has lodged an FIR on some counts and is in the process of filing FIR on other counts. The total quantum of amount attributable to malafide conduct is yet to be determined and finalised and will crystallise on completion of investigation jointly with the Authorities. The Management does not expect any impact on the financials as all possible losses attributable to the matter have already been booked and appropriate intimation towards fidelity insurance have been given to the Insurance Company. Further necessary steps have been initiated and all systems, processes and procedures at the sites are being reviewed and modified to strengthen them as well as additional approval levels at various stages of operations have been implemented so as to avoid the recurrence of such instances in the future.

10. 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 & Co., Chartered Accountants, Firm Registration no. 106971W as the Statutory Auditors of the Company and also as the Branch Auditors, Oman Branch and any other branch for the year 2012-13, subject to approval by the Shareholders.

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.

11. 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.

12. 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.

13. DIRECTORS:

Mr. Rohit Modi resigned as the Deputy Managing Director of the Company with effect from 31st May, 2012 and also ceased to be a member of the Board of Directors. The Board places on record its sincere appreciation for the valuable contributions made by Mr. Rohit Modi during his tenure as the Deputy Managing Director of the Company.

Mr. Rajul A. Bhansali, Executive Director – International Operations, whose term ended on 29th March, 2012, was re-appointed as a Whole-time Director of the Company designated as Executive Director – International Operations for a term of 3 (three) years with effect from 30th March, 2012. The shareholders have, by way of Postal Ballot, the results of which were declared on 24th April 2012, approved the aforesaid re-appointment.

Mr. D. C. Bagde - Executive Director, whose term ended on 8th July, 2012, was re-appointed as a Whole-time Director of the Company designated as Deputy Managing Director – Transmission & Distribution Business for a term of five (5) years with effect from 9th July, 2012. The Company has sought the shareholders' approval for the aforesaid re-appointment by way of Postal Ballot, the results of which will be declared on 29th August, 2012.

Pursuant to the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Atul Dayal and Ms. Urvashi Saxena retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. 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.

14. 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, 2012;
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, 2012 and of the profits 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 fraud and other irregularities;
4. The annual accounts for the year ended 31st March, 2012 have been prepared on a going concern basis.

15. HEALTH, SAFETY & ENVIRONMENT:

Continual strengthening on Construction Safety activities across Gammon sites and HQ remained the main focus during the year 2011-12 through a multipronged approach. Improvements have been achieved by strengthening the reporting and analysis of incidents & accidents, strengthening of safety surveillance, internal site reviews, independent review cum exchange, visits of projects, utilization of exchange of experience gained through safety coordinators meets, encouragement for excellence in safety through NSC Safety Award scheme. Development of additional safety documents like safety management manual, safety operating manual, training module for safety personnel, system for submission of periodic reports of sites through LAN are in good progress. Periodic reports of sites, strengthening of audit inspections were achieved. Conducted training on various aspects of Construction Safety, Safety awareness programmes etc. through various means & methods were achieved during National Safety Week and other appropriate similar occasions by involvement of all level of employees. Regular activities like safety surveillance, safety training, safety promotional activities and conducting emergency fire drills etc. were maintained. For achieving excellence in safety, awareness programme and implementation programs on work at height, basic scaffold safety requirements, Electrical Safety, Safety In charge Development, Safety Supervisor Development programmes were conducted across the organization. Evaluation and enhancement programs on Safety culture were continued.

Various Safety Initiatives taken during the year under review included:

- ✓ Conducting Corporate Safety Committee meeting.
- ✓ Sector wise Safety Committee set up & its meeting/ follow up.
- ✓ Competency Mapping of Safety Staff.
- ✓ Eligibility criteria of Safety Staff for recruitment defined.
- ✓ Safety I/c Training – covered all Safety I/c.
- ✓ Safety Supervisor Training – 32% covered & on going.
- ✓ Safety Coordinator Nominations & Strategy Workshop.
- ✓ Safety Alerts – For information on Fatal/Serious Incidents.
- ✓ Standard Signages Posters developed & dispatched.
- ✓ Safety inspections/Audits conducted & ongoing by Coordinators.

16. RESEARCH & DEVELOPMENT:

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:

- Designing high performance concrete for Chennai Metro Rail Project.
- Considering the continuous scarcity of river sand in Mumbai region we have established mix designs with 100% crushed sand for all grades of concrete.
- Preparing guideline for concrete mix design using different supplementary cementitious material.
- Designing high strength concrete with ultrafine GGSB instead of conventional use of micro silica.
- Working on designing Self Compacting Concrete for Precast Segments.
- Working on M60 grade dry shotcrete..

The company has also bagged the ACCE Bhagawati 2011 Award for Design of the power plant structures.

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:

Conservation of energy in all possible areas is undertaken as an important means of achieving cost reduction. Savings in electricity, fuel and power consumption receive due attention of the management on a continuous basis and as a result, some initiatives for energy management are being undertaken at sites as mentioned below:

- (i) Using portable transformers instead of running DG sets.
- (ii) Using APFC Panel with grid power for improvement of PF value.
- (iii) Using of CFL instead of incandescent lamp.
- (iv) Incorporating float switch with pump.
- (v) Using grid power instead of DG at A-V during 7 months unproductive period.
- (vi) Energy audit & control over redundant running.

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. Foreign Exchange earnings and outgo:

Total foreign exchange used and earned during the year:

(₹ in Crores)

	Current Period 31st March, 2012	Previous Period 31st March, 2011
Foreign Exchange Earnings	235.48	165.53
Foreign Exchange Outgo	109.15	146.87

19. ACKNOWLEDGMENTS:

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 for their unstinted support and co-operation.

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

Place : Mumbai

Dated : 23rd August, 2012

"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 R 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
	Options in force	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 : 23rd August, 2012

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 2012, the Board comprises of a Chairman and Managing Director (Executive), Five (5) 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 strategizing 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 judgement 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 12/05/2011, 25/07/2011, 12/08/2011, 19/08/2011, 11/11/2011, 09/02/2012 and the gap between two meetings did not exceed four months. The Board Meetings are held at the registered office of the Company.

(c) Changes in Board Composition :

Effective from 1st April, 2011 till date the following changes have taken place in the Board composition:

1. Mr. Rajul Bhansali – Executive Director (International Operations), whose term of office expired on 29th March, 2012 was re-appointed as Executive Director (International Operations) w.e.f. 30th March, 2012 for a further term of five (5) years.
2. Mr. Rohit Modi ceased to be the Deputy Managing Director with effect from 31st May 2012, by virtue of his resignation from the Board.
3. Mr. Digambar Bagde – Whole-time Director (CEO – Transmission and Distribution Business), whose term of office expired on 8th July, 2012 was re-appointed as Whole-time Director (Deputy Managing Director – Transmission & Distribution Business) w.e.f. 9th July, 2012 for a further term of five (5) years.

(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 (01.04.2011 to 31.03.2012)	Whether attended last A.G.M. held on 26 th September, 2011	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	Promoter / Non-Executive/ Non-Independent	NIL	No	NIL	NIL	NIL
Mr. Abhijit Rajan Chairman & Managing Director	Promoter /Executive/ Non-Independent	6	Yes	3	NIL	NIL
Mr. Rohit Modi * Deputy Managing Director	Executive/ Non-Independent	6	No	1	NIL	NIL
Mr. Rajul Bhansali Executive Director	Executive/ Non-Independent	4	Yes	4	NIL	NIL
Mr. Himanshu Parikh Executive Director	Executive/ Non-Independent	5	Yes	4	1	3
Mr. Digambar Bagde Executive Director	Executive/ Non-Independent	5	Yes	8	NIL	NIL
Mr. C. C. Dayal Non-Executive Director	Non-Executive/ Independent	6	Yes	9	2	8
Mr. Atul Dayal Non-Executive Director	Non-Executive/ Independent	NIL	No	2	NIL	2
Mr. Jagdish Sheth Non-Executive Director	Non-Executive/ Independent	6	Yes	NIL	NIL	NIL
Ms. Urvashi Saxena Non-Executive Director	Non-Executive/ Independent	6	Yes	4	NIL	2
Mr. Naval Choudhary Non-Executive Director	Non-Executive/ Independent	4	Yes	NIL	NIL	2
Mr. Atul Kumar Shukla Non-Executive Director	Non-Executive/ Independent	5	Yes	4	2	6

* Mr. Rohit Modi resigned as the Deputy Managing Director of Gammon India Limited w.e.f. 31st May, 2012.

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 relationships 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 2012:

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 2012 is as follows:

Name of the Director	Salary (₹)	Perquisites (₹)	Commission # (₹)	Total (₹)
Mr. Abhijit Rajan	11,23,48,065	98,29,863	NIL	12,21,77,928
Mr. Himanshu Parikh	1,69,55,847	28,048	NIL	1,69,83,895
Mr. Rajul Bhansali	76,09,235	6,15,885	NIL	82,25,120
Mr. Rohit Modi	3,08,39,924	30,18,057	NIL	3,38,57,981
Mr. D.C. Bagde	85,81,891	NIL	NIL	85,81,891
Total	17,63,34,962	1,34,91,853	NIL	18,98,26,815

Paid for the year 2011-12.

Remuneration paid to the aforementioned Directors during the Financial Year 2011-2012, though approved by the Shareholders, has exceeded the limits prescribed under Section 198 and 309 read with Schedule XIII of the Companies Act, 1956 for that year. The company is seeking Shareholders' approval and the approval of the Central Government for payment of the aforesaid remuneration as "Minimum Remuneration" for the year 2011-2012.

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 shall be 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 2011-12 are given below: -

Name	Board Meeting (₹)	Committee Meeting (₹) *	Total (₹)
Mr. C.C. Dayal	1,20,000	1,60,000	2,80,000
Mr. Atul Dayal	Nil	Nil	Nil
Mr. Jagdish Sheth	1,20,000	20,000	1,40,000
Ms. Urvashi Saxena	1,20,000	1,00,000	2,20,000
Mr. Atul Kumar Shukla	1,00,000	Nil	1,00,000
Mr. Naval Choudhary	80,000	1,00,000	1,80,000

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

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 and (4) Selection Committee.

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

(a) AUDIT COMMITTEE:

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 and 1 (One) Executive Director viz.: (1) Mr. C.C. Dayal (Chairman), (2) Mr. Atul Dayal, (3) Ms. Urvashi Saxena, (4) Mr. Naval Choudhary and (5) Mr. Himanshu Parikh - Executive Director. All the members of the Audit Committee are financially literate and have accounting / related financial management expertise.

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 judgements 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 12/05/2011, 12/08/2011, 19/08/2011, 11/11/2011 and 09/02/2012. 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 Director	5
Mr. Atul Dayal	Non-Executive Independent Director	NIL
Mr. Himanshu Parikh	Executive Non - Independent Director	2
Ms. Urvashi Saxena	Non-Executive Independent Director	5
Mr. Naval Choudhary	Non-Executive Independent Director	3

Mr. C.C. Dayal, Chairman of the Audit Committee was present at the previous Annual General Meeting held on 26th September, 2011.

(b) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE :

The Shareholders' / Investors' Grievance Committee comprises of 4 (Four) Non-Executive Independent Directors and 1 (One) Executive Director viz.: 1) Mr. C. C. Dayal (Chairman) 2) Mr. Atul Dayal 3) Mr. Naval Choudhary 4) Mr. Atul Kumar Shukla and 5) Mr. Himanshu Parikh – Executive Director.

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

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 2011-12 the Committee held 20 (Twenty) meetings on 30/04/2011, 16/05/2011, 31/05/2011, 15/06/2011, 30/07/2011, 16/08/2011, 30/08/2011, 16/09/2011, 20/09/2011, 30/09/2011, 15/10/2011, 15/11/2011, 30/11/2011, 15/12/2011, 31/12/2011, 16/01/2012, 30/01/2012, 15/02/2012, 29/02/2012 and 31/03/2012.

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 Member	Category	No. of Committee Meetings Attended
Mr. C.C.Dayal	Non-Executive Independent Director (Chairman)	20
Mr. Atul Dayal	Non-Executive Independent Director	NIL
Mr. Himanshu Parikh	Executive Non Independent Director	18
Mr. Naval Choudhary	Non-Executive Independent Director	19
Mr. Atul Kumar Shukla	Non-Executive Independent Director	20

A total of 35 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 2012, there were 2 pending letters/ complaints. The status of Shareholders' complaints received up to 31st March 2012 is as stated below:

No. of Complaints received during the twelve months period ended 31 st March, 2012.	35
No. of Complaints resolved as on 31 st March, 2012.	33
No of Complaints pending as on 31 st March, 2012.	02
No. of pending share transfers as on 31 st March, 2012.	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 and 1 (One) Executive Director viz. (1) Mr. C. C. Dayal, (2) Mr. Naval Choudhary and (3) Mr. Himanshu Parikh - Executive Director.

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.

During the year 2011-12 the Committee held 2 (two) meetings on 30/09/2011 and 10/01/2012.

The details of the Committee meetings attended by the members are given below:

Name of the Member	Category	No. of Committee Meetings Attended
Mr. C. C. Dayal	Non-Executive Independent Director	2
Mr. Himanshu Parikh	Executive Non-Independent Director	2
Mr. Naval Choudhary	Non-Executive Independent Director	2

(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.

During the year 2011-12 the Committee held 1 (one) meeting on 12/08/2011 which was attended by all the members.

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 2010 – 2011, 2009 - 2010 and 2008 - 2009 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
89 th	2010-2011	26 th September 2011 at 3.00 p.m
88 th	2009-2010	28 th September 2010 at 3.30 p.m
87 th	2008-2009	14 th October 2009 at 3.00 p.m

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

Date of AGM	Particulars of Special Resolutions passed
26 th September 2011	No Special Resolution was passed.
28 th 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.
14 th October 2009	<p>(i) Appointment of Mr. Harshit Rajan, a relative of Mr. Abhijit Rajan - Chairman and Managing Director of the Company, to hold and continue to hold an office or place of profit in the Company pursuant to Section 314 of the Companies Act 1956 and subject to approval by the Central Government.</p> <p>(ii) Payment of remuneration to Mr. Parvez Umrigar - Non-Executive Director pursuant to Section 309(4)(a) of the Companies Act 1956 and subject to approval by the Central Government.</p>

(iii) Resolutions Passed by Postal Ballot during 2011-12:

The following resolutions were passed by Postal Ballot during the year 2011-12:

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	4,99,99,580	89.936
Against the Resolution	11,536	0.021
Invalid Votes	55,83,210	10.043
Total	5,55,94,326	100.00

- (ii) Approval of the Members sought pursuant to the provisions of Section 372A of the Companies Act 1956, to confirm the issue of Corporate Guarantee. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	4,99,99,900	89.937
Against the Resolution	10,626	0.019
Invalid Votes	55,83,790	10.044
Total	5,55,94,316	100.00

- (iii) Approval of the Members sought pursuant to the provisions of Section 372A of the Companies Act 1956, to confirm the issue of Corporate Guarantee. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	4,99,99,800	89.937
Against the Resolution	10,806	0.019
Invalid Votes	55,83,710	10.044
Total	5,55,94,316	100.00

- (iv) Approval of the Members sought pursuant to the provisions of Section 372A of the Companies Act 1956, to confirm the issue of Corporate Guarantee. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	5,00,04,030	89.945
Against the Resolution	6,576	0.012
Invalid Votes	55,83,710	10.044
Total	5,55,94,316	100.00

- (v) Approval of the Members sought pursuant to the provisions of Section 314(1B) of the Companies Act 1956, for revision in the remuneration of Mr. Harshit Rajan – Head Procurement. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	5,55,68,066	99.953
Against the Resolution	10,040	0.018
Invalid Votes	16,210	0.029
Total	5,55,94,316	100.00

- B) Ordinary Resolution :** Approval of the Members sought pursuant to the provisions of Sections 198, 269 & 309 of the Companies Act 1956, for appointment of Mr. Himanshu Parikh as Whole-time Director of the Company. The details of voting pattern are as under:

Particulars	No. of votes cast	% of total votes cast
In favour of the Resolution	5,55,72,733	99.961
Against the Resolution	5,373	0.010
Invalid Votes	16,210	0.029
Total	5,55,94,316	100.00

The resolutions were passed on 23rd September 2011, by requisite majority.

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:

- 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.
- 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, 2012.

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 REQUIREMENT:

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.

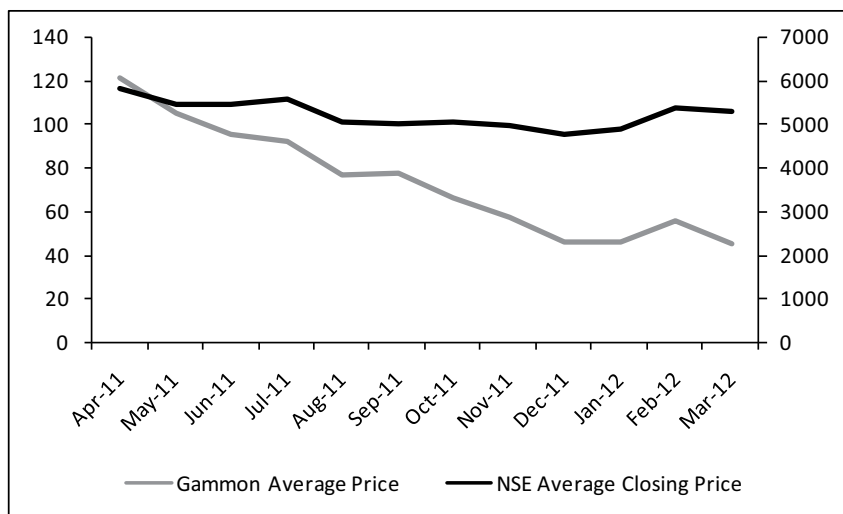
9. GENERAL SHAREHOLDER INFORMATION:

Date, Time and Venue of the 90th Annual General Meeting	Tuesday, 25 th day of September, 2012 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 2012-13 (Tentative)	Results for the quarter ending 30 th June 2012 – 14 th August 2012. Results for the Half year ending 30 th September, 2012 – Second week of November, 2012. Results for the quarter ending 31 st December, 2012 – Second week of February, 2013. Results for the year ending 31 st March, 2013 - Last week of May 2013.
Date of Book Closure	20 th September, 2012 to 25 th September, 2012 (both days inclusive).
Dividend payment date	On or before 24 th October, 2012
Listing on Stock Exchanges Equity Shares	BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai 400 001. Telephone : 022 - 2272 1233/4 Facsimile : 022 - 2272 1919 (Stock code - 509550) AND The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, 'C' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Telephone : 022- 2659 8100/8114 Facsimile : 022 – 2659 8120 (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 2012-2013.
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. Pursuant to SEBI Circular No. CIR/MIRSD/8/2012 dated 5 th July 2012, effective from 1 st October 2012 the period of 15 days stands reduced to 7 days.

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, 2011	128.35	114.85	128.70	114.85
May, 2011	111.85	99.70	111.65	99.45
June, 2011	99.90	90.10	99.85	89.60
July, 2011	94.70	86.50	94.65	85.95
August, 2011	85.80	72.65	85.40	72.10
September, 2011	83.15	70.40	82.95	71.10
October, 2011	69.85	63.85	69.65	63.90
November, 2011	65.75	50.40	65.60	50.35
December, 2011	51.95	41.60	52.00	41.30
January, 2012	54.05	43.35	53.85	43.25
February, 2012	60.75	49.60	60.60	49.45
March, 2012	51.45	41.75	51.25	41.75

STOCK PERFORMANCE IN COMPARISON TO NIFTY



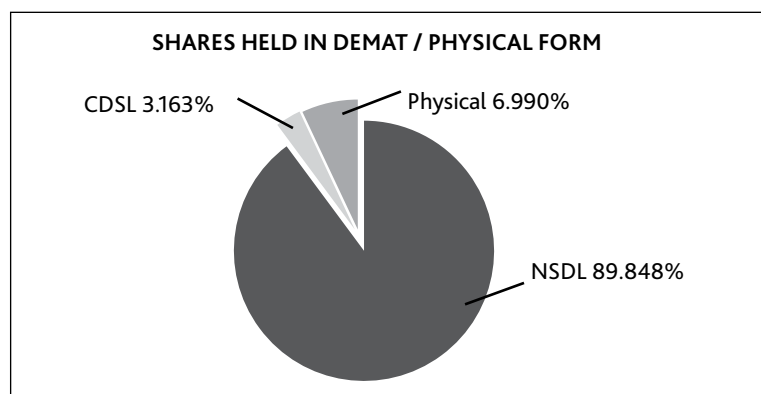
10. DISTRIBUTION OF SHAREHOLDING AS ON 31st March, 2012:

No. of Shares	No. of Shareholders	% to Total	Nominal Share Capital Amount (₹)	% to Total
Upto 500	27123	86.8325%	63,13,028	2.312%
501 - 1000	1978	6.3324%	31,31,020	1.147%
1001 - 2000	1072	3.4319%	32,19,812	1.179%
2001 - 3000	356	1.1397%	18,06,314	0.662%
3001 - 4000	139	0.4450%	10,08,760	0.370%
4001 - 5000	135	0.4322%	12,74,264	0.467%
5001 - 10000	200	0.6403%	28,88,794	1.058%
10001 - and above	233	0.7459%	25,33,58,944	92.805%
TOTAL	31236	100.0000%	27,30,00,936	100.000%

11. DEMATERIALISATION OF SHARES AS ON 31st MARCH, 2012:

Particulars	No. of Equity Shares	% to Share Capital
NSDL	122642321	89.848%
CDSL	4317429	3.163%
Physical*	9540718	6.990%
Total	136500468	100.000%

(* 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.

13. PLANT LOCATIONS: (Project size – more than ₹ 300 Crore)

Sr. No.	Name of the Project	Project value (₹ in Crore)
1	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.	1075.00
2	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
3	Upgradation of Hajipur-Muzaffarpur Section of the existing NH-77 to four lane dual carriageway. New bypass starting at km 46.300 and connecting NH-28 East-West corridor at km 515.045.	750.00
4	Design and Construction of Major Bridge across river Godavari.	700.00

Sr. No.	Name of the Project	Project value (₹ in Crore)
5	<ul style="list-style-type: none"> a. Civil & structural steel works for 2 x 600 MW Thermal Power Project near Tuticorin in Tamilnadu. b. RCC Bi-flue Chimney for 2 x 600 MW Thermal Power Project near Tuticorin in Tamilnadu. c. Construction of Bi-flue Chimney Package (TA 6) for NTPL Power Project (2 x 500 mw) at Tuticorin. d. Natural Draught Cooling Towers Package (TA7) Tuticorin Thermal Power Project (TTPP) (2 x 500 mw) located at Tuticorin in Tamil nadu e. Civil Works for CW System for 2 X 500 MW NTPL - Tuticorin Project 	670.55
6	Stage 3 Pumping station (5X30 MW) of Kalwakurthy Lift irrigation Scheme.	631.99
7	Construction of Bridge over river Yamuna Downstream of existing bridge at Wazirabad, Delhi (Main bridge cable stayed).	631.81
8	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	603.00
9	Design and Construction of four lane km 0.002 km 32.27 of Gorakhpur Bypass on NH-28 in the state of Uttar Pradesh on annuity basis.	560.00
10	Design, Construction, Installation, Commissioning, Management, Operation & Maintenance of Intake, RWPH, 220 MLD Water Treatment Plant and Water Supply Distribution Network in Patna (Bihar) under the JNNURM Scheme on DBO Basis.	548.83
11	Package -19: Investigation, Designs and execution of water conveyor system with capacity of 84.21 Cumecs from Thipparam reservoir to Chevella Reservoir Main Canal-Reach 3 with all associated work such as lined gravity canal CM & CD works including distributory network of 25,000 acres from Muhunnadabad(v) to Cherial(v) km 70.00 to km 96.00.	435.89
12	Western Transport Corridor, TumkurHaveri Section of NH4 Project-Rehabilitation and upgrading of Chitrdurga-Harihar Section (Km 207 to 284) in the state of Karnataka Pkg.-4 and Harihar-Haveri Section (Km 284 to 340) in the State of Karnataka Pkg.-5 balance Work.	404.22
13	Punatsangchhu-I Hydroelectric Project (1200 MW) Contract Package # MC at Construction of Headrace Tunnel from Adit-I & Adit-II.	399.94
14	Punatsangchhu - II Hydroelectric Project (990 Mw) Contract Package C-2 Construction of Head Race Tunnel from Adit - I & Adit - II.	398.33
15	Design, Engineering, Procurement of Materials & Construction of Offshore Container Terminal (OCT) in Mumbai Harbour	397.49
16	Rampur Hydroelctric Project - Package 1.0 Construction of Civil Works for HRT Sta. 50.61m to 12900m including cut and cover section, River Diversion Works, Audits, Vehicular Gates etc.	382.44
17	Construction of Steel Superstructure and other ancillary Works of Rail cum Road Bridge across river Ganga at Munger, Bihar	375.19
18	Widening and strengthening to 4-lane of existing single / intermediate lane carriageway of National Highway No. 57 Section from Km. 230.00 to Km. 190.00 in the State of Bihar on East West Corridor under NHDP, Phase – II, Pkg. No. C-II/BR-3.	356.51
19	Design and Construction of complete new 107 MLD capacity potable Water Supply Infrastructure Project on Turnkey basis for Guwahati City	349.70
20	Construction of Bridge and its approaches over river Yamuna Downstream of existing bridge at Wazirabad, Delhi (Construction of approaches)	348.90

Sr. No.	Name of the Project	Project value (₹ in Crore)
21	Design, Construction, Development, Finance, Operation and Maintenance of 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.	347.00
22	Construction of Well Foundation and sub-structure of Bogibeel Rail cum Road Bridge across the river Brahmaputra near Dibrugarh.	343.90
23	Construction of Headrace Tunnel including Construction of Adits (I, II, III, IV & V) and Associated Works of HRTMangdechhu Hydroelectric Project Bhutan.	343.11
24	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
25	Agra – Makhanpur Road Project on NH-2 (Package I-A).	328.49
26	Improvement/ Upgradation of Dumuria-Imamganj-Sherghati-Karamain-Mathurapur-Guraru-Ahiyapur-Tikari-Mau-Kurtha-Kinjar-Paligunj-Ranitalab Road (SH-69) length 153.00 km (Contract Package No.2).	313.50
27	Civil & Structural works for Building 1 to 8 (Basement+5 Podium (Below Footprint of Building) + Stilt + 41 Habitable Floors) at the Project Runwal Greens - Commercial & Residential Development site at Merind Mill Compound, Mulund - Goregoan Link Road, Mulund (W), Mumbai-400 078.	313.31
28	Civil & Structural Works for Residential Building for HDIL Whispering Towers at Bombay Oxygen, Mulund (W), Mumbai.	310.32
29	Main Plant and Offsite Civil Works and Chimney and Chimney elevator Package for NTPC – Tamilnadu Energy Company Limited Power Project (2 X 500 MW).	308.92
30	<ul style="list-style-type: none"> a. Excavation, Dewatering for Turbine Building and other Power Island Buildings for Fast Breeder Reactor Project (FBRP) at Kalpakkam. b. Construction of Bridge with Service Corridor Adjacent to the existing Bridge over Sadras Backwater at Kalpakkam. c. Design and 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. d. Civil & Architectural works for 500 MWE PFBR Project At Kalpakkam. e. Providing enclosure for Steam Generator's above EL 60m & Other Miscellaneous Works in BHAVINI. f. Construction of Phase I Building of XI Plan Activities including Civil, Internal Public Health, Electrical Works and other services for IGCAR, Kalpakkam. g. Supplying and Placing the Heavy Density Concrete and Heavy Grout In RV Slab Cooling Box, PFBR at Kalpakkam. h. Construction of Cwms Pump House on Eastern Side of Fore Bay at Bhavini, Kalpakkam. 	301.33

14. ADDRESS FOR CORRESPONDENCE:

Registered Office:

Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025.

Telephone : 022 – 61154000.

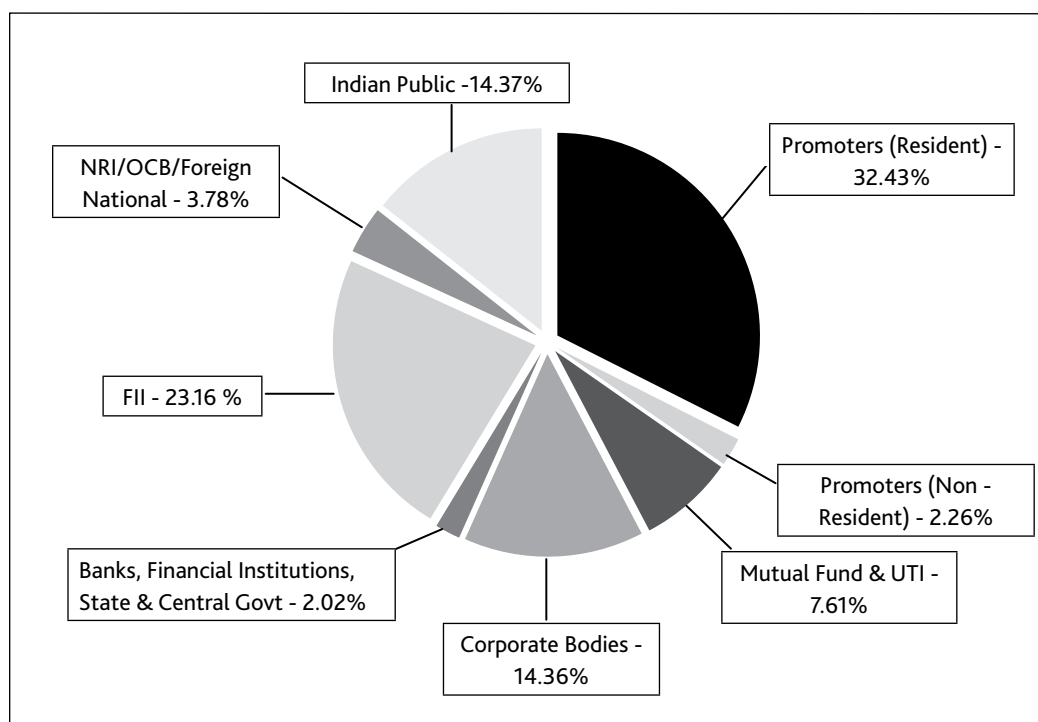
Facsimile : 022 – 2430 0529.

Website : www.gammonindia.com

Email : investors@gammonindia.com

15. CATEGORIES OF SHAREHOLDERS: (as on 31st March, 2012)

Category	No. of shares	Percentage
Promoters Holdings		
Resident	44270719	32.43%
Non-resident	3086435	2.26%
Non-Promoter Holdings		
Mutual Fund & UTI	10389202	7.61%
Corporate Bodies	19607187	14.36%
Banks, Financial Institutions, State & Central Government	2751454	2.02%
Foreign Institutional Investors	31607531	23.16%
NRIs /OCBs/Foreign Nationals/GDR	5166528	3.78%
Indian Public	19621412	14.37%
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, 2012 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 23, 2012

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, 2012 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
Chairman & Managing Director

GIRISH BHAT
Chief Financial Officer

Place : Mumbai

Date : 23rd August, 2012

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

To
The Members of
GAMMON INDIA LIMITED

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, 2012.

FOR GAMMON INDIA LIMITED

ABHIJIT RAJAN
Chairman & Managing Director

Place : Mumbai
Date : 23rd August, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

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 sectors. 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 Build-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 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 as well as waste and environment management systems.

I ECONOMIC OVERVIEW, INDUSTRY STRUCTURE AND DEVELOPMENT:

India's infrastructure sector continues to be a key driver of the nation's economic progress. In fact, infrastructure has emerged as a key driver for sustaining the robust growth of the economy and the government has been focusing on development of infrastructure. The Indian economy was estimated to grow by 6 % in 2011-12, after having grown at the rate of 8.4 % in each of the two preceding years. This indicates slowdown compared not just to the previous two years but 2003 to 2011 (except 2008-09). With agriculture and services continuing to perform well, India's slowdown can be attributed almost entirely to weakening industrial growth. Monetary policy was tightened by the Reserve Bank of India (RBI) during the year to control inflation and curb inflationary expectations. The global economic environment, which has been tenuous at best throughout the year, turned sharply adverse in September 2011 owing to the turmoil in the Eurozone, and questions about the outlook on the US economy provoked by rating agencies. There is no doubt that a part of India's slowdown is rooted in domestic causes. The persistent inflation that remained over 9 % for much of the year and needed to be tamed played a role.

An analysis of the creation of infrastructure in physical terms indicates that while the achievements in some sectors have been remarkable during the Eleventh Plan as compared to the previous Five-year Plans, there have been slippages in some sectors. The success in garnering private-sector investment in infrastructure through the public-private partnership (PPP) route during the Plan has laid solid foundation for a substantial step up in private-sector funding incoming years. PPPs are expected to augment resource availability as well as improve the efficiency of infrastructure service delivery.

II REVIEW OF OPERATIONS :

The year under review was a difficult period for the construction industry and for the Company. With fewer projects to bid for the order booking was sluggish. Competition continued to be intense due to low entry barriers resulting in smaller players underquoting to capture the projects. Further government inaction, delays in awarding projects, delays in clearances by various government agencies, bureaucratic apathy, rising inflation leading to an increase in prices of major construction raw materials such as steel, cement, bitumen leading to price escalation in contracts, squeeze on liquidity caused by higher interest costs, leading to delays in projects, and delays in timely recoveries from clients all had a dampening effect on the overall performance of the company. The impact led to pressures on the working capital and resulted in higher debt.

The turnover of the company on a standalone basis stood at ₹ 5533 Crore for the year ended 31st March, 2012 (₹ 5558 Crore previous year). Operating profit (PBDIT) amounted to ₹ 460 Crore (₹ 221 Crore previous year). After providing ₹ 102 Crore (₹ 92 Crore for the previous year) towards depreciation and ₹ 65 Crore (₹ 58 Crore previous year) towards tax for current and deferred taxation, the net profit amounted to ₹ 87 Crore (₹ 118 Crore previous year). The annualized percentage decrease in turnover over previous year amounted to 0.04%.

On a consolidated basis the turnover of the Gammon group stood at ₹ 8038 crore for the year ended 31st March, 2012. The annualized percentage decrease in turnover over previous year amounted to 8%. The group made a loss of ₹ 105.14 crore for the year ended 31st March, 2012 as compared to a Profit of ₹ 110.02 crore. This was mainly on account of increase in interest costs due to higher borrowings.

The order book position of your company as on 31st March, 2012 stood at ₹ 15078 crore.

The recessionary trends in the infrastructure sector continues in the current financial year 2012-13. The company has posted a loss of ₹ 19.61 crore during the first quarter ended 30th June, 2012. The woes of the construction sector continue and have only been aggravated by recent directives issued by the Ministry of Finance to the banks prohibiting them from extending unsecured short term loans to corporates which were earlier easily available to the construction sector. This has severely affected the company's liquidity position and led to slowdown in execution of projects across most sites. The company has taken several critical steps for improving its funds flow, including several austerity measures across the company, the effects of which will be seen in the current financial year.

Your company has approached its lenders for converting its short term unsecured borrowings to long term secured borrowings. In the process, the company is also looking towards divesting its non core assets and management is confident that before the end of the current financial year significant progress will be achieved to overcome the current situation.

III SPECTRUM OF ACTIVITY AND REVIEW OF PERFORMANCE:

1. Transport Engineering:

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

(a) Roads:

India has one of the world's largest road networks of 4.2 million km consisting of national highways, state highways, major district roads and rural roads. National highways carry 40% of the total traffic but constitute 2% of India's road network. State highways and rural and urban roads, comprise the rest. About 65% of freight and 85% passenger traffic is carried by the roads. About 22% of the total length of National Highways (NHs) is single lane/ intermediate lane, about 53% is two lane standard, and the balance 25% is four lane standard or more. In 2011-12, the achievement under various phases of the NHDP up to December 2011 has been about 1,250 km and projects have been awarded for a total length of about 4,374.9 km. 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. Foremost amongst such initiatives is the National Highways Development Project (NHDP), covering a length over 55,000 km. 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 your Company as an EPC Contractor. Your Company is looking forward to participating in these projects. However progress in the roads and highways sector has remained slow during the financial year ended 2012 mainly due to delays in land acquisition and environmental and forest clearances, labour issues and local law and order problems. Several initiatives have been taken for resolving these issues and it is expected that during the Twelfth Plan road construction work will pick up.

In the face of stiff competition the Company secured the following projects during the year :

Improvement / Upgradation of Birpur - Balua - Jadia - Meergunj - Murligunj - Udaikishangunj road (SH - 91) length - 101.7 km, Contract Package no. 4 of BSHP-II valued at ₹ 328.89 crore.

Upgradation of the Road from Davengere to Birur of SH-76 valued at ₹ 202.57 crore.

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 valued at ₹ 1,075 crore.

During the year under review the Company completed the Agra Makhanpur Road works project, the Nasik - Wadape Gonde 4 laning BOT Project, the Gajol Hilli Road Project in West Bengal and the Gaya Rajauli Road works on SH-70 .

The following works are under execution :

Design and Construction of four lane km 0.002 km 32.27 of Gorakhpur Bypass on NH-28 in the state of Uttar Pradesh on annuity basis valued at ₹ 560 crore.

Widening and strengthening to four-lane of existing single / intermediate lane carriageway of National Highway No. 57 Section from Km. 230.00 to Km. 190.00 in the State of Bihar on East West Corridor under NHDP, Phase – II, Pkg. No. C-II/BR-3 valued at ₹ 356.51 crore.

Arunachal Road Works (SEPPA ROAD) valued at ₹ 87.55 crore.

Improvement/ Upgradation of Dumuria-Imamganj-Sherghati-Karamain-Mathurapur-Guraru-Ahiyapur-Tikari-Mau-Kurtha-Kinjar-Paligunj-Ranitalab Road (SH-69) length 153.00 km (Contract Package No.2) valued at ₹ 313.50 crore.

Western Transport Corridor, TumkurHaveri Section of NH4 Project-Rehabilitation and upgrading of Chitrdurga-Harihar Section (Km 207 to 284) in the state of Karnataka Pkg.-4 and Harihar-Haveri Section (Km 284 to 340) in the State of Karnataka Pkg.-5 balance Work valued at ₹ 404.22 crore.

Upgradation of Hajipur-Muzaffarpur Section of the existing NH-77 to four lane dual carriageway. New bypass starting at km 46.300 and connecting NH-28 East-West corridor at km 515.045 valued at ₹ 750 crore.

(b) Bridges, Metro Viaducts and Flyovers:

In India, urban population is expected to increase by at least 300 million, equalizing to 100 more new cities. This growing population in the urban cities has led to deterioration in the physical environment and quality of life. Road space and public transport is inadequate for the growing urban population. Traffic congestion has become the bane of most metropolitan cities in India. The demand on urban infrastructure has reached an unprecedented level. Government has decided to develop infrastructure to meet the basic needs of growing urban population by giving a boost to Bridges, Flyovers, Metro Rail and Mono Rail projects in almost all metropolitan cities of the country. 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 is aggressively bidding for and securing Metro rail jobs. During the year under review the Company secured a project for Construction of Viaduct of 5.27 km length in "NEW GARIA-AIRPORT CORRIDOR OF KOLKATA METRO RAIL LINE" for RVNL of value ₹ 224.97 crore.

The following Projects were completed during the year:

- (1) Construction of Bridges at different locations on Gulbarga, Bidar, Bellary, Raichur and Koppal Districts of Karnataka for KRDCL of value ₹ 50.5 Crore.
- (2) Construction of Bridges at different locations on Mysore, Mandya, Dakshinakannada, Chikkamagalur, Chamarajanagara, Kodagu, Udipi and Hassan Districts of Karnataka for KRDCL of value ₹ 57.50 crore.
- (3) Design, Construction, Development, Finance, Operation and Maintenance of 1.8 km long four lane Bridge across River Kosi with 8.2 km access roads and bunds for flood protection on NH-57 in the Sapaul district of Bihar value ₹ 347 crore.

The following Projects currently under execution are :

- (1) 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.
- (2) Construction of Bridge and its approaches over river Yamuna Downstream of existing bridge at Wazirabad, Delhi (Construction of approaches) of value ₹ 348.90 crore.
- (3) Cable Stayed Bridge across river Tapi in Surat of Gujarat State of value ₹ 151.94 crore.
- (4) Design & Construction of Bridge over River Pawana, Flyover & ROB on Kalewadi Phata to Dehu Alandi Road at Pune of value ₹ 103.91 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) Design and Construction of Major Bridge across river Godavari of value ₹ 700 crore.
- (7) Construction of New Brahmaputra Bridge near Guwahati on NH-31 in the State of Assam of value ₹ 387.59 crore.
- (8) 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.

(c) PORTS

India has a 7,517 km long coastline with a total of 13 major and 187 minor ports spread across nine maritime states. It has one of the largest merchant shipping fleets and is ranked 16th amongst maritime countries. In terms of volume, it carries about 95% of India's overseas cargo and, in terms of value, it carries about 75% of the overseas cargo. The Ministry of Shipping has set a target of awarding projects to create 244 MT of additional capacity at ports in 2012-13 to accommodate increasing traffic. This will be spread across 42 projects at an estimated cost of ₹ 14,500 Crore. The port sector has strong growth potential. State Governments have played a huge role in encouraging domestic and foreign private players to enter the sector by providing a favourable investment climate and additional standard operating procedures. The private sector is also encouraged to participate in port logistics services, in addition to the development of ports and terminals.

The following jobs are currently under execution :

JOB DESCRIPTION	VALUE (₹ in Crore)
Design, Engineering, Procurement of Materials & Construction of Offshore Container Terminal (OCT) in Mumbai Harbour	397.49
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)	267.00

2. Power Sector- Economic Scenario

Availability and access to energy are considered as catalysts for economic growth. India is the fifth largest producer and consumer of electricity in the world after US, China, Japan and Russia. Electricity production in India (excluding captive generation) stood at 877 billion units (bu) in 2011-12. Growing population, increasing penetration and per capita usage has further provided the impetus, in addition to the expansion in industrial activity, to boost electricity consumption. The National Electricity Policy envisages "Power for all by 2012" and per capita availability of power to be increased to over 1,000 units. With reference to the Ministry of Power's reports the Working Group on Power has recommended a plan size of about 82,200 MW for Twelfth Plan also. This would comprise hydro projects totaling about 30,000 MW, thermal projects totaling 42,200 MW and nuclear projects of about 10,000 MW capacities. Eying at the above said scenario, there are good business opportunities to capitalize on the growth in the industry.

(a) Thermal power :

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. Civil Works & Structural Works for 3300 Mw TPP at Tiroda, Maharashtra valued at ₹ 350 crore.
2. Main Plant & Offsite Civil works Pkg. Vallur TPP, Tamilnadu valued at ₹ 446 crore.
3. Civil & Structural Steel Works for 2 X 600 MW TPP near Tuticorin in Tamilnadu valued at ₹ 400 crore.
4. GCW & Chimney for 2x600 MW TPP at Angul valued at ₹ 295 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.

(b) Hydro power :

India's energy portfolio today depends heavily on coal-based thermal energy, with hydropower accounting for only 26% of total power generation. Though government is emphasizing on the development of this renewable energy sector, there are many road blocks for conceiving any new Hydro electric project. The main reasons for the slow development are difficult and inaccessible potential sites, land acquisition and rehabilitation, environmental clearance, forest related issues, inter-state issues, geological surprises and

contractual issues. A multi-pronged strategy has been adopted to harness the hydropotential resources in the country. Some of the policy measures and initiatives taken by the government are finalization of an investor-friendly New Hydro Policy 2008, a liberal National Rehabilitation and Resettlement Policy, and a 50,000 MW Hydroelectric Initiative and Mega Power Project Policy. All the provisions of Hydro Policy 2008 including merchant sale up to a maximum of 40% of the saleable energy is now applicable to all developers, i.e. private as well as public. Further cost plus tariff regime has been extended for public as well as private-sector hydro-power projects up to December 2015. During the year under review the Company secured two prestigious hydro project packages in Bhutan through international competitive bidding viz :

Project	Scope	Value (₹ in crore)
Bhutan HEP	Punatsangchhu - II Hydroelectric Project (990 Mw) Contract Package C-2 Construction of Head Race Tunnel from Adit - I & Adit - II.	398.33
Mangadhechu HEP	Construction of Headrace Tunnel including Construction of Adits (I, II, III, IV & V) and Associated Works of HRT Mangdechhu Hydroelectric Project Bhutan.	343.11

Your Company is focusing on domestic as well as international market for exploiting opportunities available. Economic condition and overall liquidity crunch has forced private developers to defer their plan to go ahead with new hydro projects.

Some of the Hydro Power Projects under execution are :

Project	Scope	Value (₹ in crore)
Parbati HE 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.	603.00
Koldam Hydro Electric Project	Construction of Power House, Tail Race Channel, Service Building and Maintenance, Bay Work and Penstock Tunnel work including Design, Fabrication, Erection, testing, commissioning of four Penstock linear etc. including all labour, plant, equipment and material for execution of civil & structural works and associated miscellaneous works.	227.00
Parbati stage 3	Construction of Civil Works for Lot PB III, consisting of Head Works, Power Intake, Head Race Tunnel, Surge Shaft & Pressure Shaft, Waterways, Downstreams of Units, Power Station Civil Works, Cable Cum Ventilation Tunnel, Pothead Yard.	339.00
Rampur HEP	Rampur Hydroelectric Project - Package 1.0 Construction of Civil Works for HRT Sta. 50.61m to 12900m including cut and cover section, River Diversion Works, Audits, Vehicular Gates etc.	382.44
Bhutan HEP	Punatsangchhu-I Hydroelectric Project (1200 MW) Contract Package # MC at Construction of Headrace Tunnel from Adit-I & Adit-II.	399.94
Rangit-II	Development of 66MW Rangit-II HEP at West Sikkim.	104.00

(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 Company already has the prequalification criteria to secure the new contracts. Gammon has completed the civil works of fast breeder reactor at Kalpakkam and other BOP structures.

Your Company secured the following jobs in the nuclear power segment :

Project	Value (₹ in crore)
Construction of Phase 11 Buildings for IGCAR.	76
Turbine Building and Balance of Plants for 500MWe PFBR, Kalpakkam.	81

(d) Industrial /Power Structures:

The Company has secured construction of industrial structure projects to the tune of ₹ 408.5 crore. (excluding the job secured for civil works in Thermal Power industry). Industrial structure constructions are fast track jobs as the infrastructure is directly linked to planned production.

Project	Value (₹ in crore)
General Civil works I (3 Units) for 3x660MW Sasan Ultra Mega Power.	88.00
Raw water Intake system in Rihand Reservoir.	22.78
Civil Structural and Architectural works of the Sea Water Intake Outfall system for 2x520 (1040)MW TPP at Vishakhapatnam.	267.00
Civil Works for CHP Expansion at 4x300MW Rosa Thermal Power Plant, Shahjahanpur UP.	30.72

The company is also currently executing jobs for private players at Mundra, Jindal stainless steel factory construction at Duburi and civil works for JSW Steel Limited at Bellary.

3. PIPELINE DIVISION:

During the year under review the Company completed the laying of 16" OD, 218km long Cross Country Petroleum Product Pipeline from Hile KBPL including Installation of Pipeline project valued at ₹ 32.58 crore.

The following projects are under execution :

Project	Value (₹ in crore)
Construction of 10" dia x 15km (approx) Steel Pipeline, Terminals and Associated Facilities for BahadurgarhTikrikalan Pipeline	18.88
Laying of Pipeline & Associated facilities for Brahmaputra Petrochemical Complex of Brahmaputra Cracker and Polymer Limited, Lepetkata (Assam)	50.57

However works valued at ₹ 39 crore balance is remaining to be completed.

4. WATER AND ENVIRONMENT:

Urban population in India is projected to increase to 598 million in the year 2031 and the share of urban population is projected to increase from 31.2% in 2011 to about 40% in 2030. Continued demographic shift from rural to urban areas and rapid urbanization are posing a huge challenge in terms of creation and maintenance of minimum level of infrastructure and services. There is a need to upgrade urban infrastructure such as water supply, sewerage, solid waste management, urban roads, storm water drains etc.

Over the last five years, the Central & State Government has increased project investment in Water Supply Scheme at an annual rate of about 10%. Coastal cities, not supported by adequate natural potable water resources, are now looking at the option of Desalination of Sea Water. State Government of Maharashtra proposes to launch "Maharashtra Sujal and Nirmal Abhiyan (MSNA)" to ensure universal access to water supply and sanitation services.

During the year under review your Company under the JNNURM Scheme on DBO basis secured from BUIDCO the Project for Design, Construction, Installation, Commissioning, Management, Operation & Maintenance of Intake, RWPH, 220 MLD Water Treatment Plant and Water Supply Distribution Network in Patna (Bihar) aggregating to ₹ 548.83 crore which will be executed through an SPV named 'Patna Water Supply Distribution Network Private Limited'.

Gammon has successfully executed challenging jobs and is hence able to meet stringent requirements in this segment for future jobs. An order booking target of ₹ 500 crore is set accordingly for this sector, with a targeted turnover of around ₹ 350 crore for FY 2012-13.

The following jobs were successfully completed during the year :

Project	Value (₹ in crore)
Distribution systems for Mangalore South (West) Contract Package 1012-C.	9.58
Distribution systems for Mangalore South (Central) Contract Package 1012-C.	7.70
Distribution systems for Mangalore South (East) Contract Package 1012-C.	7.85
EPC Contract of Jindal Intake Well at Brahmani River and related works for project at Duburi, Orissa.	43.5

The following Jobs are currently under execution :

Project	Value (₹ in crore)
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.	107.45
Design & Construction of a complete new 107 MLD capacity, Portable water supply Infrastructure project on turnkey basis for Guwahati City (South Guwahati Part).	349.70
Procurement of works for Supply, Installation, Construction and Commissioning of Rising & Transmission Main (Gravity Mains, pressure Mains) Reservoirs for South Central Zone.	175.72
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.	309.46

Design, Engineering, Supply, Erection & Commissioning of Raw Water Intake project at Brahamana Gaon near Marthapur on Turnkey Basis.	33.75
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.	108.28

5. CHIMNEYS AND COOLING TOWERS:

Construction of Cooling towers and chimneys are high technology driven jobs and highly specialized activity. These structures are an integral part of the various industrial infrastructures like Power plants, Petroleum, Steel, Chemical, Sugar plants etc. Gammon is the leader in the construction of cooling towers and chimneys. The Company has in house technical capability and has 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 (GTPL) a wholly own subsidiary of Gammon India Limited has established itself as a complete solution provider for cooling tower constructions. The R & D department at GTPL is continuously working to improve the efficiency of the structures being created by Gammon. The value of work executed during the current year is ₹ 762 crore and as on 1st April 2012 the value of work in hand is ₹ 1,390 crore.

6. TRANSMISSION AND DISTRIBUTION BUSINESS:

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 Eleventh 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 Eleventh Five Year Plan and about 82000 MW capabilities of power generation in the Twelfth Five Year Plan. This will enable the Company to cater to the ever growing demand of power transmission and distribution.

The power sector in India has an estimated capacity addition of more than 1,60,000 MW during the period 2012-17. In order to provide availability of over 1,000 units of per capita electricity by the year 2012, the fund requirement for transmission system development and related schemes during Eleventh Five Year Plan period has been estimated as follows :

Sector	₹ in crore
Central	75,000
State	65,000
Total	1,40,000

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 the 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 Build-Own-Operate-Transfer (BOT) projects for setting up transmission line.

Distribution:

R-APDRP and RGGVY schemes are expected to accelerate investment in the power distribution sector. The Government has set aside ₹ 2080 crore in the current budget under the APDRP Scheme as compared to ₹ 800 crore for last year for bringing about improvement in the urban power distribution sector. The RGGVY scheme aims to bring about access to electricity to all rural households by the year 2012.

The T & D business of the Company mainly works with Powergrid, SEBs and Private sector clients on EPC basis.

The Company has set up a 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 your 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 Research & Development Centre.

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

During the year 2011-12, projects worth ₹ 975 crore, which includes 248 km of 765 Transmission lines, 670 kms of 400 kv lines of Powergrid Corporation of India and 151 km of 220 kv Transmission lines for State Electricity Board were completed.

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 :

Sofinter Group

The consolidated Financial Statements of Sofinter Group as of 31st December 2011 showed a loss of Euro 1.9 million and would have been positive but for the one-time extra-ordinary charges of Euro 2.4 million.

In this difficult moment, with an unfavorable economic situation in which both industrial and financial markets are showing clear signs of downturn, the Sofinter Group has succeeded in achieving turn-around. The Group's debt situation improved drastically, as the careful management of projects allowed for a substantial recovery of current assets invested.

The Management implemented an internal restructuring plan, by way of cost reduction and rationalization of operational structure. A new partner B.T. Global Investors Limited subscribed shares in Sofinter S.p.A. bringing in Euro 18 million in cash. In November, 2011 the Group entered into an agreement to modify the Interbank Agreement originally signed in 2009, which facilitated the Group with incremental credit lines of € 50 million and opened up earlier closed lines sufficient to carry out the Industrial Plan for the period 2012-14.

Sofinter – Macchi & SWS Division

Operating value of production increased from € 108 million to € 126 million demonstrating the recovery of sales achieved by the Macchi Division of Sofinter.

The business activity in 2011 led to a substantial consolidation of market position, with significant acquisitions from important global customers including Petrobras-Brasile and Sembcorp-Singapore.

Today, the Macchi Division's leadership in the large-scale industrial boilers sector is recognized and consolidated at the international level.

Continuous attention is also dedicated by the Company to post-sales service, understood as both a service for the customer and also a business opportunity.

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

Sales activities in 2011 were principally directed to providing various offers to international EPC contractors. Currently, the business areas showing the greatest interest are the Middle East and South America, areas in which commercial negotiations are underway with good prospects for success.

The project portfolio as of 31st December 2011 for Macchi and SWS Division amounts to approximately € 168 million.

Ansaldo Caldaie S.p.A.

The Financial Statements as of 31st December 2011 show a production value of € 110 million, with a loss of € 1.3 million.

Despite difficult market and global financial difficulties, Ansaldo Caldaie S.p.A. has continued with its intense sales activities, and its backlog of offers awaiting awards has reached a significant level. Production activities continued regularly, both at the factory and at worksites, and the Company reached the production levels set by the contractual milestones. As regards the profitability of projects, the levels were maintained and in some cases also exceeded the anticipated levels.

This year the Company achieved its planned EBITDA due to positive performance on its existing contracts, good performance of its service and business and careful management of overhead costs. The future looks promising with high demand expected as the Global Financial and Political situation improves. Steps were taken to solidify the Company's infrastructure to position it to address the market in the medium to long term.

The Company's reputation in the market for having a strong, sound, technology base and good delivery capability remains very positive. This will help secure future orders. In India the Company faced a minor setback when the Supreme Court reversed the High Court's decision on its qualification for NTPC projects based on a technicality. In 2012 the Company will work together with NTPC to overcome this issue and be in a position to bid for their future projects.

The area of growth has been in the order intake of Service business which has grown by approximately 2.5 times from a year ago. The spare parts business is almost the same year on year. The area of growth has been in foreign markets with the share in the Italian market declining with regard to the previous year.

The project portfolio as of 31st December 2011 amounts to approximately € 116 million.

Europower

Production value as of 31st December 2011 was approximately € 14.7 million, a decrease of approximately € 2.6 million compared to the previous year 2011 closed with a profit of € 0.8 million. The 2011 accounting period saw the Company involved in the development of its own activities in the O & M sector, in Italy and abroad, and consolidating the position already obtained in recent years despite the negative international economic situation.

ITEA

Production value for the year 2011, of € 3.3 million, was lower than in 2010 and also takes account of € 1.1 million of capitalization relating to research activities. The 2011 accounting period closed with a significant

loss of € 2.7 million. The shareholders Ansaldo Caldaie S.p.A. and Sofinter S.p.A. made capital contributions to cover losses, respectively, for the amounts of € 180,000 and € 1,320,000.

In the year 2011, the Company essentially performed five main activities :

- It completed the start-up and test operations of the Itro plant in Singapore , where the test was performed in the month of August;
- It continued the execution of the FEED (Front End Engineering Design) for the ENEL plant;
- It developed and consolidated the relationship with ENI through the execution of orders relating to studies and test campaigns in the Gioia del Colle plant;
- It continued the development activities; and
- It continued and developed sales activities.

ITEA, together with Thermoenergy U.S.A. has established a joint venture company in the United States to promote the ITEA technology and obtain financing in the United States, including Government funds, for the construction of a 50 MWe pilot plant, and in this context, is preparing the documentation necessary for participation in the program recently announced by the U.S. Department of Energy. This is a major step for ITEA technology, the benefits of which will be known in the near future.

Franco Tosi Meccanica S.p.A. (FTM)

Despite the poor macroeconomic scenario, the year 2011 has shown an increased value of production by 12.4% from € 68.3 million in the previous year to € 76.8 million. Despite best efforts FTM missed revenue of at least € 30 million due to continued lack of working capital credit lines. The operating margin (EBIT) for the financial year 2011 shows a significant improvement compared to the previous year, going from a negative result of € 9.7 million to a positive value of € 3.7 million.

The company in 2011, has continued to confirm its role as a quality manufacturer of power generation equipment as well as consolidated its presence in the rehabilitation of existing plants, particularly in the markets of Central Africa and South/Central America.

Overall the financial results of 2011 marks a significant improvement over the previous year and has set the company firmly back on course to recovery. The effective order back log is € 139 million.

While the recession has delayed the investments and subdued the macro economic dynamics, the global outlook for the energy market does not vary far from the preceding forecasts in the longer run. It is expected that the burgeoning population in Central and South African countries, would eventually leverage their vast natural resources and will fuel the growth of power sector. Mature markets are expected to resort to life extension and rehabilitation investments in their ageing power plants in the short and medium term.

The implementation of the internal plan involving activities to improve performance of production is in progress, with the aim to :

- Reduce costs
- Improve Quality
- Improve the service granted to the Client.

During the year the positive impacts of the said plan could be perceived, despite a still difficult market situation.

SAE Power Lines S.r.L.

The Company in 2011, recorded a turnover of € 43.72 million, an EBITDA of € 0.3 million and PAT of € (1.65 million). Further, the order book at the end of the financial year was € 55 million. Additionally the company is well positioned on its bids which are approximately in the range of € 100 million.

The activities of the Company relating to the fabrication and erection of transmission towers and lines showed modest growth. This is despite the pressure on liquidity and turmoil in the global markets. However the prospects over the medium to long-term especially in markets in North East and West Africa are encouraging as also in the emerging markets including India, Brazil and the Middle East. The Company is also continuing its focus on opportunities in the United States of America as well as Mexico.

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.

The Puma Block Service Contract was signed and registered on 1st Feb, 2011 for a 18 year term.

As at the end of financial year 2011 a cumulative amount of USD 61 Million has been invested by both partners in the development of the Puma Field. The Development activities included drilling of seven new wells, installation of production facilities, and work-over operations. The Puma Field is producing an average of 2,000 barrels of oil per day (2012 average). The Puma Field has Proved Reserves of 8.2 million barrels, probable reserves in the order of 1.46 million barrels, and 4 exploratory prospects with excellent potential.

After a process that lasted 15 months, on February 2011 Consorcio Pegaso was awarded the ISO 14001 environmental certification by BUREAU-VERITAS™. These efforts have strengthened the relationship with environmental authorities and is a major accreditation accorded to very few Companies in the region.

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%. 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. The Indian real estate market size is expected to touch USD 180 billion by 2020.

Recent growth in the Indian economy has stimulated demand for land and developed real estate across industries. Demand for residential, commercial and retail real estate is rising throughout India, accompanied by increased demand for hotel accommodation and improved social infrastructure. 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. This 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.

In this sector the Company undertakes contracts for construction of buildings. Most contractors in this are regional by nature and this a challenge for Gammon 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. Gammon India Limited has during the year secured projects in the buildings sector valued at ₹ 1500 crores spread across Mumbai and Bangalore region. The major clients include Runwal Group, Iskcon, Sattva Group and Godrej to name a few.

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 Private Limited.

Despite high inflation, rising interest rates & near absence of institutional funding. It still remains a high growth opportunity.

Your Company through its subsidiaries has acquired substantial presence in the Real Estate Sector across India as follows :

1. Metropolitan Infra-housing Private Limited acquired 180 acres of Land in auction within the limits of Municipal Corporation of Kalyan and Dombivali at a total cost of ₹ 726 crores. The land belonged to the erstwhile Pal Peugeot Limited, and is proposed to be developed as a Township Project. In recent times this area is witnessing development with several real estate projects by reputed developers being undertaken there. As a result the market price has increased over the past few months. There are expected changes in the development rules for the area and a higher FSI is anticipated.
2. Deepmala Infrastructure Private Limited a subsidiary of your Company was incorporated as a Special Purpose Vehicle for execution of Central Business District at Bhopal. The project involves Procurement, Finance, Construction and Development of 15 acres of prime area in South TT Nagar Bhopal. It is a PPP Project with a lease period of 30 years extendable thereafter for another 30 years at no additional costs. The project is named as Shristi CBD Bhopal. Project comprises of approx 2.3 m sft of mixed use development. Permissions have been obtained for shopping arcade and high street shopping, The construction work has been undertaken by your company and progressing well. The Company is in the process of obtaining approvals for the residential and office blocks.
3. Preeti Townships Private Limited, another subsidiary is holding 15 acres of Land within the limits of Municipal Corporation of Kalyan and Dombivali.
4. The Company has also entered into a joint venture with Multiplex Constructions India Private Limited, an Indian arm of Brookfield Multiplex for construction of High Rise structure both residential and commercial. The innovations at Brookfield and quality standards of your Company complement each other for a sustained relationship in the field of Real Estate.

9. PUBLIC PRIVATE PARTNERSHIP PROJECTS :

Your Company has its presence in PPP Projects through its subsidiary Gammon Infrastructure Projects Limited (GIPL). Detailed below is the review of various projects in the operational phase, projects under active development and projects in pre-development phase:

Projects in the operational phase:

1. Rajahmundry Expressway Limited (REL)

REL is the SPV created for the project of widening and strengthening of a 53 km stretch between Rajahmundry and Dharmavaram in Andhra Pradesh on NH 5, connecting Chennai and Kolkata. The project achieved COD on September 20, 2004, The project has a 17.5 year concession period including a construction period of thirty months. The project has been capitalized at ₹ 25,642 Lakhs. As of March 31, 2012, REL has received 14 annuities from NHAI (each semi-annual annuity amounting to ₹ 2961.9 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 has 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 March 31, 2012, AEL has received 14 annuities from NHAI (each semi-annual annuity amounting to ₹ 2791.2 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 750 m long bridge 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 12 years now. The project had been capitalised at ₹ 2,574 lakhs. Pursuant to the restructuring of the project concession by Government of Kerala (GOK) and the ensuing Government Order, the project has a concession period of 19 years and 9 months. CBICL is also entitled to receive a fixed annual annuity payment of ₹ 154 lakhs from GOK.

4. Mumbai Nasik Expressway Limited (MNEL)

MNEL is the SPV created for widening, strengthening and operating the 99.5 km 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 ₹ 81,100 lakhs. Mumbai Nasik Expressway connects one of the most important gateways - Mumbai to Northern, Central and Eastern part of India. The Engineering, Procurement & Construction (EPC) contract of the project was awarded to Gammon India Limited (GIL). The Operation and Maintenance Contract of the project is with Gammon Infrastructure Projects Limited. MNEL commenced partial operation on May 2010 and tolling on entire stretch started on September 2011.

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. VSPL is the only private operator for handling bulk cargo in India's largest seaport at Visakhapatnam. The commercial operations began in July 2004. The concession period is 30 years, including the construction period. As of March 31, 2012, the project has been capitalised at ₹ 31,834.6 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 with 8.2 km of access roads and 21.2 km of bunds for flood protection on NH 57 in the Supaul district of Bihar on BOT (Annuity) basis. The concession period

is 20 years, ending in April 2027, including a construction period of three years. KBICL will receive an annuity payment of ₹ 3,190 lakhs from NHAI, semi-annually, during the entire operations period. On February 8, 2012, the project was inaugurated and opened for Commercial Operation.

Projects under Active development:

1. Gorakhpur Infrastructure Company Limited (GICL)

GICL is the SPV incorporated for 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 on BOT (Annuity) basis. The concession period is 20 years, ending in April, 2027, including a construction period of 30 months. GICL will receive an annuity payment of ₹ 4,860 lakhs from NHAI, semi-annually, during the entire operations period. The revised total project cost is estimated to be ₹ 75,300 lakhs. The EPC contract for the project was awarded to Gammon India Limited. The project has been completed and formally inaugurated on March 31, 2012.

2. 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, with 10.34 km of approach roads. 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. The EPC contract for the project was awarded to Gammon and work is in progress. Tolling and Maintenance Services of the project shall be carried out by GIPL.

3. 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, which includes new bypass of 16.87 km connecting NH 28 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 Gammon India.

4. Indira Container Terminal Private Limited (ICTPL)

ICTPL is the SPV incorporated in September 2007 to undertake the implementation, development, operation and maintenance of two Offshore Container Terminal berths at Mumbai harbor (OCT Project), operation and maintenance of existing container operation of Mumbai Port Trust (MbPT) at its Ballard Pier Station (BPS), off the coast of Mumbai on BOT basis. The license period for the project is 30 years, including 3 years of construction and equipping. The EPC contract of the project has been awarded to Gammon India. The total envisaged project cost is ₹ 1,500 crore with estimated COD of September 2013.

5. Blue Water Iron Ore Terminal Private Limited (BWOTPL)

BWOTPL is the SPV promoted to design, finance, construction, operation, maintenance and marketing of an iron ore handling facility in Paradip port and the provision of related services capable of handling a minimum of 10 MTPA at an estimated project cost of ₹ 59,100 lakhs. The concession agreement was signed in July 2009 with a concession period of 30 years including 3 years of construction.

6. Pravara Renewable Energy Limited (PREL)

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

As per the Project Development Agreement executed with Karkhana, 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) and construction at the site has commenced.

7. Sikkim Hydro Power Ventures Limited (SHPVL)

SHPVL, is the SPV incorporated for developing Rangit II Hydroelectric 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, the construction at the project site has commenced.

8. Youngthang Power Ventures Limited (YPVL)

YPVL is an SPV incorporated to implement the project for development of a 261 MW run-of-the-river hydroelectric power project on the river Spiti in Himachal Pradesh on a BOOT basis at an estimated cost of ₹ 250,000 lakhs. The concession period of the project is 40 years post commencement of commercial operations. Presently, the activities related to preparation of Detailed Project Report are being carried out.

9. 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. Currently, the prefeasibility report for the project is under preparation.

Other Projects in pre-development phase

The following other projects are also under development by the Company :

1. SEZ Adityapur Limited (SEZAL)

SEZAL was incorporated to implement the project of development of an SEZ 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.

2. 250 MW Thermal Power Project

This project, located in Chandrapur District of Maharashtra is currently under the predevelopment stage, wherein the necessary land required for the project has already been purchased and currently various statutory clearances and approvals are being obtained.

3. 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, which includes construction of new bypasses of Patna, Ara and Shahpura / Rani Sagar and realignment of certain stretches. The Project Road is located 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. PBHL will be entitled to collect toll in the entire operation period in lieu of its investment for development of the Project Highway. The total project cost is estimated to be ₹ 1,50,700 lakhs.

4. 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 from km 1076.48 to km 1022.48 including 6-lane Hanuman Junction bypass (length 6.72 km) and 4-lane Vijayawada bypass (length 47.88km) [Total Length: 103.59 km] 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/October 2012, including a construction period of 2.5 years. VGRPPL will start the toll collection from the Appointed Date and it has to pay a premium of ₹ 57.57 crore annually to NHAI from Appointed date until the end of the Concession Period with an annual increase of 5% per annum. The total project cost is estimated at ₹ 2,087 crore.

5. Birmitrapur Barkote Highway Private Limited (BBHPL)

BBHPL is the SPV incorporated for Rehabilitation and Up-gradation of Birmitrapur to Barkote Section of NH 23 on Design, Build, Finance Operate and Transfer on BOT (Toll) Basis. The project road is located in the State of Odisha. The Concession Period is 23 years, including a construction period 2.5 years. BBHPL will be entitled to collect toll from the date of completion of the project in lieu of its investment for development of the Project Highway. The total project cost is estimated to be ₹ 1,00,709 lakhs.

6. 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 NH 73, which includes construction of new bypasses of Yamunanagar, Saha, Sahazadpur, Dangri and Barwala and realignment of certain stretches. The project is located in the State of Haryana and is to be developed on BOT (Toll) basis. The Concession Period is 22 years, including a construction period of 2.5 years. YPHPL will be entitled to collect toll in the entire operation period from the date of completion of the Project in lieu of its investment for development of the Project Highway. The Total Project Cost is estimated to be ₹ 1,37,600 lakhs.

7. 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, which includes construction of new bypasses of Kauchwahi, Behri, Karthua, Bargawa and Gorbi and realignment of certain stretches. The project is located 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. SSRPL will be entitled to collect toll in the entire operation period in lieu of its investment for development of the Project Highway. The total project cost estimated to be ₹ 1,09,663 lakhs.

IV 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 extra-polated 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 the following ways :
 - a. Reorganisation of marketing, bidding and estimation team which enhanced the prequalification, 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.

V INTERNAL CONTROL SYSTEMS

The Company has deployed an internal control system, commensurate to its size & business. It provides reasonable assurance of recording the transactions of its operations in all material aspects & of providing protection against misuse or loss of company's assets.

The Company has recently implemented ERP system so documentation of standard operating procedure are prepared & issued. Internal audit reviews the checks and controls in compliance with documented procedure.

The internal audit team consists of both in-house techno-commercial professionals and independent firms of Chartered Accountants, who conduct the internal audits at regular interval & reports to Audit Committee.

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

VI SAFETY HEALTH AND ENVIRONMENT (SHE)

Continual strengthening on Construction Safety activities across Gammon sites and HQ remained the main focus during the year 2011-12 through a multipronged approach. Improvements have been achieved by strengthening the reporting and analysis of incidents & accidents, strengthening of safety surveillance, internal site reviews, independent review cum exchange visits of projects, utilization of exchange of experience gained through safety coordinators meets, encouragement for excellence in safety through NSC Safety Award scheme. Development of additional safety documents like safety management manual, safety operating Manual, training module for safety personnel, system for submission of periodic reports of sites through LAN are in good progress. Periodic reports of sites, Strengthening of audits inspections were achieved. Conducted training on various aspects of Construction Safety, Safety awareness programmes etc. through various means & methods were achieved during National Safety Week and other appropriate similar occasions by involvement of all level of employees. Regular activities like safety surveillance, safety training, safety promotional activities and conducting emergency fire drills etc. were maintained.

For achieving excellence in safety, awareness programme and implementation programs on work at height, basic scaffold safety requirements, Electrical Safety, Safety In charge Development, Safety Supervisor Development programmes were conducted across the organization. Evaluation and enhancement programs on Safety culture were continued.

Following various Safety Initiatives initiated

- ✓ Corporate Safety Committee meeting
- ✓ Sector wise Safety Committee set up & its meeting/ follow up.
- ✓ Competency Mapping of Safety Staff Done
- ✓ Eligibility criteria for Safety Staff for recruitment defined
- ✓ Safety I/c Training – covered all Safety I/c
- ✓ Safety Supervisor Training – 32% covered & on going
- ✓ Safety Coordinator Nominations & Strategy Workshop
- ✓ Safety Alerts – For information on Fatal/Serious Incidents
- ✓ Standard Signages Posters developed & dispatched
- ✓ Safety inspections/Audits conducted & ongoing by Coordinators

Our following projects won the "Prashnsa Patra" from National safety Council in the national level competition in the construction sector

1. Leela Palace Project, Chennai, Taminadu.
2. Greenfield Cement Project, Kadaapa, Andhra Pradesh.
3. Tiroda Civil Works, Nagpur, Maharashtra.

To create awareness and encourage active participation of all the stake holders across the organization, Safety Month was celebrated for the third consecutive year in Gammon.

VII HUMAN RESOURCES

The HR roadmap for 2011 – 12 focused on the following:

- Introduction of technology to ensure strengthening process orientation, discipline and implementation of HR policy manual.
- Attracting best talent for key projects through campus as well as lateral hiring.
- Sustaining competitive edge by investing in training and developmental initiatives.
- Integrating Gammon Group companies under One Gammon by ensuring uniformity of practices and procedures.
- SAP implementation.

The employee strength for the financial year 2011-12 was 3699 employees.

Training

Learning and Development Team of HR conducted Training Needs Analysis (TNA) on the basis of PMS reports and focus group discussions. Under the guidance of EDs, development plan was identified and accordingly a training calendar for the year was designed, addressing the training needs of the employees.

Some of the Technical training programs conducted were –

- Understanding, Implementing & Enhancing Quality Control Measures
- Understanding, Implementing & Enhancing Safety, Quality Control Measures At Sites by Effective Contract Management Practices
- Ensuring Robust Framework & Thorough Monitoring of Safety & Quality Measures Implemented at Sites by Effective Contract Management Practices
- Skill Enhancement of Supervisors
- Integrated Management Systems
- Electrical Safety Workshop
- Defensive Driving Workshop
- Enhancing Effective & Efficient Implementation of Safety Practices at Project Sites
- Workshops for Stores professions

The training approach ensured that the employees updated themselves with the best and contemporary knowledge, and practices through internal / external faculties.

Development

Two approaches were adopted in developmental activities for the organization – competency definitions for its critical support functions along with Project In-Charges and leadership development for senior leaders.

The organization, to sustain its competitive edge, needs to build strong talent pool to ensure business continuity. This entails developmental journey for its senior leaders. In the FY 2011-12, 35 leaders participated in the first two phases of GEM (Gammon Executive Management) program at ISB, Hyderabad. 37 employees have enrolled in Gallop (SPJain institute run EMBA program. Besides these, other developmental initiatives included 3600 feedback for HR, Internal Customer Satisfaction Survey (ICSS) across support functions in the organization, and preliminary work on succession planning for critical positions.

VIII INFORMATION TECHNOLOGY

We believe that IT is a strong enabler of business and it is important that we keep up with the ever changing technology landscape to meet the business expectations. The company engaged the services of IBM to host and manage computing resources in an outsourced model. Total revamp of mailing solution was undertaken by the company to introduce latest mailing solution. Bandwidth was migrated to high performance MPLS network thereby empowering site locations to conduct their transactions smoothly. This secured network is managed and monitored centrally to ensure near 100% uptime and is capable of transferring data, voice and video. Latest video conferencing systems were implemented at strategic locations to improve overall productivity of the managers. Multi-layered antivirus protection was deployed across the company to provide protection at server level, email gateway, internet gateway and desktop/laptop level thereby minimizing the downtime. In addition to the above, SAP HR module was implemented to bring all employees across the company under a common application. All these initiatives are aimed at reaching out to the users and provide them with the best in class infrastructure that can support the business and at the same time capable of scaling with the business growth.

IX 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

1. We have audited the attached Balance Sheet of **Gammon India Limited** ("the Company") as at 31st March 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended 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. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our report we invite attention to
 - a. Note no 15(a) of the explanatory notes relating to recoverability of an amount of ₹ 109.09 Crore under trade receivables in respect of recognition of contract revenue in previous years 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. The recoverability is dependent upon the final outcome of the appeals getting resolved in favor of the Company.
 - b. Note no 32(c) to the notes to accounts relating to the investments in one of the Joint Ventures of a wholly owned subsidiary which has applied for creditors' protection in a Court in Italy. The final outcome and the resultant investment would be dependent upon the approval of the courts to the composition scheme pending which no effects have been taken in these accounts.
 - c. 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 ₹ 2.87 Crore. The Company is in process of seeking shareholders approval for the remuneration paid as the minimum remuneration and pursuant thereto making 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.
4. 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 a statement on the matters specified in paragraphs 4 and 5 of the said Order on the basis of information and explanations received by us and reports of the branch auditors on which we have relied.
5. *Attention is invited to note no 41 of the explanatory notes in respect of the Joint Venture in Oman. The statutory auditors of the Joint Venture have qualified that the Joint Venture has certain contingent liabilities amounting to RO 615637 (₹ 8.26 Crore), which in their opinion, is more likely than not that the Joint Venture would be liable to incur the expenses. The Company in turn would be liable to make good the losses in the event such liabilities are accrued in the Joint Venture.*
6. Further to our comments in the Annexure referred to above, 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 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.
 - iv) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - v) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 2012 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.
 - vii) In our opinion and to the best of our information and according to the explanation given to us, *subject to paragraph 5 above regarding the operations in Oman*, the said accounts and the notes thereon give the information required by the Companies Act, 1956 in the manner so require and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March 2012 And
 - b) In the case of Statement of Profit and Loss of the profit for the year ended on 31st March 2012.
 - c) In the case of the Cash Flow Statement of the net cash flow for the year ended on that date.

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Dated : 14th August 2012

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 6 OF 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 of 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 2 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 168.2 Crore and at the end of the year balance of loans granted to such parties was ₹ 156.59 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 2012 was ₹ 38.55 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 Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax/VAT 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, 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 no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable except ₹ 0.18 Crore to be deposited with Investor Education and Protection Fund.
- (c) According to the information and explanation given to us, the details of Sales tax, Service tax and Excise duty that have not been deposited on account of dispute are stated in the statement attached herewith.
- (x) The Company does not have any accumulated losses and has not incurred cash losses in current year and the previous year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (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.

- (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 from banks or financial institutions. The other terms and conditions are not prima-facie prejudicial to the interest of the Company.
- (xvi) 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, 2012, we report that funds raised on short term basis of ₹ 199.63 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.
- (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) The management has represented that during internal investigations by the Company, instances of malafide conduct by certain employees were observed at two sites by the Company. The Company has lodged an FIR on some counts and is in the process of filing FIR on other counts. The total quantum of amount attributable to malafide conduct is yet to be determined and finalised and will crystallise on completion of Investigation jointly with the Authorities. The Management does not expect any impact on the financials as all possible losses attributable to the matter have already been booked and appropriate intimation towards fidelity insurance have been given to the Insurance Company.

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Dated : 14th August 2012

STATEMENT OF STATUTORY DUES OUTSTANDING ON ACCOUNT OF DISPUTES, AS ON 31ST MARCH, 2012,
 (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.	Sales in Transit (E-1)	0.13	1987-1988	D.C. Appeals
	A.P.	Reassessment matter	0.19	2001-2002	H.C.
	A.P.	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	2.10	2002-2003	Tribunal / H.C.
	A.P.	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	1.64	2003-2004	Tribunal / H.C.
	A.P.	Disallowance of Inter state purchase	0.23	2005 to 2007	H.C.
	A.P.	Levy of Penalty	1.90	2005 to 2007	H.C.
Sales Tax	Gujarat	Levy of Penalty	0.01	2001-2002	J C Appeals
	Gujarat	Levy of Penalty	0.22	2003-2004	J C Appeals
	Gujarat	Disallowance of TDS Credit & Penalty charged	0.11	2004-2005	Asst. Commissioner of Commercial tax
Sales Tax	M.P.	Entry Tax	0.10	2009-2010	DC Appeals
Sales Tax	Maharashtra	Denial of deduction on Pre cost component	0.79	1993-1994 to 1997-1998	Tribunal / A.C. Appeals
		Disallowance of WCT & BST	5.84	2000 to 2002	Jt. Appeals / Tribunal
		Lease Matter	0.19	1998-1999 to 2001-2002	Bombay High Court / Jt. Appeals
		Lease Matter	0.10	2005-2006	Jt. Appeals II
Sales Tax	Orissa	Lab. and Service Charges disallowed	0.11	1992-1993 to 1999-2000	A.C. Appeals
		Various disallowance	0.40	2001 to 2004	A.C. Appeals
Sales Tax	West Bengal	CTO wrongly estimated Transfer Price	0.64	1994-1995 to 2002-2003	Tribunal
		Arbitrary Demand	4.99	2007-2008	Tribunal
		Arbitrary order	1.31	2007-2008 (CST)	Tribunal
		Demand reassessment reopened	6.76	2005 to 2007	High Court
Sales Tax	Jharkhand	Non Receipt of F Form	0.04	2001-2002	C.T.
Sales Tax	Chhattisgarh	Entry Tax	0.05	1979-1980 to 1998-1999	Tribunal
Sales Tax	Assam	Arbitrary Demand	1.12	2006-2007	Appeal
Sales Tax	Rajasthan	Increase in EC fees, Interest	0.74	2005 to 2009	DC Appeals/ Tax Law Board
Service Tax	Gujarat	River Development Matter	5.65	2005 to 2010	A.D.G / C.T.
Service Tax	Gujarat	Whether for commercial purpose or not	5.73	2005 to 2007	A.D.G.
Service Tax	Bhilai	Show Cause cum Demand notice	1.00	2006 to 2010	A.D.G./ C.T
Service Tax	Karnataka	Non Inclusion of Value of Material	0.25	2006-2007	DG –CEI
Service Tax	Karnataka	Non Inclusion of Value of Material	2.58	2006 to 2009	DG –CEI
Service Tax	Imports	Show Cause cum Demand notice	1.92	2004 to 2008	A.D.G-CET
Service Tax	Chhattisgarh	Stay of Demand application	1.34	2004 to 2007	DGCEI
Service Tax	Chhattisgarh	Pending for adjudication with commissioner	0.18	2007 to 2011	SCN/ST/MUM/DIV
Service Tax	Various	Projects where materials are provided by client as free of Cost	2.48	2004 to 2009	ST / HQ.
Excise	Chennai	Disputed Demand	0.03	2006	CESTAT Chennai
GRAND TOTAL			50.87		

BALANCE SHEET As At 31ST MARCH, 2012

(₹ in Crore)

	Note No.	As At 31 st March 2012	As At 31 st March 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	27.50	27.49
Reserves and Surplus	2	2,224.48	2,089.31
		2,251.98	2,116.80
Non-Current Liabilities			
Long Term Borrowings	3	469.17	441.90
Deferred Tax Liabilities (Net)	4	67.19	81.43
Other Long Term Liabilities	5	292.48	316.20
Long Term Provisions	6	13.27	4.42
		842.11	843.95
Current Liabilities			
Short Term Borrowings	7	2,237.06	1,658.03
Trade Payables	8	1,465.28	1,177.42
Other Current Liabilities	9	929.91	866.70
Short Term Provisions	6	15.04	25.10
		4,647.29	3,727.25
TOTAL		7,741.38	6,688.00
ASSETS			
Non-Current Assets			
Fixed Assets	10		
- Tangible Assets		1,288.53	1,326.23
- Intangible Assets		6.41	3.74
- Capital Work in Progress		57.32	48.53
		1,352.26	1,378.50
Non-Current Investments	11	204.19	193.96
Long Term Loans and Advances	12	1,078.14	951.88
Long Term Trade Receivable	15	652.44	651.69
Other Non-Current Assets	13	29.37	18.57
		3,316.40	3,194.60
Current Assets			
Current Investments	11	4.53	5.34
Inventories	14	1,808.52	1,488.10
Trade Receivables	15	1,373.93	1,047.79
Cash and Cash Equivalents	16	85.64	57.34
Short Term Loan and Advances	12	919.80	457.28
Other Current Assets	13	232.56	437.55
		4,424.98	3,493.40
TOTAL		7,741.38	6,688.00

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 : 14th August 2012

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 : 14th August 2012

D. C. BAGDE
Deputy Managing Director

HIMANSHU PARIKH
Executive Director

GITA BADE
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Crore)

	Note No.	FY 2011-2012	FY 2010-2011
TOTAL Revenue			
Revenue from Operations (Net)	17	5,473.23	5,486.16
Other Operating Revenue	18	59.89	71.81
Other Income	19	157.22	280.82
		5,690.34	5,838.79
Expenses			
Cost of Material Consumed	20	2,395.52	2,336.65
Purchase of Stock in Trade	21	166.25	161.62
Change in Inventory - WIP & FG	22	(295.41)	(83.18)
Subcontracting Expenses		1,388.21	1,561.76
Employee Benefit Expenses	23	513.76	458.73
Foreign Exchange (Gain)/Loss	24	(14.85)	12.49
Finance Costs	25	363.42	233.65
Depreciation & Amortisation	26	101.99	91.71
Other Expenses	27	915.85	886.24
		5,534.74	5,659.67
Profit Before exceptional and extraordinary items		155.60	179.12
Exceptional Items		4.02	2.72
Profit Before Tax		151.58	176.40
Tax Expenses			
Current Income Tax		72.53	48.25
Deferred Tax		(14.24)	9.70
Prior year Tax Adjustments		6.25	-
		64.54	57.95
Profit After Tax For The Year		87.04	118.45
Earning Per Equity Share	34		
Face Value per Share		2.00	2.00
Basic EPS		6.41	9.16
Diluted EPS		6.38	9.10

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 : 14th August 2012

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 : 14th August 2012

D. C. BAGDE
Deputy Managing Director

HIMANSHU PARIKH
Executive Director

GITA BADE
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	FY 2011-2012	FY 2010-2011	(₹ in Crore)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and extraordinary items	151.58		176.69
Adjustments for :			
Depreciation	101.99	91.71	
(Profit)/Loss on Sale of Assets	2.00	(0.14)	
(Profit)/Loss on Sale of Investments	(9.52)	(25.86)	
Employees Compensation Expenses	-	0.20	
Dividend Income	(0.27)	(0.36)	
Interest Income	(137.87)	(240.43)	
Interest Expenses	363.42	252.74	
Foreign Exchange loss /gain	(14.06)	13.43	
Write off against Leasehold Land	-	0.03	
Provision for Doubtful Debt	0.13	0.35	
Bad Debts Written off	10.08	4.94	
	<u>315.90</u>		<u>96.61</u>
Operating Profit before Working Capital Changes	<u>467.48</u>		<u>273.30</u>
Adjustments for :			
Trade and Other Receivables	(337.08)	(107.54)	
Inventories	(320.42)	(178.95)	
Trade Payables & Working Capital Finance	328.77	(10.82)	
Loan and Advances	3.88	(6.94)	
	<u>(324.85)</u>		<u>(304.25)</u>
CASH GENERATED FROM THE OPERATIONS	<u>142.63</u>		<u>(30.95)</u>
Direct Taxes paid	(98.78)		(135.02)
Net Cash from Operating Activities	<u>43.85</u>		<u>(165.97)</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets	(86.66)	(313.00)	
Sale of Fixed Assets	5.78	4.83	
Share Application Money Pending Allotment	-	23.00	
Loans given to Subsidiaries, Associates and others	(931.30)	(766.12)	
Loans Refund from Subsidiaries, Associates and others	498.68	541.66	
Other Bank Balances	(3.48)	10.37	
Purchase of Investments			
Subsidiary, Joint Ventures & Associates	(10.85)	(42.71)	
Deposit paid on acquisition of shares	-	-	
Others	(1.45)	(1.05)	
Sale of Investments:			
Subsidiary, Joint Ventures & Associates	-	-	
Deposit received on transfer of beneficial interest	-	5.35	
Others	12.38	27.83	
Interest received	262.96	44.49	
Dividend received	0.27	0.36	
Net Cash from Investment activities	<u>(253.67)</u>		<u>(464.99)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Interest Paid	(359.42)	(239.99)	
Proceeds from issue of Share Capital & Share Premium	0.14	56.01	
Proceeds from / (Repayment of) borrowings	599.89	831.46	
Dividend Paid (Including Tax)	(6.09)	(21.34)	
Net Cash from Financing activities	<u>234.52</u>		<u>626.14</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>24.70</u>		<u>(4.82)</u>
Balance as on 31.03.2011	45.00		49.78
Balance as on 31.03.2012	69.70		44.96
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>24.70</u>		<u>(4.82)</u>
Note:-Figure in brackets denote outflows			
	As At		As At
	31.03.2012		31.03.2011
Cash and Cash Equivalents	69.82		45.00
Effect of Exchange Rate Charges	(0.12)		(0.04)
Balance Restated above	<u>69.70</u>		<u>44.96</u>

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 : 14th August 2012

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 : 14th August 2012

D. C. BAGDE
Deputy Managing Director

HIMANSHU PARIKH
Executive Director

GITA BADE
Company Secretary

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 except for the following:
 - (i) Valuation of inventory which has been changed from FIFO to Weighted Average. This change has resulted in profit for the year being lower by ₹ 9.23 Crore.
 - (ii) Dividend on investment in subsidiary Company which has undergone change due to changes in schedule VI. The Company now recognises the dividend as income only when the right to receive is established by the reporting date. This change however does not have any impact on the financial statement.

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	Kenya	Nigeria	Algeria	Bhutan
Computers	30%	-	15%	15%
Furniture and Fittings	12.50%	10%	15%	15%
Plant and Machineries	-	15%	15%	15%
Office Equipments	-	15%	15%	15%
Electrical Fittings	-	15%	-	15%
SPC Tools	-	-	15%	-
Vehicles	-	-	20%	15%
Building/Store Cabin	-	-	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, 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 of 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 and 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 comprises of current 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 and 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 31-Mar-2012		As at 31-Mar-2011	
	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 up	137,355,208	27.47	137,319,722	27.46
Subscribed and Fully Paid up Capital:				
Equity Shares of ₹ 2/- each, fully paid up	135,774,668	27.16	135,739,182	27.15
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		27.49

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-2012		As at 31-Mar-2011	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	135,739,182	27.15	127,438,698	25.49
Add : Issued during the year - ESOP	35,486	0.01	50,484	0.01
Issued during the year - Conversion of Warrants	-	-	8,250,000	1.65
As at the end of the year	135,774,668	27.16	135,739,182	27.15

(c) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31-Mar-2012		As at 31-Mar-2011	
	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	13,212,789	9.68
Devyani Estate and Properties Private Limited	11,782,805	8.63	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-12	31-Mar-11
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

43,580 (Previous Year 92,466) Equity shares have been reserved for issue as ESOP. Refer Note No. 33 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 31-Mar-2012	As at 31-Mar-2011
(i) Capital Redemption Reserve	105.00	105.00
(ii) Securities Premium Account		
As per last Balance Sheet	1,031.11	957.53
Add : On issue of Equity Shares on exercise of Warrants	-	72.76
Add : On issue of Equity Shares on exercise of ESOP	0.58	0.82
	1,031.69	1,031.11
(iii) Debenture Redemption Reserves		
As per last Balance Sheet	121.00	94.65
Add : Transferred from Surplus	47.43	45.50
Less : Transferred to Surplus	-	19.15
Less : Transferred to General Reserve	3.15	-
	165.28	121.00
(iv) Revaluation Reserves		
As per last Balance Sheet	239.30	242.43
Less : Depreciation on Revalued Assets	3.13	3.13
	236.17	239.30
(v) Share Options Outstanding Account		
Employee Stock Option Outstanding	2.66	2.66
Less : Transfer to General Reserve for Lapse of ESOP	0.65	0.48
Less : Transfer to Securities Premium on Exercise of ESOP	1.47	1.02
Less : Deferred Employee Compensation Cost	-	-
(Refer Note 33 for details)	0.54	1.16
(vi) OTHER RESERVES		
General Reserve		
As per last Balance Sheet	212.16	200.00
Add : On Forfeiture/Lapse of ESOP during the year	0.17	0.16
Add : Transferred from Debenture Redemption Reserve	3.15	-
Add : Transferred from Surplus	10.00	12.00
	225.48	212.16
Foreign Currency Translation Reserve		
As per last Balance Sheet	(12.09)	(24.24)
Add : Arising out of current year	70.92	25.48
Less : Amount recognised in the statement of Profit and Loss	16.85	(13.33)
	41.98	(12.09)
Special Contingency Reserve	50.00	50.00
Surplus / (Deficit)		
Profit brought forward from last year	341.67	273.36
Add : Profit for the year	87.04	118.45
Add : Transferred from Debenture Redemption Reserve	-	19.15
Add : Dividend from Own Shares	0.23	0.58
Less : Transferred to General Reserve	(10.00)	(12.00)
Less : Transferred to Debenture Redemption Reserve	(47.43)	(45.50)
Less : Interim & Proposed Dividend on Equity Shares	(2.73)	(10.63)
Less : Tax on Dividend	(0.44)	(1.74)
	368.34	341.67
TOTAL	2,224.48	2,089.31

- (a) The **General Reserve** is created to comply with the Companies (Transfer of Profit and Reserve rules 1975) and is bound by the rules in connection therewith.
- (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 ₹ 16.85 Crore (*Previous Year ₹13.33 Crore*) has been transferred from Foreign Currency Translation Reserve to the Statement of Profit and 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) Dividend received from own investment held through Gammon Trust is adjusted under Surplus ₹ 0.23 Crore (*Previous Year ₹ 0.58 Crore*).

3 Long Term Borrowings

(₹ in Crore)

Particulars	Non Current		Current Maturities	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Non Convertible Debentures				
Placed with Banks and Financial Institutions	374.00	374.00	-	3.50
Term Loans				
From Banks	95.17	67.90	22.68	22.68
TOTAL	469.17	441.90	22.68	26.18
The above amount includes				
Secured Borrowings	469.17	441.90	22.68	26.18
Unsecured Borrowings	-	-	-	-
Amount disclosed under the head "Other Current Liabilities" (note 9)			22.68	26.18

- (a) **Security for Loans :** Term Loans are secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.

Term & Condition of Term Loan :

Name of the Bank	Repayment Schedule
a) Bank of Maharashtra	Monthly instalments of ₹ 114 Lakhs each
b) IDBI Bank	Monthly instalments of ₹ 75 Lakhs each
c) Bank of Maharashtra	Repayable on 18 th , 21 st & 24 th month from the date of disbursement (27.03.2012)

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-2012	31-Mar-2011
1 - 2 years	72.49	22.68
2 - 3 years	13.69	19.14
3 - 4 years	8.99	13.68
4 - 5 years	-	12.40
TOTAL	95.17	67.90

- (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-2012	31-Mar-2011
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 5 th September, 2010	9.50%	50.00	50.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 18 th June, 2010	9.50%	50.00	50.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 7 th May, 2009	10.50%	74.00	74.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 24 th March, 2008	9.95%	50.00	50.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 5 th August, 2005	7.50%	50.00	50.00
Due for repayment at the end of 5 th , 6 th and 7 th year from the date of allotment being 25 th July, 2008	10.80%	100.00	100.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 30 th March, 2003	8.75%	-	3.50
TOTAL		374.00	377.50

- (c) Based on contractual terms, 8.75% debentures valuing ₹ 3.5 Crore have been redeemed on 30th March, 2012.

4 Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Deferred Tax Liability		
Depreciation	93.67	87.59
Foreign Exchange Translation Reserve	(12.76)	4.75
	80.91	92.34
Deferred Tax Asset		
Provision for Gratuity / Leave Salary	6.94	5.85
Provision for Bonus and Disallowances U/S 43 B	3.33	5.06
Others	3.45	-
	13.72	10.91
Deferred tax liability (Net)	67.19	81.43

5 Other Long Term Liabilities

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Trade Payables		
Micro, Small & Medium Enterprises (Note 8(i))	-	-
Retention / Security Deposits	49.33	53.42
Others	-	-
	49.33	53.42
Others		
Advances from Clients	243.15	262.78
Others	-	-
	243.15	262.78
TOTAL	292.48	316.20

6 Provisions

(₹ in Crore)

Particulars	Long Term		Short Term	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Provision for Employee Benefits				
Provision for Gratuity	-	-	3.17	3.76
Provision for Leave Benefits	13.10	4.27	5.35	12.49
Others				
Proposed Dividend	-	-	2.73	5.46
Corporate Tax on Dividend	-	-	0.44	0.89
Provision for Taxation Net of Taxes Paid	0.17	0.15	2.50	2.50
Other Provisions	-	-	0.85	-
TOTAL	13.27	4.42	15.04	25.10

Disclosure relating to Employee Benefits As per Revised AS - 15

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
(i) Change in Benefit Obligation		
Liability at the beginning of the year	9.32	6.61
Interest Cost	0.74	0.52
Current Service cost	1.06	0.80
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Benefit Paid	(2.04)	(0.92)
Actuarial (gain) / loss on obligations	0.04	2.31
Curtailments and Settlements	-	-
Liability at the end of the year	9.13	9.32

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
(ii) Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	5.56	5.09
Expected Return on Plan Assets	0.47	0.45
Contributions	1.96	0.94
Benefit Paid	(2.04)	(0.92)
Actuarial gain /(loss) on Plan Assets	-	-
Fair Value of Plan Assets at the end of the year	5.96	5.56
Total Actuarial (gain)/loss to be Recognized	0.04	2.31
(iii) Actual Return on Plan Assets		
Expected Return on Plan Assets	0.47	0.45
Actuarial gain /(loss) on Plan Assets	-	-
Actual Return on Plan Assets	0.47	0.45
(iv) Amount Recognized in the Balance Sheet		
Liability at the end of the year	9.13	9.32
Fair Value of Plan Assets at the end of the year	5.96	5.56
Difference	3.17	3.76
Un-recognised Past service Cost	-	-
Amount Recognized in the Balance Sheet	3.17	3.76
(v) Expenses Recognized in the Income Statement		
Current Service cost	1.06	0.80
Interest Cost	0.74	0.53
Expected Return on Plan Assets	(0.47)	(0.45)
Net Actuarial gain / (loss) to be Recognized	0.04	2.31
Past Service Cost (Non Vested Benefit) Recognized	-	-
Past Service Cost (Vested Benefit) Recognized	-	-
Effect of Curtailment or Settlements	-	-
Expense Recognized in the Profit and Loss Account	1.37	3.19
(vi) Balance Sheet Reconciliation		
Opening Net Liability	3.76	1.52
Expenses as above	1.37	3.19
Employers Contribution	(1.96)	(0.94)
Effect of Curtailment or settlements	-	-
Amount Recognized in the Balance Sheet	3.17	3.76
(vii) Actuarial Assumptions		
Discount Rate Current	8.00%	8.00%

Note :

- Employer's contribution includes payments made by the Company directly to its past employees.
- 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.
- The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.
- The Company's Leave Encashment liability is entirely unfunded.

7 Short-term Borrowings

The borrowings are analysed as follows:

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Loans repayable on demand :		
Cash Credit from Consortium Bankers	519.32	292.21
Loans and Advances from Related Parties :	4.98	-
Other Loans and Advances:		
Buyers Credit	60.45	67.39
Commercial Paper	225.00	145.00
Maximum O/s during the year ₹ 550 Crore (Previous Year ₹ 340 Crore)		
Short Term Loans - From Banks	1,427.31	1,133.22
- From Others	-	20.21
	1,712.76	1,365.82
TOTAL	2,237.06	1,658.03

The above amount includes

Secured Borrowings	519.32	292.21
Unsecured Borrowings	1,717.74	1,365.82

- 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.
- Cash Credit facility carries an interest rate of 100 to 275 bps above bplr. 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 is carries interest @ 12%.
- Buyers Credit are secured by guarantee of consortium bankers.

8 Trade Payables

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Trade Payables		
Micro, Small and Medium Enterprises	-	-
Retentions & Deposit	120.89	84.80
Others	1,344.39	1,092.62
TOTAL	1,465.28	1,177.42

- 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.
- 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 31-Mar-2012	As at 31-Mar-2011
Current Maturities of Term Loan (Refer Note 3)	22.68	26.18
Advances from Clients	712.73	628.12
Interest accrued but not due	51.11	47.11
Income received in advance	0.14	0.23
Unpaid Dividends	0.75	0.72
Unpaid Matured Deposits	0.07	0.13
Payables for Capital Goods	17.40	22.24
Other Payables		
- Duties and Taxes Payable	30.64	23.01
- Others	94.39	118.96
	125.03	141.97
TOTAL	929.91	866.70

- Unpaid dividend includes ₹ 0.17 Crore (Previous Year ₹ 0.14 Crore) and Unpaid matured deposits includes interest accrued and due ₹ 0.01 Crore (Previous Year ₹ 0.05 Crore) towards interest on fixed deposit to be transferred to the Investor Education & Protection Fund.
- The provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, have been implemented at the work sites where code numbers have been allotted. In respect of the remaining work sites necessary applications have been made for allotment of code numbers. However, a provision of ₹ 0.25 Crore is available under other payables to cover any liability arising there from.

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 1 st April 2010	3.78	330.34	991.87	92.95	4.89	22.41	26.95	2.05	1,475.24		
Additions	0.93	31.84	280.22	11.18	9.38	8.99	-	2.20	344.74		
Disposals/Adjustments	-	-	12.72	8.37	2.95	-	-	-	24.04		
As at 31 st March 2011	4.71	362.18	1,259.37	95.76	11.32	31.40	26.95	4.25	1,795.94		
Additions	-	1.26	66.60	3.76	3.48	4.49	-	0.40	79.99		
Disposals/Adjustments	-	0.07	28.01	5.47	-	-	-	-	33.55		
As at 31 st March 2012	4.71	363.37	1,297.96	94.05	14.80	35.89	26.95	4.65	1,842.38		
DEPRECIATION											
As at 1 st April 2010	0.07	27.27	293.44	52.86	1.92	8.53	8.43	0.28	392.80		
Charge for the Year	0.03	5.15	73.41	8.34	0.96	2.68	2.79	0.28	93.64		
Disposals/Adjustments	-	-	9.35	7.27	0.11	-	-	-	16.73		
As at 31 st March 2011	0.10	32.42	357.50	53.93	2.77	11.21	11.22	0.56	469.71		
Charge for the Year	0.03	5.63	83.18	7.68	1.90	2.61	2.79	0.21	104.03		
Disposals/Adjustments	-	0.02	14.95	4.92	-	-	-	-	19.89		
As at 31 st March 2012	0.13	38.03	425.73	56.69	4.67	13.82	14.01	0.77	553.85		
NET BLOCK											
As at 31 st March 2011	4.61	329.76	901.87	41.83	8.55	20.19	15.73	3.69	1,326.23		
As at 31 st March 2012	4.58	325.34	872.23	37.36	10.13	22.07	12.94	3.88	1,288.53		
Intangible Assets											
PARTICULARS	Computer Software	Tower Design	TOTAL								
GROSS BLOCK											
As at 1 st April 2010	0.09	3.47	3.56								
Additions	0.17	-	0.17								
Disposals/Adjustments	2.94	-	2.94								
As at 31 st March 2011	3.20	3.47	6.67								
Additions	3.76	-	3.76								
Disposals/Adjustments	-	-	-								
As at 31 st March 2012	6.96	3.47	10.43								
AMORTISATION											
As at 1 st April 2010	0.04	1.55	1.59								
Charge for the Year	0.03	1.20	1.23								
Disposals/Adjustments	0.11	-	0.11								
As at 31 st March 2011	0.18	2.75	2.93								
Charge for the Year	0.43	0.66	1.09								
Disposals/Adjustments	-	-	-								
As at 31 st March 2012	0.61	3.41	4.02								
NET BLOCK											
As at 31 st March 2011	3.02	0.72	3.74								
As at 31 st March 2012	6.35	0.06	6.41								

NOTES :

- Freehold Property includes cost of Freehold Land ₹ 123.50 Crore including the revaluation portion (Previous Year ₹ 123.50 Crore).
- Leasehold Land is at cost less amount written off.
- 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 has been credited to the Revaluation Reserve A/c.
- Depreciation for the Year amounts to ₹ 104.03 Crore (Previous Year ₹ 94.84 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.
- Exchange Valuation difference in respect of Oman Fixed Assets ₹ Nil (Previous Year ₹ 0.22 Crore) being transferred to Foreign Currency Translation reserve.
- Borrowing cost capitalised to Capital Work In Progress is ₹ 2.41 Crore (Previous Year ₹ 2.61 Crore)

Note - 11

	Face Value ₹	Nos. as on 31.03.2012	Nos. as on 31.03.2011	31.03.2012 ₹ In Crore	31.03.2011 ₹ 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)					
<u>Subsidiaries :</u>					
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
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	16,000,000	5,150,000	16.00	5.15
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
				220.24	209.39
Add : Acquisition of Beneficial Interest in REL & AEL in lieu of Deposit paid				5.66	5.66
				225.90	215.05
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received				44.50	44.50
(A)				181.40	170.55
<u>Others :</u>					
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)					
<u>Subsidiaries :</u>					
Associated Transrail Structure Limited Nigeria	Naira 1	10,000,000	10,000,000	0.36	0.36
ATSL Holdings BV (Netherlands)*	€ 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 BV*	€ 100	180	180	0.12	0.12
Gammon International BV*	€ 100	180	180	0.12	0.12
Gammon International FZE	AED 150000	1	1	0.17	0.17
Gammon International LLC	RO 1	-	103,500	-	1.10
P.Van Eerd Beheersmaatschappij BV*	€ 453.78	35	35	0.05	0.05
(C)				1.04	2.14

	Face Value ₹	Nos. as on 31.03.2012	Nos. as on 31.03.2011	31.03.2012 ₹ In Crore	31.03.2011 ₹ In Crore
Others :					
Gammon Mideast Limited, Dhs.1,000 each Dhs.7,85,000 (Under Liquidation) (Fully Provided)		1,142	1,142	0.18	0.18
Finest SPA, Italy (Associate)	€ 1	780,000	780,000	19.52	19.52
(D)				19.70	19.70
TOTAL TRADE INVESMTNETS (A+B+C+D)				202.38	192.63
2. OTHER INVESTMENTS :					
a) INVESTMENT IN EQUITY INSTRUMENTS					
Investments through Gammon India Trust (Company's own shares)(Refer Note (a))	(E)			1.68	1.68
b) INVESTMENT IN GOVERNMENT SECURITIES :					
Government Securities lodged with Contractees as Deposit :					
Unquoted :					
Sardar Sarovar Narmada Nigam Limited - Bonds				0.30	0.10
Others				0.12	0.12
Government Securities Others - Unquoted				0.12	0.12
(Indira Vikas Patras and National Savings Certificates)	(F)			0.54	0.34
TOTAL OTHER INVESMTNETS (E+F)				2.22	2.02
TOTAL (A+B+C+D+E+F)				204.60	194.65
Less : Provisions for diminution in the value of Investment				0.41	0.69
TOTAL NON CURRENT INVESTMENTS				204.19	193.96
* These shares are pledged					
SUMMARY OF NON CURRENT INVESTMENTS :					
Unquoted					
Aggregate Book Value of Foreign Investments				20.74	21.84
Aggregate Book Value of Indian Investments				76.58	65.53
				97.32	87.37
Quoted					
Aggregate Book Value of Indian Investments				107.28	107.28
Market Value of Quoted Investments				798.74	1,013.59

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

ACQUIRED					(₹ in Crore)
Name of the Company	As At 31 st March 2012		As At 31 st March 2011		
	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 31 st March 2012		As At 31 st March 2011	
	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 15
CURRENT INVESTMENTS (AT BOOK VALUE)
1. INVESTMENT IN EQUITY INSTRUMENTS:

(Fully paid-up unless otherwise stated) - Current

Ordinary Shares : (Quoted)

	Face Value ₹	Nos. as on 31.03.2012	Nos. as on 31.03.2011	31.03.2012 ₹ In Crore	31.03.2011 ₹ In Crore
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	1,069	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	521,240	0.02	0.71
Technofab Engineering Limited	10	1,025,000	1,175,000	2.77	3.18
Ultratech Cement Limited	10	1,600	1,600	0.04	0.04

(A)

3.65 4.75

2. MUTUAL FUND (Quoted)

Investments through Gammon India Trust

ICICI Prudential FMP	1,019,427	580,000	1.02	0.58
SBI Debt Fund	-	360,000	-	0.36
IDFC FMP	230,000	-	0.23	-

(B)

1.25 0.94

TOTAL (A+B)

4.90 5.69

Less : Provisions for diminution in the value of Investment

0.37 0.35

TOTAL CURRENT INVESTMENTS

4.53 5.34

[^] Previous Year Face Value ₹10

SUMMARY OF CURRENT INVESTMENTS :
Unquoted

 Aggregate Book Value of Foreign Investments
 Aggregate Book Value of Indian Investments

 - -
 - -

Quoted

 Aggregate Book Value of Indian Investments
 Market Value of Quoted Investments

 4.89 5.68
 20.43 30.13

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

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Loans and Advances				
Capital Advance	6.47	5.16	-	-
Loans and Advances to related parties	758.92	660.44	638.85	215.17
Other Deposits	47.87	44.62	29.54	20.17
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	0.43	0.35	11.68	6.64
Advance to Creditors / Sub Contractor	22.24	30.89	125.35	128.67
Other Loans And Advances				
Taxes Paid Net of Provisions	192.39	172.37	-	-
Staff Advances	-	-	3.70	2.82
Indirect Taxes and Duties recoverable	21.51	18.22	25.54	22.00
Others	28.31	19.83	85.14	61.81
Deposits with Joint Stock Companies:				
Unsecured and Considered doubtful	-	-	6.40	6.40
Less : Provision for doubtful deposits	-	-	(6.40)	(6.40)
TOTAL	1,078.14	951.88	919.80	457.28

(i) Detail of Loans & Advances given to Related Parties

(₹ in Crore)

Name of the Related Party	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Gammon International FZE	73.07	68.22	-	-
P.Van Eerd Beheersmaatschappij BV	5.04	-	-	-
Gammon International BV	211.08	102.75	-	-
Campo Puma Oriente SA	2.35	177.79	-	-
Gammon Holdings (Mauritius) Limited	0.26	-	-	-
Gammon Holdings BV	218.43	122.91	-	-
Fin Est S.p.A.	2.73	2.53	-	-
ATSL Holding BV (Netherland)	28.32	12.76	-	-
SAE Power Lines S.r.l.	22.07	23.06	6.89	5.42
RAS Cities and Township Private Limited	12.00	12.00	-	-
Transrail Lighting Limited	41.00	22.57	-	-
Associated Transrail Structure Limited Nigeria	-	-	1.27	0.97
JV Gammon-FECP, Nigeria	-	-	0.86	-
Franco Tosi Turbines Private Limited	-	-	0.11	0.10
Deepmala Infrastructure Private Limited	-	-	110.50	14.96
Sikkim Hydro Power Ventures Limited	0.01	0.01	-	-
Gammon Pratibha JV	-	-	-	0.14
Gammon Cidade Tensacciai Joint Venture	-	-	0.25	-
Gammon OJSC Mosmetrostroy JV	3.32	-	-	-
Gammon Infrastructure Projects Limited	-	-	73.55	73.95
Vizag Seaport Private Limited	-	-	0.01	-
Gammon Billimoria Limited	44.74	19.52	-	-
Gammon Realty Limited	83.04	87.30	-	-
Kosi Bridge Infrastructure Company	-	-	0.39	0.39
Haryana Biomass Projects Limited	0.07	0.07	-	-
Rajahmundry Godavari Bridge Limited	-	-	0.35	0.35
Ansaldocaldaie Boilers India Private Limited	-	-	5.55	0.57
Gammon Power Limited	-	-	0.01	0.14
Gammon Progressive JV	0.52	0.87	-	-

Name of the Related Party	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Gammon Rizzani JV	1.80	1.80	-	-
Mumbai Nasik Expressway Limited	-	-	0.01	0.01
Jager Gammon Joint Venture	1.11	-	-	-
Gammon Archirodon Joint Venture	0.03	0.03	-	-
Gammon JMC Joint Ventures	0.03	-	-	-
Gammon Encee JV	4.84	4.70	-	-
OSE Gammon Joint Venture	0.14	0.02	-	-
Atlanta India Limited Gammon JV	1.19	0.81	-	-
Gammon Sew Joint Venture	-	-	1.03	0.00
BBJ Gammon JV	0.30	-	-	-
Gactel Turnkey Projects Limited	-	-	22.77	-
Rajahmundry Expressway Limited	-	-	0.12	0.12
Andhra Expressway Limited	-	-	0.15	0.15
Franco Tosi Meccanica S.p.A.	0.91	0.50	-	-
Metropolitain Infra Housing Private Limited	-	-	405.33	97.27
Punjab Bio-Mass Power	0.01	0.01	-	-
Sofinter S.p.A.	0.49	0.21	-	-
SAE Transmission India Limited	-	-	0.20	0.14
Gammon AL Matar JV	-	-	9.51	19.92
Tidong Hydro Power Limited	-	-	-	0.56
TOTAL	758.92	660.44	638.85	215.17

(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-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Subsidiaries / Fellow Subsidiaries :				
Gammon International FZE *	73.07	68.22	73.07	189.99
P.Van Eerd Beheersmaatschappij BV *	5.04	-	5.04	-
Gammon International BV *	211.08	102.75	211.08	103.63
Campo Puma Oriente SA	2.35	177.79	208.16	180.34
Gammon Holdings (Mauritius) Limited *	0.26	-	0.26	-
Gammon Holdings BV *	218.43	122.91	218.43	122.91
ATSL Holding BV (Netherland)	28.32	12.76	28.55	12.76
SAE Power Lines S.r.l.	28.97	28.47	33.05	28.66
Transrail Lighting Limited	41.00	22.57	41.00	22.57
Associated Transrail Structure Limited Nigeria	1.27	0.97	1.36	0.97
Deepmala Infrastructure Private Limited	110.50	14.96	169.51	107.89
Gammon Infrastructure Projects Limited	73.55	73.95	73.95	76.06
Gammon Billimoria Limited	44.74	19.52	44.74	19.52
Gammon Realty Limited	83.04	87.30	94.25	87.37
Ansaldocaldaie Boilers India Private Limited	5.55	0.57	5.55	6.47
Gammon Power Limited *	0.01	0.14	0.15	0.14
Franco Tosi Turbines Private Limited	0.11	0.10	0.11	0.10
Gactel Turnkey Projects Limited	22.77	-	110.12	-
Metropolitain Infra Housing Private Limited	405.33	97.27	467.15	197.07
Associates & Group Companies :				
Fin Est S.p.A.	2.73	2.53	2.73	2.53

* These loans are interest free

The Company with effect from 1st, Jan 2010 has modified the terms of the supports by way of loans to the overseas Special Purpose Vehicles which hold the Company's equity investment in overseas subsidiaries and Joint Ventures by treating the loans as long term loan repayable at the end of 5 years. Since these SPV's are in the nature of non integral operation of the Company, exchange gain / loss on restatement of such loan are carried in the Foreign Exchange Translation Reserves in accordance with AS -11 "The Effects of changes in Foreign Exchange Rates" issued under the Companies (Accounting Standard) Rules, 2006.

13 Other Assets

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Trade Receivable	-	-	103.91	165.44
Interest Accrued Receivable	-	-	114.43	239.52
Other Receivable	29.37	18.57	14.22	32.59
TOTAL	29.37	18.57	232.56	437.55

14 Inventories

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Raw Material (incl goods in transit ₹ Nil (Previous year ₹ 3.58 Crore))	105.57	98.48
Material at Construction Site	511.64	485.12
Stores and Spares	10.48	19.08
Work In Progress	1,142.49	847.02
Finished Goods (incl goods in transit ₹ 1.09 Crore (Previous year ₹ Nil))	38.34	38.40
TOTAL	1,808.52	1,488.10

(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

- (ii) During the year, the Company has changed the method of valuation of inventory from 'FIFO' to Weighted Average Method. Due to this change the Profit for the year is lower by ₹ 9.23 Crore.

15 Trade receivables

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Trade Receivables : (Unsecured, considered good unless otherwise stated)				
Outstanding for a period exceeding six months	600.76	574.87	621.43	371.07
Other Debts	51.68	76.82	752.50	676.72
Doubtful Debts	-	-	1.55	1.55
Provision for doubtful debts	-	-	(1.55)	(1.55)
TOTAL	652.44	651.69	1,373.93	1,047.79

- (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 ₹ 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.

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

	(₹ in Crore)	
Name of the Party	As at 31-Mar-2012	As at 31-Mar-2011
Andhra Expressway Limited	0.15	0.15
Indira Container Terminal Private Limited (Joint Venture)	11.03	10.09
Kosi Bridge Infrastructures Company Limited	73.82	-
Mumbai Nasik Expressway Limited	22.15	28.57
Rajahmundry Expressway Limited	0.12	0.12
SAE Power lines S.r.l.	93.42	31.78
Transrail Lighting Limited	0.31	-
TOTAL	201.00	70.71

16 Cash and Bank Balances

	(₹ in Crore)	
Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Cash and Cash Equivalent		
Cash Balances	3.29	4.25
Funds In Transit	43.22	0.13
Bank Balances	23.31	40.62
	69.82	45.00
Others		
Unpaid Dividend	0.75	0.72
Other Bank Balances	6.16	3.30
Fixed Deposit Account (On Margin Account)	8.91	8.32
	15.82	12.34
TOTAL	85.64	57.34

(a) Other Bank balances include ₹ 6.15 Crore (*Previous Year ₹ 3.15 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 (Gross)

	(₹ in Crore)	
Particulars	2011-12	2010-11
Turnover	5,549.17	5,559.14
Less : Excise Duty	(75.94)	(72.98)
	5,473.23	5,486.16
TOTAL	5,473.23	5,486.16

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

	(₹ in Crore)	
Particulars	2011-12	2010-11
Turnover for the year	4,373.06	4,323.45
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	15,876.48	12,530.75
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	2,062.80	1,482.65
Contract Advances (Net)	694.52	722.33
Gross Amount due from Customers for contract work	1,188.33	918.59
Gross Amount due to customers for contract work	30.20	5.07

(b) Breakup of Turnover

(₹ in Crore)

Particulars	2011-12	2010-11
Sale of products		
(i) Towers Sale	474.58	683.77
(ii) Conductor Sale	232.96	139.70
(iii) Wind mill	2.69	2.00
(iv) Brought out Sale	203.22	181.42
Less :- Excise duty	(75.95)	(72.98)
Sub Total	837.49	933.90
Sale of services		
(i) Construction Services	4,303.84	4,246.39
(ii) Erection	307.85	305.16
(iii) Testing Charges	24.05	0.70
Sub Total	4,635.74	4,552.26
TOTAL	5,473.23	5,486.16

18 Other Operating Income

(₹ in Crore)

Particulars	2011-12	2010-11
Consultancy Fees	0.04	-
Export Incentive	1.65	6.39
Sale of Scrap	20.87	14.83
Freight Charges	36.61	50.59
Miscellaneous Operating Income	0.72	-
Other Contractual Revenue	18.14	17.08
Less : Sub Contract Cost	(18.14)	(17.08)
	-	-
TOTAL	59.89	71.81

19 Other Income

(₹ in Crore)

Particulars	2011-12	2010-11
Interest Income	137.87	240.46
Miscellaneous Income	9.56	13.95
Profit on sale of Assets	-	0.20
Profit on sale of Investments	9.52	25.85
Dividend Received From Current Investments	0.27	0.36
TOTAL	157.22	280.82

(a) Interest from Joint Stock Companies includes accrued onetime non-recurring interest income of ₹ Nil (Previous Year ₹ 182.39 Crore) under contractual conditions from one of the subsidiary of the Company.

(b) Dividend received from own investment held through Gammon Trust is adjusted under appropriation ₹ 0.23 Crore (Previous Year ₹ 0.58 Crore).

20 Cost of Materials Consumed

(₹ in Crore)

Particulars	2011-12	2010-11
Opening Stock	583.60	495.91
Add : Purchases (Net of Discount)	2,429.13	2,424.34
Less : Closing Stock	617.21	583.60
TOTAL	2,395.52	2,336.65

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

Particulars	2011-12	2010-11
Project Materials Consumed	1,861.03	1,768.28
Raw Material Consumed - Manufacturing	534.49	568.37
TOTAL	2,395.52	2,336.65

(b) Raw Material Consumed (₹ in Crore)

Particulars	2011-12 Amount	%	2010-11 Amount	%
Raw Materials :				
Imported	56.74	10.62%	5.51	0.97%
Indigenous	477.75	89.38%	562.85	99.03%
TOTAL	534.49	100.00%	568.36	100.00%

(c) Consumption of Raw Material (₹ in Crore)

Particulars	2011-12	2010-11
Transmission Line Towers & Parts		
Steel	333.54	393.45
Zinc	33.65	52.99
Conductor		
Aluminium Ingots	142.18	108.39
Aluminium / EC Wire Rod	10.74	3.95
GI Wire	14.38	9.58
TOTAL	534.49	568.36

21 Purchase of Stock in Trade

(₹ in Crore)

Particulars	2011-12	2010-11
Traded item - Brought out material (Conductor, Insulators & Hardware item)	166.25	161.62
TOTAL	166.25	161.62

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

(₹ in Crore)

Particulars	2011-12	2010-11
Inventory Adjustments - WIP		
Opening - Construction	835.26	744.20
- Manufacturing	11.76	39.31
	847.02	783.51
Less : Closing		
- Construction	(1,129.96)	(835.26)
- Manufacturing	(12.53)	(11.76)
	(1,142.49)	(847.02)
Inventory Adjustments - FG		
Stock at Commencement	38.40	18.73
Less : Stock at Closing	(38.34)	(38.40)
	0.06	(19.67)
TOTAL	(295.41)	(83.18)

23 Employee Benefits

	(₹ in Crore)	
Particulars	2011-12	2010-11
Salaries, Bonus, Perquisites etc.	467.81	409.05
Contribution to Employees welfare funds, gratuity and leave encashment	25.20	26.65
Staff Welfare expenses	20.75	23.03
TOTAL	513.76	458.73

Remuneration paid to the Directors during the Year, though approved by the Shareholders, is in excess of the Net Profit of the Company for the year by ₹ 2.87 Crore. The Company is seeking approval of Shareholders and Central Government for payment of the aforesaid remuneration as "Minimum Remuneration" for the Year 2011 - 2012.

24 Foreign Exchange (Gain)/Loss

	(₹ in Crore)	
Particulars	2011-12	2010-11
Exchange (Gain) / Loss	(17.20)	12.49
Mark to Market on Fx Transactions	2.35	-
TOTAL	(14.85)	12.49

25 Finance Cost

	(₹ in Crore)	
Particulars	2011-12	2010-11
Interest Expense	358.78	232.75
Other Financial Charges	4.64	3.26
Mark to Market on Currency swap Transactions	-	(2.36)
TOTAL	363.42	233.65

In respect of currency swap derivative contracts entered into by the Company, the Company has Marked to Market (Gain) / loss of ₹ Nil (*Previous Year (gain) ₹ (2.36) Crore*) as at 31st March 2012 based on the valuation given by the bankers. Following the principle of prudence and in accordance with the announcement of the ICAI, the Company has made a provision for the same. Since the same was entered into to reduce the cost of borrowings, the said MTM loss is included under Financial Costs.

26 Depreciation & Amortisation

	(₹ in Crore)	
Particulars	2011-12	2010-11
Depreciation	104.03	93.61
Less : Depreciation on Revalued Assets	(3.13)	(3.13)
Amortisation	1.09	1.23
TOTAL	101.99	91.71

27 Other Expenses

	(₹ in Crore)	
Particulars	2011-12	2010-11
Plant Hire Charges	76.44	71.40
Consumption of Stores and Spares	84.54	84.07
Outward Freight	40.53	71.67
Sales Tax	99.99	102.95
Service Tax	68.95	48.14
Power & Fuel	182.05	178.41
Fees & Consultations	46.46	57.58
Rent, Rates & Taxes	43.35	46.49
Travelling Expenses	53.04	59.33
Communication	8.19	9.10
Insurance	35.09	(6.45)

(₹ in Crore)

Particulars	2011-12	2010-11
Repairs to Plant & Machinery	22.70	18.38
Repairs to Building	0.25	1.77
Other Repairs	11.01	6.45
Bank Charges & Commission	30.62	29.43
Other Site Expenses	52.17	52.87
Sundry Expenses (None of which is more than 1% of individually)	51.34	43.50
Loss on sale of Assets	2.00	0.06
Loss on Joint Venture	5.87	9.83
Branch Audit Fees	0.37	0.45
Remuneration to Auditors	0.89	0.81
TOTAL	915.85	886.24

(a) Remuneration to Auditors

(₹ in Crore)

Particulars	2011-12	2010-11
- Audit Fees including Consolidation	0.58	0.48
- Tax Audit	0.11	0.11
- Limited Review	0.11	0.09
- Certification	0.02	0.02
- Other Services	0.06	0.10
- Reimbursement of Out of Pocket Expenses	0.01	0.01
	0.89	0.81

(b) Consumption of Stores and Spares

(₹ in Crore)

Particulars	2011-12	2010-11
Project Site	32.87	41.84
Manufacturing	51.67	42.23
	84.54	84.07

(₹ in Crore)

(c) Particulars	2011-12		2010-11	
	Amount	%	Amount	%
Stores & Spare Parts (Manufacturing)				
Imported	0.28	0.54%	9.21	21.81%
Indigenous	51.39	99.46%	33.02	78.19%
TOTAL	51.67	100.00%	42.23	100.00%

28 CIF Value of Imports

(₹ in Crore)

Particulars	2011-12	2010-11
Raw Materials	53.35	27.71
Including Traded Goods ₹ 2.41 Crore (Previous Year ₹14.83 Crore)		
Machinery	3.81	76.09
Stores & Spares	7.82	8.45
TOTAL	64.98	112.25

29 Earnings in Foreign Exchange (₹ in Crore)		
Particulars	2011-12	2010-11
FOB Value of Exports	153.04	119.09
Revenue from Overseas Project and receipts from World Bank aided Projects	44.75	32.66
Interest	21.21	13.16
Tower Testing Charges	16.48	0.62
TOTAL	235.48	165.53
30 Expenditure in Foreign Currency (₹ in Crore)		
Particulars	2011-12	2010-11
Travelling	0.35	0.66
Interest Paid	2.76	2.45
Expenditure at Foreign Sites / Branch	33.07	25.36
Professional, Technical & Consultancy	5.88	3.61
Other Matters (Books, Periodicals, Subscription etc.)	1.79	1.74
TOTAL	43.85	33.82
31 Remittance of Dividend in Foreign Currency (₹ in Crore)		
Particulars	2011-12	2010-11
(i) Numbers of Non Resident Shareholders		
a) For FY 2010-11 Final	12	
b) For FY 2010-11 Interim		10
c) For FY 2009-10 Final		10
(ii) Numbers of shares held by them		
a) For FY 2010-11 Final	7,933,545	
b) For FY 2010-11 Interim		7,933,205
c) For FY 2009-10 Final		7,933,205
(iii) Gross Amount of Dividend		
a) For FY 2010-11 Final	0.32	
b) For FY 2010-11 Interim		0.32
c) For FY 2009-10 Final		0.48
32 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 Franco Tosi Meccanica S.p.A., 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 BV, Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for € 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. By an Agreement dated 2nd March 2009, Busi Group agreed to give PVAN 50% stake in lieu of its stake in Sadelmi for a consideration of € 1 while also agreeing to capitalise the Company with € 2.5 million and convert the S.r.l. status into an S.p.A. to facilitate the same.		
The above procedure however 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.		
The management is reasonably optimistic of a satisfactory conclusion of the matters. The total exposures of the Company as of balance sheet date is ₹ 5.04 Crore under loans and advances, ₹ 0.05 Crore under investment and under corporate guarantee ₹ 60.93 Crore. The result of these operations will be consolidated in the Company on completion of Court procedures and after upto date financials are drawn up.		

In the managements assessment the value of such references and infusion of € 2.5 million by Busi Group would be in excess of the acquisition cost of such stake and hence no impairment is considered necessary.

33 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	As at 31-Mar-2012	As at 31-Mar-2011
Net Income as reported	87.04	118.45
Add : ESOP compensation cost as accounted on Intrinsic value method	-	0.20
Less : ESOP compensation cost as accounted on fair value method	-	1.91
Net Profit Adjusted	87.04	116.74
Basic earnings per share - as reported	6.41	9.16
Basic earning per share – Adjusted	6.41	9.02
Diluted earning per share – as reported	6.38	9.10
Diluted earning per share – Adjusted	6.38	8.97

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	2011-12	2010-11
Option Shares Outstanding at the beginning of the year	46,233	78,035
Options exercised during the year	17,743	25,242
Option Shares granted during the year	-	-
Option Shares lapsed during the year	6,700	6,560
Option Shares Outstanding at the end of the year	21,790	46,233

During the year 17,743 (Previous Year 25,242) options were exercised by the employees against which 35,486 equity shares (Previous Year 50,484) were allotted and 6,700 (Previous Year 6,560) options were lapsed during the year on account of cessation of employment. None of the 46,233 options outstanding have been forfeited during the year.

34 Earning Per Share

Earnings per share (EPS) = Net Profit attributable to shareholders / Weighted Number of Shares Outstanding

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Net profit attributable to the Equity Share holders (₹ in Crore)	87.04	118.45
Outstanding equity shares at the end of the year	135,774,668	135,739,182
Weighted Number of Shares during the period – Basic	135,751,805	129,365,956
Weighted Number of Shares during the period – Diluted	136,514,212	130,169,427
Earning Per Share – Basic (₹)	6.41	9.16
Earning Per Share – Diluted (₹)	6.38	9.10

Reconciliation of weighted number of outstanding during the year :

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Nominal Value of Equity Shares (₹ per share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	135,739,182	127,438,698
Add: Issue of shares under ESOP	35,486	50,484
Add: On conversion of warrants	-	8,250,000
Number of Equity Shares at the end	135,774,668	135,739,182
Weighted average of equity shares at the end	135,751,805	129,365,956
For Dilutive EPS :		
Weighted average no. of shares in calculating basic EPS	135,751,805	129,365,956
Add: Shares kept in abeyance	725,800	725,800
Add: On grant of stock option under ESOP	36,607	77,671
Weighted average no. of shares in calculating dilutive EPS	136,514,212	130,169,427

35 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.

36 Contingent Liability

S.N.	Particulars	31-Mar-12	31-Mar-11
		(₹ in Crore)	
1	Liability on contracts remaining to be executed on Capital Accounts	23.90	12.59
2	Counter Guarantees given to Bankers for Guarantees given by them and Corporate Guarantees, on behalf of subsidiary, erstwhile subsidiary, associate Companies	7,443.95	6,531.96
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	542.06	556.31
4	Disputed Sales Tax liability for which the Company has gone into Appeal	29.71	24.66
5	Claims against the Company not acknowledged as debts	56.11	47.26
6	Disputed Excise Duty Liability	0.03	0.03
7	Disputed Customs Duty Liability	-	0.32
8	Disputed Service Tax Liability	21.13	18.61
9	Against bill discounting	22.20	-
	Since Realised	(8.81)	-
10	On partly paid shares	-	-
11	In respect of Income Tax Matters	19.70	-
12	Commitment towards capital contribution in subsidiary under contractual obligation	47.36	-
13	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	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 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	In respect of Joint Venture and operations in Oman, Gammon India Limited-AL Matar JV, refer note no. 41		
17	Counter claims in arbitration matters referred by the Company – liability unascertainable		

37 Segment Reporting

The Company is engaged mainly in one reportable segment viz., "Construction and Engineering". Additionally the Company has revenue from Windmills which 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.

38 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 31st March, 2012 is ₹ 770.86 Crore (*Previous Year ₹ 678.28 Crore*) receivables and ₹ 208.50 Crore (*Previous year ₹ 201.03 Crore*) payables. Currency wise unhedged amounts are as follows-

Currency	2011-12		2010-11	
	Receivables	Payables	Receivables	Payables
USD - US Dollar	105,677,260	21,058,063	99,943,121	20,764,391
EURO	19,523,543	1,716,590	23,802,114	5,284,398
GBP - Great Britain Pound	-	25,243	-	-
AED - UAE Dirham	95,560	-	55,560	-
OMR - Omani Rial	4,596,144	3,742,084	5,252,748	3,720,673
DZD - Algeria	169,060,250	194,462,060	263,342,163	200,720,302
NAIRA - Nigeria	1,170,092	6,213,707	-	6,213,707
KSH - Kenya	77,376,509	45,431,178	30,567,932	3,200,359
BTN - Bhutan	238,723,153	180,350,595	27,323,645	181,743,200
CAD - Canadian Dollar	827,302	-	-	-
BIRR - Ethiopia	4,350,051	8,247,664	-	-

(b) Foreign currency hedged exposure for receivables is ₹ 37.55 Crore (*Previous Year ₹ 4.81 Crore*)

Currency	2011-12	2010-11
USD	7,250,000	1,000,000

39 The balance with The Freyssinet Prestressed Concrete Company Limited is as per books of accounts and subject to reconciliation.

40 Joint Venture

(a) Details of Joint Ventures entered into by the Company :

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 Ansaldo (Kakrapara BOT Pkg.I)	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 Patel	Jointly Controlled Operation	50.00%
12 Gammon Pratibha (BWSSB)	Jointly Controlled Operation	70.00%
13 Gammon Progressive	Jointly Controlled Operation	50.00%
14 Gammon Srinivas	Jointly Controlled Operation	80.00%
15 Gammon Technofab (Transmission & Distribution of Electricity & Water)	Jointly Controlled Operation	70.00%
16 Gammon Tensacuai	Jointly Controlled Operation	80.00%
17 Gammon-CGS-MARTI-DOLSAR	Jointly Controlled Operation	57.00%
18 Gammon-Geomiller	Jointly Controlled Operation	51.00%
19 Gammon-Marti	Jointly Controlled Operation	60.00%
20 Gammon-Mosmetrostroy	Jointly Controlled Operation	51.00%
21 GIL Simplex (Dholakal Tupul)	Jointly Controlled Operation	51.00%
22 GIL Simplex (Khongsang Imphal)	Jointly Controlled Operation	51.00%

	Name of Joint Venture	Description of Interest	% of involvement
23	Hyundai Gammon	Jointly Controlled Operation	49.00%
24	Jaeger Gammon	Jointly Controlled Operation	50.00%
25	OSE GIL	Jointly Controlled Operation	50.00%
26	Patel Gammon	Jointly Controlled Operation	49.00%
27	Gammon - FCEP - Joint Venture - Nigeria	Jointly Controlled Operation	80.13%
28	SAE - GIL Consortium	Jointly Controlled Operation	33.91%
29	SAE - GAMMON Consortium	Jointly Controlled Operation	51.56%
30	Consortium SAE - GAMMON	Jointly Controlled Operation	37.03%
31	JV Siemens Limited & ATSL, Kenya	Jointly Controlled Operation	19.79%
32	Consortium between SAE Powerlines S.r.l. and ATSL	Jointly Controlled Operation	Nil

(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%)	11.71 (15.62)	3.63 (0.46)	1.65 (0.53)	6.57 (8.88)
2	Gammon Encee Consortium (51%)	4.76 (4.74)	1.40 (1.41)	- (-)	- (-)
3	Jager Gammon (90%) *	9.38 (23.29)	9.25 (23.15)	57.19 (55.98)	57.20 (55.85)
4	Gammon Construtora Cidade Tensaccia Joint Venture (60%) *	27.35 (19.33)	27.35 (19.33)	20.40 (8.52)	20.20 (8.58)
5	Gammon OJSC Mosmetrostroy Joint Venture (51%) *	139.37 (38.27)	139.37 (38.27)	98.82 (-)	99.15 (-)
6	Bhutan Consortium Jyoti Structures Limited & Gammon India Limited	44.36 (29.65)	44.36 (29.65)	46.14 (0.63)	46.14 (0.63)

(Previous year figures are in brackets)

* In respect of these Joint Ventures the figures are from unaudited management certified accounts.

41 Joint Venture and operations in Oman

- As on March 31st, 2012, there were primary Court rulings against certain legal cases arising out of disputes in the Joint Venture's commercial operations amounting to RO 620,455 (₹ 8.33 Crore) as of March 2012. The Joint Venture has appealed against the primary Court judgements and is currently awaiting judgements from the Appeal Court. Based on legal advice, the management believes that the Appeal Court judgements will be in Joint Ventures favor and no amount will be payable. However a provision of RO 4818 for liability pertaining to these claims has been made in the financial statements.
- The statutory auditors of the Joint Venture have qualified their report stating that in their view it more likely than not that the Joint Venture will be liable to incur expense against these claims and accordingly it should record the total liability in the financial statements as of March 2012. Thus in their view the accounts payable and loss for the year are understated by RO 615,637 (₹ 8.27 Crore).
- As on March 31st, 2012, the Joint Venture has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to RO(177,891) (₹2.39 Crore) *previous year RO (377891)(₹ 4.43 Crore)*.
- Transactions of the Oman branch and the Joint Venture are accounted on the basis of the audited accounts received from the statutory Auditors of the respective entity.

42 Exceptional Item represents prior year expenditure of ₹ 6.32 Crore (*Previous Year ₹ 2.72 Crore*) net of ₹ 2.30 Crore of prior period income (*Previous Year NIL*).

43 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.

44 Basis of preparation

Till the year ended March 31, 2011, the Company was preparing the financial statements as per the pre-revised Schedule VI to the Companies Act, 1956. During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified the published previous year figures to conform to the norms of the Revised Schedule VI. The adoption of the revised Schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

45 Details of rounded off amounts

The financial statements are represented in ₹ Crore. Those items which were not represented in the financial statement due to rounding off to the nearest ₹ Crore are given below:

		(₹)	
Currency		2011-12	2010-11
(i) Non Current Investment			
Aircrow (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	17,255
(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 : 14th August 2012

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 : 14th August 2012

D. C. BAGDE

Deputy Managing Director

HIMANSHU PARIKH

Executive Director

GITA BADE

Company Secretary

Statement - 1

Related Party Disclosure (AS - 18)

A	Relationship
	Subsidiaries / Fellow Subsidiaries
1	Andhra Expressway Limited
2	Ansaldocaldai Boilers India Private Limited
3	Aparna Infraenergy India Private Limited
4	ATSL BV, Netherland
5	ATSL Infrastructure Projects Limited
6	Associated Transrail Structures Limited, Nigeria
7	Campo Puma Oriente SA
8	Chitoor Infra Company Private Limited
9	Cochin Bridge Infrastructure Company Limited
10	Deepmala Infrastructure Private Limited
11	Dohan Renewable Energy Private Limited
12	Earthlink Infrastructure Projects Private Limited
13	Franco Tosi Hydro Private Limited
14	Franco Tosi Meccanica S.p.A.
15	Franco Tosi Turbines Private Limited
16	Gactel Turnkey Projects Limited
17	Gammon & Billimoria Limited
18	Gammon & Billimoria LLC
19	Gammon Holdings (Mauritius) Limited
20	Gammon Holdings BV
21	Gammon Infrastructure Projects Limited
22	Gammon International BV
23	Gammon International FZE
24	Gammon International LLC
25	Gammon Italy S.r.l.
26	Gammon Logistics Limited
27	Gammon Power Limited
28	Gammon Projects Developers Limited
29	Gammon Realty Limited
30	Gammon Renewable Energy Infrastructure Limited
31	Gammon Retail Infrastructure Private Limited
32	Gammon Road Infrastructure Limited
33	Gammon Seaport Infrastructure Limited
34	Ghaggar Renewable Energy Private Limited
35	Gorakhpur Infrastructure Company Limited
36	Haryana Biomass Power Limited
37	Indori Renewable Energy Private Limited
38	Jaguar Projects Developers Limited
39	Kasavati Renewable Energy Private Limited
40	Kosi Bridge Infrastructure Company Limited
41	Lilac Infrastructure Developers Limited
42	Marine Projects Services Limited
43	Markanda Renewable Energy Private Limited
44	Metropolitan Infrahousing Private Limited
45	Mumbai Nasik Expressway Limited
46	P.Van Eerd Beheersmaatschappaji BV
47	Pataliputra Highway Limited
48	Patna Buxar Highways Limited
49	Patna Highway Projects Limited

50	Pravara Renewable Energy Limited
51	Preeti Township Private Limited
52	Rajahmundry Expressway Limited
53	Rajahmundry Godavari Bridge Limited
54	Ras Cities And Townships Private Limited
55	SAE Powerlines S.r.l.
56	SAE Transmission India Limited
57	Satluj Renewable Energy Private Limited
58	Segue Infrastructure Projects Private Limited
59	Sikkim Hydro Power Ventures Limited
60	Sirsa Renewable Energy Private Limited
61	Tada Infra Development Company Limited
62	Tangri Renewable Energy Private Limited
63	Tidong Hydro Power Limited
64	Transrail Lighting Limited
65	Vijaywada Gundugolanu Road Projects Private Limited
66	Vizag Seaport Private Limited
67	Yamuna Renewable Energy Private Limited
68	Youngthang Power Ventures Limited
	Associates & Group Companies
1	Eversun Sparkle Maritime Services Private Limited
2	Modern Toll Roads Limited
3	Finest S.p.A. Italy
	Entities Where Control Exists
1	Devyani Estate & Properties Private Limited
2	First Asian Capital Resources Private Limited
3	Masayor Enterprises Limited
4	Nikhita Estate Developers Private Limited
5	Pacific Energy Private Limited
	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 Harshit Rajan
7	Mrs Sandhya Bagde
	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 S.r.l. & 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

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	834.15		577.97	
Gorakhpur Infrastructure Company Limited		120.45		195.69
Kosi Bridge Infrastructure Company Limited		172.89		46.89
Mumbai Nasik Expressway Limited		5.88		63.68
Patna Highway Projects Limited		307.15		69.62
Rajahmundry Godavari Bridge Limited		227.45		201.90
Subcontracting Expenditure	4.33		-	
SAE Power Lines S.r.l.		4.33		-
Operating And Maintenance Income	18.14		17.08	
Andhra Expressway Limited		8.82		8.31
Rajahmundry Expressway Limited		9.32		8.77
Operating And Maintenance Expenses	18.14		17.08	
Gammon Infrastructure Projects Limited		18.14		17.08
Purchase of Goods	7.60		11.77	
GACTEL Turnkey Project Limited		4.04		0.27
SAE Power Lines S.r.l.		1.55		-
Transrail Lighting Limited (TLL)		2.01		11.50
Sale of Goods	65.54		1.77	
GACTEL Turnkey Project Limited		-		1.33
SAE Power Lines S.r.l.		65.30		0.44
Purchase of Investments / Advances towards Equity/Allotment of Shares	10.85		42.70	
Ansaldo Caldaie Boilers India Private Limited		-		37.15
Gorakhpur Infrastructure Company Limited		-		5.35
Transrail Lighting Limited (TLL)		10.85		-
Refund of Deposit for transfer of Beneficial Interest / Advance towards Equity	-		5.35	
Gammon Infrastructure Projects Limited		-		5.35

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Rent Income	0.07		0.12	
Gammon Infrastructure Projects Limited		0.07		0.12
Receiving of Services	7.76		7.74	
GACTEL Turnkey Project Limited		4.61		7.74
SAE Power Lines S.r.l.		3.08		-
Insurance Claim Received	-		0.71	
Kosi Bridge Infrastructure Company Limited		-		0.36
Rajahmundry Godavari Bridge Limited		-		0.35
Finance provided (incl. Loans and equity contribution in cash or in kind)	919.76		788.08	
Campo Puma Oriente S.p.A.		4.43		92.98
Deepmala Infrastructures Private Limited		236.65		118.47
GACTEL Turnkey Project Limited		112.41		86.43
Gammon Holding BV		74.05		92.45
Gammon Infrastructure Projects Limited		-		73.62
Gammon International BV		89.25		66.50
Metropolitan Infrahousing Private Limited		342.56		192.45
Finance provided for expenses & on a/c payments	124.13		15.75	
GACTEL Turnkey Project Limited		0.69		0.68
Gammon Infrastructure Projects Limited		0.07		0.32
Metropolitan Infrahousing Private Limited		102.22		-
RAS Cities and Townships Private Limited		-		1.87
Transrail Lighting Limited (TLL)		16.08		10.54
Amount liquidated towards the finance provided	597.04		501.10	
Campo Puma Oriente S.p.A.		205.81		-
Deepmala Infrastructures Private Limited		141.44		127.00
GACTEL Turnkey Project Limited		90.00		97.79
Gammon International FZE		3.54		123.19
Gammon Realty Limited		12.07		3.76
Metropolitan Infrahousing Private Limited		136.73		101.41
Interest Income during the year	117.37		225.32	
Metropolitan Infrahousing Private Limited		58.27		188.79
Campo Puma Oriente S.p.A.		18.65		11.73
Gammon Realty Limited		11.63		7.72
Deepmala Infrastructures Private Limited		7.58		4.55
Finance received (incl. Loans and equity contribution in cash or in kind)	8.50		2.21	
Franco Tosi Turbines Private Limited		8.50		-
GACTEL Turnkey Project Limited		-		2.21
Finance received for expenses & on a/c payments	0.22		1.51	
GACTEL Turnkey Project Limited		-		1.12
Gammon Infrastructure Projects Limited		0.11		0.02
Gammon & Billimoria Limited		0.11		0.36

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Amount liquidated towards the above finance	3.53		-	
Franco Tosi Turbines Private Limited		3.50		-
Interest Paid	0.85		0.03	
Franco Tosi Turbines Private Limited		0.85		-
GAETEL Turnkey Project Limited		-		0.03
Contract Advance received	24.27		83.26	
Deepmala Infrastructures Private Limited		16.00		-
Mumbai Nasik Expressway Limited		-		25.00
Patna Highway Projects Limited		-		37.50
Pravara Renewable Energy Limited		5.95		5.95
Rajahmundry Godavari Bridge Limited		-		14.81
SAE Power Lines S.r.l.		2.32		-
Refund against Contract advance	52.22		56.05	
Gorakhpur Infrastructure Company Limited		-		20.57
Mumbai Nasik Expressway Limited		-		25.00
Patna Highway Projects Limited		37.50		-
Rajahmundry Godavari Bridge Limited		12.41		10.48
Margin Money received against BG	12.00		-	
Ansaldo Caldaie Boilers India Private Limited		12.00		-
Guarantees and Collaterals Outstanding	2,930.65		2,406.84	
Ansaldo Caldaie Boilers India Private Limited		315.76		-
Deepmala Infrastructures Private Limited		283.80		233.80
Franco Tosi Meccanica S.p.A.		481.18		388.81
Gammon Billimoria LLC		78.27		288.72
Gammon Holding BV		427.76		248.74
Gammon International BV		314.93		323.04
Metropolitan Infrahousing Private Limited		275.00		-
SAE Power Lines S.r.l.		187.18		249.11
Outstanding Balances Receivables				
Loans and Advances	1,373.48		823.70	
Campo Puma Oriente S.p.A.		2.35		177.79
Gammon Holding BV		218.43		122.91
Gammon International BV		211.08		102.75
Gammon Realty Limited		83.05		87.30
Metropolitan Infrahousing Private Limited		405.20		97.27
Interest Receivable	94.78		218.76	
Deepmala Infrastructures Private Limited		12.87		6.05
Gammon Realty Limited		30.60		20.14
Metropolitan Infrahousing Private Limited		33.55		170.37
Trade & Other Receivable	202.32		70.75	
Kosi Bridge Infrastructure Company Limited		74.20		0.67
Mumbai Nasik Expressway Limited		22.16		28.58
SAE Power Lines S.r.l.		100.32		37.20

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Outstanding Balances Payable				
Advances Payable	5.74		-	
Franco Tosi Turbines Private Limited		5.74		-
Trade & Other Payable	95.34		158.11	
Deepmala Infrastructures Private Limited		16.00		-
Ansaldo Caldaie Boilers India Private Limited		12.00		-
Patna Highway Projects Limited		9.52		68.24
Pravara Renewable Energy Limited		9.59		5.95
Rajahmundry Godavari Bridge Limited		22.82		52.23
Deposit Outstanding (Payable)	70.91		70.91	
Gammon Infrastructure Projects Limited		70.91		70.91
TOTAL	7,599.70		6,104.68	
ASSOCIATES				
Interest Income during the year	0.22		0.22	
Finest S.p.A.		0.22		0.22
Outstanding Balances Receivables	3.68		3.21	
Finest S.p.A.		3.68		3.21
TOTAL	3.90		3.43	
ENTITIES WHERE CONTROL EXITS				
Dividend paid to Shareholders	1.77		3.41	
Abhijit Rajan		0.04		0.10
Devyani Estate & Properties Private Limited		0.47		0.53
First Asian Capital Resources Private Limited		0.28		0.68
Masayor Enterprises Limited		0.12		0.12
Nikhita Estate Developers Private Limited		0.14		0.35
Pacific Energy Private Limited		0.72		1.63
	1.77		3.41	
KEY MANAGERIAL PERSONNEL				
Remuneration paid	18.98		9.51	
Mr Abhijit Rajan		12.22		4.28
Mr Himanshu Parikh		1.70		0.25
Mr Rajul A Bhansali		0.82		0.44
Mr Rohit Modi		3.38		3.68
Mr D C Bagde		0.86		0.86
	18.98		9.51	
JOINT VENTURE				
Subcontracting Income	506.88		453.62	
Gammon JMC		-		69.08
Gammon OJSC Mosmetrostroy Joint Venture		66.83		-
Indira Container Terminal Private Limited		155.94		104.18
Jager Gammon		55.85		44.49
Patel Gammon		168.97		198.27
Subcontracting Expenditure	0.08		-	
Consortium of Jyoti Structure & GIL		0.08		-
Sale of Goods	24.07		-	
Consortium of Jyoti Structure & GIL		24.07		-

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Finance provided for expenses & on a/c payments	15.90		2.68	
Gammon Al Matar JV		-		0.83
Gammon Atlanta JV		0.38		0.81
Gammon Enee Consortium JV		0.15		0.20
Gammon OJSC Mosmetrostroy Joint Venture		12.24		-
Gammon Progressive		0.10		0.67
Amount liquidated towards the finance provided	13.96		2.33	
Gammon OJSC Mosmetrostroy Joint Venture		8.90		-
Gammon Al Matar JV		4.02		2.33
Interest Income during the year	-		0.29	
Gammon Al Matar JV		-		0.29
Finance received for expenses & on a/c payments	0.01		1.46	
Gammon Enee Consortium JV		0.01		-
Gammon Al Matar JV		-		1.44
Interest paid during the year	3.33		4.09	
Gammon Al Matar JV		-		0.29
Gammon Construtora Cidade Tensaccia Joint Venture		2.42		1.15
Gammon JMC		-		0.10
Gammon SEW JV		0.37		-
Jager Gammon		0.29		2.35
Contract Advance received	75.71		120.19	
Gammon Construtora Cidade Tensaccia Joint Venture		1.74		26.40
Gammon OJSC Mosmetrostroy Joint Venture		20.91		70.53
Jager Gammon		39.53		5.76
Patel Gammon		13.52		17.50
Refund received against Contract Advance	104.88		76.64	
Gammon JMC		-		2.20
Indira Container Terminal Private Limited		33.35		6.10
Jager Gammon		52.57		27.06
Patel Gammon		12.67		41.12
Guarantees and Collaterals Outstanding	384.26		440.12	
Gammon OJSC Mosmetrostroy Joint Venture		168.09		175.62
Jager Gammon		40.24		46.60
Outstanding Balances Receivables				
Trade & Other Receivable	182.63		185.45	
Gammon AL Matar JV		9.51		19.92
Consortium of Jyoti Structure & GIL		19.98		-
Gammon JMC		13.71		23.34
Jager Gammon		9.57		11.46
Patel Gammon		63.30		68.21
Outstanding Balances Payable				
Trade & Other Payable	185.67		154.46	
Consortium of Jyoti Structure & GIL		36.45		-
Gammon Construtora Cidade Tensaccia Joint Venture		45.08		26.40
Gammon OJSC Mosmetrostroy Joint Venture		89.21		70.53
Indira Container Terminal Private Limited		0.21		33.35
Jager Gammon		2.97		16.34
TOTAL	1,497.38		1,441.32	

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, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
1	Share Capital (including share application money pending allotment)	500,000	100,000	50,500,000	1,000,000	1,465,629,736	500,000	200,500,000	100,000	160,000,000
2	Reserves	(137,906)	(138,458)	(150,945,805)	12,448,439	4,693,833,345	(1,041,498)	(447,792,306)	(86,617)	(220,679,621)
3	Liabilities	200,022,203	5,901,239,209	2,064,714,820	987,215,914	2,100,886,151	20,085,026	1,150,144,236	5,515	1,048,677,851
4	Total Liabilities	200,384,297	5,901,200,751	1,964,269,015	1,000,664,353	8,260,349,232	19,543,528	902,851,930	18,898	987,998,230
5	Total Assets	200,384,297	5,901,200,751	1,964,269,015	1,000,664,353	8,260,349,232	19,543,528	902,851,930	18,898	987,998,230
6	Investments (excluding subsidiary companies)	-	-	19,663,383	-	560,222,280	-	-	-	-
7	Turnover	-	-	1,636,753,582	-	1,029,890,205	-	-	-	493,433,836
8	Profit before taxation	(13,462)	(138,458)	(8,705,854)	2,415,413	401,407,554	421,504	(57,641,556)	(27,259)	(141,315,218)
9	Provision for taxation	-	-	14,714,331	726,317	72,006,087	114,394	-	-	24,033,154
10	Profit after taxation	(13,462)	(138,458)	(23,420,185)	1,689,096	329,401,467	307,110	(57,641,556)	(27,259)	(165,348,372)
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 Pvt. Ltd	-	-	-	-	-	21,439,500	-	-	-	-
SEZ Adityapur Ltd	-	-	-	-	-	190,000	-	-	-	-
Indira Container Terminal Pvt Ltd	-	-	-	-	-	507,830,000	-	-	-	-
Modern Toll Roads	-	-	-	-	-	244,700	-	-	-	-
Blue Water Iron Ore Terminal Pvt.Ltd	-	-	-	-	-	30,518,080	-	-	-	-
Ansaldo GB-Engineering Pvt Ltd	-	-	-	-	-	-	-	-	-	-
II) Other										
Non Traded, Reddenable, Quoted NCDs'	-	-	-	-	-	-	-	-	-	-
Investment in mutual fund	-	-	-	19,614,383	-	-	-	-	-	-
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 Infrahousing Private Limited	SAE Transmission India Limited (SAET)	Franco Tosi Hydro Private Limited	Franco Tosi Turbines Private Limited	Preeti Township Private Limited	Ansalocaldaie boilers India Private Limited	Andhra Expressway Limited*	Aparna Infraenergy India Private Limited*^	Cochin Bridge Infrastructure Company Limited*
	Financial year ending on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
1	Share Capital (including share application money pending allotment)	100,000	500,000	100,000	951,450	1,000,000	500,000,000	290,000,000	500,000	64,000,700
2	Reserves	1,176,028,847	1,946,002	(38,135)	4,030,703	(1,065,463)	84,503,203	239,053,433	(82,698)	42,718,713
3	Liabilities	7,772,242,943	40,111,521	29,015	203,700,497	84,509,141	1,111,046,241	1,473,712,967	297,010,944	161,187,789
4	Total Liabilities	8,948,371,790	42,557,523	90,880	208,682,650	84,443,678	1,695,549,444	2,002,766,400	297,428,246	267,907,202
5	Total Assets	8,948,371,790	42,557,523	90,880	208,682,650	84,443,678	1,695,549,444	2,002,766,400	297,428,246	267,907,202
6	Investments (excluding subsidiary companies)	-	-	-	-	-	180,050,000	-	-	-
7	Turnover	-	75,041,360	-	-	-	1,674,895,381	569,854,960	-	52,093,454
8	Profit before taxation	(9,372,150)	2,832,466	(14,063)	5,628,779	(265,500)	19,529,185	(279,121,079)	(82,698)	(4,220,250)
9	Provision for taxation	35,000,000	900,000	-	1,771,300	-	7,855,611	8,300,000	-	6,627,186
10	Profit after taxation	(44,372,150)	1,932,466	(14,063)	3,857,479	(265,500)	11,673,574	(287,421,079)	(82,698)	(10,847,436)
11	Dividend - Equity	-	-	-	-	-	-	(261,210,070)	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-
Details of Investment										
I) Joint Ventures/Associates										
	Eversun Sparkle Maritimes Services Pvt. Ltd	-	-	-	-	-	-	-	-	-
	SEZ Adityapur Ltd	-	-	-	-	-	-	-	-	-
	Indira Container Terminal Pvt Ltd	-	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Pvt.Ltd	-	-	-	-	-	-	-	-	-
	Ansaldo GB-Engineering Pvt Ltd	-	-	-	-	-	180,050,000	-	-	-
II) Other										
	Non Traded, Reddenable, 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	Chitoor Infra Company Private Limited**	Dohan Renewable Energy Private Limited *@	Earthlink Infrastructure Projects Private Limited**	Gammon Logistics Limited*	Gammon Projects Developers Limited*	Gammon Renewable Infrastructure Limited*	Gammon Road Infrastructure Limited*	Gammon Seaport Infrastructure Limited*	Chaggar Renewable Energy Private Limited*@@
	Financial year ending on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
1	Share Capital (including share application money pending allotment)	100,000	100,000	100,000	25,500,000	2,500,000	500,000	500,000	500,000	100,000
2	Reserves	(41,625)	(65,321)	(53,763)	(67,918,394)	(2,349,867)	(1,178,025)	(70,243)	(64,028)	(498,553)
3	Liabilities	126,875,117	11,236	209,074,933	43,993,923	6,473,636	52,869,880	73,334,146	6,742	12,154,521
4	Total Liabilities	126,933,492	45,915	209,121,170	1,575,529	6,623,769	52,191,855	73,763,903	442,714	11,755,968
5	Total Assets	126,933,492	45,915	209,121,170	1,575,529	6,623,769	52,191,855	73,763,903	442,714	11,755,968
6	Investments (excluding subsidiary companies)	-	-	-	-	-	-	-	-	-
7	Turnover	-	-	-	5,000,000	-	-	-	-	-
8	Profit before taxation	(11,712)	(17,506)	(23,300)	6,236,903	(140,427)	(1,143,012)	(18,059)	(12,722)	(450,738)
9	Provision for taxation	-	-	-	975,000	-	-	-	-	-
10	Profit after taxation	(11,712)	(17,506)	(23,300)	5,261,903	(140,427)	(1,143,012)	(18,059)	(12,722)	(450,738)
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 Pvt. Ltd	-	-	-	-	-	-	-	-	-	-
SEZ Adityapur Ltd	-	-	-	-	-	-	-	-	-	-
Indira Container Terminal Pvt Ltd	-	-	-	-	-	-	-	-	-	-
Modern Toll Roads	-	-	-	-	-	-	-	-	-	-
Blue Water Iron Ore Terminal Pvt.Ltd	-	-	-	-	-	-	-	-	-	-
Ansaldo GB-Engineering Pvt Ltd	-	-	-	-	-	-	-	-	-	-
II) Other										
Non Traded, Reddenable, 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	Gorakhpur Infrastructure Company Limited*	Haryana Biomass Power Limited*^	Indori Renewable Energy Private Limited*@	Jaguar Projects Developers Limited*	Kasavati Renewable Energy Private Limited*@	Kosi Bridge Infrastructure Company Limited*	Lilac Infrastructure Developers Limited*	Markanda Renewable Energy Private Limited*@	Marine Projects Services Limited*
	Financial year ending on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
1	Share Capital (including share application money pending allotment)	542,870,500	500,000	100,000	500,000	100,000	483,000,000	500,000	100,000	500,000
2	Reserves	(14,319,856)	(13,236,825)	(66,004)	651,505	(65,321)	(31,322,965)	(77,559)	(66,841)	2,133,861
3	Liabilities	6,652,293,549	12,999,509	11,236	6,742	11,236	4,854,332,597	6,742	11,236	6,742
4	Total Liabilities	7,180,844,193	262,684	45,232	1,158,247	45,915	5,306,009,632	429,183	44,395	2,640,603
5	Total Assets	7,180,844,193	262,684	45,232	1,158,247	45,915	5,306,009,632	429,183	44,395	2,640,603
6	Investments (excluding subsidiary companies)	-	-	-	-	-	-	-	-	-
7	Turnover	-	-	-	-	-	90,644,809	-	-	-
8	Profit before taxation	(8,202,868)	(13,168,742)	(18,189)	(17,138)	(17,506)	(26,388,428)	(15,482)	(19,026)	(19,757)
9	Provision for taxation	-	-	-	-	-	-	-	-	-
10	Profit after taxation	(8,202,868)	(13,168,742)	(18,189)	(17,138)	(17,506)	(26,388,428)	(15,482)	(19,026)	(19,757)
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 Pvt. Ltd	-	-	-	-	-	-	-	-	-	-
SEZ Adityapur Ltd	-	-	-	-	-	-	-	-	-	-
Indira Container Terminal Pvt Ltd	-	-	-	-	-	-	-	-	-	-
Modern Toll Roads	-	-	-	-	-	-	-	-	-	-
Blue Water Iron Ore Terminal Pvt.Ltd	-	-	-	-	-	-	-	-	-	-
Ansaldo GB-Engineering Pvt Ltd	-	-	-	-	-	-	-	-	-	-
II) Other										
Non Traded, Reddenable, Quoted NCDs'	-	-	-	-	-	-	-	-	-	-
Investment in mutual fund	-	-	-	-	-	-	-	-	-	-
Share of Profit/(Losses) in a Partnership Firm	-	-	-	-	(1,930)	-	-	-	-	(1,930)
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	Mumbai Nasik Expressway Limited*	Patna Buxar Highways Limited*^	Pataliputra Highway Limited*	Patna Highway Projects Limited*	Pravara Renewable Energy Limited*	Ras Cities and Townships Private Limited*#	Rajahmundry Expressway Limited*	Rajahmundry Godavari Bridge Limited*	Satluj Renewable Energy Private Limited*\$
	Financial year ending on	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
1	Share Capital (including share application money pending allotment)	520,000,000	500,000	1,500,000	25,000,000	174,000,000	100,000	290,000,000	1,765,000,000	100,000
2	Reserves	588,907,297	(15,179,127)	(65,678,641)	(4,563,511)	(3,546,170)	658,254	306,729,824	846,124,599	(1,227,161)
3	Liabilities	8,041,178,210	69,936,585	718,297,618	4,729,722,021	121,494,590	368,413,450	1,649,161,677	4,585,766,974	4,880,728
4	Total Liabilities	9,150,085,507	55,257,458	654,118,977	4,750,158,510	291,948,420	369,171,704	2,245,891,501	7,196,891,573	3,753,567
5	Total Assets	9,150,085,507	55,257,458	654,118,977	4,750,158,510	291,948,420	369,171,704	2,245,891,501	7,196,891,573	3,753,567
6	Investments (excluding subsidiary companies)	-	-	-	-	-	-	-	-	-
7	Turnover	1,148,951,451	-	3,300,000	-	-	-	622,486,147	-	-
8	Profit before taxation	76,799,950	(15,179,127)	(50,546,211)	(981,323)	(15,716)	(12,880)	(262,789,713)	(842,471)	(302,289)
9	Provision for taxation	15,207,645	-	1,810,437	-	-	-	10,100,000	-	-
10	Profit after taxation	61,592,305	(15,179,127)	(52,356,648)	(981,323)	(15,716)	(12,880)	(272,889,713)	(842,471)	(302,289)
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 Pvt. Ltd	-	-	-	-	-	-	-	-	-	-
SEZ Adityapur Ltd	-	-	-	-	-	-	-	-	-	-
Indira Container Terminal Pvt Ltd	-	-	-	-	-	-	-	-	-	-
Modern Toll Roads	-	-	-	-	-	-	-	-	-	-
Blue Water Iron Ore Terminal Pvt.Ltd	-	-	-	-	-	-	-	-	-	-
Ansaldo GB-Engineering Pvt Ltd	-	-	-	-	-	-	-	-	-	-
II) Other										
Non Traded, Reddenable, Quoted NCDs'	-	-	-	-	-	-	-	-	-	-
Investment in mutual fund	-	-	-	-	-	-	-	-	-	-
Share of Profit/(Losses) in a Partnership Firm	-	-	(2,208)	-	-	(1,930)	(1,930)	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

* Subsidiaries of Gammon Infrastructure Projects Limited, a subsidiary of Gammon India Limited ("the Company")

Subsidiary of Gammon Projects Developers Limited, a wholly owned subsidiary of Gammon Infrastructure Projects Limited.

^ The companies became subsidiary of Gammon Infrastructure Projects Limited, a subsidiary of Gammon India Limited ("the Company") during the year 2011-12.

@ Jointly held as subsidiaries of Gammon Projects Developers Limited, Gammon Renewable Energy Infrastructure Limited and Gammon Seaport Infrastructure Limited, all wholly owned subsidiaries of the Company.

\$ Jointly held by the Gammon Infrastructure Project Ltd and it's wholly owned subsidiaries, Gammon Projects Developers Limited and Gammon Renewable Energy Infrastructure Limited

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	Sikim Hydro Power Ventures Limited*	Segue Infrastructure Projects Private Limited*#	Sirsa Renewable Energy Private Limited*@	Tada Infra Developer Company Limited*	Tangri Renewable Energy Private Limited*@	Tidong Hydro Power Limited*	Vijaywada Gundugolanu Road Projects Private Limited*^	Vizag Seaport Private Limited*	Yamuna Renewable Energy Private Limited*@	Youngthang Power Ventures Limited*
		31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012	31st March, 2012
1	Share Capital (including share application money pending allotment)	31,739,000	100,000	100,000	500,000	100,000	500,000	100,000	871,912,640	100,000	144,500,000
2	Reserves	(2,177,350)	(52,580)	(67,524)	(1,800,212)	(64,775)	(103,208)	(6,620,549)	(34,238,174)	(65,431)	(11,541,753)
3	Liabilities	784,631,031	78,197,668	11,236	2,542,286	11,236	11,739,274	79,995,240	3,983,666,789	11,236	568,546,348
4	Total Liabilities	814,192,681	78,245,088	43,712	1,242,074	46,461	12,136,066	73,474,691	4,821,341,255	45,805	701,504,595
5	Total Assets	814,192,681	78,245,088	43,712	1,242,074	46,461	12,136,066	73,474,691	4,821,341,255	45,805	701,504,595
6	Investments (excluding subsidiary companies)	-	-	-	-	-	-	-	-	-	-
7	Turnover	-	-	-	-	-	-	-	1,234,600,706	-	-
8	Profit before taxation	100,298	(22,877)	(19,709)	(11,801)	(16,960)	(14,418)	(6,620,549)	85,049,898	(17,616)	(10,190,160)
9	Provision for taxation	35,350	-	-	-	-	-	-	-	-	-
10	Profit after taxation	64,948	(22,877)	(19,709)	(11,801)	(16,960)	(14,418)	(6,620,549)	85,049,898	(17,616)	(10,190,160)
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 Pvt. Ltd		-	-	-	-	-	-	-	-	-	-
SEZ Adityapur Ltd		-	-	-	-	-	-	-	-	-	-
Indira Container Terminal Pvt Ltd		-	-	-	-	-	-	-	-	-	-
Modern Toll Roads		-	-	-	-	-	-	-	-	-	-
Blue Water Iron Ore Terminal Pvt.Ltd		-	-	-	-	-	-	-	-	-	-
Ansaldo GB-Engineering Pvt Ltd		-	-	-	-	-	-	-	-	-	-
II) Other											
Non Traded, Reddenable, Quoted NCDs'		-	-	-	-	-	-	-	-	-	-
Investment in mutual fund		-	-	-	-	-	-	-	-	-	-
Share of Profit/(Losses) in a Partnership Firm		-	-	-	(1,930)	-	-	-	-	-	(1,930)
Other		-	-	-	-	-	-	-	-	-	-

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: 23rd August, 2012

RAJUL A. BHASALI

Executive Director

HIMANSHU PARIKH

Executive Director

GITA BADE

Company Secretary

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 Beheersmaatschappij B.V. -Nederland	ATSL Holdings BV, Nether Lands	Associated Transrail Structures Ltd., 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, 2011	31st Dec, 2011	31st March, 2011	31st March, 2012	31st March, 2012	31st March, 2012	31st Dec, 2011	31st March, 2012	31st March, 2012	31st March, 2012	31st Dec, 2011	31st March, 2012
	Currency	EURO	EURO	AED	EURO	EURO	Naira	USD	EURO	EURO	AED	EURO	USD
	Exchange rate on the last day of financial year	68.90	68.90	14.11	68.34	68.34	0.33	44.81	68.34	68.34	14.11	68.90	51.16
1	Share Capital (including share application money pending allotment)	689,000	713,943,867	14,110,000	1,085,376	1,230,120	3,284,000	639,240	1,230,120	1,230,120	2,116,500	3,056,109,108	771,902
2	Reserves	(1,075,492)	(618,858,936)	(246,231,400)	(255,665,142)	(196,204,330)	(16,720,590)	(491,564,979)	(1,109,751,358)	(1,018,683,433)	(26,148,685)	(1,655,852,539)	(2,247,101)
3	Liabilities	750,349	3,025,308,202	1,418,351,812	821,424,545	1,027,881,156	13,538,385	3,904,674,541	5,194,175,086	5,188,390,101	737,003,445	13,738,372,748	12,190,609
4	Total Liabilities	363,857	3,120,393,133	1,186,230,412	566,844,779	832,906,946	101,795	3,413,748,803	4,085,653,848	4,170,936,788	712,971,260	15,138,629,317	10,715,411
5	Total Assets	363,857	3,120,393,133	1,186,230,412	566,844,779	832,906,946	101,795	3,413,748,803	4,085,653,848	4,170,936,788	712,971,260	15,138,629,317	10,715,411
6	Investments (excluding subsidiary companies)	-	-	-	512,906,230	-	-	2,441,780,715	-	-	-	345	-
7	Turnover	-	2,560,423,539	213,446,101	-	-	-	358,376,253	-	-	-	4,027,899,131	-
8	Profit before taxation	237,264	(80,869,012)	(120,887,128)	(60,169,134)	(89,459,980)	(2,179,732)	(278,580,207)	(278,649,617)	(277,171,843)	14,785,608	(194,522,922)	(510,044)
9	Provision for taxation	-	26,927,259	-	-	-	-	2,785,538	-	-	-	6,117,760	-
10	Profit after taxation	237,264	(107,796,272)	(120,887,128)	(60,169,134)	(89,459,980)	(2,179,732)	(281,365,744)	(278,649,617)	(277,171,843)	14,785,608	(200,640,682)	(510,044)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-	-	-	-

Details of Investment													
I) Joint Ventures													
Punjab Biomass Power Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
Eversun Sparkle Maritimes Services Pvt.Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
SEZ Adityapur Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
Indira Container Terminal Pvt.Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
Modern Toll Roads	-	-	-	-	-	-	-	-	-	-	-	-	-
ATSL Infrastructure Projects Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
Haryana Biomass Power Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Blue Water Iron Ore Terminal Pvt.Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-
Sadelmi Spa	-	-	-	-	-	-	-	-	-	-	-	-	-
II) Other													
Non Traded, Reddemable, Quoted NCDs	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in mutual fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Sadelmi S.p.A.	-	-	-	-	512,906,230	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	2,441,780,715	-	-	-	345	-

For and on behalf of the Board of Directors

ABHIJIT RAJAN Chairman & Managing Director	RAJUL A. BHASALI Executive Director
C.C.DAYAL Director	HIMANSHU PARKH Executive Director
GIRISH BHAT Chief Financial Officer	GITA BADE Company Secretary

Mumbai Dated: 23rd August, 2012

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-03-2012/31-12-2011

Sr. No.	Particulars	No. of shares/ Units/ Bonds	Face value	Book value	Quoted / Unquoted
1	Gammon Infrastructure Projects Ltd.				
	Non Current investment (at cost):				
	Jointly controlled entity:				
	Fully paid equity shares:				
	SEZ Adityapur Ltd	19,000	10	190,000	Unquoted
	Indira Container Terminal Pvt Ltd	50,783,000	10	507,830,000	Unquoted
	Blue Water Iron Ore Terminal Pvt.Ltd	3,051,808	10	30,518,080	Unquoted
	TOTAL			538,538,080	
	Non Current investment (at cost):				
	Associates Companies:				
	Fully paid equity shares:				
	Eversun Sparkle Maritimes Services Pvt.Ltd	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	13,256.387	10	16,447,332	Unquoted
	ING Liquid Fund - Daily Dividend Option	293,344.23	10	3,167,051	Unquoted
	Non Current investment (at cost):				
	Other Companies				
	National Saving Certificate	7	5000	35000	Unquoted
	National Saving Certificate	4	1000	4000	Unquoted
	National Saving Certificate	1	10000	10000	Unquoted
	TOTAL			19,663,383	
3	Ansaldocaldaie boilers India Private Limited				
	Non Current investment (at cost):				
	Associates Companies:				
	Fully paid equity shares:				
	Ansaldo GB-Engineering Pvt Ltd	18,005,000	10	180,050,000	Unquoted
4	Campo Puma Oriente S.A.				
	Non Current investment (at cost):				
	Other Companies				
	Oil Exploration Assets			2,441,780,715	Unquoted
5	P.Van Eerd Beheersmaatsc-happaji B.V. -Netherland				
	Non Current investment (at cost):				
	Other Companies				
	Fully paid equity shares:			512,906,230	Unquoted

AUDITOR'S REPORT

**TO
THE BOARD OF DIRECTORS OF GAMMON INDIA LIMITED
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

1. We have audited the attached Consolidated Balance Sheet of Gammon India Limited (GIL) and its Subsidiaries ('GIL Group'), Joint Ventures and Associates, as at 31st March 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the GIL's management and have been prepared by the management on the basis of separate financial statements and other financial information of the components of GIL group. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of
 - a. Certain Subsidiaries whose financial statements reflect total assets of ₹ 7511.76 Crore, total revenue of ₹ 1314.94 Crore and net cash flows of ₹ 196.21 Crore; and,
 - b. Certain Joint Ventures whose financial statements reflect total assets of ₹ 3243.01 Crore, total revenue of ₹ 2559.50 Crore and cash flows amounting to ₹ 73.10 Crore, the Company's share of such assets, revenues and cash flows being ₹ 1481.95 Crore, ₹ 1152.13 Crore and ₹ 32.95 Crore respectively.
4. The abovementioned 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.
5. Apart from the above the following have been incorporated based on Un-audited Financial Statements
 - a) Certain Subsidiaries whose financial statements reflect total assets of ₹ 0.06 Crore, total revenues of ₹ 0.00 Crore and net cash flows of ₹ 0.00 Crore.
 - b) Certain Joint Ventures, whose financial statements reflect total assets of ₹ 400.64 Crore, total revenues of ₹ 227.77 Crore and cash flows of ₹ 113.23 Crore for the year then ended, and the Group's share of such assets, revenues and cash flows being ₹ 207.61 Crore, 119.22 Crore and ₹ 57.77 Crore respectively, which are based on un-audited financial statements certified by management of the said Joint Ventures.
 - c) Certain Associates whose financial statements reflect a net total profit of ₹ 2.38 Crore. The group's share of profit of such Associates being ₹ 1.00 Crore.
6. The Subsidiaries referred in para 3 (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 statutory auditors of the Company.
7. We report that the consolidated financial statements have been prepared by the GIL's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006.
8.
 - a. *The statutory auditors of one of the components of the group have issued a modified report stating that the accounts and other receivables included amounts totaling to AED 37.3 Million i.e ₹ 52.63 Crore including retention and other dues for which they stated their inability to satisfy themselves to the extent of recoverability of receivables totaling to AED 37.3 million i.e. ₹ 52.63 Crore and have stated their view that a substantial portion of the same needs to be considered as impaired.*
 - b. *Attention is invited to note no 37 of the explanatory notes in respect of the Joint Venture in Oman. The statutory auditors of the Joint Venture have qualified that the Joint Venture has certain contingent liabilities amounting to RO 615637 (₹ 8.26 Crore), which in their opinion, is more likely than not that the Joint Venture would be liable to incur the expenses. The Company in turn would be liable to make good the losses in the event such liabilities are accrued in the Joint Venture.*

9. Without qualifying our report, we draw attention to
- a) Note no 16(a) of the explanatory notes relating to recoverability of an amount of ₹ 109.09 Crore under trade receivables in respect of recognition of contract revenue in previous years 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. The recoverability is dependent upon the final outcome of the appeals getting resolved in favor of the Company.
 - b) Note no 29 (c) to the notes to accounts relating to the investments in one of the Joint Ventures of a wholly owned Subsidiary which has applied for creditors' protection in a Court in Italy. The final outcome and the resultant investment would be dependent upon the approval of the courts to the composition scheme pending which no effects have been taken in these accounts..
 - c) 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 ₹ 2.87 Crore. The Company is in process of seeking shareholders approval for the remuneration paid as the minimum remuneration and pursuant thereto making 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.
10. Based on our audit, on consideration of reports of other auditors on separate financial statements, unaudited financial statements referred to in para 5 above, on the other financial information of the components and to the best of our information and according to the explanations given to us subject to para 8 mentioned hereinabove, we are of the opinion that the attached consolidated financial statements and read with the notes thereon 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 GIL Group as at 31st March 2012;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the GIL 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 GIL Group for the year ended on that date.

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

N Jayendran
Partner
M. No. 40441

Mumbai, Dated : August 23, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As At 31 st March 2012	As At 31 st March 2011	(₹ in Crore)
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	27.50	27.49	
Reserves and Surplus	3	2,145.56	2,130.03	
		2,173.06		2,157.52
Minority Interest		318.29		299.24
Non-Current Liabilities				
Long Term Borrowings	4	4,528.08	3,764.77	
Deferred Tax Liabilities	5	192.72	235.60	
Other Long Term Liabilities	6	365.17	324.15	
Long Term Provisions	7	271.10	239.22	
		5,357.07		4,563.74
Current Liabilities				
Short Term Borrowings	8	3,869.05	2,886.84	
Trade Payables	9	2,339.92	1,929.01	
Other Current Liabilities	10	2,330.50	2,138.78	
Short Term Provisions	7	275.49	317.12	
		8,814.96		7,271.75
TOTAL		16,663.38		14,292.25
ASSETS				
Non-Current Assets				
Fixed Assets	11			
- Tangible Assets		2,571.65	2,512.97	
- Intangible Assets		1,757.31	1,104.70	
- Capital Work in Progress		90.37	77.61	
- Intangible Assets under Development		2,164.53	1,709.79	
		6,583.86	5,405.07	
Goodwill on Consolidation		672.33	646.00	
Non-Current Investments	12	321.88	247.51	
Long Term Loans and Advances	13	710.48	691.11	
Long Term Trade Receivable	16	712.50	674.44	
Deferred Tax Assets	5	39.78	76.51	
Other Non-Current Assets	14	119.99	74.82	
		9,160.82		7,815.46
Current Assets				
Current Investments	12	6.49	10.17	
Inventories	15	2,212.02	1,834.93	
Property Development Account	15A	1,335.42	445.67	
Trade Receivables	16	2,203.54	2,193.15	
Cash and Cash Equivalents	17	747.03	571.37	
Short Term Loan and Advances	13	779.21	723.58	
Other Current Assets	14	218.85	697.92	
		7,502.56		6,476.79
TOTAL		16,663.38		14,292.25

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 : 23rd August, 2012

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 : 23rd August, 2012

RAJUL A. BHANSALI

Executive Director

HIMANSHU PARIKH

Executive Director

GITA BADE

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Crore)

	Note No.	FY 2011-2012	FY 2010-2011
Total Revenue			
Revenue from Operations (Net)	18	8,038.12	8,747.04
Other Operating Revenue	19	111.22	102.11
Other Income	20	180.86	557.74
		8,330.20	9,406.89
Expenses			
Cost of Material Consumed	21	3,038.26	2,842.05
Purchase of Stock in Trade	22	266.66	173.26
Change in Inventory - WIP & FG	23	(74.72)	1,238.23
Subcontracting Expenses		1,676.69	1,845.39
Employee Benefit Expenses	24	968.87	895.43
Foreign Exchange (Gain)/Loss	25	4.07	7.72
Finance Costs	26	652.83	459.31
Depreciation & Amortisation	27	242.96	241.23
Other Expenses	28	1,537.04	1,426.42
		8,312.66	9,129.04
Profit Before exceptional and extraordinary items		17.54	277.85
Exceptional Items	38	(35.56)	(6.00)
Profit Before tax and Share in Associates		(18.02)	271.85
Tax Expenses			
Current Income Tax		120.06	164.16
Mat Credit Entitlement		(1.71)	(13.77)
Deferred Tax		(29.08)	(7.48)
Prior year Tax Adjustments		6.25	7.18
		95.52	150.10
Profit After Tax		(113.54)	121.75
Profit/(Loss) in Associates		(6.51)	(7.70)
Transferred to Minority Interest		(16.18)	(4.03)
Profit/(Loss) of Sale/Dilution of Investments		(1.27)	-
Profit After Tax For The Year		(105.14)	110.02
Earning Per Equity Share	31		
Face Value per Share		2.00	2.00
Basic EPS		(7.75)	8.50
Diluted EPS		(7.70)	8.45

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 : 23rd August, 2012

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 : 23rd August, 2012

RAJUL A. BHANSALI

Executive Director

HIMANSHU PARIKH

Executive Director

GITA BADE

Company Secretary

(₹ in Crore)

C. CASH FLOW FROM FINANCING ACTIVITIES

	FY 2011-12	FY 2010-11
Interest Paid	(647.83)	(468.71)
Proceeds from issue of Share Capital & Share Premium	0.17	47.47
Other Outflows in Reserves	(1.01)	-
Capital grant received	90.71	15.43
Minority Interest Contribution	43.52	44.18
Foreign Currency Translation Reserve	(8.87)	7.08
Proceeds from / (Repayment of) borrowings (Net)	1,970.49	1,535.91
Preliminary Expenses	(2.25)	(0.97)
Dividend Paid (Including Tax)	(13.37)	(27.12)
NET CASH FROM FINANCING ACTIVITIES	1,431.56	1,153.27
NET INCREASE IN CASH AND CASH EQUIVALENTS	175.58	15.38
Balance as on 31.03.2011	571.33	555.95
Balance as on 31.03.2012	746.91	571.33
NET INCREASE IN CASH AND CASH EQUIVALENTS	175.58	15.38
Note:- Figure in brackets denote outflows		
	As At 31.3.2012	As At 31.3.2011
Cash and Cash Equivalents	747.03	571.37
Effect of Exchange Rate Charges	(0.12)	(0.04)
Balance Restated above	746.91	571.33

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 : 23rd August, 2012

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 : 23rd August, 2012

 RAJUL A. BHANSALI
 Executive Director

 HIMANSHU PARIKH
 Executive Director

 GITA BADE
 Company Secretary

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

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 :
 - (1) 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.
 - (2) 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 :

- 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.
- 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.
- Depreciation on revalued component of the assets is withdrawn from the Revaluation Reserve.
- The depreciation on assets used for construction has been treated as period cost.
- The Infrastructure Projects Assets are amortized over a period of the rights given under the various Concession Agreements to which they relate.
- 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 depreciation is provided separately in accordance with the component approach.

The estimated useful lives of the assets for calculating depreciation are as follows:

Asset	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.

Concession rights are amortised on the pro-rata basis of Actual Tollable Traffic volume for the period over the Total Projected Tollable Traffic volume over the Toll Periods granted for the Project. The projections for the Total Traffic Volume are based on the Report of Independent Professionals for this purpose. The Volume of Traffic is reviewed on periodic intervals for its consistency and appropriateness. If the Right to Collect Toll being amortised is revised on account of the material change in the Projected Traffic Volume arising out of the periodic review, the amortization would be revised accordingly.

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 yearend 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:
 - 1) the assets and liabilities are converted using the exchange rates in effect as of the balance sheet date;
 - 2) the income and expenditure are converted using the average exchange rate for the period/year;
 - 3) 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;
 - 4) 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:

- 1) 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.
- 2) 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, 2012

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 (incorporated in India) have been consolidated in the Financial Statement as per AS-21 "Consolidated Financial Statements" as on March 31, 2012.

Name of the Subsidiaries	Country Of Incorporation	2011-12		2010-11	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Gammon Infrastructure Projects Limited	India	75.53%	75.53%	75.44%	75.44%
Andhra Expressway Limited ('AEL')	India	100.00%	75.53%	100.00%	75.44%
Aparna Infraenergy India Private Limited ('AIPL')	India	100.00%	75.53%	-	-
Cochin Bridge Infrastructure Company Limited ('CBICL')	India	97.66%	73.76%	97.66%	73.67%
Chittoor Infrastructure Company Private Limited ('CICPL')	India	100.00%	75.53%	100.00%	75.44%
Dohan Renewable Energy Private Limited ('DREPL')	India	100.00%	75.53%	100.00%	75.44%
Earthlink Infrastructure Projects Private Limited ('EIPPL')	India	100.00%	75.53%	100.00%	75.44%
Gammon Logistics Limited ('GLL')	India	100.00%	75.53%	100.00%	75.44%
Gammon Projects Developers Limited ('GPDL')	India	100.00%	75.53%	100.00%	75.44%
Gammon Renewable Energy Infrastructure Limited ('GREIL')	India	100.00%	75.53%	100.00%	75.44%
Gammon Road Infrastructure Limited ('GRIL')	India	100.00%	75.53%	100.00%	75.44%
Gammon Seaport Infrastructure Limited ('GSIL')	India	100.00%	75.53%	100.00%	75.44%
Gammon Renewable Energy Private Limited ('GREPL')	India	100.00%	75.53%	100.00%	75.44%
Gorakhpur Infrastructure Company Limited ('GICL')	India	96.53%	72.91%	96.53%	72.82%
Haryana Biomass Power Limited ('HBPL')	India	100.00%	75.53%	-	-
Indori Renewable Energy Private Limited ('IREPL')	India	100.00%	75.53%	100.00%	75.44%
Jaguar Projects Developers Limited ('JPDL')	India	100.00%	75.53%	100.00%	75.44%
Kasavati Renewable Energy Private Limited ('KREPL')	India	100.00%	75.53%	100.00%	75.44%
Kosi Bridge Infrastructure Company Limited ('KBICL')	India	100.00%	75.53%	100.00%	75.44%
Lilac Infraprojects Developers Limited ('LIDL')	India	100.00%	75.53%	100.00%	75.44%
Markanda Renewable Energy Private Limited ('MREPL')	India	100.00%	75.53%	100.00%	75.44%
Marine Project Services Limited ('MPSL')	India	100.00%	75.53%	100.00%	75.44%
Mumbai Nasik Expressway Limited ('MNEL')	India	79.99%	60.42%	79.99%	60.34%
Patna Buxar Highways Limited ('PBHL')	India	100.00%	75.53%	-	-
Pataliputra Highways Limited ('PHL')	India	100.00%	75.53%	100.00%	75.44%
Patna Highway Projects Limited ('PHPL')	India	100.00%	75.53%	100.00%	75.44%
Pravara Renewable Energy Limited ('PREL')	India	100.00%	75.53%	100.00%	75.44%
Ras Cities and Townships Private Limited ('RCTPL')	India	100.00%	75.53%	100.00%	75.44%
Rajahmundry Expressway Limited ('REL')	India	100.00%	75.53%	100.00%	75.44%
Rajahmundry Godavari Bridge Limited ('RGL')	India	51.00%	38.52%	51.00%	38.47%
Satluj Renewable Energy Private Limited ('SREPL')	India	100.00%	75.53%	100.00%	75.44%
Sikkim Hydro Power Ventures Limited ('SHPVL')	India	100.00%	75.53%	100.00%	75.44%
Segue Infrastructure Projects Private Limited ('SIPPL')	India	100.00%	75.53%	100.00%	75.44%
Sirsa Renewable Energy Private Limited ('Sirsa REPL')	India	100.00%	75.53%	100.00%	75.44%
Tada Infrastructure Development Company Limited ('TIDCL')	India	100.00%	75.53%	100.00%	75.44%

Name of the Subsidiaries	Country Of Incorporation	2011-12		2010-11	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Tangri Renewable Energy Private Limited ('TREPL')	India	100.00%	75.53%	100.00%	75.44%
Tidong Hydro Power Limited ('THPL')	India	51.00%	38.52%	51.00%	38.47%
Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	India	100.00%	75.53%	-	-
Vizag Seaport Private Limited ('VSPL')	India	73.76%	55.71%	73.76%	55.65%
Youngthang Renewable Energy Private Limited ('YREPL')	India	100.00%	75.53%	100.00%	75.44%
Youngthang Power Ventures Limited ('YPVL')	India	100.00%	75.53%	100.00%	75.44%
ATSL Infrastructure Projects Ltd	India	100.00%	88.00%	100.00%	87.97%
GAETEL Turnkey Projects Ltd. ('GAETEL')	India	100.00%	100.00%	100.00%	100.00%
Gammon & Billimoria Ltd. ('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 LLC, OMAN ('GILLC')	Oman	-	-	69.00%	69.00%
Gammon International FZE ('GIFZE')	Dubai	100.00%	100.00%	100.00%	100.00%
P.Van Eerd Beheersmaatschappij 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 Ltd. ('GPL')	India	100.00%	100.00%	100.00%	100.00%
Campo Puma Oriente S.A.	Panama	73.76%	66.39%	66.39%	66.39%
ATSL Holding B.V., Nether Lands	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 Ltd. ('TLL')	India	100.00%	100.00%	100.00%	100.00%
Associated Transrail Structures Ltd., Nigeria	Nigeria	100.00%	100.00%	100.00%	100.00%
Gammon Realty Ltd. ('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	75.10%	75.10%	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 Pvt. Ltd ('MIPL')	India	84.16%	84.16%	84.16%	84.16%
SAE Transmission India Ltd ('SAET')	India	100.00%	100.00%	100.00%	100.00%
Franco Tosi Hydro Pvt. Ltd ('FTH')	India	100.00%	100.00%	100.00%	100.00%
Franco Tosi Turbines Pvt Ltd. ('FTT')	India	100.00%	100.00%	100.00%	100.00%
Preeti Townships Pvt. Ltd	India	60.00%	45.04%	60.00%	45.04%
Ansaldocaldaie Boilers India Pvt. Ltd ('ACB')	India	73.40%	86.40%	73.40%	86.40%
Gammon Holdings (Mauritius) Ltd ('GHM')	India	100.00%	100.00%	100.00%	100.00%

- (i) The results for Franco Tosi Meccanica, Campo Puma Oriente SA and SAE S.r.L for the period January 2011 to December 2011 have been consolidated in the above results, being the financial year of the said Companies. The figures for the period January to March 2012 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
- (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, Aparna Infraenergy India, a partnership firm, in which a Subsidiary of the Group was a majority partner, converted under Part IX of the Companies Act, 1956 and consequently became a Subsidiary of the Group in the name of Aparna Infraenergy India Private Limited.

- (iv) The Group divested its entire stake in favour of its Joint Venture partner, in seven biomass projects in development phase in Punjab in exchange for six biomass projects in Haryana and one in Punjab from its joint projects in Punjab. Due to above divestment and exchange, PBPL ceased to be a Group Company and HBPL became a Subsidiary of the Group. However, in the current year, all the biomass projects awarded to HBPL were withdrawn by the client, due to which expenses of ₹ 1.31 Crore (Previous year ₹ Nil) incurred on or behalf of the project, capitalised earlier, has now been charged to the statement profit and loss.
- (v) During the year Franco Tosi Turbines has issued 85145 Equity Shares of ₹ 10/- each to Franco Tosi Meccanica Spa.
- (vi) Effect of acquisition of Subsidiaries during the year on Financial Statements.

(₹ in Crore)

Name of the Company	Current Year	Previous Year	Current Year	Previous Year
	Effect on Group Profit/(Loss) after Minority Interest		Net Assets	
Haryana Biomass Power Limited	-		0.02	
Metropolitan Infrahousing Pvt Ltd		123.53		122.05
SAE Transmission India Ltd		0.06		0.05
Franco Tosi Hydro Pvt Ltd		-		0.01
Franco Tosi Turbines Pvt Ltd		0.02		0.03
Preeti Townships Pvt Ltd		-		0.02
Ansaldocaldaie Boilers India Pvt Ltd		0.63		57.28
Gammon Holdings (Mauritius) Ltd		(0.04)		(0.08)

(vii) **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 31 st March 2012	As at 31 st March 2011
Andhra Expressway Limited ('AEL')	₹ 10/-	1,31,71,442	1,29,19,897
Cochin Bridge Infrastructure Company Limited ('CBICL')	₹ 10/-	16,64,019	16,64,019
Gorakhpur Infrastructure Company Limited ('GICL')	₹ 10/-	3,72,79,629	95,93,233
Kosi Bridge Infrastructure Company Limited ('KBICL')	₹ 10/-	2,07,67,040	1,25,58,000
Mumbai Nasik Expressway Limited ('MNEL')	₹ 10/-	1,61,20,000	1,61,20,000
Pataliputra Highways Limited ('PHL')	₹ 100/-	7,350	-
Patna Highway Projects Limited ('PHPL')	₹ 10/-	7,50,000	7,50,000
Rajahmundry Expressway Limited ('REL')	₹ 10/-	1,47,44,579	1,47,44,579
Rajahmundry Godavari Bridge Limited ('RGL')	₹ 10/-	8,95,73,750	5,41,16,100
Vizag Seaport Private Limited ('VSPL')	₹ 10/-	6,15,15,633	2,05,89,729
Indira Container Terminal Private Limited ('ICTPL')	₹ 10/-	2,00,00,000	-
Gammon Holdings BV ('GHBV')	100 €	180	180
Gammon International BV ('GIBV')	100 €	180	180
P.Van Eerd Beheersmaatschappij B.V.- Netherlands ('PVAN')	453.78 €	35	35
ATSL Holding B.V., Nether Lands	100 €	180	180
TOTAL		27,55,94,017	14,30,56,132

b. Jointly Controlled Entities

The following Jointly Controlled Entities have been considered applying AS-27 "Financial Reporting of Interests in Joint Ventures " on the basis of audited accounts (except stated otherwise) for the year ended March 31, 2012.

Details of Joint Ventures entered into by the Company :

Name of the Joint Venture	Country of Incorporation	2011-12		2010-11	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')	India	31.00%	23.41%	37.30%	28.14%
Haryana Biomass Power Limited ('HBPL')	India	-	-	50.00%	37.72%
Indira Container Terminal Private Limited ('ICTPL')	India	50.00%	37.77%	50.00%	37.72%
Punjab Biomass Power Limited ('PBPL')	India	-	-	50.00%	37.72%
SEZ Adityapur Limited ('SEZAL')	India	38.00%	28.70%	38.00%	28.67%
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%	50.00%	50.00%
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%	-	-
Gammon SEW	India	90.00%	90.00%	-	-

- (i) In case of Sofinter the financial statements for the period January 2011 to 31st December 2011 have been considered for consolidation and accordingly the results of operations from January to March 2012 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	
		2011-12	2010-11
Ansaldo Caldaie S.p.A.	Italy	100.00%	100.00%
Europower S.p.A.	Italy	100.00%	100.00%
Commissioning Italia S.r.l.	Italy	100.00%	100.00%
Eco Engineering S.r.l.	Italy	100.00%	100.00%
Itea S.p.A.	Italy	100.00%	100.00%
CCA Centro Combustione Ambiente S.r.l.	Italy	100.00%	100.00%
Consorzio Macchi Idromacchine	Italy	70.00%	70.00%
S.W.S. Saline Water Specialists S.r.l.	Italy	100.00%	100.00%
S.C. Euroboiler S.r.l.	Romania	100.00%	100.00%
Ansaldo Caldaie Boilers Egypt SAE	Egypt	98.00%	98.00%
NITCO S.p.A	Italy	79.59%	79.59%
Consorzio Ecosar	Italy	97.00%	97.00%
Consorzio Nitcomisa	Italy	67.50%	67.50%

- (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-2012	As at 31-Mar-2011
Assets		
Non-current assets		
Fixed assets :		
Tangible assets (Net)	205.70	208.87
Intangible assets (Net)	19.43	23.68
Capital work in progress	31.26	21.44
Intangible assets under development	167.32	92.06
Goodwill on Consolidation	426.12	154.57
Non-current investments	2.70	7.53
Deferred Tax Assets	21.05	17.26
Long-term loans and advances	73.49	113.43
Other Non Current Assets	5.04	6.33

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Current assets		
Current investments	-	-
Inventories	112.74	203.74
Trade receivables	364.34	525.54
Cash and Bank Balances	271.85	178.20
Short-term loans and advances	146.17	93.06
Other current assets	5.70	6.36
	1,852.91	1,652.07
Liabilities		
Non-current liabilities		
Long-term borrowings	426.52	315.10
Deferred tax liabilities (net)	0.73	-
Trade payables, non-current	-	-
Deferred payment liability	-	-
Other long-term liabilities	56.53	50.70
Long-term provisions	73.14	22.49
Share Application Money Pending Allotment	1.00	-
Minority Interest	(12.37)	0.13
Current Liabilities		
Short-term borrowings	198.55	228.06
Trade payables, current	450.05	404.04
Other current liabilities	286.07	409.05
Short-term provisions	38.40	37.58
Reserves and surplus		
Surplus / (deficit) in the statement of profit and loss :		
Opening balance	(42.23)	(192.46)
During the current year	50.72	(14.55)
Total reserves, surplus and liabilities	1,527.11	1,260.14
Income		
Revenue from operations	1,258.49	2,430.38
Other income	11.76	9.09
Total income	1,270.25	2,439.47
Expenses		
Cost of Material Consumed	268.88	286.83
Purchase of stock in Trade	-	-
Change in Inventory and FG	355.07	1,534.35
Subcontracting expenses	149.82	156.27
Employee benefit expenses	159.19	170.30
Other expenses	229.97	248.78
Exceptional items	-	-
Finance Cost	30.06	28.32
Depreciation and amortisation	19.17	20.17
Total expenses	1,212.16	2,445.02
Profit before tax	58.09	(5.55)
Provision for tax	7.37	8.78
Profit after tax	50.72	(14.33)

(iii) The above figures pertaining to the Joint Venture Companies are based on the audited accounts for the year ended March 31, 2012 except for SEZAL, GCT and GOM 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 € 2mn, simultaneously with the entry of the funds from the new investor B.T. (for an amount equal to € 18mn), 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 € 5mn, subscribed and paid a "to be converted bond loan", issued newly by Sofinter, for a total value of € 13mn, carrying interest at the annual gross rate of 1%. Accordingly the present share of the Company in Sofinter has reduced from 50% to 45% during the year the effects of which have been given in these consolidated accounts. 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 € 13mn 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.

A new Shareholders Agreement was signed, which however, does not alter the management structure of the Group.

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)

S. N.	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
1	Itro PTE ltd*	22.05%	7.53	-	(16.12)	(7.30)	15.89	(0.00)
		24.50%	7.26	-	(8.81)	(6.66)	8.21	-
2	Ecopower s.r.l.*	9.00%	0.16	(0.04)	0.69	(0.00)	(0.04)	0.81
		10.00%	0.16	-	0.57	0.05	-	0.78
3	SWS G&B*	22.50%	0.03	-	-	-	-	0.03
		25.00%	0.03	-	-	-	-	0.03
4	Europower Middle East*	22.05%	0.15	-	-	-	-	0.15
		24.50%	0.15	-	-	-	-	0.15
5	Cons Ansaldo energie riun.*	11.25%	0.09	-	-	-	(0.04)	0.05
		12.50%	0.08	-	-	-	-	0.08
6	Multiservice*	15.75%	0.11	-	-	-	-	0.11
		17.50%	0.11	-	-	-	-	0.11
7	Oristano Ambiente*	18.00%	0.14	-	-	-	-	0.14
		20.00%	0.13	-	-	-	-	0.13
8	ESMSPL**	23.27%	1.70	-	(0.62)	0.27	(0.01)	1.34
		25.12%	1.70	0.44	(1.17)	0.55	-	1.08
9	MTL**	36.93%	0.02	-	-	(0.00)	-	0.02
		36.93%	0.02	-	-	(0.00)	-	0.02
10	Finest Spa	50.00%	19.52	7.57	0.65	0.73	-	20.90
		50.00%	19.52	7.57	0.27	0.38	-	20.17
	TOTAL		29.45	7.53	(15.40)	(6.30)	15.80	23.55
			29.16	8.01	(9.14)	(5.68)	8.21	22.55

* 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-2012		As at 31-Mar-2011	
	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 up	137,355,208	27.47	137,319,722	27.46
Subscribed and Fully Paid up Capital:				
Equity Shares of ₹ 2/- each, fully paid up	135,774,668	27.16	135,739,182	27.15
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		27.49

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-2012		As at 31-Mar-2011	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	135,739,182	27.15	127,438,698	25.49
Add : Issued during the year - ESOP	35,486	0.01	50,484	0.01
Issued during the year - Conversion of Warrants	-	-	8,250,000	1.65
As at end of the year	135,774,668	27.16	135,739,182	27.15

(c) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31-Mar-2012		As at 31-Mar-2011	
	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	13,212,789	9.68
Devayani Estate and Properties Private Limited	11,782,805	8.63	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-12	31-Mar-11
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

43,580 (Previous Year 92,466) 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-2012	As at 31-Mar-2011
(i) Capital Reserve		
As per Last Balance Sheet	49.67	33.24
Add: Transfer during the year	90.98	16.43
	140.65	49.67
(ii) Capital Redemption Reserve	105.00	105.00
(iii) Securities Premium Account		
As per last Balance Sheet	1,296.90	1,230.53
Add: Premium on Exercise of Warrants	-	72.76
Add: Premium on Exercise of ESOP	0.71	9.04
Less : Security premium on divestment of Joint Venture Company	(1.50)	-
Add/(Less) : Share premium transferred from (to) Minority Interest	0.65	(15.43)
Less : Share issue expenses during the year	-	(0.00)
	1,296.76	1,296.90
(iv) Debenture Redemption Reserves		
As per last Balance Sheet	121.00	94.65
Add : Transferred from Surplus	47.43	45.50
Less : Transferred to Surplus	-	(19.16)
Less : Transferred to General Reserve	(3.15)	-
	165.28	121.00
(v) Revaluation Reserves		
As per last Balance Sheet	257.04	262.32
Add / (Less): Exchange Difference	2.69	(2.15)
Less : Depreciation on Revalued Assets	(3.13)	(3.13)
	256.60	257.04
(vi) Share Options Outstanding Account		
As per Last Balance Sheet	3.63	7.68
Less : Employee stock options exercised	(0.02)	(3.00)
Less : Forfeiture of employee stock options offered	(0.08)	(1.06)
	3.53	3.63
Less : Deferred employee compensation outstanding	(0.00)	(0.05)
Add : Short accounting of ESOP in prior years	0.03	-
Less: Transfer to General Reserve on Lapse of ESOP	(0.89)	(0.48)
Less: Transfer to Securities Premium A/c on Exercise of ESOP	(1.46)	(1.02)
	1.20	2.08
(vii) Other Reserves		
General Reserve		
As per last Balance Sheet	234.21	201.82
Add : On Forfeiture/Lapse of ESOP during the year	0.42	0.16
Add : Transferred from Debenture Redemption Reserve	3.15	-
Add : Transferred from Surplus	19.05	32.23
	256.83	234.21
Foreign Currency Translation Reserve		
As per last Balance Sheet	(52.35)	50.19
Add/ (Less) : Arising out of current year	80.05	(89.21)
Add/ (Less) : Amount recognised in the statement of Profit & Loss	16.85	(13.33)
	44.55	(52.35)
Special Contingency Reserve	50.00	50.00
Other Reserves	2.48	2.11

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Surplus / (Deficit)		
Profit brought forward from last year	64.37	40.94
Add: Profit for the year	-	110.02
Transfer from Debenture Redemption Reserve	-	19.16
Dividend from Own Shares	0.23	0.58
Sub-Total	64.60	170.70
Less : Loss for the year	(105.14)	-
Transfer to Debenture Redemption Reserve	(47.43)	(45.50)
Transfer to General Reserve	(19.06)	(32.21)
Proposed Dividend	(2.73)	(10.63)
Tax on Dividend	(7.73)	(7.52)
Transferred to Foreign Currency Translation Reserve	(56.46)	(6.06)
Adjustments to Minority Interest	(0.58)	(3.42)
Amount Transferred to Capital Reserve	(0.28)	(0.99)
Other Adjustments	1.01	-
	(173.80)	64.37
TOTAL	2,145.55	2,130.03

- (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 ₹ 16.85 Crore (*Previous Year ₹ 13.33 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) Dividend received from own investment held through Gammon Trust is adjusted under Surplus ₹ 0.23 Crore (*Previous Year ₹ 0.58 Crore*).
- (f) Capital reserve includes grant of ₹ 137.37 Crore (*Previous Year ₹ 49.67 Crore*) 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 ₹ 6.59 (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.

4 Long Term Borrowings

(₹ in Crore)

Particulars	Non Current		Current Maturities	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Non Convertible Debentures				
Placed with Banks and Financial Institutions	549.00	374.00	3.50	-
Term Loans				
From Banks	2,572.34	2,882.53	588.14	305.40
From Financial Institutions	931.20	155.27	31.03	157.45
From Others	200.97	130.95	82.33	1.91
Deferred Payment Liabilities	120.00	120.00		
Finance Lease Obligations	100.54	101.63	4.82	4.19
Loans from Minority Shareholders	13.72	0.39		
Convertible bonds issued by Joint Venture Company	40.31	-		
TOTAL	4,528.08	3,764.77	706.32	472.45
The above amount includes				
Secured Borrowings	4,146.04	3,470.51	687.73	443.14
Unsecured Borrowings	382.04	294.26	18.59	29.31
Amount disclosed under the head "Other Current Liabilities" (note 10)			706.32	472.45

(a) Term Loans

- (i) **Security for Loans** : Term Loans are secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.

Term & Condition of Term Loan :

Name of the Bank	Repayment Schedule
a) Bank of Maharashtra	Monthly instalments of ₹ 1.14 Crore each
b) IDBI Bank	Monthly instalments of ₹ 0.75 Crore each
c) Bank of Maharashtra	Repayable on 18 th , 21 st & 24 th month from the date of disbursement (27.03.2012)

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 Commercial Operations Date (COD). The Loan is repayable in two annual installments commencing from March 1, 2013

On March 30, 2012, one of the SPV of the Group has obtained a new term loan from a financial institution for which charge was yet to be created as at 31 March 2012. No Charge has been created as on the date of the balance sheet.

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.

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)

Term Loans from banks are secured by pledge of equity shares of the respective SPV. The holding Company has also pledged its entire shareholding of the Company with the bank and corporate guarantee by the ultimate holding Company.

- (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 installment of ₹ 0.88 Crore for 24 months and ₹ 0.62 Crore for 9 months. The applicable rate of interest is @13.5% p.a.
- (v) The Term loan of 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 installments. . The interest is chargeable at 375bps above the Bank's base rate.
- (vi) Sofinter : Repayment to Unicredit is scheduled for 2019 (previously 2016), calls for the first installment 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% (50% in 2010) of Sofinter's shares in 2011. 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 six-month Euribor with application of a spread of 2%.

(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-2012	31-Mar-2011
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 5 th Sep, 2010	9.50%	50.00	50.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 18 th June, 2010	9.50%	50.00	50.00

(₹ in Crore)

Repayment Terms	Interest Rate	31-Mar-2012	31-Mar-2011
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 7 th May, 2009	10.50%	74.00	74.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 24 th March, 2008	9.95%	50.00	50.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 5 th Aug, 2005	7.50%	50.00	50.00
Due for repayment at the end of 5 th , 6 th and 7 th year from the date of allotment being 25 th July, 2008	10.80%	100.00	100.00
Due for repayment at the end of 8 th , 9 th and 10 th year from the date of allotment being 30 th March, 2003.	8.75%	-	3.50
TOTAL		374.00	377.50

(ii) Based on contractual terms, 8.75% debentures valuing ₹3.5 Crore have been redeemed on 30th March, 2012.

(iii) The 13.65% debentures of ₹ 175 Crore are redeemable after a period of 38 months and is secured by mortgage of immoveable property.

(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 ₹1,200,000,000 in the last year of the concession period. The same is capitalised as toll concession rights and capital work in progress on a proportionate basis 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 €5 million and paid a "to be converted Bond Loan", issued by the JV, for a total value of €13 million, that bore 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) Maturity Profile

(₹ in Crore)

Period	31-Mar-2012	31-Mar-2011
Installments payable within one year ie. Upto March 31, 2013	706.32	472.45
Installments payable between 2 to 5 years	2,508.05	1,988.20
Installments payable beyond 5 years	2,020.03	1,776.57
TOTAL	5,234.40	4,237.22

5 Deferred Tax Liabilities & Deferred Tax Assets

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Deferred Tax Liabilities	192.72	235.60
Deferred Tax Assets	39.78	76.51
Breakup of the same		
Deferred Tax Liabilities		
- Depreciation	240.06	216.96
- Foreign Exchange Translation Reserve	(12.76)	4.75
- On Account of Lease	10.01	9.47
- Others	18.59	16.21
	255.90	247.39
Deferred Tax Assets		
- On Account of Gratuity/Leave Encashment Provision	7.65	6.73
- Risk and Contingencies	28.29	20.58
- On Account of Tax losses	47.39	44.93
- Other Disallowances	10.22	16.00
- On account of Preliminary Expenses fully W/off	0.05	0.06
- Others	9.37	-
	102.97	88.30
Deferred Tax Liabilities (Net)	152.93	159.09

6 Other Long Term Liabilities

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Trade Payables		
Micro, Small & Medium Enterprises (Note 9(i))	-	-
Retention / Security Deposits	49.67	53.52
Others	-	-
	49.67	53.52
Others		
Advances from Clients	199.24	172.78
Other Long Term Liabilities	116.26	97.85
	315.50	270.63
TOTAL	365.17	324.15

7 Provisions

(₹ in Crore)

Particulars	Long Term		Short Term	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Provision for Employee Benefits				
Provision for Gratuity	88.67	77.66	18.55	17.17
Provision for Leave Benefits	14.44	5.04	8.85	16.00
Provision for Cash Compensation	-	1.68	1.95	-
Others				
Provision for Periodic Maintenance	28.21	-	-	-
Provision for Risk & Contingencies	-	-	151.47	138.89
Proposed Dividend	-	-	2.73	5.46
Corporate Tax on Dividend	-	-	0.44	0.89
Provision for Taxation Net of Taxes Paid	138.27	154.84	91.49	138.71
Other Provisions	1.51	-	-	-
TOTAL	271.10	239.22	275.48	317.12

Disclosure relating to Employee Benefits As per Revised AS - 15

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
(i) Change in Benefit Obligation		
Liability at the beginning of the year	10.15	6.98
Interest Cost	0.81	0.55
Current Service cost	1.44	0.99
Past Service Cost (Non Vested Benefit)	(0.24)	-
Past Service Cost (Vested Benefit)	0.01	0.04
Benefit Paid	(2.05)	(1.05)
Actuarial (gain) / loss on obligations	0.25	2.37
Curtailments and Settlements	-	-
Liability at the end of the year	10.37	9.88
(ii) Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	5.88	5.09
Expected Return on Plan Assets	0.50	0.45
Contributions	2.06	0.96
Benefit Paid	(2.20)	(0.92)
Actuarial gain /(loss) on Plan Assets	0.00	-
Fair Value of Plan Assets at the end of the year	6.24	5.58
Total Actuarial (gain)/loss to be Recognised	0.25	2.37

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
(iii) Actual Return on Plan Assets		
Expected Return on Plan Assets	0.50	0.45
Actuarial gain/(loss) on Plan Assets	0.00	-
Actual Return on Plan Assets	0.50	0.45
(iv) Amount Recognised in the Balance Sheet		
Liability at the end of the year	10.37	9.88
Fair Value of Plan Assets at the end of the year	6.24	5.58
Difference	4.13	4.30
Un-recognised Past service Cost	0.08	-
Amount Recognised in the Balance Sheet	4.21	4.30
(v) Expenses Recognised in the Income Statement		
Current Service cost	1.44	0.99
Interest Cost	0.81	0.56
Expected Return on Plan Assets	(0.50)	(0.46)
Net Actuarial gain / (loss) to be Recognised	0.25	2.37
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	0.01	0.02
Effect of Curtailment or Settlements	(0.02)	(0.01)
Expense Recognised in the Profit & Loss Account	1.99	3.47
(vi) Balance Sheet Reconciliation		
Opening Net Liability	4.26	1.89
Expenses as above	1.99	3.47
Employers Contribution	(2.04)	(1.05)
Effect of Curtailment or settlements	-	-
Amount Recognised in the Balance Sheet	4.21	4.31
(vii) Actuarial Assumptions		
Discount Rate Current	8.00%	8.00%

Note :

- Employer's contribution includes payments made by the Company directly to its past employees.
- 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.
- The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities
- The Company's Leave Encashment liability is entirely unfunded.
- The above information is presented only to the extent of the information available for the Indian Companies including the Holding Company.

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	138.89	12.17	-	0.41	151.47
	(190.85)	(22.03)	-	(73.99)	(138.89)
Provisions for Periodic Maintenance	-	28.21	-	28.21	-
	-	-	-	-	-
Cash Compensation Scheme	1.68	0.36	0.09	-	1.95
	(1.70)	(1.14)	(1.16)	-	(1.68)

8 Short-term Borrowings

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Loans repayable on demand :		
Cash Credit from Consortium Bankers	579.12	300.35
Loans and Advances from Minority Shareholders :	213.27	184.31
Other Loans and Advances:		
Buyers Credit	60.45	67.39
Commercial Paper	225.00	145.00
(Maximum O/s during the year ₹ 550 Crore (Previous Year ₹ 340 Crore))		
Short Term Loans - From Banks	2,640.96	1,891.93
- From Financial Institutions	-	-
- From Others	150.25	297.86
	3,076.66	2,402.18
TOTAL	3,869.05	2,886.84
The above amount includes		
Secured Borrowings	856.57	586.37
Unsecured Borrowings	3,012.48	2,300.47

- (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.

9 Trade Payables

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Trade Payables		
Micro Small and Medium Enterprises	-	-
Others	2,339.92	1,929.01
TOTAL	2,339.92	1,929.01

- (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.

10 Other Current Liabilities

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Current Maturities of Term Loan (Refer Note 4)	706.32	472.45
Foreign Currency Monetary Item Translation Difference	-	4.71
Advances from Clients	1,174.00	1,221.19
Interest accrued but not due	51.70	39.79
Interest accrued payable	14.88	21.78
Income received in advance	0.14	0.23
Unpaid Dividends	0.75	0.72
Unpaid Matured Deposits	0.07	0.13
Share Application Money Pending Allotment	17.64	0.97
Payables for Capital Goods	29.24	23.70
Other Payables		
- Duties and Taxes Payable	87.43	92.16
- Others	248.33	260.95
	335.76	353.11
TOTAL	2,330.50	2,138.78

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

(₹ in Crore)

Tangible Assets									
Particulars	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture And Fixtures	Wind Mill	Electric Installation	TOTAL
Cost									
As at 1 st April 2010	190.49	954.94	1,878.72	116.24	36.66	37.13	26.95	2.05	3,243.18
Additions	4.34	86.98	342.98	15.32	18.36	9.98	-	2.20	480.16
Disposals/Adjustments	-	(0.41)	(17.18)	(8.86)	(4.59)	(1.13)	-	-	(32.17)
Foreign Translation Adjustments	(18.98)	(65.59)	(83.00)	(2.06)	(2.22)	(0.64)	-	-	(172.49)
As at 31st March 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)	(213)	(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
Depreciation									
As at 1 st April 2010	22.90	126.89	648.87	65.36	23.24	17.72	8.42	0.28	913.69
Charge for the Year	4.27	19.20	119.02	11.09	3.68	3.58	2.79	0.28	163.91
Disposals/Adjustments	-	(0.26)	(11.81)	(7.88)	(0.82)	(0.75)	-	-	(21.52)
Foreign Translation Adjustments	(2.52)	(9.77)	(35.54)	(0.42)	(1.68)	(0.43)	-	-	(50.36)
As at 31st March 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	-	(8.77)	(16.55)	(5.83)	(1.32)	-	-	-	(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	-	-	0.02	-	-	(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
Net Block									
As at 3 rd March 2011	151.20	839.87	1,400.98	52.49	23.79	25.22	15.73	3.69	2,512.97
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
Intangible Assets									
Particulars	BOT Concession Assets	Computer Software	Licences & Trade Marks & Similar Right	Development Cost	Licence Fees	Others	TOTAL		
Cost									
As at 1 st April 2010	779.74	1.79	30.75	46.85	12.50	40.10	911.72		
Additions	576.34	1.39	1.25	1.57	-	0.06	580.61		
Disposals/Adjustments	(0.00)	2.95	0.22	0.23	-	(0.45)	2.95		
Foreign Translation Adjustments	-	(0.06)	(2.95)	(5.07)	-	(4.34)	(12.42)		
As at 3rd March 2011	1,356.08	6.07	29.27	43.58	12.50	35.36	1,482.86		
Additions	857.79	6.48	3.28	1.14	-	0.30	868.99		
Disposals/Adjustments	(163.81)	(0.05)	(1.44)	(0.24)	-	(0.08)	(165.62)		
Foreign Translation Adjustments	-	0.23	3.93	7.25	-	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	12.73	33.18	47.49	12.50	38.53	2,194.49		
Depreciation									
As at 1 st April 2010	217.08	1.13	17.20	31.77	-	39.73	306.91		
Charge for the Year	70.06	0.52	3.80	6.00	-	0.12	80.50		
Disposals/Adjustments	0.28	0.11	0.28	0.24	-	(0.59)	0.32		
Foreign Translation Adjustments	-	(0.02)	(1.73)	(3.52)	-	(4.30)	(9.57)		
As at 3rd March 2011	287.42	1.74	19.55	34.49	-	34.96	378.16		
Charge for the Year	62.58	1.62	2.78	5.35	-	0.17	72.50		
Disposals	(19.79)	0.05	-	0.24	-	0.08	(19.42)		
Foreign Translation Adjustments	-	0.15	0.98	1.95	-	2.75	5.83		
On Account of proportion Change	-	-	0.01	0.10	-	-	0.11		
As at 31st March 2012	330.21	3.56	23.32	42.13	-	37.96	437.18		
Net Block									
As at 3 rd March 2011	1,068.66	4.33	9.72	9.09	12.50	0.40	1,104.70		
As at 31st March 2012	1,719.85	9.17	9.86	5.36	12.50	0.57	1,757.31		

Notes:-

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 revaluation amounted to ₹ 186.89 Crore and has been credited to the Revaluation Reserve A/c.

 3) Depreciation for the Year amounts to ₹ 246.09 Crore (Previous Year ₹ 244.36 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, 2012 amount to ₹ 0.02 Crore has been transferred to Capital WIP

4) 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 from G. B Engineering Pvt Ltd was registered in the name of the Company after the year end.

12 Investments

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Investment Properties				
-Oil Exploration Assets	244.18	174.47	-	-
Investments in Shares & Debentures				
-Associates as per AS-23	23.55	22.55	-	-
-Other Investments				
Quoted	-	-	3.65	4.74
Unquoted	53.11	49.16	-	-
Investments in Mutual Funds	-	-	3.21	5.78
Investment in Government Securities	0.55	0.34	-	-
Investment in Own Shares through GIL Trust	1.69	1.69	-	-
Grand Total	323.08	248.21	6.86	10.52
Less :Provision for Diminution in value of investment	(1.20)	(0.69)	(0.37)	(0.35)
TOTAL	321.88	247.51	6.49	10.17

(a) 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-Mar-2012	31-Mar-2011
Capitalised Investment	168.84	32.05
Drilling Investment	42.93	65.43
Work In Progress	26.96	20.95
Facilities Investment	16.57	5.65
Exploration investment	2.27	13.14
(-) Amortisation Of Capitalised Investment	(21.29)	(7.17)
(-) Amortisation Of Capitalised Investment	(0.26)	-
Others	8.16	44.42

- (v) Drilling Investment : This represents the share of the rights and obligations that Consortium Pegaso maintains (67% in 2010). There were four wells drilled during the year.
- (vi) Capitalised Investment represents the values of investments in Development and executed and completed production by December 2011 on which it is performed the corresponding amortisation. The amount represents the 100% share of participation (Previous Year 67%) in the consortium pegaso under the modified service contract for exploration and exploitation of Hydrocarbons.
- (vii) Work in progress represents precontract expenses of CPO, share of Consortium pegaso's expenses and premium paid to the old partners of the consortium.
- (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

13 Loans and Advances (Unsecured, Considered Good unless otherwise stated) (₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Loans and Advances				
Capital Advance	85.57	81.28	-	-
Loans and Advances to related parties	2.61	12.04	37.58	23.57
Security & Other Deposits	79.88	74.75	31.17	21.45
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	-	-	53.93	60.38
Advance to Creditors / Sub Contractor	120.87	109.59	188.07	205.90
Other Loans And Advances				
Taxes Paid Net of Provisions	220.24	195.13	33.55	26.43
Staff Advances	-	-	4.64	3.41
Indirect Taxes and Duties recoverable	-	-	137.62	116.95
Others	196.81	214.32	292.65	265.49
Deposits with Joint Stock Companies				
Unsecured and Considered good	4.50	4.00	-	-
Unsecured and Considered doubtful	0.39	0.39	6.40	6.40
Less : Provision for doubtful deposits	(0.39)	(0.39)	(6.40)	(6.40)
TOTAL	710.48	691.11	779.21	723.58

14 Other Assets (₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Unbilled revenue	-	-	103.91	165.44
Interest Accrued Receivable	1.39	0.74	25.75	444.56
Accrued Income	-	-	64.67	81.47
Mat Credit Entitlement	16.47	14.76	-	-
Foreign Currency Monetary Item Translation Difference	18.08	-	4.46	-
Other Receivable	84.05	59.32	20.06	6.45
TOTAL	119.99	74.82	218.85	697.92

15 Inventories (₹ in Crore)

Particulars	As at	As at
	31-Mar-2012	31-Mar-2011
Raw Material	182.62	158.54
Material at Construction Site	525.62	511.97
Stores and Spares	7.20	6.06
Work In Progress	1,434.34	1,060.15
Finished Goods	62.24	98.21
TOTAL	2,212.02	1,834.93

(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	At realisable value

- (ii) During the year, the Company and its Indian Subsidiaries have changed the method of valuation of inventory from 'FIFO' to Weighted average method. Due to this change the Profit for the year is lower by ₹ 9.65 Crore.

15A Property Development Account

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Balance at the beginning of the year	445.67	275.39
Add : expenses incurred during the year and directly charged to the project		
Cost of Leasehold Land	-	132.50
Cost of freehold land	769.57	-
Labour and Other related expenses	1.30	0.88
Site Development permission fees	31.20	0.40
Finance Costs	83.21	31.15
Stock in Hand	0.49	-
Other Expenses	3.97	5.35
Closing Balance	1,335.41	445.67
TOTAL	1,335.41	445.67

Project Development account includes expenses incurred under the following broad heads

(₹ in Crore)

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Cost of Leasehold Land	343.56	343.56
Cost of Freehold land	769.57	-
Land Development Expenses	34.95	2.45
Finance Cost	169.41	86.20
Other Expenses	17.92	13.46
TOTAL	1,335.41	445.67

16 Trade receivables

(₹ in Crore)

Particulars	Non Current		Current	
	31-Mar-2012	31-Mar-2011	31-Mar-2012	31-Mar-2011
Trade Receivables :				
(Unsecured, considered good unless otherwise stated)				
Outstanding for a period exceeding six months	660.82	597.62	1,116.85	834.05
Other Debts	51.68	76.82	1,086.70	1,359.11
(Unsecured, considered doubtful)				
Doubtful Debts	-	-	47.34	41.30
Provision for doubtful debts	-	-	(47.34)	(41.30)
TOTAL	712.50	674.44	2,203.54	2,193.15

- (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 ₹ 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.

- (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-2012	As at 31-Mar-2011
Cash and Cash Equivalent		
Cash Balances	6.65	6.76
Funds In Transit	43.96	5.61
Bank Balances	616.90	473.64
	667.51	486.01
Others		
Unpaid Dividend	0.75	0.72
Other Bank Balances	0.02	-
Fixed Deposit Account (On Margin Account)	78.74	84.64
	79.51	85.36
TOTAL	747.02	571.37

- (a) Other Bank balances include ₹ 6.15 Crore (*Previous Year ₹ 3.15 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	2011-12	2010-11
Turnover	8,117.05	8,821.20
Less : Excise Duty	(78.93)	(74.16)
	8,038.12	8,747.04
TOTAL	8,038.12	8,747.04

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

Particulars	2011-12	2010-11
Turnover for the year	4,709.73	4,475.08
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	17,167.09	13,504.88
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	2,104.36	1,501.53
Contract Advances (Net)	736.99	793.43
Gross Amount due from Customers for contract work	1,313.85	1,044.50
Gross Amount due to customers for contract work	91.48	43.56

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 from such contracts not eliminated in the above results is ₹ 936.42 Crore (*Previous Year ₹ 602.4 Crore*) and ₹ 325.32 Crore (*Previous Year ₹ 101.60 Crore*) respectively.

19 Other Operating Income (₹ in Crore)

Particulars	2011-12	2010-11
Operating Grant Received	17.15	10.01
Export Incentive	1.64	6.39
Sale of Scrap	24.63	16.96
Freight Charges	37.51	50.63
Fees & Miscellaneous Receipts	11.59	6.47
Interest on Early Completion Bonus	4.03	8.26
Revenue from O & M activities	14.67	3.39
TOTAL	111.22	102.11

20 Other Income (₹ in Crore)

Particulars	2011-12	2010-11
Interest Income	27.92	448.34
Miscellaneous Income	37.93	17.38
Profit on sale of Assets	0.72	0.85
Profit on sale of Investments	10.38	27.12
Dividend Received From Current Investments	3.24	4.11
Insurance Claim Received	27.28	59.94
Profit on sale of Extinguishment of debentures	73.39	-
TOTAL	180.86	557.74

(a) Interest from Joint Stock Companies includes accrued onetime non-recurring interest income of ₹ Nil (Previous Year ₹ 182.39 Crore) under contractual conditions from one of the Subsidiary of the Company

(b) Dividend received from own investment held through Gammon Trust is adjusted under appropriation ₹ 0.23 Crore (Previous Year ₹ 0.58 Crore).

21 Cost of Material Consumed (₹ in Crore)

Particulars	2011-12	2010-11
Opening Stock	661.37	571.02
Add : Purchases (Net of Discount)	3,084.59	2,932.40
Less : Closing Stock	(707.70)	(661.37)
TOTAL	3,038.26	2,842.05

22 Purchase of Stock in Trade (₹ in Crore)

Particulars	2011-12	2010-11
Brought out material	266.66	173.26
TOTAL	266.66	173.26

23 Changes in inventories of finished goods work-in-progress (₹ in Crore)

Particulars	2011-12	2010-11
Inventory Adjustments - WIP	(70.62)	1,258.95
Inventory Adjustments - FG	(4.10)	(20.72)
TOTAL	(74.72)	1,238.23

24 Employee Benefits (₹ in Crore)

Particulars	2011-12	2010-11
Salaries, Bonus, Perquisites etc.	859.53	787.50
Contribution to Employees welfare funds, gratuity and leave encashment	73.46	69.79
Staff Welfare expenses	35.88	38.14
TOTAL	968.87	895.43

(a) Remuneration paid to the Chairman and Managing director and the overall payment of remuneration to directors is in excess of the limits specified in schedule XIII of the Companies act by ₹ 2.87 Crore. The Company is in the process of obtaining Central Government approval in connection their with.

25 Foreign Exchange (Gain)/Loss (₹ in Crore)

Particulars	2011-12	2010-11
Exchange (Gain) / Loss	2.37	7.72
Mark to Market on Fx transactions	1.70	-
TOTAL	4.07	7.72

26 Finance Costs (₹ in Crore)

Particulars	2011-12	2010-11
Interest Expense	617.93	463.55
Other Financial Charges	41.58	24.57
Mark to Market on Currency swap Transactions	-	(2.36)
Finance Cost Transferred to CWIP	(6.68)	(26.45)
TOTAL	652.83	459.31

In respect of currency swap derivative contracts entered into by the Company, the Company has Marked to Market (Gain) / loss of ₹ Nil (*Previous Year (gain) ₹ (2.36) Crore*) as at 31st March 2012 based on the valuation given by the bankers. Following the principle of prudence and in accordance with the announcement of the ICAI, the Company has made a provision for the same. Since the same was entered into to reduce the cost of borrowings, the said MTM loss is included under Financial Costs.

27 Depreciation & Amortisation (₹ in Crore)

Particulars	2011-12	2010-11
Depreciation	173.59	163.86
Less : Depreciation on Revalued Assets	(3.13)	(3.13)
Amortisation	72.50	80.50
TOTAL	242.96	241.23

Depreciation and Amortisation includes amortisation on Investment Property amounting to ₹ 7.74 Crore.

28 Other Expenses (₹ in Crore)

Particulars	2011-12	2010-11
Plant Hire Charges	91.68	83.24
Consumption of Stores and Spares	94.98	94.95
Outward Freight	82.17	94.86
Sales Tax	100.53	104.08
Service Tax	69.06	48.16
Power & Fuel	215.44	210.38
Fees & Consultations	170.58	153.60
Rent, Rates & Taxes	78.32	86.41
Travelling Expenses	84.05	87.90
Communication	18.23	16.05
Insurance	75.98	65.85
Repairs to Plant & Machinery	49.41	43.20
Bank Charges & Commission	51.80	49.72
Bad Debts Written off	45.92	16.94
Loss on sale of Assets	2.51	0.58
Provision for Doubtful Debts	8.27	4.85
Remuneration to Auditors	0.89	0.81
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 individually)	291.48	264.85
TOTAL	1,537.04	1,426.42

(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 Franco Tosi Meccanica, 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 healthy order book position 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. By an Agreement dated 2nd March 2009, Busi Group agreed to give PVAN 50% stake in lieu of its stake in Sadelmi for a consideration of Euro 1 while also agreeing to capitalise the Company with Euro 2.5 million and convert the S.r.l. status into an S.p.A. to facilitate the same.

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.

The management is reasonably optimistic of a satisfactory conclusion of the matters. The total exposures of the Company as of balance sheet date is ₹ 5.04 Crore under loans and advances, ₹ 0.05 Crore under investment and under corporate guarantee ₹ 60.93 Crore. The result of these operations will be consolidated in the Company on completion of court procedures and after upto date financials are drawn up.

In the managements assessment the value of such references and infusion of Euro 2.5 million by Busi Group would be in excess of the acquisition cost of such stake and hence no impairment is considered necessary.

- 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 Average Number of Shares Outstanding

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Net profit attributable to the Equity Share holders (₹ in Crore)	(105.14)	110.02
Outstanding equity shares at the end of the year	135,774,668	135,739,182
Weighted Average Number of Shares during the period – Basic	135,751,805	129,365,956
Weighted Average Number of Shares during the period – Diluted	136,514,212	130,169,427
Earning Per Share – Basic (₹)	(7.75)	8.50
Earning Per Share – Diluted (₹)	(7.70)	8.45

Reconciliation of weighted average number of outstanding during the year :

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Nominal Value of Equity Shares (₹ per share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	135,739,182	127,438,698
Add: Issue of shares under ESOP	35,486	50,484

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Add: On conversion of warrants	-	8,250,000
Number of Equity Shares at the end	135,774,668	135,739,182
Weighted average number of equity shares at the end	135,751,805	129,365,956
For Dilutive EPS :		
Weighted average number of shares in calculating basic EPS	135,751,805	129,365,956
Add: Shares kept in abeyance	725,800	725,800
Add: On grant of stock option under ESOP	36,607	77,671
Weighted average number of shares in calculating dilutive EPS	136,514,212	130,169,427

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.

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 ₹ 0.59 Crore (*Previous Year ₹ 0.59 Crore*) and under cancellable operating leases was ₹ 0.07 Crore (*Previous Year ₹ 0.09 Crore*) which has been disclosed as lease rentals in the statement of profit and loss.

A detailed break up of amount payable to leasing Companies is as follows -

(₹ in Crore)

Particulars	Amount payable to Leasing Companies	
	2011-2012	2010-2011
Within 1 Year	6.62	5.52
Between 1 and 5 Years	24.86	23.17
Beyond 5 Years	90.18	83.69

33 Contingent Liabilities

(₹ in Crore)

S.N.	Particulars	31-Mar-2012	31-Mar-2011
i	Liability on contracts remaining to be executed on Capital Accounts	1,008.61	3,871.45
ii	Counter Guarantees given to Bankers for Guarantees given by them and Corporate Guarantees, on behalf of Subsidiary, erstwhile Subsidiary, Associate Companies*	6,401.18	4,822.69
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	553.80	626.82
iv	Corporate Guarantees and Counter Guarantees given to Bankers by a step down Subsidiary & Joint Venture for their projects	1,011.61	1,237.60
v	Disputed Sales Tax liability for which the Company has gone into Appeal	29.71	25.71
vi	Claims against the Company not acknowledged as debts	103.90	78.09
vii	Disputed Excise Duty Liability	0.03	0.03
viii	Disputed Customs Duty Liability	-	0.32
ix	Disputed Service Tax Liability	21.13	18.61
x	Against bill discounting	22.20	-
xi	Since Realised	(8.81)	-
xii	On partly paid shares	-	-
xiii	In respect of Income Tax Matters	19.70	-

(₹ in Crore)

S.N.	Particulars	31-Mar-2012	31-Mar-2011
xiv	Commitment towards capital contribution in Subsidiary under contractual obligation	47.36	-
xv	Letter of Credit	28.84	-
xvi	Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Ltd.	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 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		
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	In respect of Joint Venture and operations in Oman, Gammon India Limited-AL Matar JV, refer note no. 37		
xxi	Counter claims in arbitration matters referred by the Company – liability unascertainable		

* Corporate guarantees includes an amount of \$35 Million (₹ 179.04 Crore) issued on behalf of a wholly owned Subsidiary guaranteeing its contractual commitment towards purchase of securities.

(a) The contingent liability, detailed hereinabove includes the Group's share of contingent liability in the Joint Venture Companies amounting to ₹ Nil (Previous year ₹ 2.40 Crore).

(b) Claims against the Company not acknowledged as debt includes :

- (i) As per the intimation received u/s section 143(1) of the Income Tax Act, 1961 for the assessment year 2007-08, from the Income-tax department, ₹ 0.73 Crore is payable by AEL, a Subsidiary of the Group Company. However, the assessing officer has not given credit for the TDS certificates amounting to ₹ 1.82 Crore while assessing the tax payable. The original copies of the said TDS certificates were submitted to the assessing officer on February 4, 2010 for which acknowledgement from the department has been received. The management of the Subsidiary is of the view that the said order will be rectified after accounting the TDS certificates, hence the liability of ₹ 0.73 Crore has not been provided for in their books of accounts.
- (ii) An amount of ₹ 1.78 Crore claimed by the collector and district registrar, Rajahmundry, pursuant to an Order dated March 15, 2005, as deficit stamp duty payable on the concession agreement entered into between REL, a Subsidiary of the Group Company 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 creditor 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) Under the License Agreement (LA), Mumbai Port Trust ('MbPT'), is entitled to recover electricity charges from ICTPL a 50% Joint Venture of the Company, against the existing Ballard Pier Station ('BPS') terminal. The rate to be charged by MbPT is the rate charged by the electric power supplier plus 7.5% overhead charges. MbPT is charging fixed demand charges, due to which the per unit of electricity is not matching with the rate. Since the SPV has also agreed for payment of fixed contract demand charges, the total liability for electricity expenses are provided in its financial statements in the current year. A provision of approximately ₹ 0.25 Crore has been made towards differential electricity expenses in the books of the SPV.
- (v) The penalty for non-achievement of Minimum Guaranteed Throughput ('MGT') of approximately ₹ 4.60 Crore payable to the MbPT as per the License Agreement has not been provided for by a 50% Joint Venture SPV in their financial statements because under an arrangement, the said SPV is eligible to be indemnified by one of the shareholders in respect of liability upto March 31, 2010. Under the revised arrangement dated December 23, 2011, the amount of MGT penalty is to be borne by the said SPV. Hence, during the current year the liability for MGT has been provided in the said SPV's books.
- (vi) The projects of a biomass SPV in the state of Haryana, has been terminated during the year. Due to this, the said SPV has written off all the capitalised expenses incurred till date. The SPV is taking steps to recover all its dues while the management is exploring other business opportunities. Pending this, the accounts of the SPV are not prepared on a Going Concern Basis. In the opinion of the management, current assets, loans & advances have a realisable value, atleast equal to its value stated in the balance sheet after considering the provision made. There are no contingent liabilities as at March 31, 2012 and March 31, 2011.
- (vii) Export obligation under EPCG scheme by a Subsidiary of group Company amounts to ₹ 27.89 Crore (Previous Year ₹ 20.89 Crore).
- (viii) The Total commitment for concession agreements as on 31st March, 2012 is ₹ 901.84 Crore (Previous Year ₹ 1,637.06 Crore). The Capital commitment are in respect of projects where the concession agreements have been signed and does not include projects where only letter 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	6,296.68 (6,001.01)	1,852.67 (2,848.14)	8,149.35 (8,849.15)	77.27 (67.81)	22.73 (32.19)
Segment Asset	12,475.04 (9,695.15)	3,516.00 (3,951.11)	15,991.04 (13,646.26)	78.01 (71.05)	21.99 (28.95)
Capital Expenditure	5,481.06 (4,394.91)	1,102.80 (1,010.16)	6,583.86 (5,405.07)	83.25 (81.52)	16.75 (18.48)

Previous Year figures are presented in bracket

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 31st March, 2012 is ₹ 770.86 Crore (Previous Year ₹ 678.28 Crore) receivables and ₹ 208.50 Crore (Previous Year ₹ 201.03 Crore) payables. Currency wise unhedged amounts are as follows-

Currency	2011-12		2010-11	
	Receivables	Payables	Receivables	Payables
USD - US Dollar	105,677,260	21,058,063	99,943,121	20,764,391
EURO	19,523,543	1,716,590	23,802,114	5,284,398
GBP - Great Britain Pound	-	25,243	-	-
AED - UAE Dirham	95,560	-	55,560	-
OMR - Omani Rial	4,596,144	3,742,084	5,252,748	3,720,673
DZD - Algeria	169,060,250	194,462,060	263,342,163	200,720,302
NAIRA - Nigeria	1,170,092	6,213,707	-	6,213,707
KSH - Kenya	77,376,509	45,431,178	30,567,932	3,200,359
BTN - Bhutan	238,723,153	180,350,595	27,323,645	181,743,200
CAD - Canadian Dollar	827,302	-	-	-
BIRR - Ethiopia	4,350,051	8,247,664	-	-

(b) Foreign currency hedged exposure for receivables is ₹ 37.55 Crore (Previous Year ₹ 4.81 Crore)

Currency	2011-12	2010-11
USD	7,250,000	1,000,000

(c) The breakup of the outstanding derivative position of the overseas Subsidiaries is tabulated hereunder (₹ in Crore)

Particulars	As at 31 st Dec, 2011		As at 31 st Dec, 2010	
	Assets	Liabilities	Assets	Liabilities
Derivatives on exchange rates	3.46	3.15	0.22	4.55
Derivatives on interest rates	-	0.84	1.79	1.88
Total non-current derivatives	3.46	3.99	2.01	6.43

(d) 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 ₹ 8.90 Crore (Previous Year ₹ Credit of 4.71 Crore) amortisation cost charged to the profit and loss account out of Foreign Currency Monetary Item translation Difference Account.

₹ 22.55 Crore Debit (Previous Year ₹ 4.71 Crore credit) accumulated in the "Foreign Currency Monetary Item translation Difference Account", being the amount remaining to be realised as at March 31, 2012

36 Joint Venture

Details of Joint Ventures entered into by the Company :

	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 Ansaldo (Kakrapara BOT Pkg.I)	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 Patel	Jointly Controlled Operation	50.00%
12	Gammon Pratibha (BWSSB)	Jointly Controlled Operation	70.00%
13	Gammon Progressive	Jointly Controlled Operation	50.00%
14	Gammon Srinivas	Jointly Controlled Operation	80.00%
15	Gammon Technofab (Transmission & Distribution of Electricity & Water)	Jointly Controlled Operation	70.00%
16	Gammon Tensacuai	Jointly Controlled Operation	80.00%
17	Gammon-CGS-MARTI-DOLSAR	Jointly Controlled Operation	57.00%
18	Gammon-Geomiller	Jointly Controlled Operation	51.00%
19	Gammon-Marti	Jointly Controlled Operation	60.00%
20	Gammon-Mosmetrostroy	Jointly Controlled Operation	51.00%
21	GIL Simplex (Dholakal Tupul)	Jointly Controlled Operation	51.00%
22	GIL Simplex (Khongsang Imphal)	Jointly Controlled Operation	51.00%
23	Hyundai Gammon	Jointly Controlled Operation	49.00%
24	Jaeger Gammon	Jointly Controlled Operation	50.00%
25	OSE GIL	Jointly Controlled Operation	50.00%
26	Patel Gammon	Jointly Controlled Operation	49.00%
27	Gammon - FCEP - Joint Venture - Nigeria	Jointly Controlled Operation	80.13%
28	SAE - GIL Consortium	Jointly Controlled Operation	33.91%
29	SAE - GAMMON Consortium	Jointly Controlled Operation	51.56%
30	Consortium SAE - GAMMON	Jointly Controlled Operation	37.03%
31	JV Siemens Ltd. And ATSL, Kenya	Jointly Controlled Operation	19.79%
32	Consortium between SAE Powerlines Srl and ATSL	Jointly Controlled Operation	Nil

37 Joint Venture and operations in Oman

- As on March 31 2012, there were primary court rulings against certain legal cases arising out of disputes in the Joint Venture's commercial operations amounting to RO 620,455 (₹ 8.33 Crore) as of March 2012. The Joint Venture has appealed against the primary court judgements and is currently awaiting judgements from the Appeal court. Based on legal advice, the management believes that the appeal court judgements will be in Joint Ventures favour and no amount will be payable. However a provision of RO 4818 for liability pertaining to these claims has been made in the financial statements.
- The statutory auditors of the Joint Venture have qualified their report stating that in their view it more likely than not that the Joint Venture will be liable to incur expense against these claims and accordingly it should record the total liability in the financial statements as of March 2012. Thus in their view the accounts payable and loss for the year are understated by RO 615,637 (₹ 8.27 Crore)
- As on March 2012, the Joint Venture has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to RO 177,891 (₹ 2.39 Crore) (Previous Year RO 377,891 (₹ 4.43 Crore)).
- Transactions of the Oman branch and the Joint Venture are accounted on the basis of the audited accounts received from the statutory Auditors of the respective entity.

38 Exceptional Item (₹ in Crore)

Particulars	2011-12	2010-11
Unamortised portion of periodic maintenance written off	70.20	-
Prior period expenses	4.87	5.98
Others Adjustments	0.89	0.02
Less :		
Developer fees eliminated earlier, now reversed	40.40	-
Total exceptional items	35.56	6.00

The Group undertakes various projects on build-operate-transfer basis as per the service concession agreements with the government authorities. The developer fees incurred by the operator on the project with the Group are considered as exchanged with the grantor against toll collection / annuity rights from such agreements and therefore the revenue from such contracts were considered realised by the Group and not eliminated for consolidation under AS-21 Consolidated Financial Statements. The Group has reflected the credit of the developer fees of ₹ 40.40 Crore upto March 31, 2010 as an exceptional item.

Hitherto, periodic maintenance cost including resurfacing expenditure required to be undertaken by the operator under its BOT contracts at specified intervals were capitalised to the project asset. During the current year, in line with industry practice of the relevant SPVs have recognised a provision for such expenditure on a systematic basis over the period for which such obligations are to be carried out. Further, these SPVs have debited such un-amortised expenditure of ₹ 70.20 Crore as at March 31, 2012 to the statement of profit and loss as an exceptional item.

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.

40 Basis of preparation

Till the year ended March 31, 2011, the Company was preparing the financial statements as per the pre-revised Schedule VI to the Companies Act, 1956. During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified the published previous year figures to confirm to the norms of the Revised Schedule VI. The adoption of the revised Schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

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 : 23rd August, 2012

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 : 23rd August, 2012

RAJUL A. BHANSALI

Executive Director

HIMANSHU PARIKH

Executive Director

GITA BADE

Company Secretary

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
	Entities Where Control Exists
1	Devyani Estate & Properties Private Limited
2	First Asian Capital Resources Private Limited
3	Masayor Enterprises Limited
4	Nikhita Estate Developers Private Limited
5	Pacific Energy Private Limited
	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 Harshit Rajan
7	Mrs Sandhya Bagde
8	Mr Kishor Kumar Mohanty
9	Mr Parag Parikh

B) Related Parties transactions during the year in normal course of business :

(Rupees In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Associates				
Interest Income during the year	0.22		0.22	
Finest S.p.A.		0.22		0.22
Outstanding Balances Receivables	3.68		3.21	
Finest S.p.A.		3.68		3.21
TOTAL	3.90		3.43	
Entities where control exits				
Dividend paid to Shareholders	1.77		3.41	
Abhijit Rajan		0.04		0.10
Devyani Estate & Properties Private Limited		0.47		0.53
First Asian Capital Resources Private Limited		0.28		0.68
Masayor Enterprises Limited		0.12		0.12
Nikhita Estate Developers Private Limited		0.14		0.35
Pacific Energy Private Limited		0.72		1.63
TOTAL	1.77		3.41	
Key Managerial Personnel				
Remuneration paid	22.11		11.78	
Mr Abhijit Rajan		12.27		4.34
Mr Himanshu Parikh		1.71		1.44
Mr Rajul A Bhansali		1.00		0.79
Mr Rohit Modi		3.38		3.68
Mr D C Bagde		0.86		0.86
Mr Kishor Kumar Mohanty		2.22		-
Mr Parag Parikh		0.67		-
Mr Parvez Umrigar		-		0.67
Gross value of stock options vested	-		4.75	
Mr Parvez Umrigar		-		4.75
Finance received (including loans and equity contribution in cash or in kind)	-		3.84	
Mr Parvez Umrigar		-		3.84
TOTAL	22.11		20.37	

(Rupees In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Joint Venture				
Subcontracting Income	255.33		335.39	
Gammon JMC		-		69.08
Jager Gammon		55.85		44.49
Patel Gammon		168.97		198.27
Subcontracting Expenditure	0.08		-	
Consortium of Jyoti Structure & GIL		0.08		-
Sale of Goods	24.07		-	
Consortium of Jyoti Structure & GIL		24.07		-
Finance provided for expenses & on a/c payments	2.59		1.53	
Gammon Atlanta JV		0.38		0.81
Gammon BBJ JV		0.30		-
Jager Gammon JV		1.12		-
Gammon Pratibha		0.54		-
Gammon Progressive		0.10		0.67
Amount liquidated towards the finance provided	0.44		-	
Gammon Progressive		0.44		-
Interest paid during the year	0.91		2.65	
GIL Archirodon JV		0.16		-
Hyundai Gammon		0.05		-
Gammon SEW JV		0.37		
Jager-Gammon		0.29		2.35
Contract Advance received	53.06		23.26	
Jager-Gammon		39.53		5.76
Patel Gammon		13.52		17.50
Refund received against Contract Advance	67.73		70.55	
Jager-Gammon		52.57		27.06
Patel Gammon		12.67		41.12
Guarantees and Collaterals Outstanding	181.16		197.38	
OSE Gammon JV		24.36		24.36
Gammon Atlanta JV		8.95		21.37
Gammon Limak JV		17.00		3.39
Gammon Srinivas JV		19.65		21.62
Patel Gammon		21.21		21.21
Jager-Gammon		40.24		46.60
Outstanding Balances Receivables				
Trade & Other Receivable	149.21		147.60	
Consortium of Jyoti Structure & GIL		19.98		-
Gammon Atlanta JV		7.56		21.37
OSE Gammon JV		10.52		24.36
Gammon JMC		13.71		21.62
Jager-Gammon		9.57		21.21
Patel Gammon		63.30		68.21
Outstanding Balances Payable				
Trade & Other Payable	51.17		24.18	
Consortium of Jyoti Structure & GIL		36.45		-
Patel Gammon		4.58		3.72
Gammon SEW JV		6.16		
Jager-Gammon		-		16.34
TOTAL		785.74		802.53

NOTES

[illegible]

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



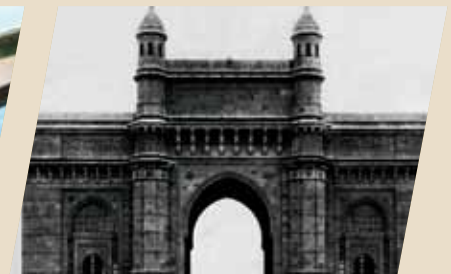
First cable-stayed bridge in India at Akker, Sikkim, in 1988



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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