



GAMMON SPEAKS

VOLUME 01 ♦ ISSUE NO. 3

THE QUARTERLY HOUSE MAGAZINE OF GAMMON INDIA LIMITED

MbPT in for a major facelift



► Offsite meet: **Reflections**



GAMMON
Builders to the Nation

Dear Colleagues:

Welcome to this the third edition of Gammon Speaks (GS). It is heartening to note the encouraging feedback received from readers on the themes and events that have been covered thus far in GS. Continuing with the philosophy adopted in publishing the earlier two issues, we are happy to now feature an interactive article on the ongoing Mumbai Port Trust (MbPT) Project as the cover story of this issue. This project provides some good practices and learnings for replicating in our other ongoing projects.

In addition, among other regular sections, this issue also brings home the Systems and Processes Department who are working at bringing an inclusive culture of improved operational performance across the organisation. The issue also has an article on the financial highlights focussing on the first quarter of the year with indicative trends for the future from the CFO of the company.

In addition, we have a column on the recently held offsite meet of the senior management team highlighting the organisational challenges and the

way forward to help Gammon become more robust and efficient. We have also featured a snapshot of the new look Gammon website which should hopefully enthuse the readers to purview and use it actively.

As we went to the press, we had a stark reminder of how uncertain the turn of events could be in life- we lost one of our dear colleagues in Human Resources, Vinod Prabhu who succumbed to a cardiac arrest while on tour to Chennai. May God give his family and near and dear ones the strength and resilience to combat this terrible tragedy.

On behalf of GS, I convey good wishes, greetings and prayer to make the lives of each member of the Gammon family peaceful, satisfying and meaningful as we usher in Dusherra and the festival of lights very shortly.

Warm regards,



Vijay Vancheswar

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Kolkata Metro: Design and construction

Scope: Design and construction of 4.7 km viaduct (8.8m carriage width) for Kolkata Metro and 1.065 km single lane (4.4m carriage width) including utility shifting and road restoration work on lump sum basis; part design and construction of 4.7 km elevated viaduct is designed to provide Single Cell, Precast, Segmental constructed, PSC Box Girder, simply supported superstructure resting over Elastomeric bearing.

An aesthetic RCC pier cap is provided to fit with the bearings and other supports of Launching Girders during erection. A circular pier of 1.7m diameter is provided in the median of the road which in turn is supported by pile foundation system. There are standard precast segmental spans of 16m, 19m, 22m, 25m, 28m & 31m length. The deck width is 8800mm to facilitate Double Track with standard gauge of 1435mm and ballast-less track at 4200mm cubic capacity.

Pre-casting the segments (long line method): Long line casting technique is adopted for casting the pre-cast, pre-stressed single cell box girder segments. Long line bed consists of adjustable soffit formwork, movable external and internal formwork, bulk head, etc. The long line bed is designed to adjust the geometry as per the horizontal alignment of the viaduct.

Erection of Segments: Spans are erected by means of overhead launching girder. The segments are brought over by trailers of suitable capacity from casting yard to the required location. The launching girder is erected over the piers. Segments are erected with help of fixed mounted 80 tonne capacity hoist, and then brought to the required position with help of sliding beam.

Underslung Erection System: An underslung system consists of supporting trolley which has provision for vertical levelling, longitudinal alignment and transverse alignment by means of jacks provided in trolley. The system consists of other components like longitudinal beam, trestle and pre-cast footing. Segment is lifted with help of 250 metric tonne capacity crane and placed on underslung system.

An underslung erection system is used for erection of spans having radius of curvature less than 800m. For the first time in the history of metro construction, spans having radius of curvature 120m and 150m are designed and executed.

Thermal Power Plant, Tuticorin:

Gammon India is executing the construction of civil and the structural works for 2x600 MW Thermal Power Plant in Tuticorin, Tamil Nadu for Coastal Energen

Pvt. Ltd.; the power generating Flagship Company of the Coal and Oil group.

Scope of work involves civil and structural works for the Main plant:

- Station Building RCC foundations and structural steel superstructure including TG equipment foundation, CEP, BFP foundations, Service Building
- Design and construction of 275m Bi flue Chimney
- Mill and Bunker foundations including structural steel superstructure and coal storage bunkers
- Foundations for Boiler, ESP and ESP control building

Chimney Works:

Gammon India has achieved a World Record, breaking the previous record by over 67%, by accomplishing 4mm of vertical tolerance from 0-275 metres for Coastal Energen Pvt. Limited. Mr. S. M. Zafrulla, MD, Coastal Energen Pvt. Limited, is delighted with the quality of works executed by Gammon.

Civil Works:

- Mass pours of two TG rafts 1700 cum each was done in one continuous operation. The maximum temperature of the concrete at pouring point

was restricted to 23 degrees. Established record in concrete pouring time (23 hrs and 21 hrs respectively for the two pours)

- Embedded anchor bolts (over 1500) were erected within 2mm tolerance
- Completed over 13, 000 MT of fabrication with high quality standards

GTPL: EHS – Not only a Priority, it's a core value:

In ever-growing construction industry, the main problem is failure to identify occupational safety and health as a strategic enabler of sustained economic growth. Most often the productivity and profits are seen as priorities. Industry must also understand a healthy workforce is very much essential and beneficial to the organisation.

Comprehensive occupational safety and health services, if adopted by the organisation, will boost the morale of the worker, increase productivity, project completion, decrease attrition rate, decrease accidents, decrease compensation costs, decrease insurance costs, above all it will safeguard from statutory penalty and legal issues which otherwise bring down the image of the organisations.

It's high time the organisations, employers in construction industry identify Occupational Safety and Health services as an integral part of their development and a good return on investment.



▲ Various safety related activities at GTPL

Construction industry is one of the fastest growing economical sectors in India, providing employment to millions of people. The magnitude and complexity of the workforce required to drive the economic growth makes it essential to focus on health and safety of its labour force. While technologies can be bought, human resource has to be developed, maintained in good functional state. Hence providing occupational health and safety services to construction workers forms the 'need of the hour' if the organisation is planning a leap in economic growth.

Construction work is a diverse, labour-intensive industry where the workers are exposed to variety of hazards both occupational and environmental that can result in injury, disability, ill health and even death. Occupational hazards can be classified as Physical, Chemical, Biological, Ergonomical, Psychological and Social.

Environment Health and Safety are already crucial issues in

the upper echelons of the construction industry. Sadly, that is the exception rather than rule, so, if our industry is to become safe and in the future, everyone at every level needs to understand the importance of these issues and implement the best practices that will safeguard both planet and our people.

We at GTPL believe that "SAFETY IS A CULTURE" and every individual must co-operate whole heartedly in the promotion of Environment, Health and Safety (EHS), i.e., each one of us must personally bear the responsibility to minimise and avoid accidents at all cost in order to create and maintain a safe work place. GTPL is committed to the provision of a safe and healthy working environment for all employees and contractors, as well as other people affected by our activities. This may include employees of the client or owner, our own visitors and those of contractors, and third parties such as the general public and suppliers.

We recognise that the project

work may create potentially dangerous work environment, and our aim is to achieve our objectives by eliminating all inherently life-threatening and disabling situations, and minimise the occurrence of all incidents which could lead to injury, damage to or loss of property and plant, damage to environment. The safety plan is also available at all sites to assist and contribute to the establishment of safe, healthy and environmentally sound work environment. It also includes details of the project and its EHS requirements, anticipated site hazards and conditions and means of their control. Hazard identifications and Risk Assessment is conducted at sites to design control measures and to have an idea of the relative importance of risks and to know as much about them as we can in order to finalise decisions on effective controls measures which are appropriate and cost effective.

We believe that training for EHS is not an end in itself; it is a means to an end. Talking in general terms to employees about the need to be safe is not training; workers and management need to know what to do for their own health, safety and protection of environment, as well as what is required by statute. (Inputs by Samir Desai)

GIPL shifts to new premises:

Gammon Infrastructure Projects Limited (GIPL) has now got a new office premise at Orbit Plaza, 5th Floor, Plot No. 952/954, New



◆ Griha pravesh puja (top) and a snapshot of the new premises (below) during the function



Prabhadevi Road, Prabhadevi, Mumbai – 400 025 (Behind Marathe Udyog Bhavan). All staff members of GIPL would shift to this new office in due course. A griha pravesh puja was organised in this regard on September 9.

As demand for power increases, world looks towards India (AnsaldoCaldaie Boilers India):

AnsaldoCaldaie Boilers India (ACBI) under the roof of Gammon is moving ahead with a VISION and meticulous planning quoting for various tenders ranging from 80 MW to 660 MW Supercritical SG Packages, including many government and private tenders. As per the demand in market, ACBI along with Franco Tosi Meccanica (FTM) is bidding for BTG packages. We succeeded in getting a 1x150 MW BTG package for Nagai Power Limited from KVK Energy through Nagarjuna Construction Company Limited. The repeated orders from OPG

Power Generations show the strength of Ansaldo. The first boiler of 80 MW to OPG was commissioned last year and the second boiler of 80 MW construction is in progress. The third boiler of 80 MW has been awarded and it is under execution.

Mrs. Barbara Lefebvre, Managing Director of Ansaldo Caldaie, Italy (AC), and AnsaldoCaldaie Boilers India Pvt., Ltd (ACBI), addressed the employees on August 12 wherein she has underlined the Mission and Vision of the company and briefed the strategies framed for growth. As a strategic move, the engineering office from Trichy has been shifted to Chennai and now all have come under one roof in Chennai.

AnsaldoCaldaie–Italy has received from Rockson Engineering (EPC Contractor) the L.O.I. for engineering, manufacturing, supply and supervision of erection and start-up of 4 Heat Recovery Steam Generators, supplementary fired, operating behind 125 MW GE9A GT's to be installed at Alaoji Combined Cycle Power Plant in the Abia state (Niger-Delta Region). When completed, Alaoji Power Plant will be one of the biggest power plant in Nigeria, supporting the country's economic growth. This award marks the beginning of a long lasting relationship with Africa's most populated country, giving Ansaldo Caldaie the chance of contributing to the growth in Nigeria's Power generation capacity in the years to come.

Employee Environment Safety and Occupational Health (EESOH)

EESOH (Employee Environment Safety and Occupational Health) is an organisation wide initiative being undertaken in Gammon to promote, inculcate and strengthen sustainable work processes, procedures and practices.

Recognising the importance of involving and engaging employees across all functions and businesses in the organisation, Gammon India has structured relevant programmes primarily lead by functions in the non-financial areas.

All in all, this programme will over time add to the "intangible asset base" of Gammon Group which shared positively reflect on its operations, financial records and at Gammon India.

Focus Areas Of 2011-2012 Human Resource

- Increasing employee productivity by initiating studies for rationalising roles, responsibilities and rightsizing through a third party
- Establishing a comprehensive Employee Self Service (ESS) System at Group level
- Leadership Development-targeted Elite Task Force of 200 Project-in-charges and 100 leaders by 2013
- Integration of human resource management for all

group companies to enhance productivity

- Launching internal customer satisfaction platform for improving efficiency
- Competency mapping for various departments such as Plant, Administration, Human Resource, etc
- SBS (Shared Business Services) establishment for backend recruitment activities
- Outsourcing payroll for greater productivity
- Talent retention and skill development

Occupational Health And Safety

- Skill development and training based on competency assessment
- Contractor safety management system to be implemented
- Standardisation of procedures to enable significant improvement in performance from 2010-2011
- Establishing the system across the group for awards-recognition-penalties
- Medical check-ups for workers for critical jobs
- Appointment of occupational health practitioner and establishing standardised check-ups and systems

Environmental Management

- Initiate programs for "using water responsibly" and "being

energy conscious"

- Initiate data capture and management for environmental parameters
- Measure energy consumption with respect to turn over for major equipment/plant
- Ensure that all environmental management procedures are standardised at group level

Information Technology

- Revamp of existing data centre and network solutions
- Advanced disaster recovery system
- Revamping existing e-mail, intranet portal and vendor portal
- Communication partner for bringing all communication needs under one umbrella (e.g. video/audio conferencing)

New Initiatives

- Integration of management systems across GIL to be ready for certification by 2012 and training 100 auditors and 150 IMS implementers at all sites
- Train at least 100 employees for the 5S internal assessors training
- At least four sites to participate in 5S competitions and award programmes
- At least four sites to achieve a score of 600 for 5S implementation

Measures for enhancing stakeholder engagement

External Stakeholder Interactions

- AGM
- Vendor meetings
- Customer meetings and interactions
- Customer satisfaction surveys and analysis
- Informal interactions
- Investor meet
- Various forums and platforms
- Interactions with various government and private bodies

Internal Stakeholder Interactions

- Monthly planning meetings
 - Safety committee meetings at HO and sites
 - Circulars
 - Gammon Speaks in-house magazine
 - Gammon Technical
 - Gammon Springs
- There are various forums through which stakeholder interactions are conducted. These include both

formal and informal methods of communication such as vendor meetings, the Annual General Body meetings, customer interactions, etc., where feedback is taken about the organisation which then taken up for action at various levels and forums. One of the primary methods of feedback has been our customer feedback mechanism.

Customer feedback

A sample survey was conducted at our sites for customer feedback on our performance and more so to identify the areas that were important to the customer. This survey was done for the following areas of timely project completion, interaction between the customer and Gammon, safety, subcontractor management and so on. The average satisfaction score of 8.4 was obtained on 10. The strengths were quality of execution, customer interface, and responsive employees.

They areas identified where improvement was required were timely completion of jobs, housekeeping etc. There are a lot of new initiatives like 5S that are introduced to strengthen our weaknesses.

Magazines

Our in-house magazine, Gammon Speaks is a unique magazine that covers details on our new projects, customer interactions, departmental functioning, environmental and safety initiatives, 5S information and an employee corner.

Given the vast reservoir of technical knowledge within the company, the organization will soon be publishing a technical magazine Gammon Technical highlighting the competencies and skills of Gammon in undertaking complex and challenging projects.

Averting a near mishap- A job well done!

At the Kosi Bridge Project in Bihar, a major accident was averted by the site team lead by N V Acharya involving a trailer with the S3 segment. The hydraulic hose connecting the jacks to pump burst accompanied with the failure of a valve between the front and rear axles resulting in a dangerous tilt of the segment by around 600mm. The site team acted promptly by releasing the left side jacks and further provided external jacks

under the trailer platform under the right hand side to arrest any further tilt. Subsequently the team successfully straightened the segment using the external jacks thus averting what could have been a major accident.

Kudos to Acharya and his team! Well done... a good learning example for other sites.

Make Safety a way of Life...
Adopt Safe Work Practices Regularly and Consistently

Commendation



Harsh Kapur, Advisor (MIS & Monitoring) with the National Power Corporation's (NPCIL) Leadership Award received recently from BARC for 2007 during his tenure there for his outstanding contributions in project management of Kaiga 3 & 4 wherein Gammon was the lead contractor

Systems and Processes

Gammon was known to have the best of systems and was pioneer in bringing in some of the best practices in infrastructure industry even as early as 1960's. The Systems and Processes team was formed in 2010 with the objective of bringing systems and process oriented approach to the forefront.

Secondly, as all of you may be aware that the issues of safety and environment are becoming very critical for our sustenance and that of our future generation. Sustainability is being addressed on global basis and Gammon cannot remain in isolation from these global issues. Gammon in its sustainable policy made a commitment to operate its business today without compromising the benefits of tomorrow's generations.

Towards meeting these commitments, the management has decided to implement management systems in line with international standards for environment (ISO 14001) and occupational health and safety (OHSAS 18001) across the organisation and integrate them with its existing valid quality management certification (ISO 9001). This is also commonly called as Integrated Management System (IMS). The target to implement the best practices in line with these standards and get it audited and certified from reputed third party agency is by 2012. The first step towards

these initiatives is to revisit all our existing documentation prepared during our ISO certification.

With your support and guidance, we are responsible for facilitating the design, development, implementation, and later maintenance of the Integrated Management Systems across the organisation. We have initiated training programmes developing and organising intensive six-day workshops for IMS implementation in Pune, Bengaluru, Delhi, Kolkata and Butiburi through September and October 2011. The support from all our internal customers is excellent and we hope that we together can achieve the objective of the top management to be recognised as IMS certified company.

Simultaneously management is also focusing on productivity improvement, inventory control, minimisation of waste in supply chain and better housekeeping to improve the safety performance at site through an initiative called 5S. Many of our sites have made remarkable improvement in this regard. We expect a couple of sites to participate in external assessments and award exercises. We have spread the knowledge



▲ The Systems and Processes team at Head Office

through one-day workshops at sites and a dedicated 5S website. Further, to objectively evaluate the success of 5S implementation, we have internally developed a 1000-point protocol on 5S. It is a maturity model where the score will get matured as you move ahead in implementing 5S to derive organisation's benefits. A formal training is being arranged at Mumbai, Kolkata and Delhi in September 2011 with an objective to create awareness and to create internal pool of competent/qualified 5S assessors.

Being an internal service provider, our aim is to provide you our best and timely services in the areas of systems, processes, management certification and business excellence. Your every feedback is valuable to us and will provide us an opportunity to improve. So do write us and demand the best out of us. For further information please contact iso@gammonindia.com.

– Suryakantam Bansal, Systems & Processes

MbPT in for a major facelift

Traffic handling capacity to go up by 12 million TEUs

Mumbai Port Trust (MbPT), established as Bombay Port Trust on June 26, 1873, is the oldest of its kind in India. It has traversed a long distance ever since its inception. Today, the 138-year-old MbPT handles around 58 million tonnes (estimated as on financial year 2010-11) of traffic annually.

However, containerised cargo comprises only a small portion of it with bulk of the containerised cargo making its way to Jawaharlal Nehru Port (JNPT), since MbPT has draft of about 10-10.5 metres, which is incapable of handling larger ships. Nevertheless, its traffic handling capacity is set to get a major boost when its offshore container terminal (OCT) project gets ready by 2012. Once completed, its capacity is likely to go up initially by about 12 million TEUs (Twenty-foot equivalent units; a standardised maritime industry measurement for cargo), which would later be increased as per demand.

At present, dredging is being done for the OCT terminal to accommodate and handle larger ships of 6,000 TEUs and above. The terminal will be 800 metres inside the sea and the draft after completion will be about 14.5 metres deep. The OCT project is being implemented on a Build, Operate and Transfer (BOT)

basis under license agreement by Mumbai Port Trust (MbPT) and the BOT operator — a consortium of Gammon India, Gammon Infrastructure and Dragados SPL, Spain.

Gammon Speaks spoke to the Chief Engineer (C.E) of MbPT, Mr. Uttam Suryavanshi, for his views on the upcoming offshore container terminal project and on the work undertaken by Gammon thus far.

GS: Can you please give a brief background on the roadblocks, resistance encountered on this project?

US: The Japan International Corporation Agencies (JICA) prepared a Master Plan for Mumbai Port, who recommended the project for Offshore Container Terminal. Subsequently, the Consulting Engineering Services (CES) has prepared Detailed Project Reports recommending the same for implementation. However, this project faced strong resistance from some NGOs, mainly, opposing filling of Prince's & Victoria Docks. They were also alleging that the said project, after commissioning, would congest city roads. Mumbai Port has adequately



▲ U. Suryavanshi (C.E) in discussion with the Gammon Speaks team

addressed all these objections raised by various forums. The project has gone through appraisal by the Government of India and finally approved by the Cabinet Committee on Economic Affairs in the year 2007.

GS: Please provide for the benefit of our readers the key advantages that this project will deliver in the context of the challenges on growth, capacity constraints (volume in numbers) and limitations on JNPT expansion (terminal expansion).

US: The necessity of this project has been established through the Master Plan prepared by JICA and also the Detailed Project Reports (DPR) prepared by the CES. It is to state that this Container Terminal will cater to the requirement of mainly Mumbai region and the adjacent area. The MbPT and



▲ Visual representations of the Alexandra Victoria and Prince's Docks during their initial days

JNPT have prepared Master Plan in the year 2007 which clearly established the need of the project. The traffic forecast for the MbPT and JNPT hinder land shows projection of 27.7 Million TEUs by 2025-26. The JNP would face capacity constraint of about 11 Million TEUs around 2016-17. The capacity of MbPT's Offshore Container Project is about 1.2 Million TEUs. It can be said that there is sufficient traffic in the region even for the additional port like Revas. The Offshore Container Terminal would, therefore, have sufficient traffic to handle.

GS: A few words on the scope of work assigned to Gammon...

US: The consortium of Gammon India Group alongwith Dragados SPL Spain were selected as BOT operator. They formed a company viz. M/s.Indira Container Terminal (ICTPL). As per the license agreement, Mumbai Port will carry out the work of capital dredging, filling of Prince's & Victoria Docks and

laying of railway tracks for RCD. M/s. ICTPL shall construct 700 m long x 5m-wide berth at 800 m offshore to existing Indira Dock Harbour Wall Berths. M/s. ICTPL will also procure and install required equipment for handling containers.

The total cost of the project is ₹1460 crore, out of which ₹445 crore will be invested by Mumbai Port and the rest by M/s.ICTPL.

It is also pertinent to mention

that Mumbai Port have taken many steps in improving the evacuation of cargo. Some of the main steps taken by the Port for easing evacuation are –

- Laying of dedicated railway track for goods from Wadala to Kurla.
- Construction of Eastern Express Freeway through Mumbai Port estate (being executed by State Government).
- Improvement and concretising the important road networks of Mumbai Port.

GS: What has been the progress of the project thus far and the main challenges encountered?

US: Unlike other civil engineering works, I feel that marine works is the most challenging job. Procurement and fabrication of specific construction equipment, programming of works considering the tidal variation and concreting works through barges are some of the challenges encountered in this project. I feel

5S IMPLEMENTATION AND IMPROVEMENT



Zone wise designation boards displayed at site



▲ Work in progress at the MbPT

that Gammon India have set up a good team of professionals for this project.

The other major issue is that the execution of work by Gammon India Ltd. linked to the completion of capital dredging and filling by MbPT. By liaising and programming, we have made efforts to see that there is no idling of work from both the parties. MbPT has undertaken capital dredging work including

rock dredging which is difficult and challenging.

GS: What has been your experience with the Gammon Team in terms of people, technical expertise and commitment?

US: The Gammon India Ltd. is renowned company and known to me for long time. However, my association with them is during the implementation of our project of Offshore Container

Terminal. I found Gammon Team technically competent, efficient and committed to their work. I have seen in our project, they have developed plant and equipments ingeniously which are vital asset for implementation of any marine project. The Gammon Team is also very keen in implementation of safety precautions as per the norms which can be seen from accident-free records for many months.

GS: Any suggestions or areas for improvement for the Gammon Team?

US: Every project is unique and provides ample learning opportunities by throwing up unexpected challenges and issues. It may be a good idea if you could capture this and share it with your clients, your operational team and senior management periodically. This will help us work together for improved results and also learn through some of the best practices that get developed as these challenges get addressed.

Mumbai Port Trust - Fact file

- MbPT was established as the Bombay Port Trust on June 26, 1873.
- Mumbai Port Trust lies midway on the West coast of India.
- It is located on the western shore of Mumbai Harbour, along the eastern edge of Mumbai city. The harbour opens to the Arabian Sea to the south.
- Has natural deep-water harbour of 400 km².
- Its first chairman was Col. J.A. Ballard.

- Is considered the gateway to India, and has been the principal contributing factor in the emergence of Mumbai as the commercial capital of India.
- MbPT has three enclosed wet docks:
 - Indira Docks
 - Prince's Docks (built in the year 1885)
 - Victoria Docks (built in the year 1891)
- MbPT provides 63 anchorage points.

- Crude and petroleum products are handled from four jetties at Jawahar Dweep, an island in the Mumbai harbour, and chemicals are handled from Pirpau.
- It caters to about 11% of the total sea borne traffic handled by major ports of the country in terms of volume.
- It handles about 20% of POL traffic and 21% of general traffic handled by major ports of India.

Offsite meet: Reflections

The senior management team of the company gathered for a three-day meet (between August 28-30) at North Point, Khandala. The context was to interact and assess the organisation's performance, challenges and approaches to efficiently deliver on its business goals while at the same time effectively capitalising on its human resource capabilities.

Starting with an ice-breaking session over cocktails and dinner on the evening of Sunday, August 28, the first day's session the next day had Sukumaran, Chief People's Officer welcoming the participants and setting the context of the meet. Manish Chheda, managing director of Auctus Advisors, a strategic management advisory firm, provided a perspective to the global and national infrastructure scenario.

Rohit Modi, Deputy Managing Director of the company summarised the session's key takeaways by providing insights on critical areas that the organisation led by its senior team, needs to focus on to establish, sustain and reinforce its leadership position in the industry.

Aror Joshi, a seasoned management practitioner and a former member of board of Cadbury India facilitated the process of identifying 10 key thrust areas for Gammon after asking the participants to identify two



▲ *Offsite management meet in progress*

important areas for improvement of the organisation's processes and workings. The responses were anonymously collated to enable the participants to provide free and unhindered inputs.

As part of the programme the participants were divided into 12 groups with Mr. Modi and the facilitators providing inputs and clarity to each group so as to identify action plans on the themes that they focused upon from amongst the 10 thrust areas. The presentations on August 30 and 31 by each of the groups helped highlight and identify the issues and action agenda thereof for the company post the meet in a regular and planned manner. Among others was Luis Miranda, an investment banker of repute as a guest speaker. He provided an outsider's perspective on Gammon India and on the infrastructure business. He highlighted various dimensions across areas of Gammon's businesses that needed to be reviewed to strengthen the company's competitive advantage and standing, particularly in the light of the perceptions on the company by

investment analysts and firms in the prevailing infrastructure business market scenario. The session proved to be interactive as it generated lot of queries on issues amongst the Gammon Knights.

Aror Joshi as a facilitator complimented all the participants for combating challenging issues in the industry that Gammon operated in involving ethical subjects such as corruption, monitoring and insufficient support from multiple agencies concerned with mega projects that the company's businesses engaged with. He urged the senior team to continue the good work and set the tone and provide the right examples and guidelines for the junior members to follow.

All the participants were asked to present their KRAs and BSCs with a two page summary on their action plan by early September along with a template for monitoring and review.

Rohit Modi summarised the meet by identifying three themes as enablers of success for the participants and the organisation. These were a giving and receiving feedback with an open frame of mind; sustaining the belief that "we have in ourselves to be the best in the business" and not to sit on our laurels but constantly work towards making Gammon as the most respected organisation in its domain.

After retirement...WHAT?

This is a question that bewilders many! When faced with this big 'Q', I am sure many of you must have answered "I don't know", while others must have retorted wryly, "Why bother about it when there's still a long way to go".

I, too, was of the same opinion, until the time I met a person who two years post his retirement decided to do something unique. When most people of his age would be rather content to while away their time playing cards or catch up with old mates for some idle chit-chats, this young at heart had different plans altogether.

Having seen his son trek to Mount Everest Base Camp (17,056 ft.), Kala Patthar (18,187 ft) in 2007 and even undertake a solo expedition of Island Peak (20,205 ft) in 2008, he too decided to give mountaineering a try. The call of the lofty peaks was perhaps too strong for him to overcome. So, despite suffering from osteoarthritis and notwithstanding his age, he undertook and successfully



▲ Mr. J. J. Shah in the snowfall



▲ Mr. J. J. Shah with Kala Patthar in the background

completed a 17-day trek to Mount Everest Base Camp and Kala Patthar in 2010.

His achievement is even more commendable considering the fact that prior to this 17-day trek

he never took on any trekking or mountaineering expeditions.

The name of this brave heart who decided to make the second innings of his life eventful and more exciting than the first, is Mr. J.J. Shah, and I am his proud son, Kaushal.

(Kaushal Shah from GIPL is actively involved with trekking since 1991 and has done his basic mountaineering course from Nehru Institute of Mountaineering, Uttarkashi.)

When charity beckons

Inspired by the good work done by GOONJ (an NGO that have won many coveted awards for its yeoman service for the underprivileged, both from the Government of India and World Bank, including the NGO of the year award), Puneet Dammani (Accounts Department, GIPL) along with a friend set up a Sunday Camp in February, 2011, at his housing society to collect used clothes to be handed over to GOONJ for distribution amongst the needy and the disadvantaged.



▲ Puneet and his friend with the clothes collected

The drive not only witnessed collection of a whopping 204 kilograms of clothes donated by the society members, Puneet's selfless endeavour even prompted his ex-employer, S.R. Batliboi & Associates, to donate Rs. 10,000 to a NGO of Puneet's choice (Amravati-based NGO dedicated to providing free education to the deaf and dumb) as a recognition of his service to the poor.

Gammon Speaks congratulates Puneet on this and hopes that he carries on with his good work. Keep it up Puneet!

Akshay Balasubramanian, son of Mr. S. Balasubramanian (Secretarial Department), has secured 94 percent aggregate in the HSC Examination, 2010-11. He also secured 177 marks in AIEEE and 292 marks in BIT-SAT with very good AIR rankings in both of these examinations.



Presently pursuing B. Tech. from Veermata Jijabai Technological Institute, Matunga (VJTI), in Electronic & Telecommunication, Akshay wishes to do Ph.D in Mathematics in future.

Gammon Speaks congratulates Akshay on his achievement and wishes him success in his future endeavours.



Ruchita N. Patil, daughter of Mr. Nilkanth Patil (Working as a security staff in Belapur office), cleared the SSC exam (2011) with flying colours, scoring 495 out of the total of 550, aggregating ninety percent.

Gammon Speaks congratulates Ruchita for this achievement and wishes her all success in future.

Yoshihide Kado: Project Director Chennai Metro Project

Yoshihide Kado has been appointed Project Director of Chennai Metro Project recently.



He has varied and rich experience of 47 years, out of which 25 years in Underground Metro. A native of Japan, he has worked in various countries like Hong Kong, Singapore, Malaysia and Saudi Arabia.

Married to Sachiko Kado, his family consists of two sons and a daughter, who are now settled in Tokyo, Japan.

J Srikant: Director-Mktg. of Franco Tosi

J. Srikant has been appointed the Director-Marketing of Franco Tosi recently. A graduate in Mechanical Engineering from National Institute of Technology, Calicut, Kerala, Srikant has over 29 years of Industry experience in Engineering, Project Management, Business Development and Business Operations.

Srikant is married to Vandana, a home-maker and they have two

daughters.

Gammon Speaks welcomes J Srikant to the Gammon group and wishes him success in all his future endeavours.



New HR Manual released



"Imagination is everything. It is the preview of life's coming attractions. Imagination is more important than knowledge, Logic will take you from A to B. Imagination will take you everywhere."

– Albert Einstein

◀ Rohit Modi, Deputy Managing Director, PP Sukumaran, CPO along with the other members of board of management at the release of the new Human Resources Manual on Friday September 23 at the head office.

Gammon: On the transformation path in right earnest

During the First Quarter that ended on June 30 2011, our performance has improved despite the challenging business environment. Our top line has grown by 6% to Rs. 1390 crore Construction business revenue up by 10% but Transmission and Distribution (T&D) business revenue is down by 8% due to slower execution in a few projects.

Qtr 1 Performance			
Rs cr	Qtr 1-2011	Qtr1-2010	Change
Turnover	1390	1309	+6%
Operating Margin	122	105	+16%
Op Margin %	8.8%	8.1%	-
Depreciation	26	21	+26%
Interest	52	37	+41%
PBT %	3.2%	3.7%	-
PAT	29	30	-4%

Performance at operating level is satisfactory with decent rise in operating margin to 8.8% (8.1% LY). The depreciation charge is higher by 26% due to high capex of Rs. 325 crore last year impacting margin by 0.3%. With the peaking of interest rate in the economy and our higher borrowing, the interest cost has impacted the margin by 1.5% (though net impact is 1% due to interest income from Metropolitan debentures). PBT margin has been lowered by 0.5% due to impact of depreciation and interest cost. Overall Quarter

1PAT is flat at Rs. 29 crore v/s Rs. 30 crore last year.

Our borrowing has gone up to Rs. 2800 crore (up Rs. 650 crore from March 2011) due to increase in debtors by Rs. 200 crore being cyclical in nature as we collected Rs. 800 crore in the last quarter ending March 2011. Our creditors have reduced by Rs. 200 crore due to reduction in mobilisation

advance and timely payment of creditors. In addition we have to fund Metropolitan towards acquisition of land.

Clearly we

have the following challenges:

- **Improve Operating margin:** We are speeding up the execution of low margin legacy projects with a view to exiting them earlier which puts pressure on borrowings and margin. This needs to be compensated by faster execution of new projects and improving margin on all other projects.
- **Quality Margin Order book:** Must work to get good margin new orders in all sectors which will help us to hold the reduction in client

advances and improve cash flow.

- **Reduce Debtors:** T&D team to work with focused task force to bring significant reduction in debtors.
- **Inventory Management:** Reduce inventory levels and ensure vigilance in ordering along with improvement in stores and stock management at all sites.
- **Cost Management and Efficiency:** Must improve on cost management and drive efficiency at all levels to improve contribution at budgeted level, manage indirect cost and overheads at all location (be prudent while spending each penny), identify and block leakages, if any, to improve operating margin.
- **Borrowing Reduction:** Work on reduction in borrowing at corporate level on key projects.
- **Build People Capability:** Must have capable managers and leaders for every project and support functions to enhance business performance.
- **Concurrent audit:** Must improve audit process and enhance frequency of audits by covering all projects to enhance controls and discipline, creating awareness for adherence to process and

FINANCIAL HIGHLIGHTS



GAMMON INDIA LIMITED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30th, 2011

(Rupees in Lacs)

Sr. No.	Particulars	For the period ended 30.06.2011 (Unaudited)	For the period ended 30.06.2010 (Unaudited)	Previous Accounting year ended 31.03.2011 (Audited)
1	Net Sales / Income from Operations	139,048	130,711	555,158
	Other Operating Income	-	188	639
		139,048	130,899	555,797
2	Contract Expenditure & Establishment Cost:			
	Consumption of Materials	70,607	66,630	263,241
	(Increase) / Decrease in WIP & FG	(8,466)	(9,134)	(8,318)
	Subcontract and other Cost	51,918	52,263	226,264
	Personnel Cost	9,690	8,506	40,334
	Depreciation & Amortisation	2,552	2,021	9,171
	Other Expenditure	3,072	1,655	7,079
	Total Expenditure	129,373	121,941	537,771
	Company's share in Profit/ (Loss) of JV	-	(200)	(983)
3	Profit from Operations before Other Income, Finance Costs	9,675	8,758	17,043
4	Other Income	100	46	3,105
	Profit before Finance Costs and Forex Fluctuation	9,775	8,804	20,148
5	Finance Costs (Net)	5,208	3,686	1,231
6	Forex Fluctuation (Gain) / Loss	27	205	1,249
7	Profit Before Tax	4,540	4,913	17,668
8	Tax Expense	1,647	1,893	5,823
9	Profit / (Loss) after tax	2,893	3,020	11,845
10	Paid-up Equity Share Capital (Face Value Rs.2/- per equity share)	2,749	2,549	2,749
11	Reserves, excluding Revaluation Reserve as per audited Balance Sheet			184,885
12	Earnings Per Share (Rupees) :			
	Basic	2.13	2.37	9.16
	Diluted	2.12	2.28	9.10
13	Public shareholding			
	- Number of shares	92278107	92246237	92278107
	- Percentage of shareholding	67.62%	71.96%	67.62%
14	Promoters & promoter Group Shareholding			
	Pledge/ Encumbered			
	- Number of shares	5175000	0	11175000
	- Percentage of shareholding	3.79%	0.00%	8.19%
	Non-encumbered			
	- Number of shares	39011875	35936875	33011875
	- Percentage of shareholding	28.59%	28.04%	24.19%

GAMMON INDIA LIMITED

An ISO 9001 Company

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strong compliance. Identify issues quickly before damage is being done.

We have taken significant initiatives to transform the business which include:

- **Budget Process:** Setting up budget process from April 2011, wherein each project has been reviewed for balance cost to completion, along with execution timelines and overall control estimates. This has helped set up targets for each project for 2011-12 covering billing, contribution and Cash flow. In addition each function (HOD) has budget for the year in detail. This will help to improve accountability and focus on key deliverables.
- **Monthly Review:** We have started monthly review of each project performance vs. budget. The standard template for review has been set up along with quarterly targets. The review covers billing performance, blue sheet and yellow sheet cost (top 10 items) for cost variance, working capital analysis in detail, project execution plan vs. actual performance, plant, energy and labour performance vs. standard parameters, quality and safety tracking. The review has helped the project managers and team to improve their learning, focus on delivery and improve accountability.
- **Cash Management**
- **Committee:** We have set up CMC to review weekly cash performance in terms of collection and recoupment vs. budget. This has enabled timely disbursement of cash, monitor collection and liability at sites. However we must link recoupment vs. billing to ensure that overall billing is higher than recoupment on overall basis by 15% to ensure appropriate cash utilisation and linking cash to margin.
- **SOP and DOA, People Policy:** The standard operating processes and delegation of authority matrix has been developed to improve decision making and building accountability. This will empower managers for decision making. Along with this, people policy is being revamped. These will be rolled out shortly.
- **Redefined role of SFM and FC:** The role of Sector Finance Managers and Financial Controller is defined clearly to review and drive project performance and to partner project manager and CMS. This will help to build strong team work with openness and transparency and address business challenges better.
- **IT transformation (Project Pride):** We have commenced our major IT initiative to build Best –In- Class IT universe across Gammon Group. The key tracks covering this initiative are new data centre, building disaster recovery, improve connectivity and communication (Voice, data and VC), provide mailing solution, build business portals, provide help desk and uniform imaging. This will help us to build flexible and scalable IT platform, integrated processes and systems, real time visibility across to build operational excellence through employee productivity and decision making along with mitigating critical risks and enhance IT security.
- **SAP HRIS Module:** We have also undertaken major HR initiatives to transform the existing HRIS/ERP to SAP Human Capital Management System. SAPHCM is a robust ERP solution that will enable HR for data accuracy, seamless information flow of all the HR processes into a single window application. This will help to share the information easily, provide employee self service and effective organisation management.

The challenges are plenty and the agenda is long. So we, as a team must raise the bar individually and collectively to deliver on our agenda, meet our commitment to business to improve margin, enhance asset utilisation, improve net cash flow and enhance returns on investment. The 1st Quarter has begun satisfactorily but we must raise our sights to deliver on budgets we have committed to the management and Board.

– Girish Bhat,
CFO, Gammon India

AWARDS & RECOGNITIONS



Gammon has been chosen as Starbrand 2011 in the perception survey conducted by the ICMR-IIPM combine



- ◀ Gammon Speaks has been awarded Certificate of Merit by Shailaja Nair Foundation for In-house Communication Excellence at the ICE Awards 2011.



PS: Please participate actively by sending your articles and write-ups to help 'Gammon Speaks' win such laurels in coming times!



◀ Dr. Prabhat Kumar, Project Director, Kalpakkam with the Award of Appreciation for the construction of the 500 MW Prototype Fast Breeder Reactor Project at Kalpakkam, (where Gammon is the lead Contractor) during the ICI Concrete Day Celebrations held on September 6 in Chennai

GAMMON
Builders to the Nation

INFRASTRUCTURE | IRRIGATION PROJECTS | TRANSMISSION LINES | BOILERS & TURBINES

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One Vision
One Roadway
One Bridge

can transform a Neighbourhood, a City, a Nation, the World.

AREAS OF SPECIALISATION

- Transportation
- Power Projects
- Transmission & Distribution
- Structures
- Irrigation Projects
- Ground Engg. & Water Supply

Given above is a screen shot of the new user-friendly and informative Gammon's website. Please visit the site and use it actively and provide us your feedback at gammonspeaks@gammonindia.com to help us maintain it dynamic and customer-driven.

A snapshot of the first Gammon Bulletin Published in 1971



Remembering Vinod Prabhu

With profound grief, we regret to announce the demise of our dear colleague, Vinod Prabhu (GM, HR), in Chennai, on September 19.

Vinod, joined Gammon India in November 2010 and breathed his last after suffering a massive cardiac arrest. He is survived by his wife and two daughters.

Poignantly, his last text message to Maruti Jambagi, Project Chief, Chennai Metro read as follows:

"Last message: selection process



(17.05.1967 – 19.09.2011)

*"Those we love don't go away,
They walk beside us every day,
Unseen, unheard, but always near,
Still loved, still missed and very dear."*

– Unknown

completed at Chennai. 16 graduate engineers selected. 6 issued spot offers. Balance on staggered manner. Well coordinated and brand building event. Purpose and objective met. Thank you and signing off. Vinod"

Today in this hour of grief, we from the Gammon family extend our heart-felt condolences to the bereaved family and pray to the Almighty to give them the strength to overcome this enormous loss.

May his soul rest in peace!