



GAMMON

Builders to the Nation



GAMMON INDIA LIMITED

Annual Report

December 2013



The only safe ship in a storm is leadership. Faye Wattleton



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Bankers/Financial Institutions

ICICI BANK LIMITED
CANARA BANK
UCO BANK
BANK OF BARODA
SYNDICATE BANK
BANK OF MAHARASHTRA
IDBI BANK LIMITED
UNITED BANK OF INDIA
UNION BANK OF INDIA
LIFE INSURANCE CORPORATION OF INDIA
GENERAL INSURANCE CORPORATION OF INDIA
CENTRAL BANK OF INDIA
UNITED INDIA INSURANCE
ALLAHABAD BANK
KARNATAKA BANK
INDIAN BANK
ORIENTAL BANK OF COMMERCE
PUNJAB NATIONAL BANK
DBS BANK

Chief Financial Officer

Girish Bhat

Company Secretary

Gita Bade

Auditors

Natvarlal Vepari & Co.

Registered Office

'Gammon House'

Veer Savarkar Marg, Prabhadevi, Mumbai- 400 025

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Board of Directors

Mr. Peter Gammon

Chairman Emeritus

Mr. Abhijit Rajan

Chairman & Managing Director

Mr. Digambar C. Bagde

Deputy Managing Director

Transmission & Distribution Division

Mr. Rajul A. Bhansali

Executive Director

International Operations

Mr. Chandrahas C. Dayal

Non- Executive Director

Mr. Naval Choudhary

Non- Executive Director

Mrs. Urvashi Saxena

Non- Executive Director

Mr. Parvez Umrigar

Non- Executive Director

Mr. Jagdish C. Sheth

Non-Executive Director

Mr. Atul Kumar Shukla

Non- Executive Director

Mr. Atul Dayal

Non- Executive Director

Chairman's Letter



Dear Shareholders,

This Report to you is for the nine month period ending December 31, 2013 which was approved by the Board in lieu of the financial year. Accordingly, the next accounting period will be for 15 months ending March 31, 2015. As we come to the close of another financial year, it's time to take stock of what we have gone through, the learnings we have acquired and then look at the roadmap we have drawn up for the future.

I had shared with you the difficult situation your Company had found itself in the last year. From then on, we have experienced a further deterioration both in the external macroeconomic environment and the Infrastructure and Construction Sectors causing severe distress to almost all players. Policy indecisiveness, scarce financial resources, inflationary pressures, project delays due to unexpected developments, bureaucratic hurdles and other similar factors continued to create innumerable difficulties to both, the Sector and your Company. We were “caught in the storm.”

The domestic infrastructure segment continued to be sluggish on account of policy inaction, liquidity constraints and high inflation among other factors. But we see a new ray of hope with the onset of the new Government and we expect a lot of these hurdles to moderate and get ironed out to create a path for development.

In the face of these challenges the Company nevertheless could secure approximately Rs. 5000 crores of new orders till date which will positively impact the operations in the current financial period. Furthermore in a change of strategy the Company has decided henceforth to pursue focused acquisitions by targeting fewer but larger opportunities leveraging upon its immense technical competence, while at the same time optimizing usage of its resources and ensuring tighter controls.

The Company's overseas operations in Italy were characterized by weak order bookings, inflexible labour markets, paucity of working capital due to a general aversion in the system to lend to corporates and an uncertain political climate. Other important markets like Egypt and some parts of the Middle East witnessed political turmoil which had adverse consequences on order bookings. Nevertheless several interesting opportunities and markets for these companies are opening up; notably the Shale Gas market in the United States and the impetus on gas based technologies in countries like Russia, CIS states and Saudi Arabia. Results from these opportunities will be visible within the next two years.

The development arm of the Group consolidated its existing basket of projects while focusing on their commissioning in a time bound manner. However timely closure of funding for projects continues to be a challenge in the present environment and does impact the fortunes of this business segment.

Members are aware that the Company had sought to re-align its debts through the Corporate Debt Restructuring process in the second quarter of 2013. The Master Restructuring Agreement in this regard has been signed within the stipulated time period and the Company and the promoters have been able to fulfill all the conditions precedent to the satisfaction of the lenders. The fresh priority loan under the CDR process has been substantially released while the existing debts and interest on the same have been restructured with a combination of moratorium and an extended 8 year repayment plan. At the same time the Company is obliged in terms of the agreement to divest its non-core business in a time bound manner. Towards this end the Company is in the process of monetizing its land banks as well as some of its overseas operations. Within the short to medium term it is the aim of the Company to revert to its core EPC business which has successfully been its mainstay for over 9 decades.

The Company is also in the process of reviewing and rejigging its entire business structure in order to insulate its core EPC business from the demands of the non-core activities while building in enough flexibility to bring in growth capital in the coming years.

We welcome the new Government of our country and expect a business & investor friendly atmosphere with a focus on infrastructure and growth. We strongly believe that this Government shall implement a multidimensional infrastructure program, giving emphasis to power and transportation needs of the country and your Company is strongly present and positioned in these sectors to benefit from these programs.

I take this opportunity to thank all the Gammonites for their hard work 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 acknowledgment 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 but optimistic period.

Thank you

Abhijit Rajan
Chairman & Managing Director
May 2014

Group at a glance

ENGINEERING PROCUREMENT CONSTRUCTION - CIVIL



Transportation
Bridges, Flyovers
Metros, Railways
Roads, Highways
Ports



Thermal and Industrial
Thermal Power Plant
Steel Plants
Cooling Towers and Chimney

TRANSMISSION AND DISTRIBUTION



HV Transmission EPC
Tower and Conductor Manufacturing
High Mast / Poles Manufacturing

PUBLIC PRIVATE PARTNERSHIP PROJECTS



Gammon Infrastructure Projects Ltd.
Roads
Power
Ports



Power
Hydro Electric Power Plant
Nuclear Power Plant
Cogeneration Power Plant

Environment and Irrigation
Water Treatment
Water Transmission and Distribution
Irrigation

Buildings
Commercial & Institutional
Residential Projects

SOFINTER GROUP
Italy

OIL EXPLORATION AND PRODUCTION

REAL ESTATE DEVELOPMENT



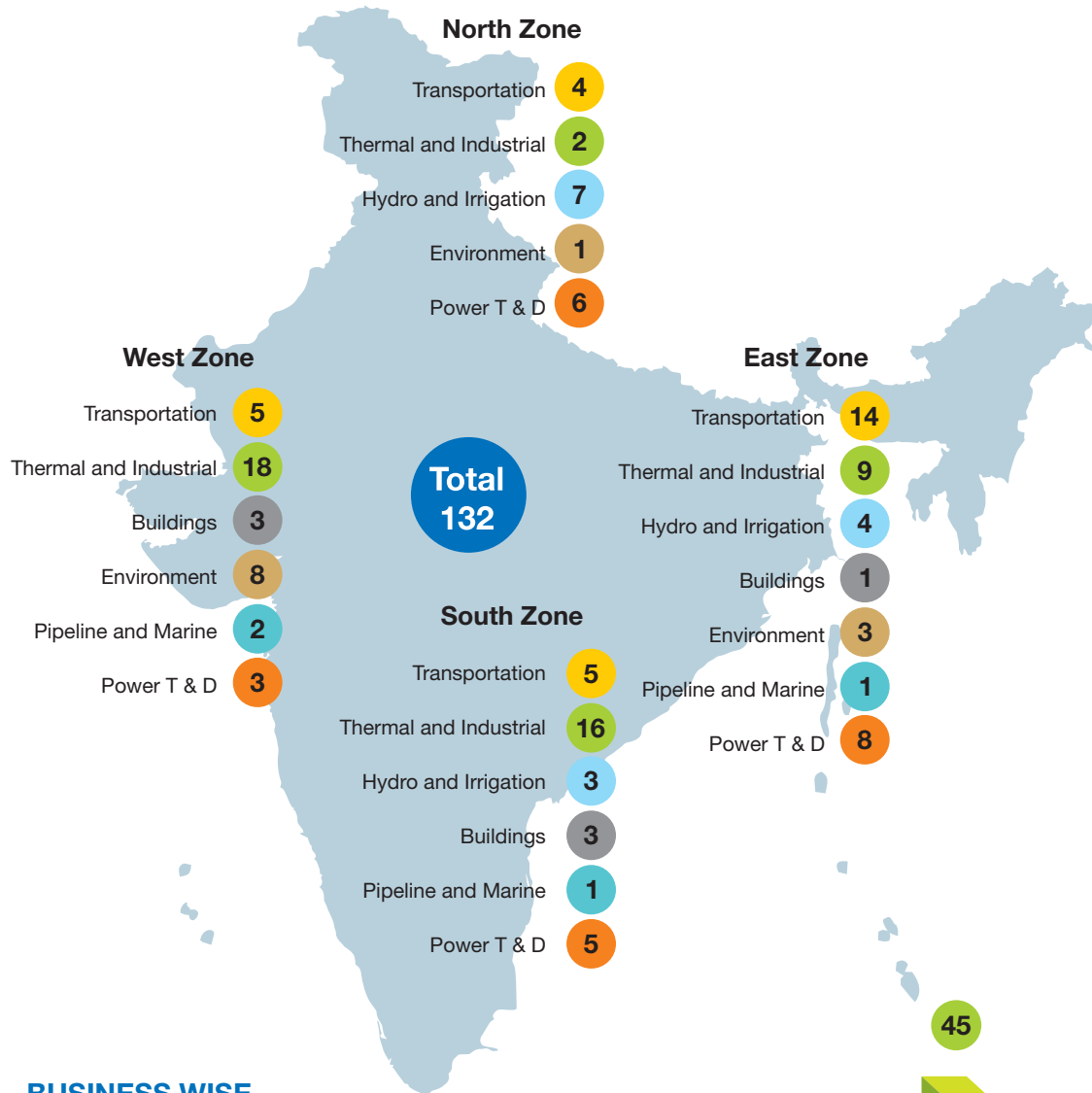
Utility Boilers,
Industrial Boilers
HRSG's

Campo Puma Oriente
(Oil Block in Ecuador)

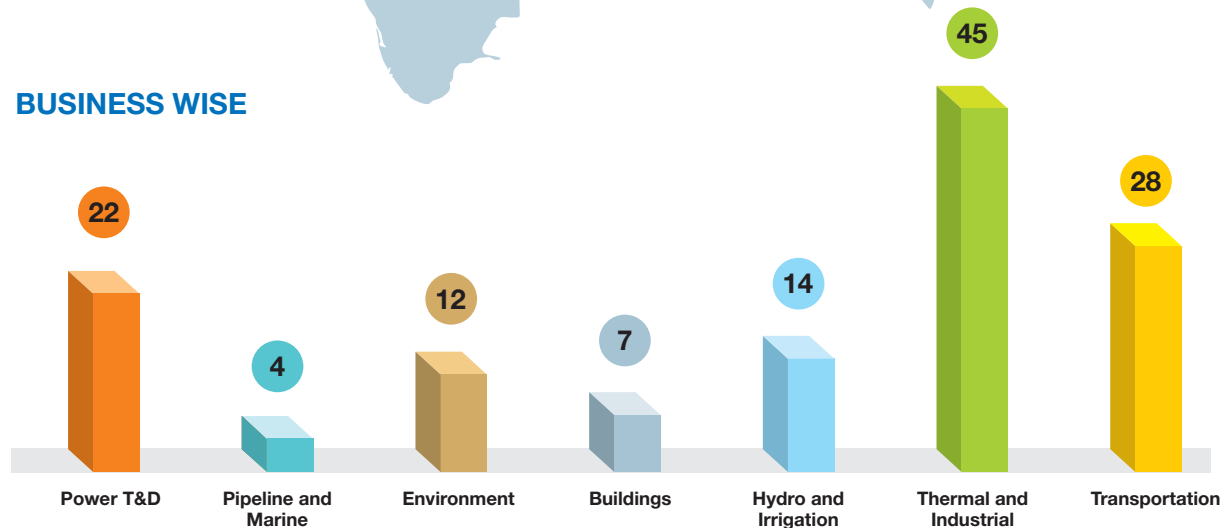
Mixed use Development

EPC Projects Portfolio

REGION WISE



BUSINESS WISE



Gammon Group

Gammon India is one of India's most prominent infrastructure conglomerate having fully diversified businesses in Civil Engineering, Design and Construction, Infrastructure Investment and Development, Oil Exploration and Production and Real Estate Development; as well as full-fledged EPC and manufacturing capabilities for Power Equipment and Power T&D business.

Gammon's civil engineering business expands over projects involving transportation (highways, railways, metro-rail, ports, bridges & flyovers), power generation (nuclear, hydro, thermal energy), environmental engineering (including water treatment, transmission and distribution), irrigation and high rise buildings.

Gammon's infrastructure development/ investment business involves undertaking the design, financing, construction and operation of state of the art infrastructure facilities like toll-roads, expressways, bridges, port projects (bulk & container) & power projects (hydro, thermal etc.).

Gammon's power T&D business is strategically fully backward-integrated and has developed complete in

house expertise for design, engineering and manufacturing with a state of the art testing facility for high voltage transmission towers and is ranked amongst the top five in this segment in India and is expanding its presence internationally.

The land parcels of Gammon are quite strategic and these projects are expected to reap attractive returns in due course.

Gammon's overseas investments includes amongst all, a strategic holding in Sofinter Group (Ansaldo Caldaie, Macchi and ITEA, Italy which are involved in manufacturing of power equipment like power, industrial & utility boilers and HRSGs).

Gammon also has substantial stakes in an oil producing block in the Oriente basin in Ecuador. Presently 8 wells are producing an average of 1,000 barrels of oil per day as of December 2013.

Today, Gammon can proudly boast to be the only company in India qualified to participate and present in all business areas of construction.



Rajamundry Tuni Road

Key Projects

Chennai Metro Rail Project, Tamil Nadu

Design and construction of underground stations and associated tunnels at Chennai (in consortium)

Client Chennai Metro Rail Corporation

Value ₹ 1947 Crores

Bajoli Holi Hydroelectric Project, Himachal Pradesh

Civil Works for GMR Bajoli Holi Hydropower Pvt. Ltd.

Client GMR Bajoli Holi Hydropower Pvt. Ltd.

Value ₹ 769 Crores

Signature Bridge, Delhi

Construction of Bridge and its approaches over river Yamuna D/s of existing bridge at Wazirabad, Delhi (Main Bridge Cable Stayed).

Client Delhi Tourism & Transportation Development Corp. Ltd.

Value ₹ 821 Crores

Elevated Road Corridor, Bihar

Construction of Elevated Corridor from AIIMS (on NH-98) to Digha (on Ganga Path-2) (10.50 km) at Patna District

Client Bihar State Road Development Corporation Ltd.

Value ₹ 717 Crores

Cooling Tower and Chimney, Maharashtra

Natural Draught Cooling Towers (4) and Chimney (2) for 4X 600 MW Power Plant, Raigarh

Client Jindal Power Limited

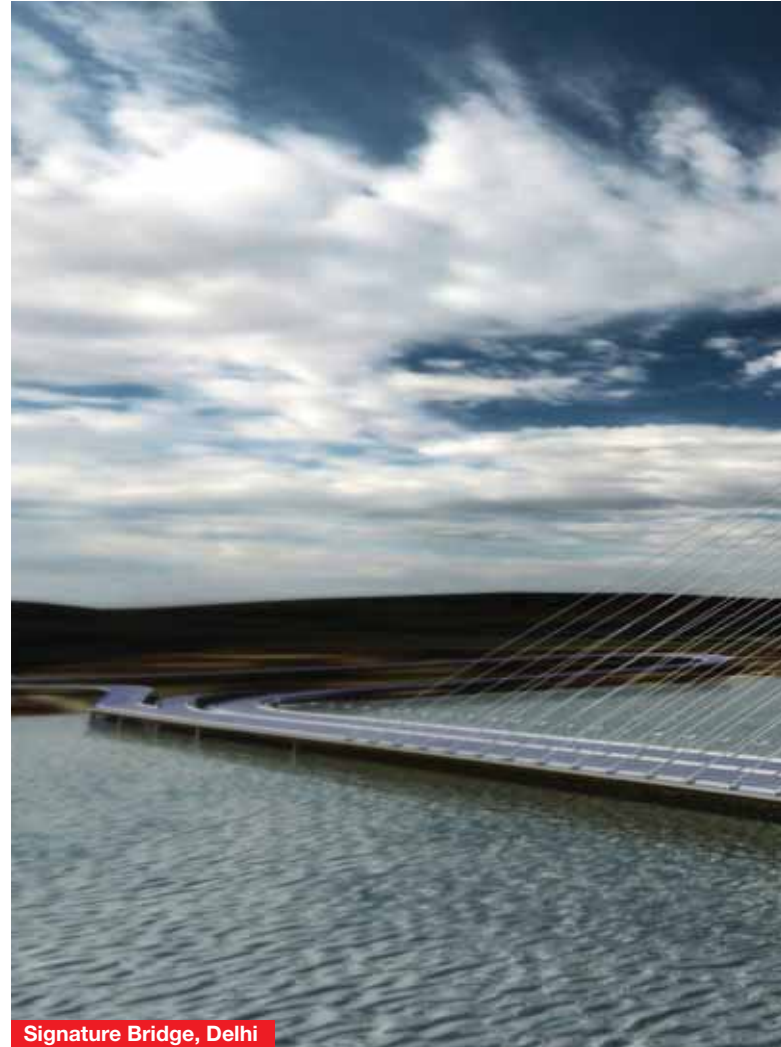
Value ₹ 375 Crores

ISKCON Temple, West Bengal

Construction of ISKCON Temple at Mayapur

Client ISKCON

Value ₹ 137 Crores



Signature Bridge, Delhi

Nathani Heights Building, Maharashtra

Construction of high-rise 72 storied residential tower in Mumbai

Client Nathani Builders

Value ₹ 346 Crores

Vyasi Hydro Project, Uttarakhand

Execution of balance civil works related to concrete dam, diversion works, intake and 1.35 Km HRT

Client Uttarakhand Jal Vidyut Nigam Limited

Value ₹ 317 Crores



Kolkata Metro Stations, West Bengal

Construction of 10 stations and 5 KM Viaducts for Kolkata Metro Project

Client Rail Vikas Nigam Limited
Value ₹ 716 Crores

Water Treatment and Distribution Projects, Rajasthan

5 Nos. Water supply projects at different locations

Client Rajasthan PHED
Value ₹ 1301 Crores

Cooling Tower and CW System, Rajasthan

Natural Draught Cooling Towers & Cooling Water Pump House for RAPP 7 & 8 at Rawatbhata

Client Nuclear Power Corporation of India Limited
Value ₹ 648 Crores

Electrical High Voltage Transmission Projects

Various projects in India, Africa and Middle East

Client Domestic and International
Cost ₹ 2000 Crores

Public Private Partnership Projects

Andhra Expressway Limited

Location

Andhra Pradesh, India

Client

National Highways Authority of India (NHAI)

Project Details

Strengthening of the existing 2 lanes and widening thereof to 4 lane dual carriageway, between Dharmavaram – Tuni Section of NH 5, connecting Chennai-Kolkata

Project Length

47 Km

Rajahmundry Expressway Limited

Location

Andhra Pradesh, India

Client

National Highways Authority of India (NHAI)

Project Details

Strengthening of the existing 2 lanes and widening thereof to 4 lane dual carriageway, Rajahmundry – Dharmavaram Section of NH 5.

Project Length

53 Km

Mumbai Nashik Expressway Limited

Location

Maharashtra, India

Client

National Highways Authority of India (NHAI)

Project Details

Improvement, operation & maintenance, rehabilitation and strengthening of existing 2 lane road and widening to 4 lane divided highway from Vadape to Gonde section of NH-3 connecting Mumbai to Nasik

Project Length

99 Km

Kosi Bridge Infrastructure Company Limited

Location

Bihar, India

Client

National Highways Authority of India (NHAI)

Project Details

Design, construction, finance, operation and maintenance of 4 - lane Bridge across river Kosi including its approaches, the Guide Bund and Afflux Bund on NH-57

Project Length

10 Km



Kosi Bridge

Gorakhpur Infrastructure Company Limited

Location

Uttar Pradesh, India

Client

National Highways Authority of India (NHAI)

Project Details

Design, Construction, Finance, Operation and Maintenance of a 32.27 km long four lane bypass to Gorakhpur town on NH 28

Project Length

32 Km

Patna Highway Projects Limited

Location

Bihar, India.

Client

National Highways Authority of India (NHAI)

Project Details

Design, Construction, Finance, Operation and Maintenance of 63.17 km long four lane dual carriageway of Hajipur Muzaffarpur section including new bypass of 16.87 km long

Project Length

63 Km

Vizag Seaport Private Limited

Location

Andhra Pradesh, India

Client

Vishakhapatnam Port Trust

Project Details

Development, Construction and Operation of two multi-purpose berths, EQ8 and EQ9

Project Capacity

10.5 MMTPA

Rajahmundry Godavari Bridge Limited

Location

Andhra Pradesh, India.

Client

Andhra Pradesh Roads Development Corporation

Project Details

Design, Construction, Operation and maintenance of a 4.15 km four lane bridge which will connect Kovur & Rajahmundry across the Godavari River with 10.34 km of approach road

Project Length

14.5 Km



Vizag Seaport



Macchi Boiler



Campo Puma Oil Producing Block

International Business

GROUP SOFINTER S.p.A.

Italy

SOFINTER Group S.p.A. is an Italian leading player which has control over ANSALDO CALDAIE S.p.A., MACCHI and ITEA etc. It was established in 1979, and operates in the engineering, procurement and construction of steam and power generation boilers with several applications in the Oil & Gas, power generation and industrial sectors. It has also developed, under ITEA, a patented new “zero” emission technology to satisfy future environmental challenges in the energy & waste segments. The Group has state of the art manufacturing facilities in Italy, Romania & India.

ANSALDO CALDAIE S.p.A.

ANSALDO CALDAIE S.p.A. is leader in boiler design, supply, manufacturing and installation and has over 150 years of experience in the steam generation and burner technology field and installed base of 80,000 MW.

Products and Services

- Coal, oil, gas fired utility boilers
- Heat recovery steam generators for combined cycle power plants
- Biomass and waste-to-energy boilers
- Low nox firing systems

ANSALDO CALDAIE S.p.A. provides rehabilitations, fuel conversions and after-sales services for existing boilers. It has footholds in Egypt (ACBE – 98%) and in India (ACBI – 26%). The company owns CCA (Advance Combustion Research Centre), offering specialized services to customers. It has products which are qualified for Super Critical Applications.

MACCHI

MACCHI is a world renowned leader in industrial boilers with a history spanning over 50 years. It designs and produces industrial boilers and heat recovery boilers with applications in Oil & Gas refining, petrochemical and other industrial sectors.

Products & Services

- Large industrial steam boilers, for both low/medium and high pressure, Gas/ Oil/Coal firing

- Biomass firing and process waste heat steam boilers
- Marine/offshore steam boilers
- Heat recovery steam generators behind GT
- Spares and revamping work

MACCHI's boilers provide steam and power for industrial processes in Oil & Gas plants directly, and sometime through cogeneration systems.

ITEA

Established in 2002, ITEA developed and patented the Isotherm Pwr Flameless Oxy-Combustion technology (“Isotherm Pwr®”) to provide a 'Cost Effective Clean Coal' technology. Other applications of the technology include industrial waste treatment, solid urban waste and landfill and oil and gas. Benefits of the technology for 'clean coal' combustion include:

- Lowest cost of energy solution for clean coal technologies available today
- Cleanest flue gas emissions
- Most inert and benign slag in the form of glass like substance

ITEA is ready to deliver turn-key plants based on this technology. SOFINTER has invested about € 50 million over 10 years to develop and improve this technology.

PUMA OIL BLOCK

Ecuador, CAMPO PUMA ORIENT S.A.

Gammon had acquired substantial stakes in an oil producing block in Ecuador. The block is in Oriente Basin which has a long history of more than 3 decades of oil production and currently is the largest producing basin in Ecuador. Presently 8 wells are producing an average of 1,000 barrels of oil per day as of December 2013. About 100 sq. kms. of area is yet to be explored where the further potential lies.

The minimum work program has already been completed in 2012. This fact combined with the proven production history of the basin makes it a very low risk opportunity. There are plans to increase the production to 2500 bpd within 1 years' time with incremental investment.

Management Discussion & Analysis

Market Overview

Your Company's stand-alone business is largely dependent on the Indian economy. The Reserve Bank of India started raising the PLR in March 2010 and since then the high rate of interest coupled with policy constraints adversely impacted investment and the following three years viz. 2011-12, 2012-13 & 2013-14 saw a dip of 6.2 per cent, 5.0% and 4.8% respectively in the GDP growth rate. The year 2013 was a sluggish year for the Indian economy with poor macroeconomic conditions. Slowing income growth, weakening of the rupee, sky-rocketing inflation and high borrowing rates combined to make consumers vary of spending resulting in the slowing down of the GDP growth of India. The input costs of diesel and various other key materials continued to increase affecting the operating margins of the construction industry adversely.

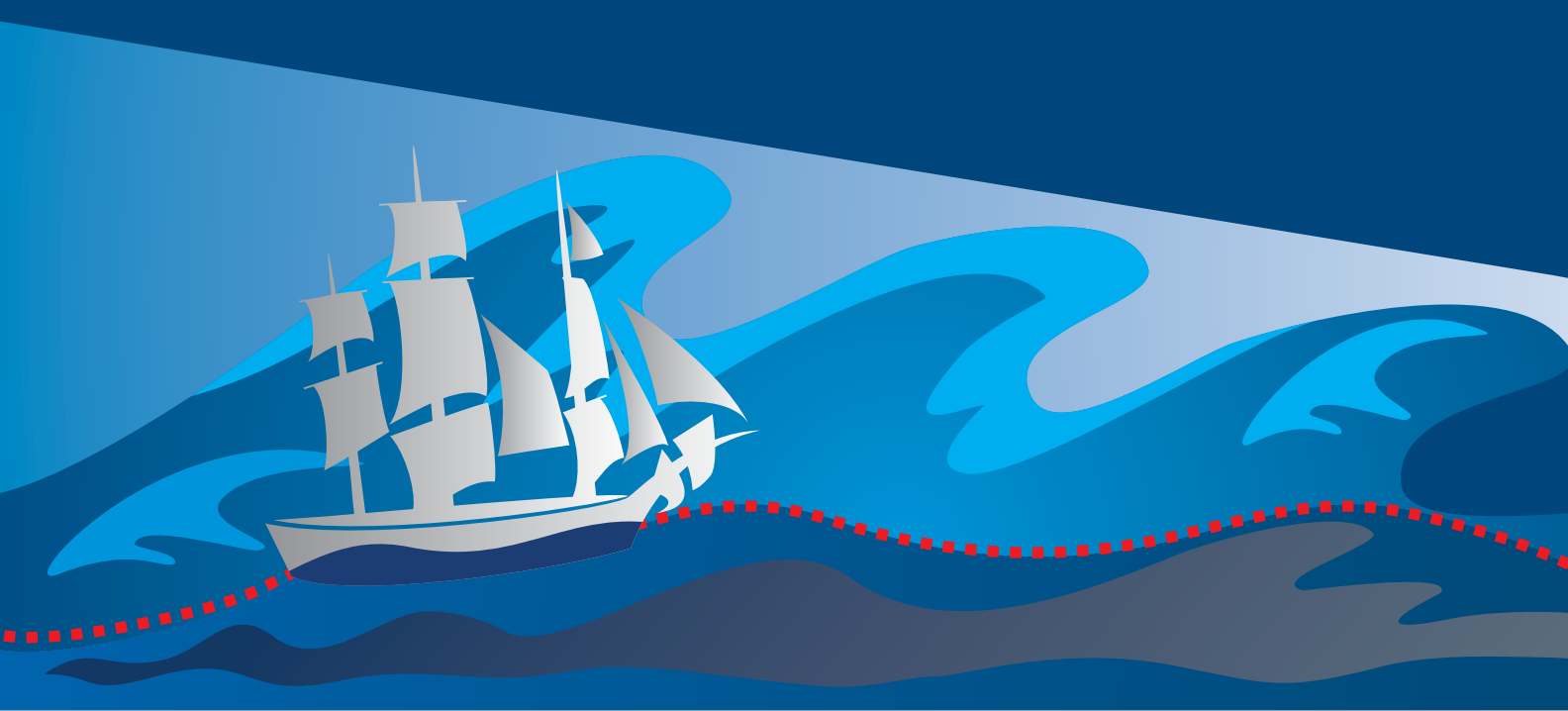
The GOI's outlay (as per the Annual Budget for the year) for 2013-14 remained almost same in the Infrastructure sectors like Energy, Transportation, Irrigation, Water supply sanitation & Urban Development, totaling to an outlay of about Rs. 3,25,000 crores. Unfortunately, the Infrastructure sectors continued to be affected due to poor planning and implementation of project therefore maintaining a huge gap between the planned outlay and actual spending. Delays in the execution of projects, time overruns in the implementation of projects, continued to be one of the main reasons for underachievement in most of the infrastructure sectors.

These overruns increase the cost of project beyond estimation and finally impact the project profitability. Delays in land acquisition, municipal permission, scarcity in availability of materials, delays in award of ROW/ Claims, operational issues, etc. continued to drag down implementation of these projects. Several power projects, roads, expressway projects were cancelled or

annulled due to non-viability concerns after being awarded and inordinate delays. Although The GOI announced several well intended programs to build highways, boost power sector, build ports, enhance power transmission networks, water supply and sanitation programs, the earlier mentioned hurdles like delay in land acquisition, forest clearances etc. continued to hamper the progress of these programs. From the earlier years' prime issue of availability of funding, the prime issue has shifted to these reasons for the slack in deployment of Infrastructure projects. These matters are being tried to be addressed by the GOI and we are hopeful that the onset of a new Government will certainly try and resolve these and pave a path for smoother implementation of Infrastructure projects.

Today we are at an inflection point. We have been a victim of the various shortcomings in the 1st phase of infrastructure development program of the GOI. We are unfortunately the recipients of all the hurdles and drawbacks the infrastructure programs had to offer, be it bureaucracy in decision making, insufficient escalation mechanisms, delay in land acquisition & R&R policies, delays in Environment/ Forest/ CRZ clearances, unencumbered access to right of way, lack of funding etc. The PPP/ BOT policies are evolving and the hit for the shortfalls in planning these investment projects is being taken by EPC contractors and developers like us. This learning curve has taken a serious toll on us.

Now with a new ray of hope we look forward to a much required "change" in these policies, for the Government to have a result oriented outlook. We are therefore going through a metamorphosis, to evolve and lead us to a renewed India, free of unnecessary hurdles and a political environment which is fair, keeps business interests first and takes seamless decisions.



Policy indecisiveness, scarce financial resources, inflationary pressures, project delays and hindrances, delayed resolution mechanisms and other similar factors continued to create innumerable difficulties to both, the Sector and your Company. We are “caught in the storm.”

Caught in a Storm

We have experienced, since the last year, a further deterioration both in the external macroeconomic environment and the Infrastructure and Construction Sectors causing severe distress to almost all players. Policy indecisiveness, scarce financial resources, inflationary pressures, project delays due to unexpected developments, complex regulatory mechanisms and other similar factors continued to create innumerable difficulties to both, the Sector and your Company. We were “caught in the storm.” The Indian domestic market is responsible for about 90% of Gammon's standalone revenue and about 70% of its consolidated revenue. Gammon over the years has been investing in and supporting its overseas subsidiaries, which resulted in an increased overall debt burden making it difficult for Gammon India to service this debt along with its core EPC business.

Strategic investments in Sofinter Group etc., investments in real estate projects like Shristi & land parcel in Dombivali and the investment in our PPP/ BOT arm Gammon Infrastructure Projects Ltd. have not yet reaped sufficient returns, causing the group to bear interest expenses hurting the core operations.

Financial Performance

The year under review is a 9 month period commencing from 1st April and ending on 31st December 2013. During the period, the Turnover of the Company on a Standalone basis stood at Rs. 3,279.31 Crores as compared to the Turnover of Rs. 5,197.36 Crores for the previous year. The annualized percentage decrease in the Turnover over the previous year's Turnover amounted to 16%. The Company posted a Net Loss after tax of Rs. 765.91 Crores during the period ended 31st December 2013 as against a Net Loss after tax of Rs. 445.67 Crores during the previous year ended 31st March 2013.

On a Consolidated basis the Turnover of the Gammon group stood at Rs. 4,932.42 Crores as compared to the Turnover of Rs. 7,494.22 Crores for the previous year. The annualized percentage decrease in the Turnover over the previous year's Turnover amounted to 12%. The group posted a Net Loss of Rs. 761.86 Crores during the period ended 31st December 2013 as against a Net Loss of Rs. 849.83 Crores during the previous year ended 31st March 2013.

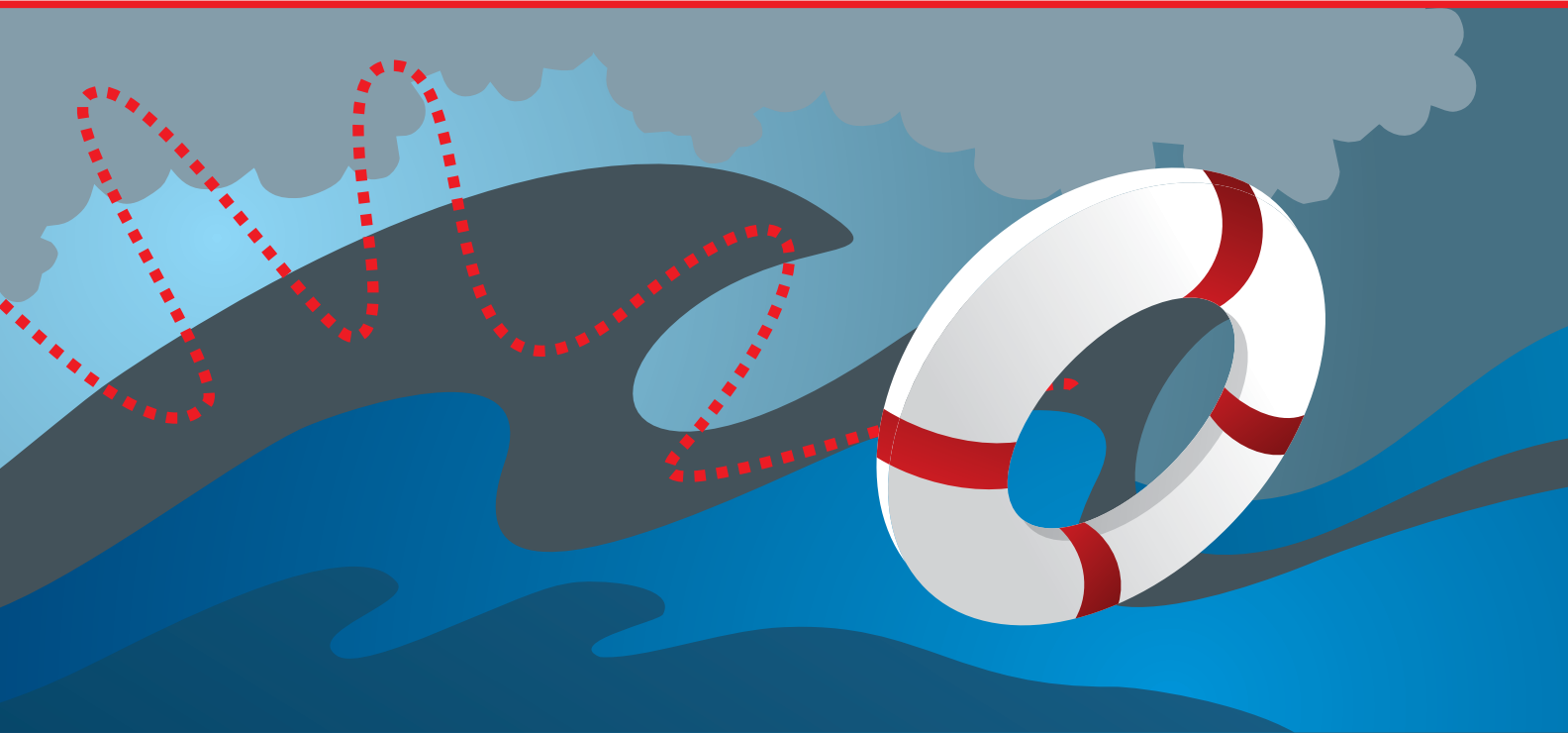
Since the last two years the construction industry has been facing severe recessionary trends. This has created negative sentiment in the sector leading to postponement of projects, delays in decision making by government agencies and large PSU's. Furthermore, inordinate delays in clearing of dues, adverse regulatory environment and bureaucratic apathy has caused numerous delays in execution of projects. The downturn in the Company's operations continued unabated

during the year under review. The severe liquidity crisis affected project execution. The Company continues to face difficulties in realising receivables and arbitration claims and revenues continued to remain stagnant due to delay in execution. All this led to re-assessment of jobs, higher borrowings and higher interest costs coupled with fall in margins.

Further considering the economic scenario in Europe and uncertainties prevailing there, the Company on a prudent basis and following the principal of conservatism, made provisions against risk & contingencies towards impairment of investments/ advances in its overseas companies.

Several options are being explored for overcoming the liquidity crisis such as sale of non-core assets, disposal of idle equipment, pursuing rigorous austerity measures across the Company and actively exploiting its real estate projects. The Company is also aggressively pursuing monetisation of international power and oil business and amicable settlement of non-routine collection including claims and arbitration awards. In view thereof, although there are cash losses during the period, management is confident of tiding over the tight liquidity position with support from its bankers. During the year under review the order book however has been encouraging. The Company has been awarded 17 new projects aggregating to Rs.3,500 Crores. The order book position of the Company as on 31st December, 2013 stood at Rs. 14,000 Crore.





When one shows determination to overcome difficulties and when one demonstrates capabilities, lifelines become available. Our Bankers have placed trust in our engineering and managerial strengths. They have approved a restructuring package which has given us an opportunity to turn around our business through a working capital boost and rescheduling our debts for over ten years.

Seeking a Lifeline

The recessionary trends experienced by the infrastructure industry in the past two years continued in the current financial year and the Company was no exception. The turnover of the Company took a dip due to slowdown in the infrastructure industry, government inaction, delays in payments by the clients and increase in the interest liability thereby leading to liquidity crises.

A severe stress on the Company's liquidity position and its inability to service its debt obligations made it imperative for the Company to seek a lifeline from its lenders, who recognizing the Company's genuine needs agreed to recast the Company's debts of Rs 14,814 Crores (including non funded LC/ BG Limits) through the Corporate Debt Restructuring (CDR) mechanism. The CDR package provides a ten year repayment plan (including a two year moratorium) of the Company's existing debts. The cut-off date is 1st January, 2013. The interest rate on the restructured debt is lower by 1% for 15 months period from the cut-off date up to 31st March, 2014, waiver of penal charges from the cut-off date till the date of implementation of the project and additional funding by way of priority loan. The promoters also brought in their contribution aggregating to Rs. 100 Crores.

The CDR package approved by the lenders has given the Company the much needed breather to streamline its operations, improve cash flows, recover its long term trade receivables, and reduce its operational costs and also additional funding to meet its immediate working capital requirements.



Panchvati Flyover, Amravati



Chennai Metro Tunneling

Operational Performance

Performance of Domestic Operations

Road Sector

This year we have completed the road works for Chitradurga- Harihar & Harihar- Haveli on NH-4 in Karnataka (Packages 4 & 5) for NHAI. Major projects under execution are:

- Four laning of Hajipur-Muzaffarpur section of the existing NH-77, Bihar (under completion);
- SH 91, SH 69, Dumuria- Ranitalab Road

Bridges, Flyovers and Metro Rail

Your company is a market leader in the bridges and structures segment. This year we completed our latest addition to Mumbai city's iconic structures - India's First Double Decker Flyover as the Santacruz- Chembur Link Road (SCLR) which was commissioned and thrown open to traffic recently.

We are executing some of the largest and most prominent bridges and structures in India like -

- the Signature Bridge project (an iconic cable stayed bridge with an inclined steel pylon) in New Delhi which is shaping up very well;
- the Iconic 2 x 4 km Rajahmundry Godavari bridge is nearing completion;
- the prestigious Elevated Road Corridor from AIIMS

(on NH-98) to Digha (On Ganga Path) (10.50 km) at Patna;

- Surat Cable Stay bridge having 150m cable stay spans and complex foundations in river which warrant sophisticated sheet piling for construction of pile caps for pylon foundations
- Munger Bridge with 125m spans steel super structure for railways, realized by cantilever construction at Munger, over river Ganga in Bihar;
- Bogibeel Rail- cum- Road Bridge across the river Brahmaputra near Dibrugarh and
- Works are ongoing at our Chennai Metro sections although we have experienced unforeseeable geology.

Marine Sector

During the financial year, two of our prominent marine structures have achieved substantial progress and are expected to be completed in 2014.

- EPC works for Sea water Intake Structure, Intake Submarine Tunnel, Approach Jetty and Seal well for Outfall structure for 500 MWe PFBR Project at Kalpakkam for NPCIL; and
- EPC works for the establishment of Sea water Intake and Outfall system for 1040MW Coal Based TPP for Hinduja Power;

Other major marine works project under execution is the works for the Mumbai Offshore container terminal at Mumbai Port.



Sea Water Intake for Hinduja Power



Kaiga Nuclear Plant

Thermal Power and Industrial Sector

(Including Cooling Tower & Chimney)

This year we have completed the following projects:

- APDCL Krishnapatnam 1 NDCT & 1 Chimney (1X800) Unit 1;
- Adani Power Kawai 2 X 600 1 Chimney & 2 Cooling Tower;
- Reliance Energy, Raghunathpur 1 Chimney (2X600);

Amongst the various thermal, cooling tower and chimney projects, our most prominent ongoing works are

- The recently awarded, NDCT & CWPH package for RAPP 7 & 8, Kota, Rajasthan (Rs. 648 Crores) which is under initial mobilization
- NDCT & Chimney works for 2x687.5 MW for GMR at Raipur, Chhattisgarh
- NDCT & Chimney works for 4x600 MW for OP Jindal STPP, Raigarh, Chhattisgarh
- NDCT & Chimney works for 2x500 MW NLC Tuticorin TPP
- Civil & Structural Steel works for 2X600 MW Thermal Power Project near Tuticorin for Coastal Energen (nearing completion)
- NDCT & Chimney works for Shreesinghaji STPP at Khandwa, Malwa, M.P (nearing completion)
- NDCT & Chimney works for Jindal Power, Raigarh (nearing completion)
- General Civil Works for Unit 1 & 2, 2 chimney (Unit 1,2,3) for Reliance Power Sasan (nearing completion)

Hydro Power

Hydro power sector has been a forte of Gammon since the past 30 years in which it has built a sound strength of resources and know-how. Following are our major projects under various stages of execution:

- GMR Bajoli Holi Project under initial mobilization;
- Parbati HEP Stage II TBM tunneling project under initial mobilization;
- Koldam HEP;
- Parbati Stage 3 HEP;
- Rampur HEP; (nearing completion)
- Punatsangchhu-I HEP, Bhutan;
- Punatsangchhu-II HEP, Bhutan;
- Mangdechhu HEP, Bhutan

We are confident about the growth in this sector on the strength of our experienced project management, in-house design, large fleet of construction equipment, skilled manpower and technical expertise.

Water and Environment

Two jobs were successfully completed during this fiscal year in this segment:

- Surendranagar water supply project; and
- Wankaner water supply project of Rajkot District.

Your company is in the process of completing two more projects for the water supply, treatment and transmission for Guwahati city. In addition we have a robust order book of five projects of PHED Rajasthan,

total value of about Rs 1300 crores, spread across the state for water supply, treatment and transmission networks catering to water supply for more than 1500 villages.

Building Construction

During this financial year, we have successfully completed following projects :

- Hotel Leela Palace, Chennai – A 5 Star Hotel, built up area of approx. of 8 lakh Sqft.
- GSTAAD Hotel, Bangalore
- Godrej Woodsmen Estate, Bangalore - Built up area of approx. 2.1 million Sqft.

Some of the major projects under execution include:

- Nathani Heights, in Mumbai – 72 Storied Residential Tower
- Iskcon temple, Mayapur Kolkatta – An iconic temple for the followers of ISKCON
- Runwal Greens, Mumbai - A high-rise residential development in Mulund, Mumbai
- Salarpuria Gold, Bangalore - One of the tallest Residential Tower of Sattva group
- Godrej Platinum, Bangalore - A turnkey development of high end residential complex
- Project Shristi in Bhopal - Mixed use development

We intend to focus in the future on select high rise building projects and continue to serve our esteemed clients building a loyal relationship.

T&D Division

The Transmission and Distribution (T&D) business of your Company operates in power transmission and distribution sector and have large manufacturing capacities for Transmission Towers and Conductors. The Company is recognized as a leading player in this business in India. The Company has world class Tower Testing Station at Deoli, Wardha, Maharashtra capable of testing towers up to 1200 kV. This Tower Testing facility has been globally acclaimed by clients from the USA, Canada, Malaysia, Mexico etc. Our world class R&D Centre is located at Deoli, Wardha. Your Company is committed to expand its global foothold and have succeeded in countries such as USA, Canada, Algeria, Kenya, Afghanistan, Ethiopia, Bhutan, Nigeria, Rwanda, Botswana, Tanzania, Mozambique & Yemen etc.. The company is looking for

increasing its export presence for its products (Towers and Conductors). In India the T&D business of the Company mainly works with Power Grid Corporation, State Electricity Boards and Private sector clients.

During the financial year, your company has achieved substantial progress in the execution of various 765 KV Double Circuit Line (involving 6 bundle conductor) as well as 765 KV single circuit lines (with four bundle conductor) which resulted into completion of four major projects. We have also planned to complete 13 more lines progressively by August 2014. This progress achieved by us has been much appreciated by the client, Power Grid corporation of India Limited (PGCIL).

The T&D division of your company has an order book of Rs. 2000 crores, of which about 20% of the orders are of export nature to international market catering to the countries cited above.

During the current year your company has acquired 5 new jobs from PGCIL, total length 447 KM (4 nos. of 765 KN D/C and 1 no. 400 DC Line). We have also been awarded a contract in Yemen worth US\$ 61 Mn for constructing 132 KV transmission lines.

One major area of concern in this industry is quality manpower. With company spreading its wings globally and the industry as a whole facing acute shortage of quality manpower, it will be a challenge to tap skilled manpower with engineering and managerial expertise.

PPP / Infrastructure Development Business

Gammon Infrastructure Projects Limited (GIPL) is the subsidiary of Gammon which is engaged in the business of financing, investing and developing Infrastructure Projects on PPP/BOT format. Presently GIPL has in its asset portfolio seven operational projects. Overall it has a versatile asset portfolio of infrastructure projects in sectors like roads, power and ports.

The Portfolio of GIPL includes roads with balanced revenue mix of (i) 45% fixed revenue, Annuity projects and (ii) 55% market related revenue, toll projects. The Port projects are a mix of bulk, multipurpose and container terminals. The Power projects include long term licenses for renewable as well as thermal power

projects. GIPL projects are ring-fenced under a Special Purpose Vehicle company (SPV), which is specially formed for the purpose of implementing individual projects.

During this Financial Year, following were the important developments in GIPL's business:

1. Due to delays in the land acquisition, unavailability of land and right of way to be provided to us by the client, National Highways Authority of India (NHAI), we handed over back two projects that were awarded to GIPL since they had an adverse effect on their viability due to cost and time overruns. Mitigating our risk associated with these projects, these projects were mutually terminated between NHAI & GIPL, which were:

- Two to four laning of Birmitrapur Barkote, in the state of Orissa
- Two to four laning of Yamunanagar- Panchkula in the state of Haryana

2. GIPL's Consolidated revenue for this financial year (9 months) was Rs. 460 crores (FY 12-13 Rs. 698 crores), EBIDTA of Rs. 283 crores (FY 12-13 Rs. 475 crores).

3. GIPL has seven (7) operating SPVs and in the next financial year three (3) SPVs (projects), which are nearing completion are expected to be commissioned and shall start generating revenue, namely

- a Rajahmundry Godavari Bridge Limited (RGBL)
- b Patna Highway Projects Limited (PHPL)
- c Pravara Renewable Energy Limited (PREL)

4. GIPL has certain contentious issues in few of its Assets with the respective Concessioneing Authorities like Greater Cochin Development Authority for its

GIPL's financial results for the financial year ended 31st Dec 2013

Rs Crores

	31st Dec-13	31 March-13
Total Income	460.65	698.13
EBITDA	283.84	475.12
Profit after Tax	(56.44)	14.72
Equity Share Capital	147.61	147.61
Reserves and Surplus	523.29	565.09

Mattenchery Bridge in Kerela (CBICL), Mumbai Port Trust for its Offshore Container Terminal in Mumbai (ICTPL) and Mormugao Port Trust for its Iron Ore Terminal in Goa, which it is contesting and resolving with these Clients. We are hopeful that with the new Government taking charge, a rational resolution to these matters will be achieved.

Due to this nature of business of GIPL, being exposed to enumerable risks, we are expecting certain reimbursements or compensations for these uncertainties which are rightfully due to us in the form of:

- Bunched up Annuities due to early completion and project delays not attributable to us;
- Claims due to delays;
- Compensation for Extra scope of works executed by us;
- Extension of concession period;
- First rights to undertake project expansion
- Favourable settlement for CBICL's termination.



Container Terminal Mumbai



Andhra Expressway

Summary of GIPL Projects Portfolio

Road Projects	ROAD, BRIDGES & EXPRESSWAYS						
	Commissioned & Operational					Under Construction	
Project Name	AEL	REL	MNEL	KBICL	GICL	PHPL	RGBL
Location, State	Andhra Pradesh	Andhra Pradesh	Maharashtra	Bihar	Uttar Pradesh	Bihar	Andhra Pradesh
Client	NHAI	NHAI	NHAI	NHAI	NHAI	NHAI	APRDC
National Highway	NH-5	NH-5	NH-3	NH-57	NH-28	NH-28	NH-5
Revenue Model	Annuity	Annuity	Toll	Annuity	Annuity	Annuity	Toll
Road Length	47 Km	53 Km	99.5 Km	10 Km	32.2 Km	63.17 Km	14.49 Km
Lane	4	4	4	4	4	4	4
Project Cost(Rs. in Crs)	248	256	813	447	753	1,004	861
Original Equity(Rs. in Crs)	29	29	119	53	118	158	176
Original Debt (Rs. in Crs)	219	227	643	394	635	846	566
Grant/(Premium)(Rs. in Crs)	NA	NA	51	NA	NA	NA	119
Concession Period	17.5 years	17.5 years	20 years	20 years	20 years	15 years	25 years
Annuity (Rs. in Crs)	55.8	59.2	NA	63.8	97.2	189.2	NA
Shareholding	100%	100%	79.99%	100%	96.50%	100%	63%
COD	Oct'04	Sept'04	May'10 (Part), Sept'11(Full)	Feb'12	Mar'12	Nov'14	Dec'14

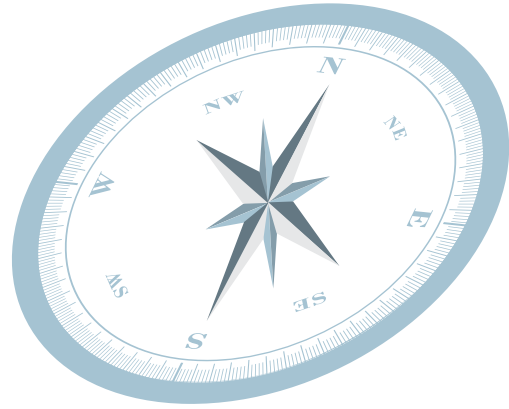
Ports and Power Projects	PORTS		POWER	
Project Name	VSPL (Under Operation)	ICTPL (Under Construction)	PREL (Under Construction)	SHPVL (Under Construction)
Location, State	Andhra Pradesh	Maharashtra	Maharashtra	Sikkim
Nature of Asset	Bulk terminal	Container Terminal	Renewable	Hydro
Revenue Model	Revenue Share of 17.11%	Revenue Share of 35.064%	of Sale of power & steam to Client & surplus power to Electricity Board	Independent Power Producer
Client	Vishakhapatnam Port Trust	Mumbai Port Trust	Dr. Padmashri Vitthalrao Vikhe Patil Sahakari Sakhar Karkhana Ltd	Sikkim Power Development Corporation Govt.of Sikkim
Capacity	10.5 MMTPA	2.0 Million TEUs	30 MW	66 MW
Project Cost (Rs. Cr)	318	1015	240	496
Indicative Equity (Rs. Cr)	108	203	48	123
Indicative Debt (Rs. Cr)	210	812	192	373
Concession Period	30 Years	30 Years	25 yrs post COD	35 yrs post COD
Shareholding	73.80%	50%	100%	100%

Projects Commissioned and Under Operation	Projects Under Construction	Projects Under Development
<ul style="list-style-type: none"> Rajahmundry Expressway Ltd. (REL) Andhra Expressway Ltd. (AEL) Mumbai Nasik Expressway Ltd.(MNEL) Vizag Seaport Private Ltd. (VSPL) Kosi Bridge Infrastructure Company Ltd. (KBICL) Gorakhpur Infrastructure Company Ltd.(GICL) Cochin Bridge Infrastructure Company Ltd. (CBICL) 	<ul style="list-style-type: none"> Rajahmundry Godavari Bridge Ltd. (RGBL) Patna Highway Projects Ltd. (PHPL) Indira Container Terminal Private Ltd. (ICTPL) Pravara Renewable Energy Ltd. (PREL) Sikkim Hydro Power Ventures Ltd. (SHPVL) 	<ul style="list-style-type: none"> Sidhi Singrauli Road Project Ltd. Vijayawada Gundugolanu Road Project Private Ltd. Patna Buxar Highways Ltd. Aparna Infraenergy a 250 MW TPP located at Chandarpur, Maharashtra Youngthang Power Ventures Ltd. Tidong Hydro Power Ltd. Mormugao Terminal Ltd.

Real Estate

Your Company is focused on completion of its project in Bhopal (Project Shrishti). The sales effort on the project has been stepped up significantly with marketing activities. Delivery and possession of over 1 lac sqft is expected during the forthcoming year. The Shrishti project is expected to generate revenue of about Rs. 1500 crores during the next 4 years. We are also seeking to sublease the development of the Mall & Hotel component.

The Development Plan applicable to Dombivali land is expected to be notified soon. This will enable your company to develop affordable housing at its land parcel in Dombivali with the help of Investors/ Partners. The development of the Dombivali land shall be undertaken over the next 7-10 years. Your company shall also explore the redevelopment of its corporate headquarters at an appropriate time. In a nutshell we shall continue to focus on monetizing the value from our real estate assets and land banks.



International Business Operations

Sofinter Group

In 2013, Sofinter Group continued to maintain the positive trend that began after 2011 and in spite of slight decline in revenues, improved its performance, recording a net profit of € 3.4 million (previous year € 2.8 million). Particularly significant was the level of EBIT recorded by Sofinter Group amounting to € 16.8 million, with a margin of 7%, compared to 5% in 2012. This result was due to the substantial maintenance of the level of profitability of the contracts acquired and the optimal use of all resources of the Group, despite operating in an international market, especially in volatile areas of the MENA region like Egypt which witnessed considerable instability and political turmoil.

The net financial position showed a substantial improvement with a decrease of about € 3 million mainly due to the conversion of the Bond of €13 million, issued in favor of the shareholder B.T. Global Investors Ltd., which has exercised its option to convert the bond into Sofinter shares taking its holding to 35%. The future outlook for Group Sofinter is optimistic with a combined order book of over € 250 million.

The Macchi Division engaged in the manufacturing of Industrial Boilers for Oil & Gas is concentrating on opportunities in and around Russia, United States, Far East and Middle East. The prospects in the United States are particularly interesting fuelled by the recent boom in the extraction of Shale Gas which could change the strategic vision of the use of the energy sources to

the boiler based on Macchi technology. Macchi has already been awarded contracts in the United States.. The pipeline projects of Macchi are in excess of € 200 million which should allow the division to maintain the production volume in 2014 broadly in line with that achieved in 2013.

Ansaldo Caldaie, engaged in the manufacturing of Utility Boilers, suffered a setback in execution with the cancellation of the Rabigh 2 order in Saudi Arabia valued at over € 250 million. This was compounded by project delays in some markets including Egypt, one of Ansaldo Caldaie's core markets. These setbacks will heavily impact on production volumes in Ansaldo Caldaie in 2014. However the pending offers of Ansaldo Caldaie are substantial at approx. € 2 billion and the company is confident of bagging projects from among these during the year. The reduction in activity will result in a higher incidence of structural costs and under absorption of overheads. These increased costs will be partially offset by the use of layoff contracts. The company has also further consolidated on its global procurement strategy during the year

Itea S.p.A., the R&D Company engaged in flameless pressurized oxycombustion technology ISOTHERM PWR® has consolidated its technology leadership in "ZERO" emission technology for four different applications: (i) industrial waste; (ii) municipal solid waste; (iii) Oil & Gas; (iv) coal.

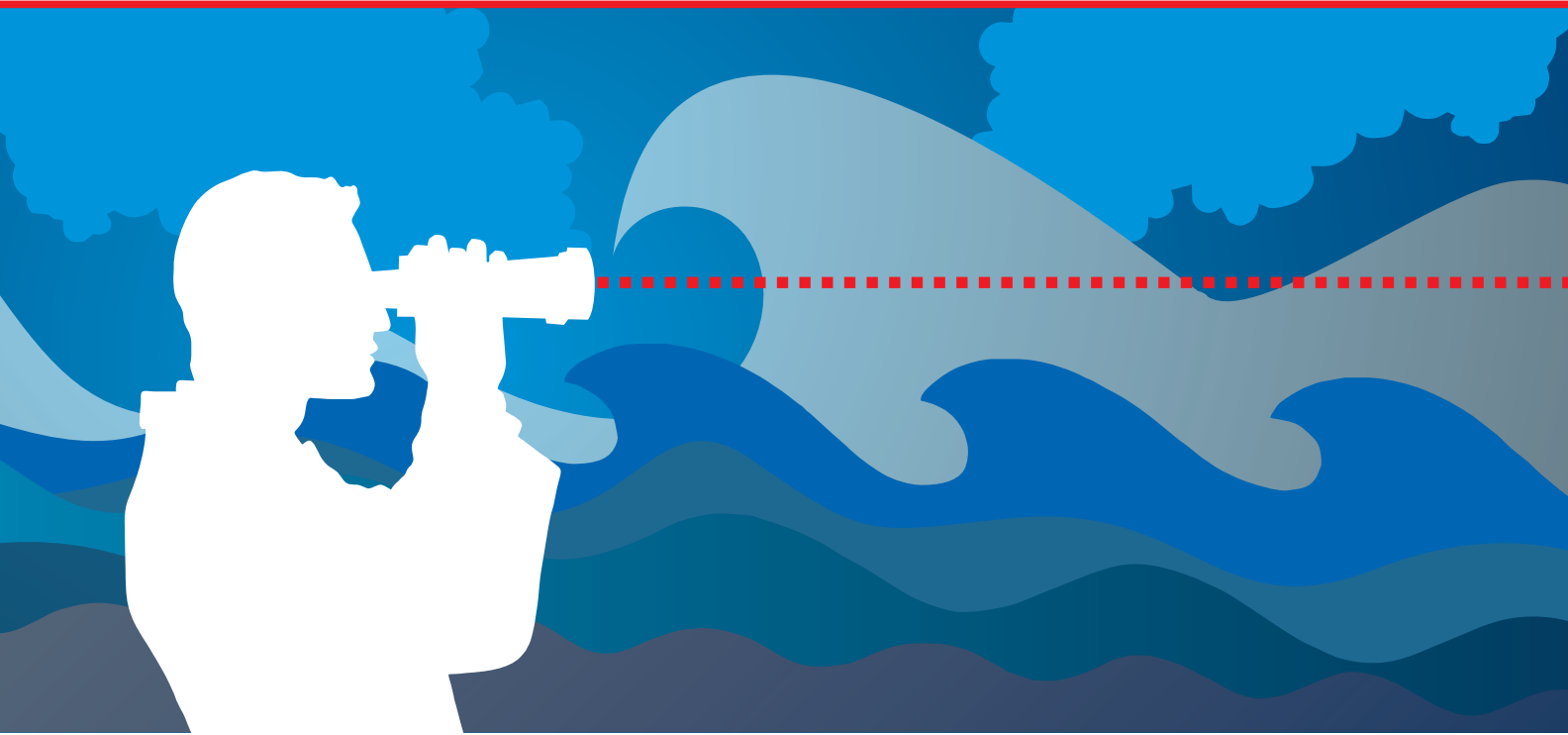
Europower which is the company engaged in O&M was awarded a major contract worth over € 50 million spanning over 7 years in Italy.



Macchi



Ansaldo



Even amidst raging storms focus on right things to do, brings one closer to one's destination. We know that completing projects releases resources, builds our reputation, and lifts morale of our people. We aim to complete projects which were held up due to working capital requirements, despite being in the midst of several challenges.

Focus on Execution

The Management believes that to combat the present situation of financial losses and in order to steer the company out of the CDR process, it has to take certain strict measures and follow a disciplined functioning, optimizing its resources and capitalizing on its core strengths.

It is not easy to separate the important from the urgent. We have always believed that your Company's strength lies in executing and delivering projects. Our entire focus now is on this core ability of ours because we know that completing projects releases resources, lifts our people's morale and builds our reputation. We are aiming to not only complete projects which were held up for one reason or the other but have also identified sites that need to be concluded expeditiously.

Franco Tosi Meccanica S. p. A

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

The said application was admitted by the Court on 7 June 2013 and the court soon thereafter appointed a Judicial Commissioner to evaluate the possibility of FTM continuing its operations and, if this was established, to set out a procedure to continue and manage the Company for a period of at least two years. In April 2014 it was decided to go for an outright sale instead of lease of the operating business and has fixed a date in end June 2014 for interested bidders to submit their offer. One of the key conditions in the bid document makes it mandatory for the bidder to replace the bank guarantees issued by the company and this will go a long way to de-risk Gammon India Limited.

However the continuous shifting of dates for finalizing the procedure is affecting the ongoing projects of FTM due to inadequate working capital, vendor uncertainty and client concerns. In two cases i.e. Hartha Project in Iraq and Valdagiri Project in Italy, the projects have got cancelled and the bank guarantees backed by the corporate guarantee of Gammon India Limited have got invoked for an amount of € 2.20 million. This amount has

been fully provided in the books of Gammon India Limited as Corporate Guarantor. Three remaining projects of the company in Congo, Nicaragua and Bolivia continue to be executed and the original scheduled dates for completion are between December 2014 and June 2015. However due to the slow pace of execution for reasons mentioned above and slippage in completion dates, these projects are also at high risk of cancellation with attendant consequences thereof in respect of the Bank Guarantees. The Management is however hopeful that notwithstanding the difficulties and risks, these Projects will be completed with some delays but without contractual consequences.

In light of the ongoing procedure, the Commissioner has not released any financial statements of the company for 2013 and it is expected that this will not be released until the entire process is complete.

Campo Puma Oriente

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. Minimum Work Program obligations of the operator under the service contract are completed.

The Puma Block Service Contract was signed for an 18



ITEA



FTM Hydro Turbine



Even the most complex and critical tasks can be accomplished by aligning resources in a disciplined way. Our immediate task is to ensure the completion and closure along with final billing of the large geographical spread of nearing completion projects in order to optimize the company's establishment costs to function with much lesser number of projects. We shall concentrate our efforts hereon for select high margin, core competency businesses like bridges, elevated structures, metro rail, hydro, nuclear, marine, high-rise structures & power T&D projects.

Optimizing Resources

The Company presently has an order book of Rs. 14,000 crores comprising of about 132 projects. Some of these projects are at the stage where the final bill is submitted. Our immediate task is to ensure the completion and closure along with final bill of these 50% projects in order to curtail and optimize the Company's establishment costs to function with leaner no. of projects.

The PPP/ BOT business of Gammon Infrastructure Projects Limited is also focusing on the completion of its projects which are in the stage of implementation and their completion has been taken up as biggest priority since their commissioning will reap revenue streams from their operations which will eventually contribute to ease out the debt burdens.

year term. 9 new development wells and 2 exploratory wells have been drilled and over 80sqkms of 3-D seismic are completed. During 2013 the Puma Field produced approx. 1600 barrels of oil per day. The field potential can be increased to approx. 2000 barrels of oil per day with enhanced recovery techniques including artificial lift, acid stimulation and water injection, all of which are contemplated for action in 2014. The incremental barrels so produced will be paid at enhanced rates which are presently under negotiation with the concerned agencies.

The Puma Field has proved developed and undeveloped reserves of 17.25 million barrels of oil and further probable reserves in the order of 1.5 million barrels making a total of 18.75 million barrels of Oil.

SAE Power Lines s.r.l., Italy (T&D business)

SAE has been acquired by your Company to enter the markets of Africa and Europe for the T&D business as SAE has sound pre-qualifications and suitable network to give us access into these geographies. This company is presently operating in Ghana, Algeria, Tanzania, Botswana, Ethiopia, Mozambique, Benin and Togo. At the end of 2013 its order backlog stood at Euro 40 Mn. Due to liquidity constraint it achieved a low level of sales in 2013 leading to huge losses.

We are presently focusing on rationalizing its managerial and operating resources for their costs as compared to its turnover in order to make the organization lean and efficient.

New Orders

In spite of a steep slowdown in GDP growth, this financial year your company secured works worth Rs. 3,500 crores. These projects awarded to Gammon are equally distributed in Power, Transportation and Water Environment sectors. These include, prominently:

- The prestigious Elevated Road Corridor from AIIMS (on NH-98) to Digha (On Ganga Path) (11.90 km) at Patna for BSRDC for Rs. 717 crores;
- EPC works for two lane with paved shoulders for Gulabpur-Uniara Section of NH-148D in Rajasthan for NHAI for Rs 454 crores;
- Four (4) projects involving water transmission & distribution and WTP in the state of Rajasthan for PHED Rajasthan for Rs 1189 crores;
- A TBM tunneling project for Parbati Stage II project of NHPC in joint venture with CMC Ravenna of Italy, who are experts in TBM tunneling for Rs. 476 crores;
- Vyasi Hydro project involving a Dam and HRT works in the state of Uttarakhand for UJVNL for Rs. 317 crores

In the first quarter of 2014 i.e. Jan-Mar 2014, we were awarded projects with a total value of Rs 1467 crores , major orders awarded were:

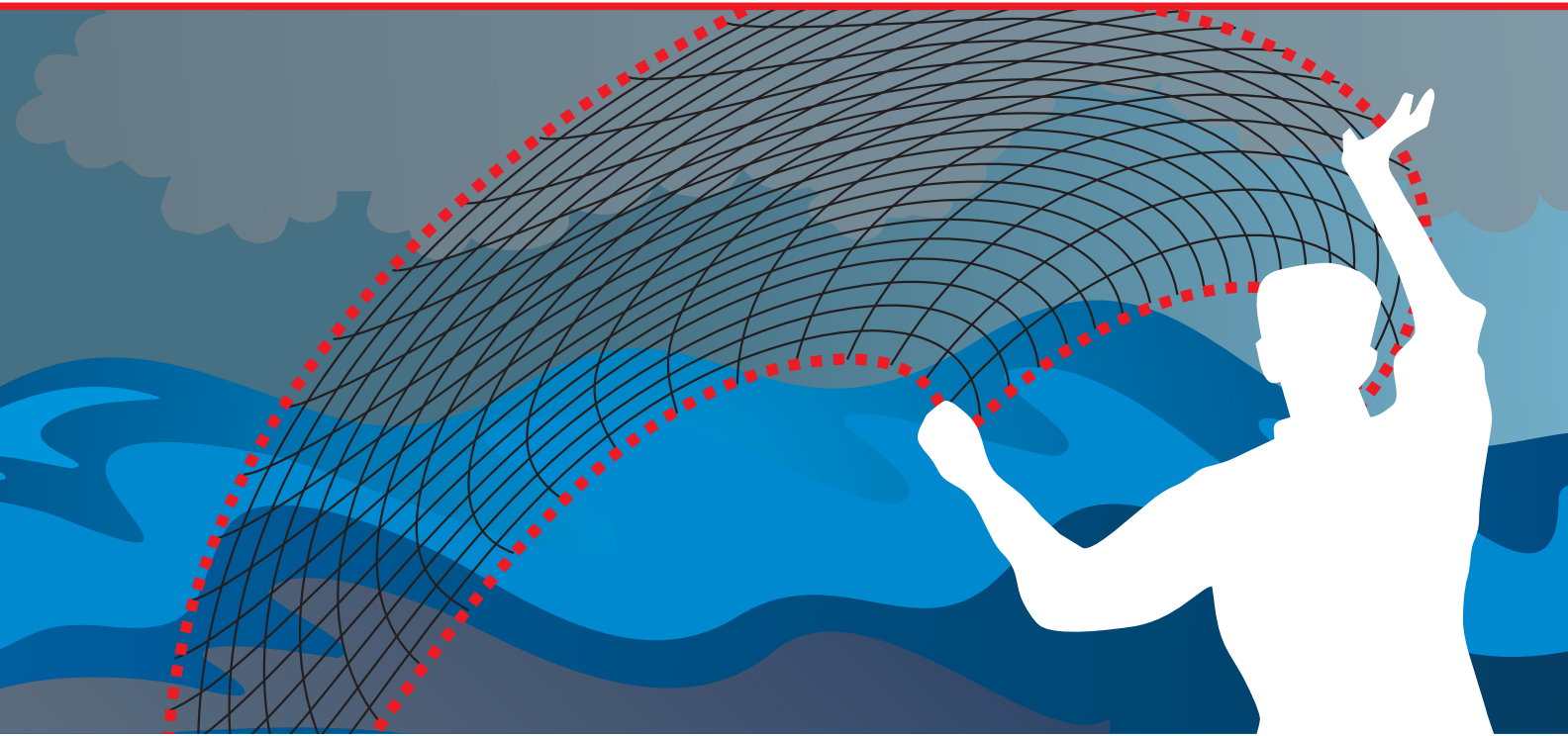
- NDCT and Cooling Water Pump House Package for RAPP 7 & 8 including allied works for NPCIL for Rs. 648 crores
- Construction of seven stations of Kolkata Metro Railway Line for RVNL for Rs. 339 crores
- T&D project in Yemen for Rs. 369 crores



Galvanizing Plant at Deoli



Co-generation Plant at Pravara



When one is facing scarcity of what is needed for revival, one has to fish wide and deep for its needs. Netting of our rightful long due monies due from clients, arbitration awards, final bills, retention amounts etc. is our key priority. We are emphasizing on cash collections.

Casting the net

Recovering long pending moneys due from clients, arbitration awards, final bills, retention amounts etc. is our key priority. As per the Balance Sheet figures our receivables stand at Rs. 2,152 crores. This includes Arbitration claims of Rs. 194 crores, and Retention Monies of Rs. 842 crores. This is the money locked up in our system and needs to be immediately realized. Our immediate focus is to gather this money and bring it into our system to meet the working capital needs.

Emphasize on core competency

Your Company's core competencies are what distinguishes us from others and over the years have been the foundation of our success. In these difficult times we rely upon our core abilities to once again emerge on top. Your Company has indulged in the wide spectrum of businesses. The Management wishes to concentrate its efforts hereon to its high margin, core competency businesses like construction of bridges, elevated structures, metro rail projects, hydro power projects, high-rise structures, marine structures. The Company would like to maintain its growth and market share in the power transmission sector. The Company is being selective in choosing projects, with an appropriate risk evaluation and risk mitigation mechanism. The equipment manufacturing business in Italy has its own inherent strengths which we intend to capitalize on, with minimum parent support.

Control Systems

The Company believes that sound internal controls and systems are related to the principle of good governance and should be exercised within a framework of proper checks and balances.

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

Your Company's Internal Audit function has uploaded the process of internal audit in compliance with ISO quality standards. The Audit Committee consists of Independent Directors and is headed by experienced

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

Peoples Policy

This year the main goal of HR was to bring positive restlessness among the employees to serve the key stakeholders in a better way. The Company reached out to all sections of employees, giving them renewed hope and confidence to come out of the current position.

Yet another important aspect of this year was the purposeful and positive business interactions of all employees in leadership positions in the organization. The three days "Parivartan" meet was held at the Head Office to take stock of current performance of the business, challenges and expectations of the



Punatsangchhu HEP, Bhutan

customers, suppliers, share-holders, community and government. At the end of the session, the leadership team came up with several action plans. These processes mainly dealt with - fast track project execution, optimum working capital management, efficient & timely service from Service Departments, Building Winning Teams and Contract Administration for Increased Profitability. These plans are being acted upon.

Throughout this year, the Company has focused on reducing the supervision cost. Various processes of HR have further been automated to better serve the employees. Training has been centrally conducted through video conferencing facilities on both functional as well as behavioral topics. In the following year, training will be conducted at regional and project level also to ensure hands-on learning. The focus will continue to be on developing and strengthening the leadership pipeline through proper career and succession planning. Further, consolidation of people engaged on Local Muster Rolls has been done through

proper process of their recruitment and streamlining of their payroll systems. As on 31 December 2013, the total number of employees was 4334.

Health, Safety & Environment

Looking back; the year 2013 was exceedingly encouraging for Safety in Gammon with remarkable achievements in terms of competitiveness and reduction in accidents

- Twenty two (22) Projects received appreciation certificates from Clients for significant safety achievements in their respective works - being carried out by 'Gammon'.
- We appointed 17 qualified safety professionals including candidates with M. Tech qualification in Safety.

The month of November dedicated to safety as "Safety Month" for Gammon was enthusiastically celebrated across the length and breadth of Gammon.



Tunneling at Rampur HEP

Research & Development

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:

- Validation of peak temperature modeling for high strength mass concrete
- Development of high strength concrete (M60, M80) with quad blend system containing OPC, Fly Ash, GGBS & Alccofines
- Thermal analysis of mass concrete members for determining the placement temperature
- Extension of height of submerged caisson in mid sea
- Underwater concrete system for bottom plugging of caisson
- System for erection of inclined unsymmetrical steel pylon 154m high supported on spherical bearings for Signature bridge
- Slab Decking: Developed Adjustable Jack Adaptor to support RMD deck panel over Cuplock modular tagging system.
- Design and implemented 90kN capacity Shore pile anchors to cast blinding wall of 270 Rmt and max. 12m height (including curved wall casting)
- Floating shutter for casting of 1m depth of footing along with pressure slab
- RC Transfer beam construction (0.45m width x 5.26m depth x 25m length) in single casting with provision of 7.7m height supporting

- Outrigger (0.8m width x 11m depth x 7m length) composite structure- at height of 125m above GL- development of construction enabling system in process
- Developing single side climbing formwork system to work at 40m height above GL on 200mm thk RC shell having 54m dia. Parabolic Dome with 36m height
- Design of structural supporting for helipad at 31st floor (approx. at 120m height above GL) with cantilever of 6.6m
- Developed cantilever supporting for external plastering scaffold erection of 14floors height (approx. 75m)

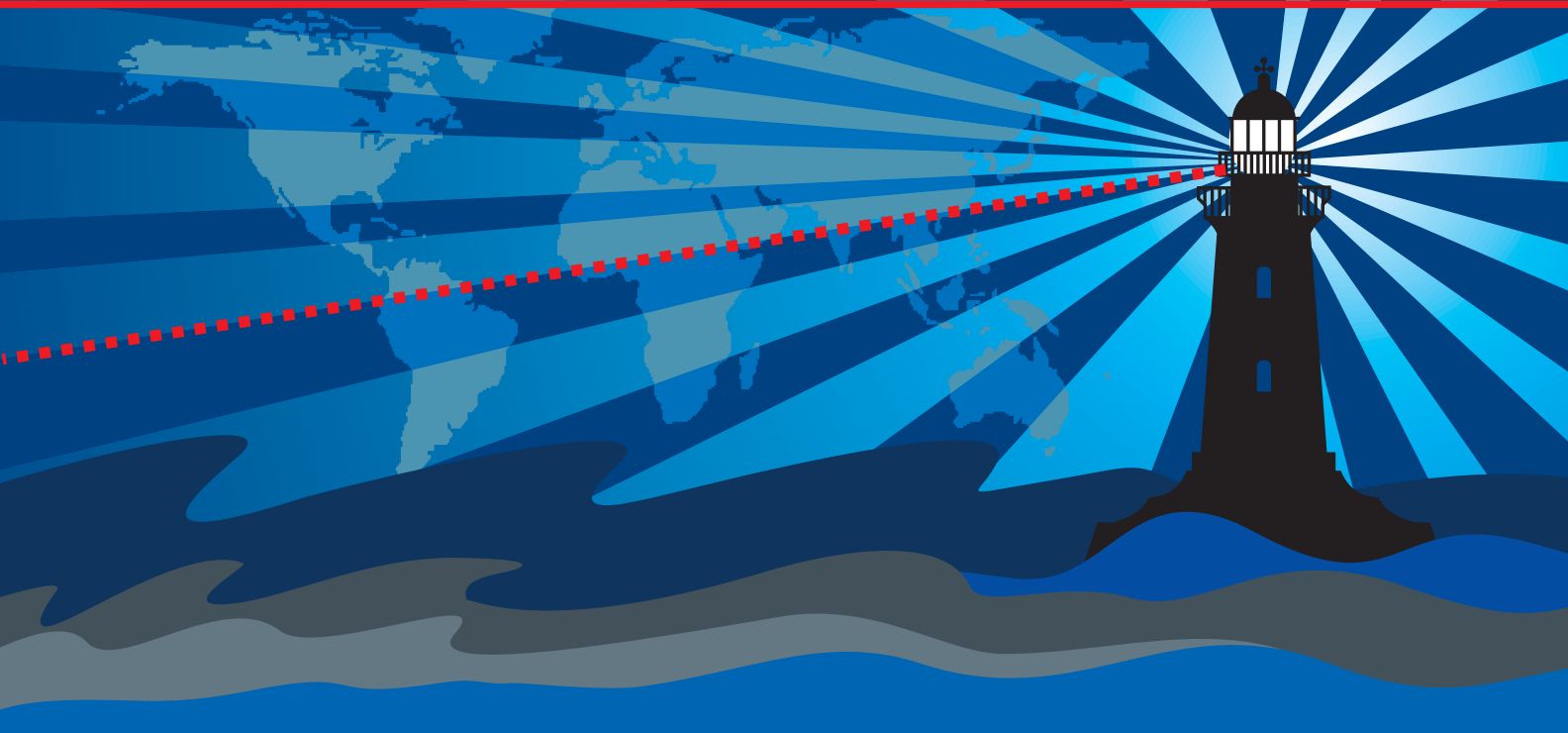
In the continued difficult economic conditions, cost reductions and early completion of projects remains high on the agenda for every construction company which is an opportunity for economizing the designs, improving the productivity, reducing wastage and adopting better construction practices



High Voltage Towers Testing Facilities, Nagpur



Chennai Metro Casting Yard



A thorough evaluation of what one has and what can be unlocked and put to immediate use helps augmenting resources for long term benefits. This is how we have zeroed down on monetization of our various strategic overseas investments, sale of real estate assets and churning of our mature PPP / BOT portfolio. The freed up resources will be used to improve our financial strengths and unlock value.

Unlocking value

A thorough evaluation of what one has and what can be unlocked and put to immediate use helps augmenting resources for long term benefits. This is how we have zeroed down on monetization of various strategic overseas investments, sale of signature real estate projects like Shristi at Bhopal, land parcel at Dombivali, etc., and sale of mature PPP/ BOT assets. The freed up resources will be used to improve our financial and operational strengths. Your company is engaged in the businesses namely,

- Construction/ EPC works
- Power T&D works (including manufacturing & testing facilities)
- Power equipment manufacturing businesses
- PPP/ BOT business
- Real estate business
- Oriente Basin oil field investments

Our endeavour is to make each business self-sustaining. Each of these is being remodelled to have least dependency on the other and self-sustaining in terms of their needs & requirements, de-risk each from the other. There is immense value in each of these businesses which we intend to unlock and capitalize on.

Managing Risks

Our business sectors continue to face challenges from both internal as well as external environment like shortage of skilled labor, adaptability of technologies, availability of competent subcontractors, commodity prices, frequent changes in the political and economic 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. The contract conditions are studied from a risk perspective for conditions including escalation provisions, land acquisition, right of way, clearances, utility shifting, retentions etc. right at the estimation and tendering stage. Also carefully the project cash flow situation is gauged at the tendering stage itself. In case the project conditions are not found favourable we decide not to participate for such projects as such unfavorable conditions do not fit our risk appetite. To this end, the Company continuously reviews and strengthens the projects undertaken by any course correction required at planning, project management, contract management, execution stage.

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 and delays in payment of running bills and retention money by clients exerts pressure on the working capital requirements of the Company and pushes up the financial costs.

3. The Company has overseas operations and hence

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

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

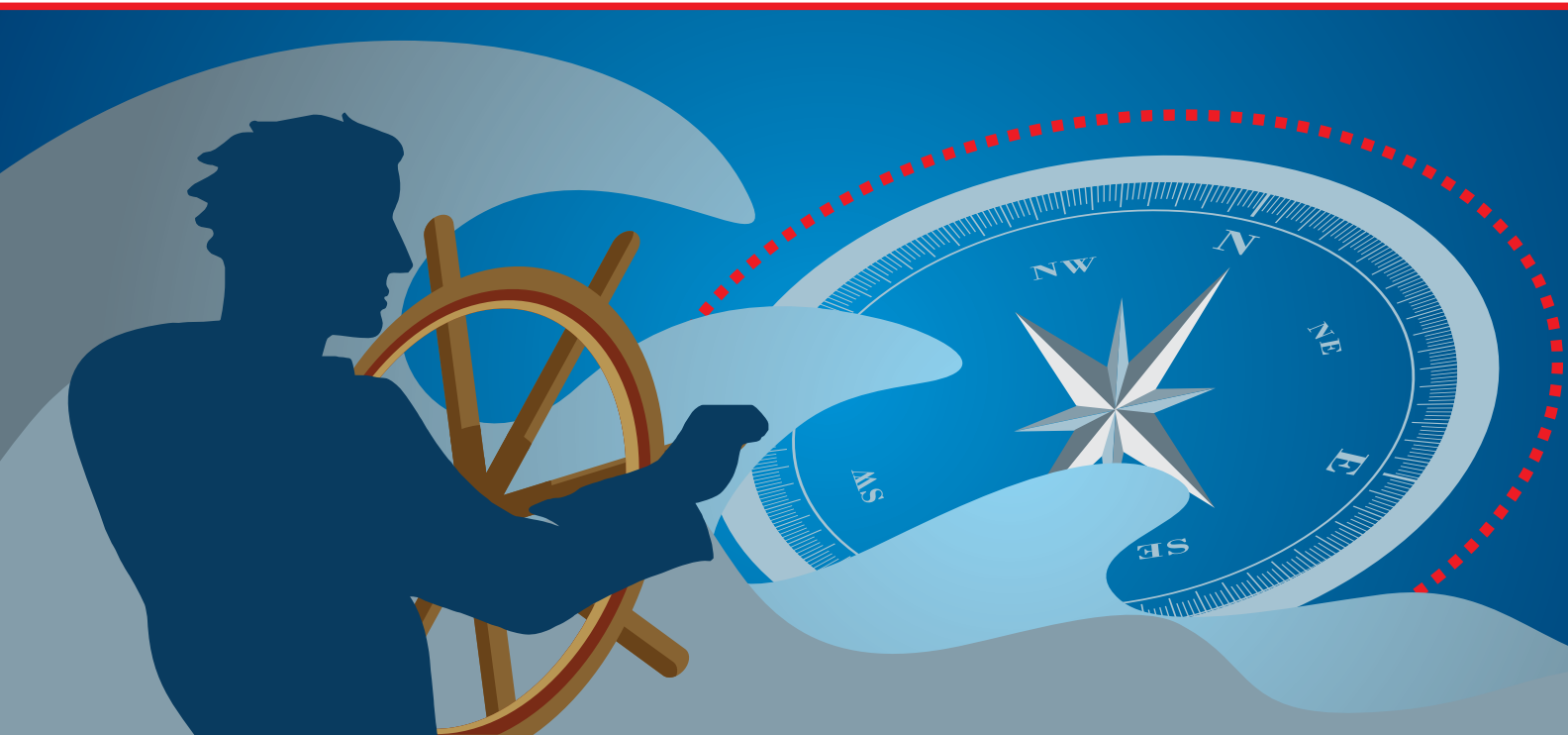
5. The Company has inflows and outflows in different currencies related to its Projects. In addition, it has foreign currency denominated borrowings. To the extent that the overall position exceeds the natural hedge, the Company evaluates and puts in place a hedging strategy, for which it is adequately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

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

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

a Supporting and strengthening its 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 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.



Mapping out the complex and dynamic surroundings and setting direction to navigate to one's goals while skirting dangers is key to success. A new risk management framework is being implemented to protect the company's earnings and reduce/eliminate losses arising out of the various risks it faces.

- c Careful subcontractors selection, performance monitoring and evaluation, improved terms and conditions including performance guarantees (transfer of risk) wherever necessary etc.
 - d Systematic 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.
 - e Cash management committee established at the highest management level for streamlined fund allocation.
 - f 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.
 - g Creating a special task force for collection of long pending rightful dues from Clients.
- Persistent efforts in implementing the mitigation plan will ultimately drive the Company to evolve a mature and sustainable solution for compliance, loss minimisation, risk management and measurement, strategic integration to optimisation of returns.



In stormy conditions, it is vital that all those with whom you are working continue to trust you. Delivering your part of the work and staying committed to values while maintaining communication helps in this. Equally important is to continue to exhibit our technical and operational leadership. Our strong and innovative leadership will go a long way in reinforcing trust.

Reinforcing Trust And Retaining Leadership

We value our relationships with all our stakeholders viz. clients, partners, subcontractors, suppliers, bankers and most importantly shareholders. During this period of turmoil and unexpected turbulence, being “caught in a storm”, we may have caused discomfort to some of them which was inadvertent and unintentional. We intend to retain, reinforce this trust by performing and delivering value to their expectations. This has been a temporary phase where we have been caught unprepared, but are taking all requisite measures and actions to reinforce this trust. Mechanisms are being carved out at all levels to arrive at resolutions with our Clients, Partners, Sub-contractors, Suppliers, Bankers for smoother functioning of our project to enable us deliver timely results.

Gammon has been continuously identified amongst the top rated engineering and construction companies of India for decades and has proudly retained its position by delivering engineering structures par excellence, year on year, decade after decade. Gammon continues to innovate in new methods of construction, introduce new technologies, promote best practices, systems, processes to be an industry leader. We are time and again given golden opportunities by our clients to undertake challenging projects which we proficiently deliver to their satisfaction. We shall continue to select projects where we can add value as Gammon, execute, deliver iconic structures, proud with our legacy of being called the “**Builders to the Nation**”.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 92nd Annual Report together with the Audited Accounts of the Company for the nine (9) months period ended 31st December, 2013.

1. FINANCIAL PERFORMANCE & OPERATIONS:

(₹ in Crores)

Particulars	Standalone		Consolidated	
	9 months ended 31.12.2013	2012-2013*	9 months ended 31.12.2013	2012-2013
Profit before Other Income, Depreciation & Interest	(510.01)	<i>(21.54)</i>	(30.01)	<i>163.79</i>
Add:				
Other Income	84.44	<i>132.42</i>	46.34	<i>91.37</i>
Less:				
Depreciation	83.30	<i>107.39</i>	273.01	<i>343.67</i>
Interest	402.15	<i>443.41</i>	683.54	<i>827.35</i>
Profit/(Loss) before Tax	(911.02)	<i>(439.92)</i>	(940.22)	<i>(915.86)</i>
Less:				
Provision for Taxation	(145.11)	<i>5.75</i>	(123.29)	<i>6.06</i>
Profit/(Loss) after Taxation	(765.91)	<i>(445.67)</i>	(816.93)	<i>(921.92)</i>
Transferred to Minority Interest	Nil	<i>Nil</i>	55.07	<i>72.09</i>
Profit/(Loss) for the year	(765.91)	<i>(445.67)</i>	(761.86)	<i>(849.83)</i>
Add:				
Profit brought forward from the previous year	(77.21)	<i>368.34</i>	(1051.74)	<i>(173.80)</i>
Available for Appropriation	(843.12)	<i>(77.33)</i>	(1813.60)	<i>(1023.63)</i>
Appropriations:				
Dividend from Own Shares	Nil	<i>(0.12)</i>	Nil	<i>(0.12)</i>
Transfer to Capital Reserve	Nil	<i>Nil</i>	Nil	<i>0.70</i>
Transfer to Foreign Currency Translation Reserve	Nil	<i>Nil</i>	120.64	<i>23.70</i>
Adjustments to Minority Interest	Nil	<i>Nil</i>	(2.41)	<i>0.09</i>
Adjustments due to change of stake in Sofinter S.p.A.	Nil	<i>Nil</i>	(18.29)	<i>Nil</i>
Dividend (Proposed) Equity Shares	Nil	<i>Nil</i>	Nil	<i>2.29</i>
Tax on Dividend	Nil	<i>Nil</i>	Nil	<i>1.48</i>
Other Adjustments	Nil	<i>Nil</i>	0.32	<i>(0.04)</i>
Balance carried to Balance Sheet	(843.12)	<i>(77.21)</i>	(1913.86)	<i>(1051.74)</i>

*Figures for the previous period have been regrouped.



The year under review is a 9 month period commencing from 1st April, 2013 and ending on 31st December, 2013. During the period, the Turnover of the Company on a Standalone basis stood at ₹ 3,279.31 Crores as compared to the Turnover of ₹ 5,197.36 Crores for the previous year. The annualized percentage decrease in the Turnover over the previous year's Turnover amounted to 16%. The Company posted a Net Loss of ₹ 765.91 Crores during the period ended 31st December, 2013 as against a Net Loss of ₹ 445.67 Crores during the previous year ended 31st March, 2013.

On a Consolidated basis the Turnover of the Gammon group stood at ₹ 4,932.42 Crores as compared to the Turnover of ₹ 7,494.22 Crores for the previous year. The annualized percentage decrease in the Turnover over the previous year's Turnover amounted to 12%. The group posted a Net Loss of ₹ 761.86 Crores during the period ended 31st December, 2013 as against a Net Loss of ₹ 849.83 Crores during the previous year ended 31st March, 2013.

Since the last two years the construction industry has been facing severe recessionary trends. This has created negative sentiment in the sector leading to postponement of projects, delays in decision making by government agencies and large PSU's. Furthermore, inordinate delays in clearing of dues, adverse regulatory environment and bureaucratic apathy has caused numerous delays in execution of projects. The downturn in the Company's operations continued unabated during the year under review. The severe liquidity crisis affected project execution. The Company continues to face difficulties in realising receivables and arbitration claims and revenues continued to remain stagnant due to delay in execution. All this led to re-assessment of jobs, higher borrowings and higher interest costs coupled with fall in margins.

Further considering the economic scenario in Europe and uncertainties prevailing there, the Company on a prudent basis and following the principal of conservatism, made provisions against risk & contingencies towards impairment of investments/ advances in its overseas companies.

Several options are being explored for overcoming the liquidity crisis such as sale of non-core assets, disposal of idle equipment, pursuing rigorous austerity measure across the Company and actively exploiting its real estate projects. The Company is also aggressively pursuing monetisation of international power and oil business and amicable settlement of non-routine collection including claims and arbitration awards. In view thereof, although there are cash losses during the period, management is confident of tiding over the tight liquidity position with support from its bankers. During the year under review the order book however has been encouraging. The Company has been awarded 17 new projects aggregating to ₹ 3,500 Crores. The order book position of the Company as on 31st December, 2013 stood at ₹ 14,000 Crores.

2. DIVIDEND:

In view of the loss incurred during the nine (9) months period under review, the Board regrets its inability to declare any dividend for the nine (9) months period ended 31st December, 2013.

3. DEPOSITORY SYSTEM:

The Company's equity shares are compulsorily tradable in electronic form. As of 31st December, 2013, 93.05% of the Company's total paid-up capital representing 127,027,064 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. CHANGES IN CAPITAL STRUCTURE:

During the period under review, the Company increased its Authorized Share Capital from ₹ 176 Crores to ₹ 15,047 Crores. The aforesaid increase was approved by the shareholders by way of Postal Ballot, results of which were declared on 31st December, 2013. The aforesaid increase in the share capital was necessitated to comply with the terms of the agreement with the CDR Lenders to provide for adequate equity capital in case the lenders wish to exercise their option for converting loans into equity.

5. FINANCE:

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

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

CARE has assigned the following ratings:

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

*Carved out of working capital limits.

Members may recall that the Company had, in the 91st Annual Report for the financial year 2012-13, informed that the Company's Corporate Debt Restructuring package ("CDR Package") was approved by the Corporate Debt Restructuring Empowered Group. Further, a snapshot of the Company's CDR Package was also provided in the aforementioned Annual Report. The Company had commenced implementation of the CDR package during the period under review.

To ensure implementation of the CDR Package ICICI Bank Limited has been appointed as the Monitoring Institution and IDBI Security Trusteeship Limited ("ITSL") has been appointed as the Security Trustee to act as such on behalf of the CDR Lenders. Total Debt aggregating to ₹ 14,814.17 Crores (including both, fund based & non-fund based and additional priority loan for meeting the immediate financial needs of the Company) has been restructured.

As on the date of this Report, the following activities, as envisaged in the Company's CDR Package have been completed:

- Master Restructuring Agreement executed with the CDR Lenders.
- The Promoters along with their affiliates have brought in an amount of ₹ 100 Crores as Promoters' Contribution.
- Personal Guarantee executed by Mr. Abhijit Rajan – Chairman & Managing Director.
- The Promoters have pledged their shareholding in the Company in favour of ITSL.
- Nikhita Estate Developers Private Limited, a promoter group company, has executed Corporate Guarantee on behalf of the Company in favour of ITSL as collateral security.
- The Company has opened separate Trust & Retention Accounts with ICICI Bank Limited.
- The promoters of Nikhita Estate Developers Private Limited ("NEDPL"), a promoter group company, have pledged their shareholding in NEDPL in favour of ITSL.
- The Company has also created security by way of :
 - (i) Pledge over its shareholding in its following subsidiaries viz. Deepmala Infrastructure Private Limited (23%),



Ansaldocaldaie Boilers India Private Limited (24%), Transrail Lighting Limited (100%) and Gactel Turnkey Projects Limited (100%).

- (ii) Hypothecation of the Company's Current Assets.
- (iii) Mortgage of the Company's immovable properties in the State of Maharashtra, Gujarat, Karnataka & West Bengal.
- (iv) Execution of an undertaking to create pledge over (i) the resultant shares of Metropolitan Infrahousing Private Limited (the Company's subsidiary) after signing the joint venture agreement (by whatever name called) with the developer.

6. PUBLIC DEPOSITS:

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

7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, the Company has transferred Dividend (for the year 2005-06) amounting to ₹ 241,101/- 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 interim dividend and the unclaimed final dividend for the year 2006-2007 is due for transfer on or before 23rd May, 2014 and 21st November, 2014 respectively.

8. EMPLOYEE STOCK OPTION SCHEME:

The erstwhile Associated Transrail Structures Limited (ATSL) had introduced an Employee Stock Option Scheme for the benefit of its employees. Pursuant to the amalgamation of ATSL with the Company, effective from 7th July, 2009, the said scheme was taken over by the Company. The said scheme expired on 28th March 2014. Details of the stock options granted under the Employee Stock Option Scheme-2007 of erstwhile ATSL are disclosed in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and set out in Annexure 'A' of this Report.

9. SUBSIDIARY COMPANIES:

No new subsidiary was incorporated / acquired by the Company during the nine (9) months period ended 31st December, 2013. During the period under review, the name of Gammon Renewable Energy Infrastructure Limited (Company's step down subsidiary) was changed to Gammon Renewable Energy Infrastructure Projects Limited. The Company's step down subsidiaries viz. (a) Kasavati Renewable Energy Private Limited & (b) Dohan Renewable Energy Private Limited were struck off the Register of Companies by the Ministry of Corporate Affairs on an application made by the respected companies. The said companies stand dissolved w.e.f. 21st March, 2014.

As per the General Circular 08/2014 No. 1/19/2013-CL-V dated 4th April 2014 issued by the Ministry of Corporate Affairs, the financial statements (and documents required to be attached thereto), auditors report and Board's report in respect of financial years that commenced earlier than 1st April, 2014 shall be governed by the relevant provisions/ Schedules/rules of the Companies Act, 1956. In view of the same the financial information of the Company's subsidiaries have been provided as per the provisions of the erstwhile Companies Act, 1956 and the applicable circulars issued thereunder.

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 fulfilment of certain conditions by the holding company. As stated in the said circulars, the Board of Directors, vide its resolution dated 3rd April, 2014 accorded its consent for not attaching the balance sheet of the subsidiaries. Further the Company has presented in the Annual Report, the consolidated financial statements of the Company and all its

subsidiaries duly audited by its statutory auditors. The consolidated financial statements have been prepared in strict compliance with the applicable Accounting Standards and, where applicable, the Listing Agreement as prescribed by the Securities and Exchange Board of India. The Company has disclosed in the consolidated balance sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries:- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.

10. CONSOLIDATED FINANCIAL STATEMENTS:

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

11. DIRECTORS' EXPLANATION ON AUDITOR'S REPORTS:

Following are the directors' comments on the "Basis of Qualified Opinion" in the Audit Report dated 18th March, 2014 on Standalone Financial Statements and "Basis of Qualified Opinion" in the Audit Report dated 3rd April, 2014 on Consolidated Financial Statements for the nine (9) months period ended 31st December, 2013:

- a. With reference to clause (a) of the "Basis of Qualified Opinion" in the Audit Reports on both Standalone as well as Consolidated Financial Statements wherein the auditors have opined that "due to non-availability of Financials of Franco Tossi Meccanica S.p.A, ("FTM") the Company's subsidiary in Italy, they are unable to comment upon the adequacy or otherwise of the provisions made", the Board would like to inform you that as mentioned in Note 33(c) of Standalone and in Note 1(a)(ii) of Consolidated Financial Statements, FTM had filed an application for a pre-insolvency procedure which has been admitted by a court at Milan. In light of the ongoing procedure no financial statements of the company have been released to date by the empowered Commissioner. It is expected that these will not be released until the entire process is complete. However the Company has made adequate provision towards its exposure for all the known liabilities in the said subsidiary. Further, the step down subsidiary holding the shares of FTM has entered into a memorandum of understanding with an intended purchaser for sale of its investment in FTM. The sale purchase agreement is however subject to the regulators, bankers and shareholders' approval.
- b. With reference to clause (b) of the "Basis of Qualified Opinion" in the Audit Reports on both Standalone as well as Consolidated Financial Statements wherein the auditors have opined that "they are unable to comment on the adequacy of the provisions made towards the Company's exposure in investments in and Guarantees given by the company in respect of SAE Powerlines S.p.A, the Company's subsidiary in Italy", the Board would like to inform you that as mentioned in Note 33(e) of Standalone and in Note 1(a)(v) of Consolidated Financial Statements, on the basis of offer received from an intended buyer the Company has made a provision towards guarantees given for the acquisition loan taken by SPV.
- c. With reference to clause(c) of the "Basis of Qualified Opinion" in the Audit Report on Standalone financial statements regarding contribution to charitable funds /institutions, the Board would like to inform you that these were necessitated due to business exigencies and the permission of the shareholders is being sought to make any further contributions.
- d. With reference to clause(d) of the "Basis of Qualified Opinion" in the Audit Report on Standalone Financial Statements and Clause (h) of the "Basis of Qualified Opinion" in the Audit Report on Consolidated Financial Statements, wherein the auditors have opined on managerial remuneration, the Board would like to inform you that as mentioned in Note 24(a) of Standalone and in Note 24(a) of Consolidated Financial Statements, the Company's application for waiver of excess remuneration paid to CMD and paid to an Executive Director during the year 2011-12 has been rejected. The Company has preferred a representation to the Ministry to reconsider its decision and reply is awaited. The Company's application for payment of remuneration to Chairman & Managing Director for years 2012-13 and 2013-14 is pending for approval with the Central Government. Hence no effect for the same has been given in the financial statements.



- e. With reference to clause (c) and clause (d) of the “Basis of Qualified Opinion” in the Audit Report on Consolidated Financial Statements wherein the auditors have reported that the financial statements of Sofinter S.p.A., Campo Puma Oriente S.A. and Finest S.p.A. are unaudited, the Board would like to inform you that as mentioned in Note 1(b)(iv) and Note 1(a)(i) of Consolidated Financial Statements, the financial statements of Sofinter S.p.A., Campo Puma Oriente S.A. and Finest S.p.A. could not be audited due to the short period of time available for the completion of the audit. The audit work is in progress. Meanwhile, the financial statements are therefore based on Unaudited/management accounts signed by one of the directors representing GIL.
- f. With reference to clause (e) of the “Basis of Qualified Opinion” in the Audit Report on Consolidated Financial Statements, wherein the auditors have reported that in absence of sufficient information they are unable to assess the recoverability of the net receivables of Itro Pte Ltd, an Associate of Sofinter S.p.A., the Board would like to inform you that as mentioned in Note 1(b)(iv) of Consolidated Financial Statements, the directors of Itro Pte Ltd believe that it will be able to complete the start-up phase in a reasonable time frame and to start generating sufficient cash flows to enable it to discharge its financial commitments. However, the directors of Itro Pte Ltd believe that since they are unable to forecast with reasonable certainty the time frame for collection, auditors of Itro Pte Ltd have qualified their opinion in this regard.
- g. With reference to clause(f) of the “Basis of Qualified Opinion” in the Audit Report on Consolidated Financial Statements, wherein the auditors have reported about the non-recognition of possible claims on trade receivables of Europower S.p.A., a subsidiary of the Associate Sofinter S.p.A., the Board would like to inform you that Europower S.p.A. has initiated legal proceedings in the competent court in Italy, against their customer to recover the amount of Euro 3 Million i.e. ₹ 25.61 crores (Company’s share being Euro 1.35 Million (₹ 11.52 crores). Pending the outcome of the said litigation, the risk of non-recovery arising from the same has been provided by Europower S.p.A to the extent of 2.3 Million Euro i.e. ₹ 17.92 crores. Considering the current status of the legal proceedings, the Directors of the said Europower S.p.A. believe that Sofinter S.p.A. will not incur additional losses over and above the said amount.
- h. With reference to clause(g) of the “Basis of Qualified Opinion” in the Audit Report on Consolidated Financial Statements, wherein the auditors have reported about non provision of trade receivables of Gammon & Billimoria LLC (GBLLC),Dubai a Subsidiary of the Company, the Board would like to inform you that the amount is due from a Debtor of GBLLC which includes retention money aggregating to AED 2.7 million (₹ 4.54 crores) due to GBLLC acting as a sub-contractor. The management of the said subsidiary is of the opinion that the amount is contractually recoverable and the subsidiary company is in negotiations with the principal client and in the company’s opinion no provision is required to be made towards the same.
- i. With reference to clause(x) of the Annexure to the Audit Report on Standalone Financial Statements, wherein the auditors have mentioned that the accumulated losses of the Company are in excess of 50% of the net worth of the Company, the Board would like to inform you that the said disclosure has been made by the auditors as a requirement under the Companies (Auditor’s Report) Order, 2003 for the nine (9) months period ended 31st December, 2013 and that the Company is not a potentially sick company in terms of Section 23 of the Sick Industrial Companies Act, 1985.
- j. Members attention is drawn to “Emphasis of Matter” stated in the Auditor’s Report dated 18th March, 2014 on the Standalone Financial Statements and in the Audit Report dated 3rd April, 2014 on the Consolidated Financial statements for the nine (9) months period ended 31st December, 2013. The Directors would like to state that the said matters are for the attention of members only and have been explained in detail in the relevant notes to accounts as stated therein and hence require no further clarification.

12. AUDITORS:

M/s. Natvarlal Vepari & Co., Chartered Accountants, Firm Registration No. 106971W, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. A certificate to the effect that their appointment, if made, will be within the prescribed limits under Section 141 of the Companies Act,

2013, has been obtained from them. The Board on the recommendation of the Audit Committee recommends the re-appointment of M/s. Natvarlal Vepari and Company as Statutory Auditors of the Company for the next three (3) financial years i.e. 2014-15, 2015-16 and 2016-17.

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, Nagpur' for the next five (5) financial years i.e. 2014-2015, 2015-16, 2016-17, 2017-18 and 2018-19, subject to approval by the Shareholders.

13. COST AUDITOR :

Pursuant to the Cost Audit Order dated 24th January, 2012 issued by the Ministry of Corporate Affairs (MCA), the Board of Directors has appointed Mr. R. S. Raghavan, as the Cost Auditor for audit of cost accounting records of the transmission and distribution business for the nine (9) months period ended 31st December, 2013. The report of the Cost Auditor will be filed with the MCA within the prescribed period.

The Board, in its meeting held on 18th March 2014, has on the recommendation of the Audit Committee approved the re-appointment of Mr. R. S. Raghavan as the Cost Auditor of the Company for the financial year 2014-15 for the applicable product of the transmission and distribution business. The appointment is subject to the approval of the Central Government.

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

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

15. DIRECTORS:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company, Mr. Parvez Umrigar retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Notice convening the Annual General Meeting includes the proposal for his re-appointment as the Director.

As on the date of this report, the Company's Board consists of the following Independent Directors:

1. Mr. Chandrahas C. Dayal
2. Mr. Naval Choudhary
3. Mr. Jagdish Sheth
4. Mrs. Urvashi Saxena
5. Mr. Atul Kumar Shukla
6. Mr. Atul Dayal

The period of office of the aforementioned directors was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the aforementioned directors being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for a term of five (5) consecutive years commencing from 1st April, 2014 upto 31st March, 2019.

Brief profile 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 92nd Annual General Meeting.



16. DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. The applicable accounting standards have been followed by the Company in preparation of the annual accounts for the nine (9) months period ended 31st December, 2013;
2. The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2013 and of the loss of the Company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
4. The annual accounts for the nine (9) months period ended 31st December, 2013 have been prepared on a going concern basis.

17. PARTICULARS OF EMPLOYEES:

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

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

A. Conservation of Energy:

ENERGY SAVED TODAY IS AN ASSET FOR FUTURE. Company is continuing with energy saving measures initiated earlier, such as:

- Installation of energy meters on all DG Sets.
- Monitoring diesel consumption of Plant & Machinery.
- Improvement in diesel consumption by using Soltron enzyme based additives.
- Installation of capacitor banks for power savings.
- Use of Variable Frequency Drive (VFD) Starting System, energy efficient motors for EOT / Gantry Cranes.
- Initiated use of energy saving lighting system at H.O./workshops/sites to maintain consumption of energy.
- Initiated time based operations in H.O & regional offices for preventing unwanted energy usage.

Additional initiatives and proposals for conservation of energy are as follows:

- a) Use of diesel bowsers with digital fuel meters and diesel preset technology to avoid theft and misuse of diesel at sites.
- b) Proposing the use of fuel bowsers with RFID System for effective fuel management at sites.
- c) Proposing the use of solar energy to fulfil power requirements.
- d) Increased use of grid power instead of DG Sets at sites.

The following 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 continue to be followed during the current year:

- 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 watts CFL in place of 250 watts metal halide at finish yard Deoli works.
- Installed air operated diaphragm type pump instead of 10 HP electrical pump to save electrical power.
- Installed heat exchanger for heating of flux tank with the help of quench water.

B. Technology Absorption:

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

C. Research and Development (R & D):

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

- Validation of peak temperature modeling for high strength mass concrete.
- Development of high strength concrete (M60, M80) with quad blend system containing OPC, Fly Ash, GGBS & Alccofines.
- Thermal analysis of mass concrete members for determining the placement temperature.
- Extension of height of submerged caisson in mid sea.
- Underwater concrete system for bottom plugging of caisson.
- System for erection of inclined unsymmetrical steel pylon 154m high supported on spherical bearings for Signature Bridge project.
- Slab Decking: Developed Adjustable Jack Adaptor to support RMD deck panel over Cuplock modular tagging system.
- Design and implemented 90kN capacity Shore pile anchors to cast blinding wall of 270 Rmt and max. 12m height (including curved wall casting).
- Floating shutter for casting of 1m depth of footing along with pressure slab.
- RC Transfer beam construction (0.45m width x 5.26m depth x 25m length) in single casting with provision of 7.7m height supporting.
- Outrigger (0.8m width x 11m depth x 7m length) composite structure- at height of 125m above GL- development of construction enabling system in process.
- Developing single side climbing formwork system to work at 40m height above GL on 200mm thick RC shell having 54m dia. Parabolic Dome with 36m height.



- Design of structural supporting for helipad at 31st floor (approx. at 120m height above GL) with cantilever of 6.6m.
- Developed cantilever supporting for external plastering scaffold erection of 14 floors height (approx. 75m).

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

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

D. Foreign Exchange earnings and outgo:

Total foreign exchange used and earned during the year:

(₹ in Crores)

	Current Period	Previous Period
Foreign Exchange Earnings	186.63	303.51
Foreign Exchange Outgo	162.60	181.08

19. ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board of Directors

ABHIJIT RAJAN
Chairman & Managing Director

Place : Mumbai

Dated : 3rd April, 2014

Note: As per the General Circular 08/2014 No. 1/19/2013-CL-V dated 4th April, 2014 issued by the Ministry of Corporate Affairs, the financial statements (and documents required to be attached thereto), auditors report and Board's report in respect of financial years that commenced earlier than 1st April, 2014 shall be governed by the relevant provisions/Schedules/rules of the Companies Act, 1956. In view of the same the disclosures made in this report are in terms of the requirements prescribed under the erstwhile Companies Act, 1956 and the applicable circulars/notifications issued thereunder.

“ANNEXURE - A” TO THE DIRECTORS REPORT

Information required to be disclosed under the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme Guidelines, 1999) Employees Stock Option Scheme – 2007

(a)	Options granted	106,300 Equity Shares of ₹ 10/- each.
(b)	Pricing Formula	The Exercise Price was to be decided by the Compensation Committee which shall not be less than the par value and shall not be less than the 'Fair Market Value' on the date of grant. Based on the valuation report, the Compensation Committee fixed the Exercise Price at ₹ 80/- per option.
(c)	Options vested	106,300
(d)	Options exercised	58,466
(e)	Total number of shares arising as a result of exercise option	116,932 equity shares
(f)	Options lapsed	39,134
(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	97,600
	Total	8,700
(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 : 3rd April, 2014

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 Agreements.

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 December, 2013, the Board comprised of a Chairman and Managing Director (Executive), two (2) Executive Directors, two (2) 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 judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of more than ten (10) Committees and Chairman of more than five (5) 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 nine (9) months period under review the Company held four (4) Board Meetings on 30/05/2013, 21/06/2013, 12/08/2013 and 25/11/2013 and the gap between any two consecutive meetings did not exceed four months.

(c) Changes in Board Composition :

Effective from 1st April, 2013 till date no change has taken place in the Board composition.

(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 (01.04.2013 to 31.12.2013)	Whether attended last A.G.M. held on 24 th September, 2013	No. of Directorships in other Public Companies	No. of Chairmanship and Membership of Committees of other public companies	
					Chairman	Member
Mr. Peter Gammon Chairman Emeritus	Non- Executive & Non Independent	NIL	No	NIL	NIL	NIL
Mr. Abhijit Rajan Chairman & Managing Director	Promoter - Executive & Non Independent	4	Yes	4	NIL	NIL
Mr. Rajul A. Bhansali	Executive & Non Independent	4	Yes	2	NIL	NIL
Mr. Digambar C. Bagde	Executive & Non Independent	4	No	8	NIL	NIL
Mr. Parvez Umrigar*	Non-Executive & Non-Independent	1	No	1	NIL	1
Mr. Chandrahas C. Dayal	Non-Executive & Independent	2	Yes	10	1	5
Mr. Atul Dayal	Non-Executive & Independent	NIL	No	2	NIL	2
Mr. Jagdish Sheth	Non-Executive & Independent	4	Yes	NIL	NIL	NIL
Ms. Urvashi Saxena	Non-Executive & Independent	3	Yes	4	NIL	2
Mr. Naval Choudhary	Non-Executive & Independent	4	Yes	NIL	NIL	NIL
Mr. Atul Kumar Shukla	Non-Executive & Independent	4	Yes	2	2	2

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

Notes:

- Other directorships exclude directorships in private companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956.
- Chairmanship/ Membership of Committees includes only Audit and Shareholders/ Investors Grievance Committee.
- Mr. Chandrahas C. Dayal and Mr. Atul Dayal are related to each other.
- 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) Details of Remuneration paid to Directors during the year ended 31st December, 2013:**REMUNERATION POLICY:**

All Executive Directors receive salary, allowances, perquisites and commission while Non-Executive Independent 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 nine (9) months period ended 31st December, 2013, is as follows:

Name of the Director	Salary (₹)	Perquisites (₹)	Commission (₹)	Total* (₹)
Mr. Abhijit Rajan	37,672,947	129,600	-	37,802,547
Mr. Rajul A. Bhansali	4,935,195	144,600	-	5,079,795
Mr. Digambar C. Bagde	6,538,590	790,614	-	7,329,204
Total				50,211,546

**Remuneration paid to the aforementioned Directors during the nine (9) months period ended 31st December, 2013, though approved by the Shareholders, has exceeded the limits prescribed under Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.*

The Company had made an application to the Central Government for seeking its approval for payment of remuneration to Mr. Abhijit Rajan – Chairman & Managing Director & Mr. Digambar C. Bagde - Deputy Managing Director (Transmission & Distribution Business) as “Minimum Remuneration” for the year 2013-2014.

The Ministry of Corporate Affairs has, vide its letter No. SRN B63180806/4/2013 – CL.VII dated 7th November, 2013, accorded approval for payment of remuneration of ₹ 1 Crore p.a. to Mr. Digambar C. Bagde, for the financial year 2013-14. The amount of remuneration mentioned above has been calculated on a proportionate basis.

The Central Government’s approval for payment of remuneration to Mr. Abhijit Rajan for the year 2013-2014 is awaited.

No approval was required for payment of remuneration in excess of the limits prescribed under Section 198 and Schedule XIII of the Companies Act, 1956 since Mr. Rajul A. Bhansali is covered under the exemption granted vide Circular No 46/2011 dated 14th July, 2011.

Remuneration of ₹ 45 Lacs payable to Mr. Parvez Umrigar, Non-Executive & Non-Independent Director for the financial year 2013 has been approved by the Shareholders. The Company has made an application to the Central Government for seeking its approval for payment of remuneration to Mr. Umrigar. Approval is awaited.

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. There is no provision for payment of severance fees.

NON-EXECUTIVE INDEPENDENT DIRECTORS:

Non-Executive Independent 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 for attending Board



and Committee Meetings during the 9 months period commencing from 1st April, 2013 to 31st December, 2013 are given below: -

Name of the Director	Board Meeting (₹)	Committee Meeting (₹)*	Total (₹)
Mr. Chandrahas C. Dayal	40,000	100,000	140,000
Mr. Atul Dayal	-	-	NIL
Mr. Jagdish Sheth	80,000	-	80,000
Ms. Urvashi Saxena	60,000	120,000	180,000
Mr. Atul Kumar Shukla	80,000	-	80,000
Mr. Naval Chaudhary	80,000	140,000	220,000

Note: (*) includes Audit Committee, Review Committee of Independent Directors and Nomination & Remuneration Committee.

3. BOARD COMMITTEES: -

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

(a) Audit Committee (b) Stakeholders Relationship Committee (c) Nomination & Remuneration Committee (d) Review Committee of Independent Directors (e) ESOP Compensation Committee and (f) Corporate Social Responsibility Committee.

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

(a) AUDIT COMMITTEE:

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

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 and various Business Heads.

The Company Secretary acts as the 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 statements are correct, sufficient and credible.
- b) Recommending to the Board the appointment, re-appointment and removal of statutory auditors, cost auditors, branch auditors and fixation of their remuneration.
- c) Reviewing with management the annual financial statements before submission to the Board for approval, focusing primarily on:
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgments by management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;

- Compliance with accounting standards;
 - Compliance with listing and legal requirements concerning financial statements;
 - All 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.
- i) Approval of appointment of key managerial personnel i.e. Chief Financial Officer/ Company Secretary.
- j) Review and monitor the auditor's independence and effectiveness of audit processes.
- k) To review the functioning of the whistle blower/ vigil mechanism.
- l) All such other functions as may be specified from time to time.

During the period under review, the Audit Committee held four (4) meetings on 30/05/2013, 21/06/2013, 12/08/2013 and 25/11/2013. Necessary quorum was present at all the meetings.

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

Name of the Director/Member	Category	No. of Audit Committee Meetings attended
Mr. Chandrahas C. Dayal	Non-Executive & Independent	3
Mr. Atul Dayal	Non-Executive & Independent	NIL
Ms. Urvashi Saxena	Non-Executive & Independent	3
Mr. Naval Chaudhary	Non-Executive & Independent	4

Mr. Chandrahas C. Dayal, Chairman of the Audit Committee was present at the previous Annual General Meeting held on 24th September, 2013.

(b) STAKEHOLDERS RELATIONSHIP COMMITTEE:

In order to comply with the provisions of Section 178 of the Companies Act, 2013, the nomenclature of Shareholders' / Investors' Grievance Committee was changed to Stakeholders Relationship Committee with revised role which also includes to consider and resolve the grievances of all stakeholders of the Company.

The Stakeholders Relationship Committee comprises of Four (4) Non-Executive Independent Directors as members viz. (1) Mr. Chandrahas C. Dayal (Chairman) (2) Mr. Atul Dayal (3) Mr. Naval Choudhary and (4) Mr. Atul Kumar Shukla.

The Company Secretary acts as the Secretary to the Committee.

During the period 01/04/2013 to 31/12/2013 the Committee held Nine (9) meetings on 08/04/2013, 29/04/2013, 22/05/2013, 29/06/2013, 22/07/2013, 29/07/2013, 14/08/2013, 02/09/2013 and 01/11/2013.



The minutes of the meetings of Stakeholders Relationship Committee are reviewed and noted by the Board. The composition of the Committee and the details of the Committee meetings attended by the Members are given below:

Name of the Director/Member	Category	No. of Committee Meetings Attended
Mr. Chandrahas C. Dayal	Non-Executive & Independent	9
Mr. Atul Dayal	Non-Executive & Independent	NIL
Mr. Naval Chaudhary	Non-Executive & Independent	9
Mr. Atul Kumar Shukla	Non-Executive & Independent	9

A total of 11 queries/ complaints were received by the Company from shareholders as detailed below. All the complaints were resolved by the Company to the satisfaction of the investors' and as on 31st December, 2013, there were no pending letters/ complaints. The status of Shareholders' complaints received upto 31st December, 2013 is as stated below:

No. of Complaints received during the nine (9) months period ended 31 st December, 2013.	11
No. of Complaints resolved as on 31 st December, 2013.	11
No of Complaints pending as on 31 st December, 2013.	NIL
No. of pending share transfers as on 31 st December, 2013.	NIL

Name, Designation and Address of Compliance Officer:

Ms. Gita Bade
Company Secretary
Gammon India Limited
Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025.
E-mail Id: gita.bade@gammonindia .com
Telephone : 022 - 6115 3000.
Facsimile : 022 - 2430 0529.

Name, Designation and Address of Investor Relations Officer:

Mr. Mandar Godbole
Asst. Manager - Secretarial
Gammon India Limited
Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025.
E-mail Id: mandar.godbole@gammonindia .com
Telephone : 022 - 6115 3000.
Facsimile : 022 - 2430 0529

(c) ESOP COMPENSATION COMMITTEE:

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

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

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

No meetings were held during the period 01/04/2013 to 31/12/2013.

(d) NOMINATION & REMUNERATION COMMITTEE:

In order to ensure compliance with the provisions of Section 178 of the Companies Act, 2013, the nomenclature of the Selection and Remuneration Committee was changed to 'Nomination and Remuneration Committee'.

The Committee comprises of three (3) Non-Executive Independent Directors as members viz. (1) Mr. Chandrahas C. Dayal (Chairman) (2) Mr. Naval Choudhary and (3) Ms. Urvashi Saxena.

The role of the Nomination and Remuneration Committee is:

- To identify persons who are qualified to become directors or who can be appointed in the senior management.
- To recommend to the Board, the appointment/ removal of directors or senior management personnel.
- To carry out evaluation of every director's performance.
- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board, a policy relating to remuneration for directors, key managerial personnel and other senior employees.

During the period under review, the Committee held two (2) meetings on 30/05/2013 and 25/11/2013.

Necessary quorum was present at all meetings.

The Company Secretary acts as the Secretary to the Committee.

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

Name of the Director/Member	Category	No. of Committee Meetings attended
Mr. Chandrahas C. Dayal	Non-Executive & Independent	1
Ms. Urvashi Saxena	Non-Executive & Independent	2
Mr. Naval Chaudhary	Non-Executive & Independent	2

(e) REVIEW COMMITTEE OF INDEPENDENT DIRECTORS:

During the nine (9) months period under review, the Board of Directors, at its meeting held on 25th November, 2013, constituted a Review Committee of Independent Directors. The Committee comprises of three (3) Non-Executive Independent Directors as members viz. (1) Mr. Naval Choudhary (2) Mr. Chandrahas C. Dayal and (3) Ms. Urvashi Saxena. Mr. Naval Chaudhary is the Chairman of the Committee.

The Review Committee of Independent Directors has been constituted for reviewing Company's projects on a periodical basis, identifying execution issues, reviewing cash flows and budgets, senior management performance evaluation, reviewing risk management system and policies and such other functions as may be preferred by the Board for its review and performance.

During the nine (9) months period under review, the Committee held one (1) meeting on 7th December, 2013 which was attended by all the members.

The Company Secretary acts as the Secretary to the Committee.

(f) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 3rd April, 2013 constituted a Corporate Social Responsibility Committee comprising of four (4) directors as members viz: (1) Mr. Abhijit Rajan, (2) Mr. Chandrahas C. Dayal, (3) Mr. Naval Choudhary and (4) Ms. Urvashi Saxena.



The role of the committee is to formulate and recommend to the Board a Corporate Social Responsibility Policy to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and also to review and monitor the implementation of the policy.

4. OTHER INFORMATION:

(a) The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is L74999MH1922PLC000997.

(b) **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.

(c) **GENERAL BODY MEETINGS:**

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

The Annual General Meetings (AGM) of the Company for the year 2012 - 2013, 2011 - 2012 and 2010 - 2011 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
91 st	2012-2013	24 th September, 2013 at 3.30 p.m
90 th	2011-2012	25 th September, 2012 at 3.30 p.m
89 th	2010-2011	26 th September, 2011 at 3.00 p.m

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

Date of AGM	Particulars of Special Resolutions passed
24 th September, 2013	i) Payment of remuneration of an amount not exceeding ₹ 4,500,000 (Rupees Forty Five Lakhs only) to Mr. Parvez Umrigar, Non-Executive Director for the financial year 2013-2014.
	ii) Re-appointment of Ms. Ruchi Bagde, a relative of Mr. Digambar C. Bagde – Whole-time Director, as Management Trainee for a further period of one (1) year.
25 th September, 2012	i) Payment of 'Minimum Remuneration' to Mr. Abhijit Rajan – Chairman & Managing Director for a period of three (3) financial years i.e. for financial years 2011-12, 2012-13 & 2013-14.
	ii) Payment of 'Minimum Remuneration' to Mr. Rajul A. Bhansali, Executive Director - International Operations for a period of three (3) financial years i.e. for financial years 2011-12, 2012-13 & 2013-14.
	iii) Payment of 'Minimum Remuneration' to Mr. Himanshu Parikh - Executive Director for a period of three (3) financial years i.e. for financial years 2011-12, 2012-13 & 2013-14.
	iv) Payment of 'Minimum Remuneration' to Mr. Digambar C. Bagde, Deputy Managing Director - Transmission & Distribution Business for a period of three (3) financial years i.e. for financial years 2011-12, 2012-13 & 2013-14.
	v) Payment of 'Minimum Remuneration' to Mr. Rohit Modi – Deputy Managing Director for the financial year 2011-12.
26 th September, 2011	No Special Resolution was passed.

(iii) Resolutions Passed by Postal Ballot during the period 1st April, 2013 to 31st December, 2013:

The following resolutions were passed by Postal Ballot during the period 1st April, 2013 to 31st December, 2013:

A) Special Resolution:

- (i) Approval of the Members sought for approving CDR Package. The details of voting pattern are as under:

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	315	14,594,568
Total number of electronic ballot forms received.	79	42,022,749
Number of invalid physical ballot forms.	11	406,650
Number of invalid electronic ballot forms.	2	110
Number of valid physical ballot forms.	304	14,187,918
Number of valid electronic ballot forms.	77	42,021,613
Votes in favour of the resolution (both, physical & electronic).	354	56,192,230
Votes against the resolution (both, physical & electronic).	27	17,301
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.97		

The aforesaid resolution was passed on 31st December, 2013.

- (ii) Approval of the Members sought pursuant to the provisions of Section 31 of the Companies Act, 1956, for amendment to the Articles of Association of the Company. The details of voting pattern are as under:

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	381	14,624,373
Total number of electronic ballot forms received.	78	42,021,249
Number of invalid physical ballot forms.	12	408,957
Number of invalid electronic ballot forms.	2	110
Number of valid physical ballot forms.	369	14,215,166
Number of valid electronic ballot forms.	76	42,020,113
Votes in favour of the resolution (both, physical & electronic).	407	56,116,703
Votes against the resolution (both, physical & electronic).	38	118,101
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.79		

The aforesaid resolution was passed on 31st December, 2013.



- (iii) Approval of the Members sought pursuant to the provisions of Section 81(3) of the Companies Act, 1956, providing an option for conversion of restructured debts of the Company into equity shares. The details of voting pattern are as under:

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	382	14,624,423
Total number of electronic ballot forms received.	78	42,022,739
Number of invalid physical ballot forms.	12	408,957
Number of invalid electronic ballot forms.	1	100
Number of valid physical ballot forms.	370	14,215,116
Number of valid electronic ballot forms.	77	42,021,513
Votes in favour of the resolution (both, physical & electronic).	402	56,115,950
Votes against the resolution (both, physical & electronic).	45	120,679
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.79		

The aforesaid resolution was passed on 31st December, 2013.

- (iv) Approval of the Members sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, for issue of equity shares to the CDR Lenders on preferential basis on conversion of Working Capital Term Loan and Funded Interest Term Loan. The details of voting pattern are as under:

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	383	14,624,653
Total number of electronic ballot forms received.	77	42,021,239
Number of invalid physical ballot forms.	13	409,707
Number of invalid electronic ballot forms.	1	100
Number of valid physical ballot forms.	370	14,214,911
Number of valid electronic ballot forms.	76	42,020,109
Votes in favour of the resolution (both, physical & electronic).	399	56,107,542
Votes against the resolution (both, physical & electronic).	47	127,478
Percentage of votes cast in favour of the resolution (both, physical & electronic) : 99.77		

The aforesaid resolution was passed on 31st December, 2013.

- (v) Approval of the Members sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 for issue of equity shares to the CDR Lenders on preferential basis on conversion of balance fund based facilities. The details of voting pattern are as under:

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	383	14,624,653
Total number of electronic ballot forms received.	77	42,021,239
Number of invalid physical ballot forms.	13	409,707
Number of invalid electronic ballot forms.	1	100
Number of valid physical ballot forms.	370	14,214,911
Number of valid electronic ballot forms.	76	42,020,058
Votes in favour of the resolution (both, physical & electronic).	397	56,106,731
Votes against the resolution (both, physical & electronic).	49	128,238
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.77		

The aforesaid resolution was passed on 31st December, 2013.

- (vi) Approval of the Members sought pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorizing the Board of Directors to borrow in excess of the aggregate of the paid-up capital and free reserves of the Company. The details of voting pattern are as under:

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	382	14,624,253
Total number of electronic ballot forms received.	78	42,022,739
Number of invalid physical ballot forms.	12	408,957
Number of invalid electronic ballot forms.	1	100
Number of valid physical ballot forms.	370	14,215,261
Number of valid electronic ballot forms.	77	42,020,560
Votes in favour of the resolution (both, physical & electronic).	390	51,890,863
Votes against the resolution (both, physical & electronic).	57	4,344,958
Percentage of votes cast in favour of the resolution (both, physical & electronic): 92.27		

The aforesaid resolution was passed on 31st December, 2013.



- (vii) Approval of the Members sought pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 authorizing the Board of Directors to create charge/ mortgage/ hypothecation on all or any of the movable/ immovable properties of the Company.

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	384	14,626,683
Total number of electronic ballot forms received.	78	42,022,739
Number of invalid physical ballot forms.	12	408,957
Number of invalid electronic ballot forms.	1	100
Number of valid physical ballot forms.	372	14,217,299
Number of valid electronic ballot forms.	77	42,021,060
Votes in favour of the resolution (both, physical & electronic).	394	51,991,493
Votes against the resolution (both, physical & electronic).	55	4,246,866
Percentage of votes cast in favour of the resolution (both, physical & electronic): 92.45		

The aforesaid resolution was passed on 31st December, 2013.

B) Ordinary Resolution :

- (i) Approval of the Members sought pursuant to the provisions of Sections 94 of the Companies Act, 1956, for increase in the Authorized Share Capital of the Company. The details of voting pattern are as under:

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	387	14,625,308
Total number of electronic ballot forms received.	79	42,022,749
Number of invalid physical ballot forms.	13	409,457
Number of invalid electronic ballot forms.	2	110
Number of valid physical ballot forms.	374	14,215,851
Number of valid electronic ballot forms.	77	42,021,113
Votes in favour of the resolution (both, physical & electronic).	411	56,118,572
Votes against the resolution (both, physical & electronic).	40	118,892
Percentage of votes cast in favour of the resolution (both, physical & electronic): 99.79		

The aforesaid resolution was passed on 31st December, 2013.

- (ii) Approval of the Members sought pursuant to the provisions of Section 16 of the Companies Act, 1956, for amendment to the Memorandum of Association of the Company. The details of voting pattern are as under:

Particulars	No. of Postal Ballots	No. of shares
Total number of physical ballot forms received.	382	14,624,423
Total number of electronic ballot forms received.	78	42,021,249
Number of invalid physical ballot forms.	12	408,957
Number of invalid electronic ballot forms.	2	110
Number of valid physical ballot forms.	370	14,215,466
Number of valid electronic ballot forms.	76	42,020,113
Votes in favour of the resolution (both, physical & electronic).	411	56,116,813
Votes against the resolution (both, physical & electronic).	35	118,766
Percentage of votes cast in favour of the resolution (both, physical & electronic):	99.79	

The aforesaid resolution was passed on 31st December, 2013.

Mr. V. V. Chakradeo of M/s. V. V. Chakradeo & Co., Company Secretaries was appointed as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

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 thereto, 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 Company also provides e-voting facility to enable the shareholders to cast their vote by electronic means. 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 results to the Chairman. Thereafter, the Chairman declares the results of the postal ballot. The same is also published in the newspapers and displayed on the Company's website.

5. OTHER DISCLOSURES:

- i. Other than transactions entered into in the normal course of business for which necessary approvals are taken and disclosures made, the Company has not entered into any materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.
- ii. **Strictures imposed by SEBI:**
No penalties/ strictures have been imposed on the Company by 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 nine (9) months period ended 31st December, 2013.

6. MEANS OF COMMUNICATION:

- (a) **Financial Results:** As required under the Listing Agreement, Quarterly and Half-Yearly results of the Company are published within forty five days from the end of the respective quarter and the annual audited results are announced as and when approved by the Board. The financial results are published usually in the Free Press Journal/ Navshakti/ Economic times/ Business Standard/ Sakal/ Maharashtra Times.
- (b) **News, Releases, Presentations, etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors etc. are displayed on the Company's website viz. www.gammonindia.com. Official announcements are sent to the Stock Exchanges.
- (c) **Website:** The Company's corporate website www.gammonindia.com provides information about the Company's business. It also contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable format.
- (d) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.

7. MANDATORY 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/ Vigil 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. Every personnel has full access to the Audit Committee.

b) Subsidiary Monitoring Framework:

All subsidiaries 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:

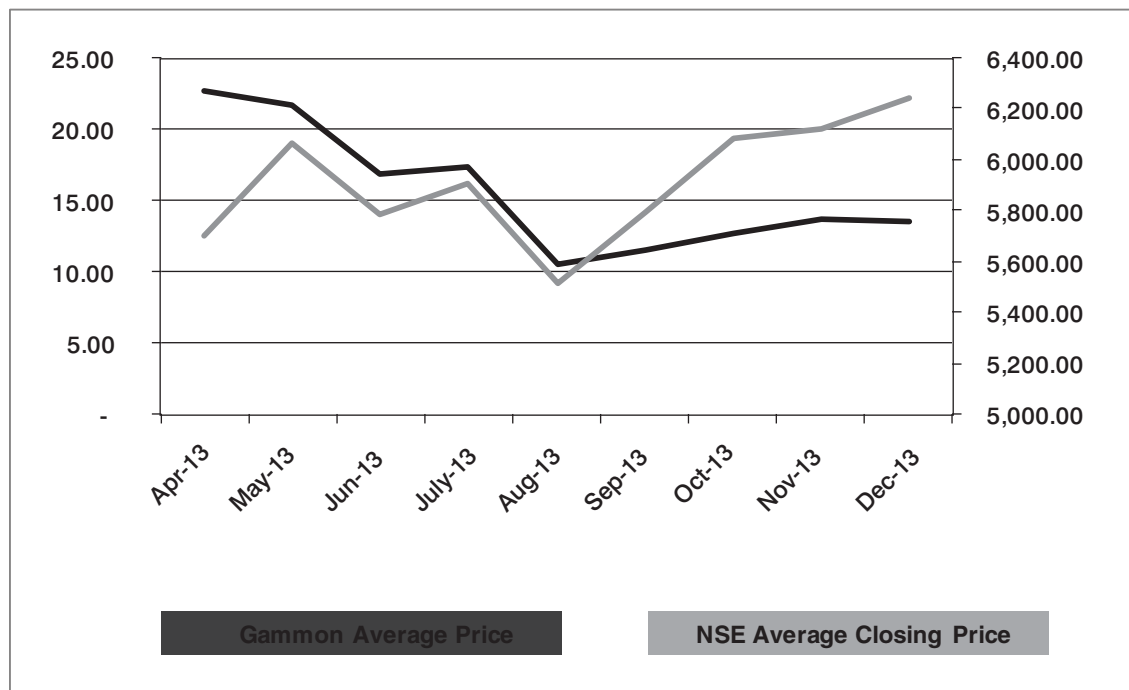
Date, Time and Venue of the 92 nd Annual General Meeting	Monday, 30 th day of June, 2014 at 4.30 p.m. at Ravindra Natya Mandir (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai – 400 025.
Financial Calendar for the year 2014-15 (Tentative)	Results for the quarter ending 31 st March 2014 – 14 th May 2014. Results for the Half year ending 30 th June, 2014 – Second week of August, 2014. Results for the quarter ending 30 th September, 2014 – Second week of November, 2014. Results for the Half year ending 31 st December, 2014 - Second week of February, 2015. Results for the year ending 31 st March, 2015 - Second week of May, 2015.
Date of Book Closure	25 th June, 2014 to 30 th June, 2014 (both days inclusive).
Listing on Stock Exchanges ➤ Equity Shares	BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai - 400 001. Telephone: 022 - 2272 1233/34 Facsimile: 022 - 2272 1919 (Stock code - 509550) AND The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Telephone: 022 - 2659 8100/8114 Facsimile: 022 - 2659 8137/8138 (Stock code - GAMMONIND EQ)
➤ Global Depository Receipts	Luxembourg Stock Exchange, 11, Avenue de la Porte-Neuve B.P.165, L-2227 Luxembourg. Telephone: +352 40 800 - 3142 Telefax: +352 40 800 - 3100 Cusip No. : 36467M200 Common Code: 20772565
Listing Fees	Paid to the above Stock Exchanges for the Financial Year 2014-2015.
International Securities Identification No. (ISIN)	Equity: INE 259B01020 GDR: US36467M2008
Registrar & Share Transfer Agents	M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai - 400 078. Telephone: 022-2596 3838 Facsimile: 022- 2594 6969 e-mail : mumbai@linkintime.co.in
Share Transfer System	Trading in Company's Shares on the Stock Exchanges takes place in electronic form. However physical shares are normally transferred and returned within 15 days from the date of lodgment provided the necessary documents are in order.



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

MONTH	BSE		NSE	
	High	Low	High	Low
April, 2013	26.15	20.70	26.20	20.55
May, 2013	23.50	19.45	26.95	19.45
June, 2013	19.95	15.10	20.25	15.10
July, 2013	21.00	11.70	22.95	11.25
August, 2013	13.40	08.15	13.70	9.30
September, 2013	14.50	9.30	14.75	9.35
October, 2013	14.25	11.30	14.30	11.25
November, 2013	15.14	12.70	15.10	12.80
December, 2013	14.90	12.52	14.80	12.60

STOCK PERFORMANCE IN COMPARISON TO NIFTY



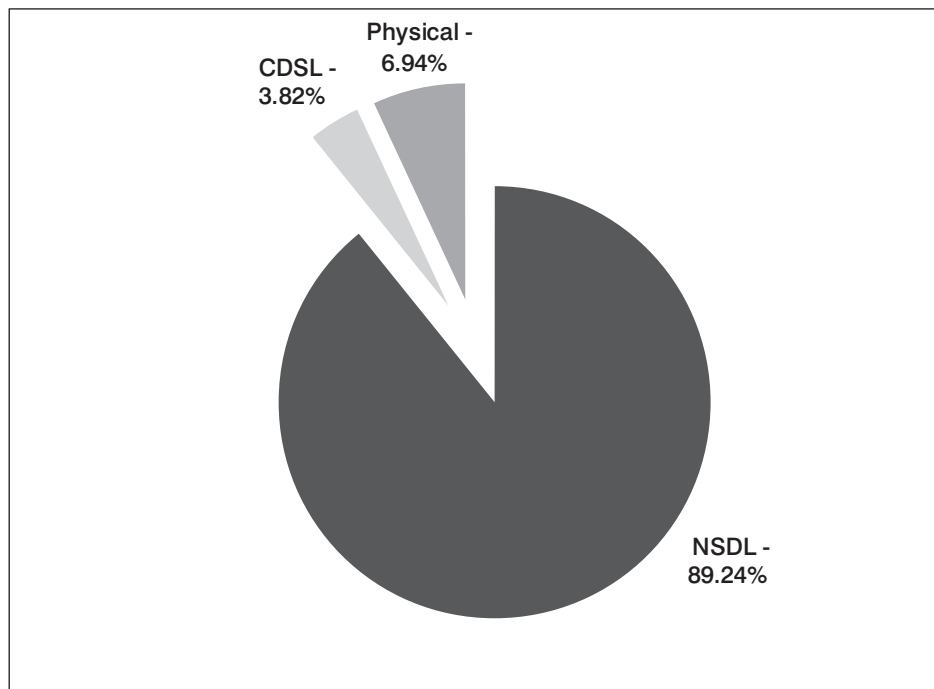
10. DISTRIBUTION OF SHAREHOLDING AS ON 31ST DECEMBER, 2013:

Shareholding of Shares	No. of Shareholders	% of Total	Share Capital Amount (₹)	% of Total
Upto - 500	26827	81.4593	3506483	2.5688
501 - 1000	2829	8.5902	2297385	1.6831
1001 - 2000	1609	4.8857	2464830	1.8057
2001 - 3000	560	1.7004	1442877	1.0570
3001 - 4000	236	0.7166	847973	0.6212
4001 - 5000	215	0.6528	1018405	0.7461
5001 - 10000	338	1.0263	2517389	1.8442
10001 - and above	319	0.9686	122405126	89.6738
TOTAL	32933	100.00	136500468	100.00

11. DEMATERIALISATION OF SHARES AS ON 31ST DECEMBER, 2013:

Particulars	No. of Equity Shares	% to Share Capital
NSDL	121,810,418	89.24
CDSL	5,216,646	3.82
Physical	9,473,404	6.94
TOTAL	*136,500,468	100.000

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

SHARES HELD IN DEMAT / PHYSICAL FORM



12. TOP TEN SHAREHOLDERS AS ON 31ST DECEMBER, 2013:

Sr. No	Name of the Shareholder	Category	No. of Shares	% of Shareholding
1	Pacific Energy Privated Limited	Promoter Group	18,013,015	13.20
2	Warhol Limited	Shareholder	13,437,359	9.84
3	Devyani Estate & Properties Privated Limited	Promoter Group	12,182,805	8.93
4	Mr. Abhijit Rajan	Promoter	8,172,459	5.99
5	Gammon India Trust	Shareholder	5,804,680	4.25
6	Humid Investments & Traders Privated Limited	Shareholder	4,827,045	3.53
7	HSBC Global Investment Funds A/c HSBC Global Investment Funds Mauritius Limited	Shareholder	4,693,521	3.44
8	Summicorp Limited	Shareholder	4,679,220	3.43
9	Copthall Mauritius Investments Limited	Shareholder	4,104,221	3.01
10	SBI Infrastructure Fund	Shareholder	3,500,000	2.56

13. LISTING OF DEBT SECURITIES:

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

14. GAMMON PROJECTS: (Project size more than ₹ 300 Crore)

Sr. No.	Name of the Project	Contract Value (₹ in Crore)
1	Design and Construction of underground stations at Government Estate, LIC Building and Thousand Lights and associated Tunnels - Chennai Metro Rail Projects.	1947
2	Rampur Hydroelectric Project.	965
3	Parbati Hydro Electric Project (Tunnel) Stage II.	860
4	Signature Bridge, Wazirabad, Delhi.	821
5	Hajipur- Muzaffarpur Road Project -Bihar.	786
6	Godavari Civil Works.	740
7	Civil works at Kalpakkam, Tamil Nadu.	735
8	Bihar Elevated Road Corridor Project, Patna (Gangapath).	717
9	Vadape - Gonde Road Project, Nashik, Maharashtra.	695
10	Kalwakurthy Lift Irrigation Scheme.	674
11	Construction of Offshore Container Terminal at Mumbai Port Trust.	551
12	Widening and strengthening to 4-lane of existing of National Highway No. 57 in the State of Bihar on East West Corridor under NHDP, Phase-II.	513
13	Construction of Balance Civil Work of Parbati HEP – II.	484
14	Punatsangchhu-II Hydroelectric Project, Bhutan.	480

Sr. No.	Name of the Project	Contract Value (₹ in Crore)
15	Gulabpur-Uniara Road project on section of NH-148D.	454
16	Construction of Steel Superstructure and other Ancillary Works of Rail-Cum-Road Bridge across River Ganga at Munger, Bihar.	452
17	Dumuria -Ranitalab Road Project.	448
18	Punatsangchhu-I Hydroelectric Project (1200 MW) - Construction of Headrace Tunnel (HRT), Bhutan.	434
19	Construction of New Brahmaputra Bridge near Guwahati NH-31 in State of Assam.	420
20	Construction of well foundation and Sub-structure of Bogibeel Rail-cum-Road Bridge across the river Brahmaputra near Dibrugarh.	415
21	Civil works for Bajoli Holi - Hydro Electric Project- Himachal Pradesh - LOT 2.	400
22	Improvement/ Upgradation of Birpur-Balua-Jadia Mirgun-Muligunj-Udaikishangunj Road SH-91.	397
23	Pokharan Water Supply Project.	393
24	Construction of Bridge and its Approaches over River Yamuna Downstream of Existing Bridge at Wazirabad, Delhi.	392
25	Design & Construction of Complete new 107 MLD Capacity Portable Water Supply Project, Guwahati City.	373
26	Construction of Cofferdams, Diversion Tunnel, Concrete Dam-Bajoli Holi HEP, Himachal Pradesh, India - Lot 1.	369
27	Civil & Structural Steel works for 2 X 600 MW Thermal Power Project near Tuticorin in Tamilnadu.	358
28	Construction of Head Race Tunnel of Mangdechhu Hydroelectric Project, Bhutan.	353
29	Santacruz Chembur Link Flyover, Mumbai.	349
30	Construction of part Head Race Tunnel works:Parbati H.E. Project, Stage III.	347
31	Civil works and Architectural Finishes for high-rise Building "NATHANI HEIGHTS" Mumbai Central, Mumbai.	347
32	Civil works at Vyasi H.E. Project (120MW) in District Dehradun, Uttarakhand.	317
33	Jawai Water Supply Project.	316
34	Andhra Pradesh Irrigation Works.	309

15. ADDRESS FOR CORRESPONDENCE:

Registered Office:

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

Telephone : 022 – 6115 3000.

Facsimile : 022 – 2430 0529.

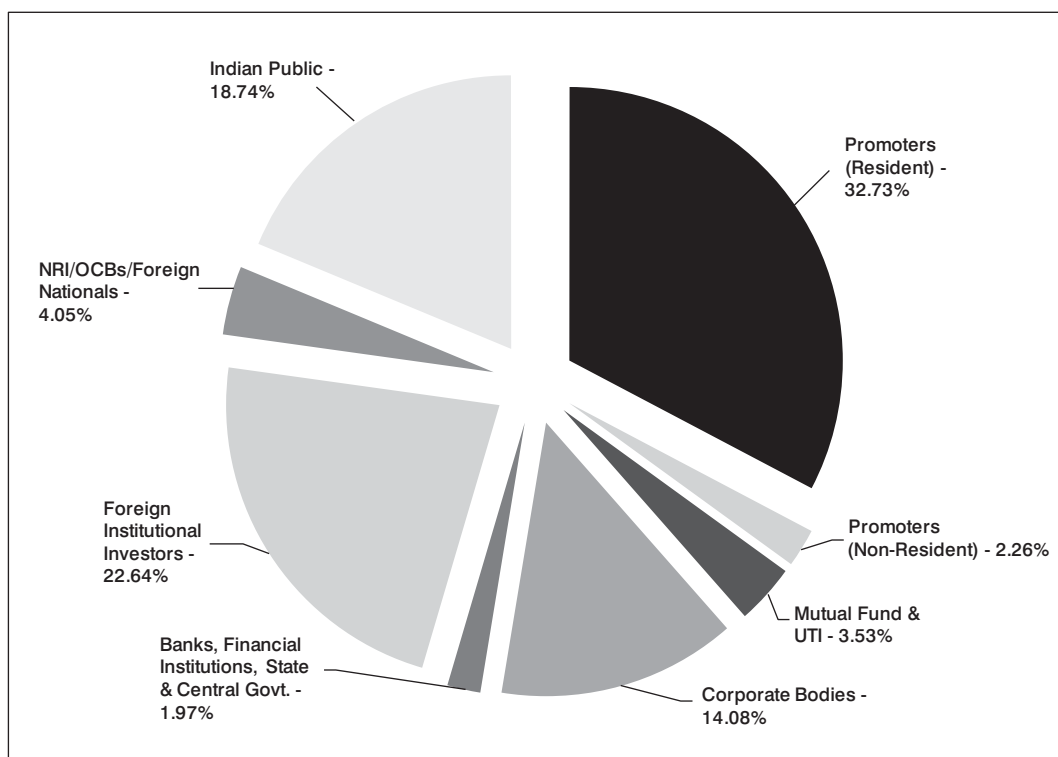
Website : www.gammonindia.com

Email : investors@gammonindia.com



16. CATEGORIES OF SHAREHOLDERS: (AS ON 31ST DECEMBER, 2013)

Category	No. of shares	Percentage
Promoters Holdings		
Resident	44,670,719	32.73%
Non-resident	3,086,435	2.26%
Non-Promoter Holdings		
Mutual Fund & UTI	4,820,843	3.53%
Corporate Bodies	19,222,209	14.08%
Banks, Financial Institutions, State & Central Govt.	2,682,454	1.97%
Foreign Institutional Investors	30,908,000	22.64%
NRIs /OCBs/Foreign Nationals	5,527,195	4.05%
Indian Public	25,582,613	18.74%
GRAND TOTAL	136,500,468	100.00%



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Board of Directors
GAMMON INDIA LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **GAMMON INDIA LIMITED** for the nine (9) months period ended on 31st December, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the other conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. The minutes of 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 : 3rd April, 2014



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 December, 2013 and that to the best of our knowledge and belief state that:
 - (i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems.

ABHIJIT RAJAN
Chairman & Managing Director

GIRISH BHAT
Chief Financial Officer

Place : Mumbai
Date : 3rd April, 2014

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

To
The Members of
GAMMON INDIA LIMITED

DECLARATION

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

FOR GAMMON INDIA LIMITED

ABHIJIT RAJAN
Chairman & Managing Director

Place : Mumbai

Date : 3rd April, 2014



INDEPENDENT AUDITOR'S REPORT

To

The Members of
Gammon India Limited

Report on Financial Statements

We have audited the accompanying Financial Statements of **Gammon India Limited** ("the Company"), which comprises the Balance Sheet as at 31 December, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the period April 1, 2013 to December 31, 2013 ("period") and a summary of significant accounting policies and other explanatory notes on that date in which are incorporated the returns of the Nagpur branch including the overseas branches at Algeria, Nigeria, Kenya, Bhutan, Ethiopia & Italy audited by branch auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis For Qualified Opinion

- a. *The accounts of one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM) have not been audited since December 2011 for reasons mentioned in note 33(c) of the financial statements which inter-alia covers the application for pre-insolvency composition agreement with creditors in Italian court and continuous shifting of dates and delays in conclusion of the process of restructuring. In the light of the on-going procedure the Commissioner in charge of the restructuring procedure has not released any financials. There are therefore no financials available after December 2012 being the date when the Management prepared the last financial statements, which were subject to audit. The management had during the previous year ended 31 March 2013 on a prudent basis made an ad-hoc provision towards possible impairment towards the investment in FTM. The management is actively pursuing sale of the stake in FTM as mentioned in note 33 (c). The group's exposure in the said subsidiary (net of provisions and credit balance in Foreign Exchange Translation Reserve) is ₹ 570.42 Crore which includes the loans made and Investments made of ₹ 268.44 Crore and the exposure of corporate guarantee towards the borrowing made by the overseas SPV through which the step down subsidiary is held of ₹ 301.98 Crore. Further there are guarantee exposures towards the non-fund based guarantees given to the projects of the said subsidiary of ₹ 415.15 Crore outstanding as at 31 December 2013. In the absence of financial statements and financial information after 31 December 2012 we are unable to comment upon the adequacy or otherwise of the provision already made which cannot be quantified.*
- b. *The accounts of M/s SAE Powerlines S.r.l. (SAE) a subsidiary of the Company, are as per unaudited management prepared accounts for which audit is not completed. On account of the accumulated losses and the lack of financial support from banks the going concern assumption needs to be tested by comprehensive audit procedures, which in the absence of audit being completed has not been ascertained. On the basis of bids available for which negotiations are going on for the stake sale of SAE, the Company has made provisions for impairment of investments, loans and towards corporate guarantee for acquisition loan of the said SAE, in excess of the offer price being negotiated as detailed in explanatory note no. 33(e). In the absence of firm offer for purchase of the stake in SAE, we are unable to comment on the adequacy of the provisions made thereof.*
- c. *The Company has made contribution to various funds during the period of an amount of ₹ 0.36 Crore. In view of the losses in the last three years the Company requires the permission of the members in the General meeting for making such donations and contributions to charitable institutions, which it has not obtained as required by clause (e) of sub-section (1) of Section 293 of the Companies Act, 1956. Had the donations not been made the losses would have been lower by ₹ 0.36 Crore.*

- d. *The Company's Application for managerial remuneration for the Chairman and Managing Director and other executive directors is rejected for some of the previous years, partly accepted for some years and no decision has been taken for the balance years. In view of the same no effect has been given in the attached financial statements for the following:*
- i. *Recovery of Managerial Remuneration of ₹ 2.10 Crore for year ended 31 March 2012 and 2013 for application rejected and partly allowed for which the company has gone into a review appeal.*
 - ii. *Managerial remuneration paid in excess of limits of ₹ 10.98 Crore for which no decision has been taken.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in our basis for qualified opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2013;
- (b) In the case of the Statement of Profit and Loss of the Loss for the period April 1, 2013 to December 31, 2013; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- (a) We draw attention to Note no. 15(a) of the explanatory notes relating to recoverability of an amount of ₹ 150.09 Crore as at March 2013 out of which ₹14.12 Crore has been collected under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards and ₹ 58 Crore where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.
- (b) We also invite attention to note 33(b) in case of Sofinter S.p.A where the management has made assertions about the investment and reasons why the same does not require any provision towards diminution in the value of investment and loans provided. Relying on the assertions no adjustments have been made in the financials towards possible impairment.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Companies Act 1956, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books and proper returns adequate for the purposes 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 as required by clause (c) of sub-section (3) of Section 228 and have been appropriately dealt by us in preparing our report.
 - iv) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the returns received from the branches not visited by us.
 - v) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - 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 31 December 2013 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Dated : March 18, 2014



ANNEXURE TO THE AUDITOR'S REPORT

Gammon India Limited

(Referred to in our report of even date)

- (i) (a) The Company is maintaining proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) The company has a program for physical verification of its fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its assets and operations. The discrepancies reported on such verification are not material and have been properly dealt with in the books of account.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) (a) Inventories, being project materials 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 twelve parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1123.85 Crore and at the end of the year balance of loans granted to such parties was ₹ 1122.33 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 31 December 2013 was ₹ 48.60 Crore.*
- (d) *Most of these parties are subsidiaries of the Company and therefore are being monitored for the recovery.*
- (e) The company has during the year taken interest free unsecured loans as promoters contribution as per the CDR scheme from three parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 100 Crore and at the end of the year balance of loans granted to such parties was ₹ 100 Crore.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest, wherever charged and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) Based on the terms of the Master Restructuring agreement signed with the CDR lenders the loans are subordinate to the restructured facilities and hence there are no repayments stipulated and the loans are interest free.
- (iv) In our opinion and according to the information and explanations given to us the implementation of the *internal control procedure and assessment of risks in respect of the sub contract and other site expenditure, material reconciliations, purchases 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 weakness with respect to the adherence to the Internal control procedures for above referred activities are still continuing as at the balance sheet date which were reported upon in the previous audit reports. However the company has taken steps to correct the same by strengthening internal audits and control mechanisms and centralising many of the activities to make the overall internal control procedures commensurate with the size and nature of operations.*
- (v) (a) In our opinion and according to the information and explanations given to us the transactions that need to be entered into the 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 compliances.
- (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 has several instances of delay in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Works Contract Tax, Service Tax / VAT, Cess and Sales Tax dues with the appropriate authorities observed on a test check basis.
- (b) On the basis of the audit procedures followed, test checks of the transaction and the representation from the Management there are arrears amounting to ₹ 0.25 Crore to be deposited with Investor Education and Protection Fund, ₹ 0.11 Crore in case of Service Tax, ₹ 2.36 Crore in case of

Provident Fund, ₹ 0.13 Crore in case of Works Contract Tax, ₹ 1.08 Crore in case of Road Tax, ₹ 0.48 Crore in case of Value Added Tax, ₹ 0.27 Crore in case of Professional Tax, ₹ 0.06 Crore in case of Deposit Linked Insurance Scheme, ₹ 0.19 Crore in case of Pension Fund, ₹ 0.01 Crore in case of Labour Welfare Fund, ₹ 0.02 Crore in case of Employee's State Insurance Scheme and ₹ 5.34 Crore in case of Royalty which were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

- (c) According to the information and explanation given to us, the details of Sales Tax, Income Tax, Service Tax and Excise Duty that have not been deposited on account of dispute are stated in the Statement of statutory dues outstanding attached herewith.
- (x) *The accumulated losses of the company are in excess of 50% of the networth of the company and the Company has incurred cash losses in the current year as well as in the previous year.*
- (xi) According to the information and explanations given to us, the Company has defaulted in repayment of dues to financial institution and Banks. The amounts of defaults in repayment of short term demand Loan were aggregating to ₹ 11.38 Crore for a period ranging from 16 days to 148 days. The amounts of default in payment of interest on long-term and short term loans were aggregating to ₹ 59.57 Crore respectively for a period ranging from 1 to 284 days.
- Further, there are defaults as at Balance Sheet date, which includes amount of ₹ 32.42 Crore in case of Interest payments of various facilities, availed by the company. The company has overdrawn the Working Capital and Cash Credit limit amounting to ₹ 10.65 Crore as on the date of Balance Sheet. The company has also defaulted in payment of professional fees for the service rendered by to one of its bankers amounting to ₹ 1.38 Crore. The facilities wise break-up of continuing default is disclosed by the Company in Annexure 1 to the financial statements.
- The defaults above do not include the defaults in repayments which were subsequently cured by the Master Restructuring Agreement signed with the CDR lenders amounting to ₹ 46.28 Crore.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiii) The Company is not a nidhi / mutual benefit fund / societies. Accordingly the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations the company has given corporate guarantee for loans taken by other companies being subsidiary companies of this Company from banks or financial institutions. The other terms and conditions are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on the information and explanation given by the management the terms loans during the year were taken for funding the cash flow mismatches and for working capital thereby the term loans taken during the year have been applied for the purpose for which the loans were obtained.
- (xvii) In our opinion and according to the information and explanation given to us and on an overall examination of the balance sheet of the company as at December 31, 2013, we report that no short term funds were used for long-term purposes.
- (xviii) The Company during the year has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) Based on the audit procedures performed and the information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the year *except for instances of malafide conduct by certain employees including fraud, dishonesty and misconduct amounting to ₹ 4.02 Crore. The management has accounted for these costs in the financial statements.*

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

N. Jayendran
Partner
M. No. 40441

Mumbai, Dated : March 18, 2014



Statement Of Statutory Dues Outstanding On Account Of Disputes, As On 31 December, 2013, Referred To In Para (ix)(c) Of The Annexure To Auditor's Report

Name of the Statute	State	Nature of the dues	Amounts in Crore	Period to which it relates	Forum where Dispute is pending
Sales Tax	Andhra Pradesh	Reassessment matter	0.19	2001-02	High Court
	Andhra Pradesh	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	2.10	2002-03	Tribunal / High Court
	Andhra Pradesh	Tax levied on value of material instead of purchase price. Rule 6(3)(i)	1.64	2003-04	Tribunal / High Court
	Andhra Pradesh	Dis-allowance of Inter state purchase	0.24	2005-07	High Court
	Andhra Pradesh	Levy of Penalty	1.89	2005-07	High Court
Sales Tax	Gujarat	Levy of Penalty under Amnesty	0.01	2001-02	J C Appeal
	Gujarat	Levy of Penalty under Amnesty	0.22	2003-04	J C Appeal
	Gujarat	Dis-allowance of Labour Contract Deduction	0.24	2007-08	J C Appeal
	Gujarat	Dis-allowance of Concessional Sales	0.51	2008-09	Tribunal-Ahmedabad
Sales Tax	Madhya Pradesh	Entry Tax	0.06	2009-10	D C Appeal
Sales Tax	Madhya Pradesh	Entry Tax	0.36	2010-11	Audit
Sales Tax	Bihar	Penalty	45.04	2008-09 & 2009-10	J C Appeal
Sales Tax	Uttar Pradesh	ITC of sand & Grit not allowed and Complete allowable deductions are not allowed	1.40	2008-09 & 2009-10	A C Appeal
Sales Tax	Maharashtra	Denial of deduction on Pre cost component	0.79	1993-94 to 1997-98	Tribunal / A C Appeal
		Dis-allowance of WCT & BST	5.84	2000-02	Jt. Appeal / Tribunal
		Lease Matter	0.19	1998-99 to 2001-02	Bombay High Court / Jt. Appeal
		Lease Matter	0.10	2005-06	Jt. Appeal II
Sales Tax	Orissa	Labour and Service Charges disallowed	0.11	1992-93 to 1999-00	A C Appeal
		Various Dis-allowance	0.41	2001-02	A C Appeal
Sales Tax	West Bengal	Arbitrary Demand	8.59	2010-11	Sr. JCT (Appellate)
		Arbitrary Demand	5.45	2008-09	Revision Board
		Arbitrary Demand	4.98	2007-08	Tribunal
		Arbitrary Order	1.31	2007-08 (CST)	Tribunal
		Demand reassessment reopened	6.77	2005-06 & 2006-07	High Court
Sales Tax	Jharkhand	Non Receipt of F Form	0.04	2001-02	C T
Sales Tax	Chattisgarh	Entry Tax, Sales Tax on Boulders & Sand / Dispute over Applicability of VAT Rate	0.38	1979-80 to 2007-08	Tribunal / D C Appeal
Sales Tax	Assam	Arbitrary Demand	1.07	2004-05 and 2006-07	Board of Revenue (GHC Ordered) / Appeal
Sales Tax	Rajasthan	Increase in EC Fees	0.02	2008-09	D C Appeal
	Rajasthan	Increase in EC Fees	0.27	2007-08	Tax Law Board - Ajmer
	Rajasthan	Increase in EC Fees	0.22	2006-07	Tax Law Board – Ajmer
	Rajasthan	Increase in EC Fees	0.14	2005-06	Tax Law Board – Ajmer
Service Tax	Bhilai	Show Cause cum demand notice	1.00	2006-10	CESTAT

Name of the Statute	State	Nature of the dues	Amounts in Crore	Period to which it relates	Forum where Dispute is pending
Service Tax	Godrej Woodsman Estate	Projects where materials are provided by client as free of Cost	2.57	2006-09	DG-CEI
Service Tax	Karnataka	Free materials provided are not added	0.25	2006-07	DG-CEI
Service Tax	Imports	Show Cause cum demand notice on Import of Services	1.92	2004-08	DG-CEI
Service Tax	Imports	Show Cause cum demand notice on Import of Services	0.11	2008-11	ST / MUM
Service Tax	Sabarmati	Issue of Nature of Services in Negative List	7.63	2005-06	DG-CEI / ST-MUM
Service Tax	Chhattisgarh	Free materials provided are not added	1.52	2004-11	SCN / ST / MUM / DIII
Service Tax	Various	Free materials provided are not added	1.24	2004-09	ST / HQ.
Service Tax	Surendra-Nagar	Taxability of Service	5.72	2005-07	DG-CEI
Service Tax	Mumbai / Jaigarh	Construction of port service is exempted only if it is construction of new port. Whereas GIL has rendered services in port which are already exit, hence tax is applicable.	7.78	2008-11	DG-CEI
Service Tax	Mumbai	Service Tax is payable at the time of receipt of Mobilisation Advance or services rendered whichever is earlier.	2.06	2008-12	ST-1 / MUM / DIV-III
Excise	Chennai	Disputed Demand	0.03	2006	CESTAT Chennai
Direct Tax		TP Assessment Order	126.81	A.Y. 2006-07 to A.Y. 2010-11	
Direct Tax		TDS Intimation U/s 200A	33.91	A.Y. 2007-08 to A.Y. 2013-14	
Direct Tax		Joint Venture Assessment	14.63	A.Y. 2006-07 to A.Y. 2010-11	CIT Appeal
Indirect Tax	Maharashtra	Service Tax	5.95	Apr 2008 to Jan 2009	CESTAT, Western Region, Mumbai
Indirect Tax	Maharashtra	Service Tax	4.77	Feb 2009 to Sept 2009	CESTAT, Western Region, Mumbai
Indirect Tax	Maharashtra	Service Tax	6.53	Oct 2009 to Mar 2010	CESTAT, Western Region, Mumbai
Indirect Tax	Maharashtra	Service Tax	7.18	Apr 2010 to Mar 2011	CESTAT, Western Region, Mumbai
	Maharashtra	Service Tax	4.23	Apr 2011 to Mar 2012	CESTAT, Western Region, Mumbai
	Gujarat	VAT	6.94	2008-09	GVAT, Tribunal, Ahmadabad
	Gujarat	Service Tax	0.02	Apr 2009 to Mar 2010	Commissioner (Appeal), Vadodara
	Gujarat	Service Tax	0.20	Apr 2006 to Mar 2007	CESTAT, Western Region, Ahmedabad
	Gujarat	VAT	0.30	2007-08	GVAT, Tribunal, Ahmadabad
	Maharashtra	VAT / CST	2.59	Apr 2008 to Mar 2009	J C - MVAT, Nagpur
	Maharashtra	VAT / CST	9.24	Apr 2005 to Mar 2006	D C - MVAT, Nagpur
TOTAL			345.71		



BALANCE SHEET AS AT 31 DECEMBER 2013

(₹ in Crore)

Particulars	Note No.	As at 31 Dec 2013	As at 31 Mar 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	27.50	27.50
Reserves and Surplus	2	1,018.28	1,687.12
		1,045.78	1,714.62
Non-Current Liabilities			
Long Term Borrowings	3	3,258.48	909.12
Deferred Tax Liabilities (Net)	4	-	70.35
Other Long Term Liabilities	5	434.43	365.28
Long Term Provisions	6	193.33	12.58
		3,886.24	1,357.33
Current Liabilities			
Short Term Borrowings	7	1,085.03	2,391.32
Trade Payables	8	1,511.77	1,811.60
Other Current Liabilities	9	890.97	1,167.52
Short Term Provisions	6	10.78	8.87
		3,498.55	5,379.31
TOTAL		8,430.57	8,451.26
ASSETS			
Non-Current Assets			
Fixed Assets	10		
- Tangible Assets		1,126.42	1,125.96
- Intangible Assets		1.25	2.22
- Capital Work in Progress		29.90	33.86
		1,157.57	1,162.04
Non-Current Investments	11 A	181.88	219.15
Deferred Tax Assets (Net)	4	77.37	-
Long Term Loans and Advances	12	2,185.69	1,944.86
Long Term Trade Receivable	15	869.90	812.48
Other Non-Current Assets	13	89.08	72.23
		4,561.49	4,210.76
Current Assets			
Current Investments	11 B	2.14	2.21
Inventories	14	1,751.95	2,001.98
Trade Receivables	15	1,282.63	1,478.66
Cash and Cash Equivalents	16	90.45	78.01
Short Term Loan and Advances	12	388.51	311.00
Other Current Assets	13	353.40	368.64
		3,869.08	4,240.50
TOTAL		8,430.57	8,451.26

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 : 18 March 2014

For and on behalf of the Board of Directors

Abhijit Rajan
Chairman & Managing Director

Chandras C. Dayal
Director

Girish Bhat
Chief Financial Officer

Mumbai, Dated : 18 March 2014

Digambar C. Bagde
Deputy Managing Director - T&D Business

Rajul A. Bhansali
Executive Director

Gita Bade
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2013

(₹ in Crore)

Particulars	Note No.	Apr - Dec 2013	FY 2012 - 2013
Revenue			
Revenue from Operations (Net)	17	3,186.49	5,100.25
Other Operating Revenue	18	92.82	97.11
Other Income	19	84.44	132.42
Foreign Exchange Gain / (Loss)	20	13.46	0.22
		3,377.21	5,330.00
Expenses			
Cost of Material Consumed	21	1,405.82	2,621.36
Purchase of Stock in Trade	22	132.91	225.02
Change in Inventory - WIP & FG	23	182.65	(265.09)
Subcontracting Expenses		775.31	1,154.84
Employee Benefit Expenses	24	328.16	518.76
Finance Costs	25	402.15	443.41
Depreciation & Amortisation	26	83.30	107.39
Other Expenses	27	707.05	857.59
		4,017.35	5,663.28
Profit / (Loss) Before Exceptional and Extraordinary Items		(640.14)	(333.28)
Exceptional Items	28	270.88	106.64
Profit / (Loss) Before Tax		(911.02)	(439.92)
Tax Expenses			
Current Income Tax		4.08	2.60
Deferred Tax		(149.19)	3.15
		(145.11)	5.75
Profit / (Loss) After Tax For The Year		(765.91)	(445.67)
Earning Per Equity Share			
Face Value per Share	36	2.00	2.00
Basic EPS		(56.41)	(32.82)
Diluted EPS		(56.41)	(32.82)

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 : 18 March 2014

For and on behalf of the Board of Directors

Abhijit Rajan
Chairman & Managing Director

Chandras C. Dayal
Director

Girish Bhat
Chief Financial Officer

Mumbai, Dated : 18 March 2014

Digambar C. Bagde
Deputy Managing Director - T&D Business

Rajul A. Bhansali
Executive Director

Gita Bade
Company Secretary



CASH FLOW STATEMENT FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2013

(₹ in Crore)

	Apr - Dec 2013	FY 2012 - 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(911.02)	(439.92)
Adjustments for :		
Depreciation	83.30	107.39
(Profit) / Loss on Sale of Assets	(0.65)	(7.68)
(Profit) / Loss on Sale of Investments	(0.20)	(7.72)
Employees Compensation Expenses	-	(0.32)
Dividend Income	(0.13)	(0.28)
Interest Income	(79.38)	(114.33)
Interest Expenses	402.15	443.41
Foreign Exchange loss / gain	6.12	0.69
Exceptional Items	270.88	106.64
Bad Debts Written off	9.78	1.47
Provision for Diminution in the value of Investments	0.13	0.03
Provision for Doubtful Debts / Advances	151.63	1.07
	843.63	530.37
Operating Profit Before Working Capital Changes	(67.39)	90.45
Trade and Other Receivables	(6.30)	(267.26)
Inventories	250.03	(193.46)
Trade Payables	(267.33)	433.77
Loan and Advances	(45.50)	(126.65)
	(69.10)	(153.60)
Cash Generated from Operations	(136.49)	(63.15)
Direct Taxes paid	(62.28)	(64.58)
Net Cash from Operating Activities	(198.77)	(127.73)
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(86.64)	(43.05)
Sale of Fixed Assets	6.08	14.09
Loans given to Subsidiaries, Associates and others	(153.33)	(534.03)
Loans Refund from Subsidiaries, Associates and others	12.77	268.66
Other Bank Balances	4.32	0.42
Purchase of Investments		
Subsidiary, Joint Ventures & Associates	(0.00)	(0.01)
Others	(1.20)	(15.00)
Sale of Investments:		
Others	1.46	10.01
Interest received	24.51	35.04
Dividend received	0.13	0.28
Net Cash from Investment Activities	(191.90)	(263.59)
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(199.78)	(422.53)
Dividend Paid (Including Tax)	(0.03)	(3.04)
Proceeds from Promoter Contribution	100.00	-
Proceeds from Long Term Borrowings	517.17	709.86
Repayment of Long Term Borrowings	-	(71.54)
Proceeds from / (Repayment of) Short Term Borrowings	(10.01)	153.60
Net Cash from Financing Activities	407.35	366.35
NET INCREASE IN CASH AND CASH EQUIVALENTS	16.68	(24.97)
Balance as on 31 Mar 2013	44.82	69.82
Balance as on 31 Dec 2013	61.50	44.85
NET INCREASE IN CASH AND CASH EQUIVALENTS	16.68	(24.97)
Note: Figure in brackets denote outflows		
	As at 31 Dec 2013	As at 31 Mar 2013
Cash and Cash Equivalents	61.58	44.82
Effect of Exchange Rate Changes	(0.08)	0.03
Balance Restated above	61.50	44.85

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

As per our report of even date

For and on behalf of the Board of Directors

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

Abhijit Rajan
Chairman & Managing Director

Digambar C. Bagde
Deputy Managing Director - T&D Business

N. Jayendran
Partner
M.No. 40441

Chandahas C. Dayal
Director

Rajul A. Bhansali
Executive Director

Girish Bhat
Chief Financial Officer

Gita Bade
Company Secretary

Mumbai, Dated : 18 March 2014

Mumbai, Dated : 18 March 2014

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 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting.
- (b) The classification of assets and liabilities of the Company is done into current and non-current based on the criterion specified in the Revised Schedule VI notified under the Companies Act, 1956.
- (c) The accounting policies discussed more fully below, are consistent with those used in the previous year.

2 Use of Estimates:

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

3 Revenue Recognition:

(a) On Construction Contracts:

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

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

- (b) On supply of materials related to the transmission towers, revenue is recognized upon the delivery of goods to the client in accordance with the terms of contract. Sales include Excise Duty & other receivable from the customers but exclude VAT, wherever applicable.
- (c) Insurance claims are accounted for on cash basis.
- (d) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- (e) Dividend Income is accounted when the right to receive the same is established.

4 Turnover :

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

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

5 Joint Venture :

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

6 Research and Development Expenses:

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

7 Employee Retirement Benefits:

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

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

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

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

8 Fixed Assets and Depreciation:

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



Depreciation for the accounting period is provided on:

- (a) Straight Line Method, for assets purchased after 2-4-1987, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- (b) Written Down Value Method, for assets acquired on or prior to 2-4-1987, at the rates as specified in Schedule XIV to the Companies Act, 1956.
- (c) Depreciation on revalued component of the assets is withdrawn from the Revaluation Reserve.
- (d) Depreciation on assets used for construction has been treated as period cost.
- (e) Depreciation on assets situated in countries outside India are accounted at the rates of depreciation prescribed as per the relevant local laws of such countries which are as follows except in case of Oman Branch where the depreciation is as per Schedule XIV.

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

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

9 Impairment of Assets:

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

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

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

10 Investments:

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

11 Cash and Cash Equivalents:

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

12 Inventories:

- (a) Raw materials are valued at cost, net of Excise Duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on Weighted Average Method.
- (b) Stores and spares and material at construction site are valued and stated at lower of cost or net realisable value. The Weighted Average Method of inventory valuation is used to determine the cost.
- (c) Work in progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.
- (d) Work in progress from manufacturing operation is valued at cost and Costs are determined on Weighted Average Method.
- (e) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average Method.

13 Foreign Currency Translation:

- (a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions.
- (b) Current Assets and Current Liabilities are translated at the year end rate or forward contract rate.
- (c) Any Gain or Loss on account of exchange difference either on settlement or translation is recognized in the Statement 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 comprise Current Tax and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

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

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

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

17 Sales Tax / Cenvat Credit / VAT / WCT:

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

1 Share Capital

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

Particulars	As at 31 Dec 2013		As at 31 Mar 2013	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital:				
Equity Shares of ₹ 2/- each	74,710,000,000	14,942.00	355,000,000	71.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	3,000,000	105.00	3,000,000	105.00
Issued, Subscribed and Fully Paid up Capital:				
Issued:				
Equity Shares of ₹ 2/- each, fully paid	137,355,208	27.47	137,355,208	27.47
Subscribed and Fully Paid up Capital:				
Equity Shares of ₹ 2/- each, fully paid	135,774,668	27.16	135,774,668	27.16
Share Forfeiture Account				
Money received in respect of Right Shares of ₹ 10/- each forfeited	170,948	0.34	170,948	0.34
Total		27.50		27.50

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

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

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

Particulars	As at 31 Dec 2013		As at 31 Mar 2013	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning of the year	135,774,668	27.16	135,774,668	27.16
Add : Issued during the year - ESOP	-	-	-	-
As at the end of the year	135,774,668	27.16	135,774,668	27.16

(c) **Details of Shareholding in excess of 5%**

Name of Shareholder	As at 31 Dec 2013		As at 31 Mar 2013	
	No. of Shares	%	No. of Shares	%
Pacific Energy Private Limited	18,013,015	13.20	18,013,015	13.20
Warhol Limited	13,437,359	9.84	13,437,359	9.84
Devyani Estate and Properties Private Limited	12,182,805	8.93	12,182,805	8.93
Abhijit Rajan	8,172,459	5.99	1,381,144	1.01

(d) **Shares reserved under options to be given**

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

(e) **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 Dec 2013	As at 31 Mar 2013
(i) Capital Redemption Reserve	105.00	105.00
(ii) Securities Premium Account	1,031.69	1,031.69
(iii) Debenture Redemption Reserves		
As per last Balance Sheet	81.00	165.28
Less : Transferred to General Reserve	-	84.28
	81.00	81.00
(iv) Revaluation Reserves		
As per last Balance Sheet	113.40	236.17
Less : Reversal on A/c of Asset Transfer to Inventories (Refer Note 14(ii))	-	116.34
Less : Transferred to General Reserve on Sale of Assets	-	3.30
Less : Depreciation on Revalued Assets	2.38	3.13
	111.02	113.40
(v) Share Options Outstanding Account		
Employee Stock Option Outstanding	2.66	2.66
Less : For Lapse of ESOP	0.98	0.98
Less : Transfer to Securities Premium on Exercise of ESOP (Refer Note 34 for details)	1.46	1.46
	0.22	0.22
(vi) OTHER RESERVES		
a) General Reserve		
As per last Balance Sheet	313.06	225.48
Add : Transferred from Debenture Redemption Reserve	-	84.28
Add : Transferred from Revaluation Reserve on Sale of Assets	-	3.30
	313.06	313.06
b) Foreign Currency Translation Reserve		
As per last Balance Sheet	69.96	41.98
Add : Arising out of current year	121.12	27.98
Less : Reversed against provisions made	(21.67)	-
	169.41	69.96
c) Special Contingency Reserve	50.00	50.00
d) Surplus / (Deficit)		
Profit brought forward from last year	(77.21)	368.34
Add : Profit for the year	(765.91)	(445.67)
Add : Dividend from Own Shares (Refer Note 19)	-	0.12
	(843.12)	(77.21)
TOTAL	1,018.28	1,687.12

- (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) The Special Contingency Reserve has been created by the Company to meet any possible contractual losses / liabilities / claims following the principles of conservatism and prudence.
- (d) In accordance with Circular issued by Ministry of Corporate Affairs No. 04/2013 dated 11 February 2013 the Company is maintaining the Debenture Redemption Reserve to the extent of 25% of the outstanding debentures.



3 Long Term Borrowings

(₹ in Crore)

Particulars	Non Current		Current Maturities	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Non Convertible Debentures				
Placed with Banks and Financial Institutions	324.00	294.00	-	30.00
Term Loans				
Priority Loan	366.69	-	-	-
Rupee Term Loan (RTL) - 1	786.91	-	-	-
Rupee Term Loan (RTL) - 2	475.00	-	-	-
Rupee Term Loan (RTL) - 3	350.00	-	-	-
Funded Interest Term Loan (FITL)	208.66	-	-	-
Working Capital Term Loan (WCTL)	647.22	-	-	-
Term Loan from Banks	-	615.12	-	191.05
Loans from Related Parties				
Promoters Contribution	100.00	-	-	-
TOTAL	3,258.48	909.12	-	221.05
The above amount includes				
Secured Borrowings	3,158.48	909.12	-	221.05
Unsecured Borrowings	100.00	-	-	-
Amount disclosed under the head "Other Current Liabilities" (note 9)			-	221.05

(a) The Company's Corporate Debt Restructuring (CDR) package was approved by the CDR Empowered Group (EG) in its meeting held on 24 June 2013 and communicated to the Company vide its letter of approval dated 29 June 2013. The Company executed the Master Restructuring Agreement (MRA) with the CDR lenders on 24 September 2013. Substantial securities have been created in favor of the CDR lenders.

Key features of the CDR proposal are as follows:

- Reschedulement of Short Term Loans & Term Loans (RTL) and NCD payable over a period of ten years.
- Repayment of Rupee Term Loans (RTL) after moratorium of 27 months from cut off date being 1 January 2013 in structured quarterly instalments commencing from April 2015.
- Conversion of various irregular / outstanding / devolved financial facilities into Working Capital Term Loan (WCTL).
- Repayment of WCTL after moratorium of 27 Months from cut off date in structured quarterly instalments commencing from April 2015, subject to mandatory prepayment obligation on realisation of proceeds from certain asset sale and capital infusion.
- Restructuring of existing and fresh fund based and non fund based financial facilities, subject to renewal and reassessment every year.
- Interest accrued but not paid on certain financial facilities till March 2014 shall be converted into Funded Interest Term Loan (FITL).
- Waiver of existing events of defaults, penal interest and charges etc. in accordance with the MRA.
- Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA.
- Contribution of ₹ 100 Crore in the Company by promoters, in lieu of bank sacrifice, in the form of Promoters Contribution.

(b) Securities for Term Loans and NCD :

Rupee Term Loan (RTL) - 1 and FITL thereon -

- 1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
- 2) 2nd pari-passu charge on the Gammon House, entire current assets, loans and advances, long-term trade receivables and other assets of the Company.
- 3) For Canara Bank 1st pari-passu charge on land parcel of Metropolitan Infrahousing Private Limited (MIPL) along with their NCD holders.

Rupee Term Loan (RTL) - 2 and FITL thereon -

- 1) 1st pari-passu charge on Gammon House.
- 2) 2nd pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.

- 3) 2nd pari-passu charge on entire current assets, loans and advances, long-term trade receivables and other assets of the Company.

Rupee Term Loan (RTL) - 3 and FITL thereon -

- 1) 3rd pari-passu charge over the entire fixed assets (movable and immovable) and current assets of the Company excluding the Gammon House.
2) 3rd pari-passu charge on the Gammon House.

Working Capital Term Loan (WCTL) -

- 1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
2) 2nd pari-passu charge on the Gammon House, entire current assets, loans and advances, long-term trade receivables and other assets of the Company.

Priority Loan -

- 1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
2) 2nd pari-passu charge on the Gammon House, entire current assets, loans and advances, long-term trade receivables and other assets of the Company.

Non Convertible Debentures (NCD) and FITL thereon -

- 1) 1st pari-passu charge by mortgage of Gujarat Property and hypothecation over the pari-passu security with the Non Convertible Debentures.
2) 3rd pari-passu charge over the entire fixed assets (movable and immovable) and current assets of the Company excluding the Gammon House.
3) 3rd pari-passu charge on the Gammon House.

(c) Funded Interest Term Loan (FITL) -

The interest amount on RTL - 1, RTL - 2, RTL - 3 and NCDs for the initial period of 15 months i.e. from cut off date till March 31, 2014 will be converted to FITL.

(d) Interest on Term Loans -

The above mention term loans carry an interest rate which is MI base rate + 175 bps except in case of NCD which are as follows -

Non Convertible Debenture	(₹ in Crore)	As at 31 Dec 2013	As at 31 Mar 2013
	100.00	11.05%	11.05%
	100.00	9.50%	9.50%
	74.00	10.50%	10.50%
	50.00	9.95%	9.95%
TOTAL	324.00		

(e) Repayment Term

Type of Loan	Repayment Schedule
RTL - 1, RTL - 2, RTL - 3, NCD, WCTL & FITL	Repayable in 31 quarterly instalments commencing April 15, 2015 and ending on October 15, 2022.
Priority Loan	Repayable in 20 quarterly ballooning instalments commencing April 15, 2015 and ending on January 15, 2020.

(f) Collateral security pari-passu with all CDR lenders

- a) Pledge of entire unencumbered equity shares (present and future) of GIL held by Promoters subject to Section 19(2) & 19(3) of Banking Regulation Act including pledge of encumbered equity shares as and when such shares are released by the respective existing lenders.
b) Personal guarantee of Mr. Abhijit Rajan, Chairman & Managing Director.
c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the JV agreement with developer.
d) Undertaking to create pledge over shares of Gactel Turnkey Projects Limited (currently pledged to lenders of Gactel), as and when they are released in the future.
e) Pledge over the following shares -
23% of Deepmala Infrastructure Private Limited
100% of SEZ Adityapur Limited
24% of Ansaldoaldiaie Boilers India Private Limited
100% of Transrail Lighting Limited



(g) **Term & Condition of Term Loans and NCD (Previous Year)**

Name of the Bank	Securities	Repayment Schedule
a) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Monthly instalments of ₹ 1.14 Crore each.
b) IDBI Bank	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Monthly instalments of ₹ 0.75 Crore each.
c) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Repayable on 18 th , 21 st & 24 th month from the date of disbursement (27 March 2012).
d) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Repayable in 54 equal instalments of ₹ 0.65 Crore. Moratorium period of 6 months from date of 1 st disbursement i.e. 30 September 2012.
e) United Bank of India	Secured by Pari-passu charge of Commercial Property, 2 nd charge on the present and future current assets with existing lenders and Personal Guarantee of Chairman & MD.	Repayable in 15 unequal quarterly instalment, From December 2013 onwards.
f) Union Bank of India		
g) Canara Bank	Secured by Pari-passu charges along with debenture holders of land parcel of Metropolitan Infra Housing Private Limited (MIPL) including Corporate Guarantee of MIPL, 2 nd charge on Stock & Receivable of the Company.	Repayable in 12 unequal quarterly instalment, From March 2013 onwards.
h) Redeemable Non Convertible Debenture	Secured by hypothecation of specific Plant & Machinery with pari-passu charge by mortgage of immovable property in Gujarat.	Repayable in at the end of 8 th , 9 th & 10 th year in respect of NCD ₹ 224 Crore and 5 th , 6 th & 7 th year in respect of ₹ 100 Crore from the respective date of allotment.

Term loans and NCD period has changed based on CDR package during current year. Repayment term shown under previous year was based on original terms of approval.

(h) **Maturity profile of Term Loans and NCD :**

(₹ in Crore)

Period	As at 31 Dec 2013	As at 31 Mar 2013
2 - 3 years	374.52	457.92
4 - 5 years	818.89	299.40
6 - 10 years	1,965.07	151.80
TOTAL	3,158.48	909.12

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

(j) The Promoters have infused an amount of ₹ 100 Crore in terms of the CDR agreement repayment of which shall, till the final settlement date, be subordinate to the restructured facility.

(k) The continuing default as at 31 March 2013 has been substantially cured by the signing of the MRA.

(l) In terms of the MRA the lenders have a right to convert outstanding loan into equity under certain terms & conditions. The authorised capital has been accordingly increased by ₹ 14,871 Crore.

4 Deferred Tax Liabilities / (Assets) (Net)

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Deferred Tax Liability		
Depreciation	104.03	104.50
Deferred Tax Asset		
Provision for Gratuity / Leave Salary	5.66	6.35
Dis-allowances u/s 43B including interest on bank loans	70.92	4.02
Foreign Exchange Translation Reserve	57.58	23.78
Provision for Doubtful Debts	47.24	-
	181.40	34.15
Deferred Tax Liabilities / (Assets) (Net)	(77.37)	70.35

5 Other Long Term Liabilities

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Trade Payables		
Micro, Small & Medium Enterprises (Note 8(i) & 8(ii))	-	-
Retention / Security Deposits	69.08	44.70
	69.08	44.70
Others		
Advances from Clients & Others	339.35	294.58
Margin Money Received	12.00	12.00
Others	14.00	14.00
	365.35	320.58
TOTAL	434.43	365.28

6 Provisions

(₹ in Crore)

Particulars	Long Term		Short Term	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Provision for Employee Benefits				
Provision for Gratuity	-	-	3.05	2.91
Provision for Leave Benefits	8.95	12.58	4.65	3.29
Others				
Provision for Taxation Net of Taxes Paid	-	-	3.08	2.67
Provision for Risks & Contingencies	184.38	-	-	-
TOTAL	193.33	12.58	10.78	8.87

- a) Provision for risks and contingencies represents provisions made towards probable encashment of guarantees where recovery thereof is remote. (Refer Note 33)
- b) Disclosure relating to Employee Benefits as per Revised AS - 15

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
(i) Change in Benefit Obligation		
Liability at the beginning of the year	9.10	9.13
Interest Cost	0.55	0.72
Current Service cost	0.85	1.29
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Benefit Paid	0.10	(1.69)
Actuarial (gain) / loss on obligations	(1.10)	(0.35)
Curtailments and Settlements	-	-
Liability at the end of the year	9.50	9.10
(ii) Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	6.19	5.96
Expected Return on Plan Assets	0.39	0.50
Contributions	-	1.42
Benefit Paid	0.10	(1.69)
Actuarial gain / (loss) on Plan Assets	(0.23)	-
Fair Value of Plan Assets at the end of the year	6.45	6.19
Total Actuarial (gain) / loss to be Recognised	(0.87)	(0.35)



(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
(iii) Actual Return on Plan Assets		
Expected Return on Plan Assets	0.39	0.50
Actuarial gain / (loss) on Plan Assets	(0.23)	-
Actual Return on Plan Assets	0.16	0.50
(iv) Amount Recognised in the Balance Sheet		
Liability at the end of the year	9.50	9.10
Fair Value of Plan Assets at the end of the year	(6.45)	(6.19)
Difference	3.05	2.91
Un-recognised Past Service Cost	-	-
Amount Recognised in the Balance Sheet	3.05	2.91
(v) Expenses Recognised in the Income Statement		
Current Service cost	0.85	1.29
Interest Cost	0.55	0.72
Expected Return on Plan Assets	(0.39)	(0.50)
Net Actuarial gain / (loss) to be Recognised	(0.87)	(0.35)
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	-
Effect of Curtailment or Settlements	-	-
Expense Recognised in the Profit & Loss Account	0.14	0.16
(vi) Balance Sheet Reconciliation		
Opening Net Liability	2.91	3.17
Expenses as above	0.14	1.16
Employers Contribution	-	(1.42)
Effect of Curtailment or Settlements	-	-
Amount Recognised in the Balance Sheet	3.05	2.91
(vii) Actuarial Assumptions		
Discount Rate Current	9.20%	8.00%
(viii) Investment Details		
Government Securities	43.50%	43.50%
Debentures and Bonds	37.66%	37.66%
Equity Shares	4.67%	4.67%
Fixed Deposits	14.17%	14.17%
	100.00%	100.00%

Note :

- 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.
- In the absence of data of experience adjustments, the same is not disclosed.
- 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 Dec 2013	As at 31 Mar 2013
Loans Repayable on Demand :		
Cash Credit from Consortium Bankers	956.17	1,298.76
Loans and Advances from Related Parties :	23.10	38.46
Other Loans and Advances:		
Buyers Credit	60.42	77.54
From Banks	45.34	976.56
	105.76	1,054.10
TOTAL	1,085.03	2,391.32
The above amount includes		
Secured Borrowings	956.17	1,942.76
Unsecured Borrowings	128.86	448.56

- (i) Securities - Cash Credit from Consortium Bankers :
- 1st pari-passu charge on the entire current assets, loans and advances, long-term trade receivables and other assets of the Company.
 - 2nd pari-passu charge over the entire fixed assets (immovable and movable) of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
 - 2nd pari-passu charge on Gammon House.
- (ii) The rate of interest on above loan is linked to MI base rate + 175 bps.
- (iii) Buyers Credit are secured by guarantee of consortium bankers.
- (iv) For details of continuing defaults as at 31 December 2013 and 31 March 2013, Refer Annexure 1.

8 Trade Payables

(₹ in Crore)		
Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Trade Payables		
Micro Small and Medium Enterprises	-	-
Retentions & Deposit	145.63	162.17
Others	1,366.14	1,649.43
TOTAL	1,511.77	1,811.60

- (i) As per the intimation available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.
- (ii) The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

9 Other Current Liabilities

(₹ in Crore)		
Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Current Maturities of Term Loan (Refer Note 3)	-	221.05
Advances from Clients	632.76	726.28
Interest accrued and due	28.63	36.60
Interest accrued but not due	28.57	35.39
Income received in advance	-	0.03
Unpaid Dividends	0.73	0.76
Payables for Capital Goods	16.63	18.90
Other Payables		
- Duties and Taxes Payable	71.34	33.01
- Related Party	7.63	5.33
- Others	104.68	90.17
	183.65	128.51
TOTAL	890.97	1,167.52

- (i) Unpaid Dividend includes ₹ 0.25 Crore (*Previous Year ₹ 0.21 Crore*) to be transferred to the Investor Education & Protection Fund.



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

Particulars	(₹ in Crore)										Total	
	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Wind Mill	Electric Installation				
GROSS BLOCK												
As at 1 April 2012	4.71	363.38	1,297.96	94.03	14.80	35.89	26.95	4.65			1,842.37	
Additions	-	5.61	58.08	1.01	1.87	1.25	-	0.25			68.07	
Disposals / Adjustments	(1.36)	121.59	9.72	3.06	(3.03)	0.32	-	-			130.30	
As at 31 March 2013	6.07	247.40	1,346.32	91.98	19.70	36.82	26.95	4.90			1,780.14	
Additions	-	0.79	82.15	3.01	0.66	0.15	-	-			86.76	
Disposals / Adjustments	-	0.14	6.03	4.18	-	-	-	-			10.35	
As at 31 December 2013	6.07	248.05	1,422.44	90.81	20.36	36.97	26.95	4.90			1,856.55	
DEPRECIATION												
As at 1 April 2012	0.13	38.02	425.73	56.69	4.67	13.82	14.01	0.77			553.84	
Charge for the Year	0.03	5.59	87.57	7.94	3.86	1.19	2.79	0.23			109.20	
Disposals / Adjustments	-	-	6.07	2.74	0.04	0.01	-	-			8.86	
As at 31 March 2013	0.16	43.61	507.23	61.89	8.49	15.00	16.80	1.00			654.18	
Charge for the Year	0.02	4.31	68.65	5.75	3.01	0.69	2.10	0.18			84.71	
Disposals / Adjustments	-	-	5.02	3.74	-	-	-	-			8.76	
As at 31 December 2013	0.18	47.92	570.86	63.90	11.50	15.69	18.90	1.18			730.13	
NET BLOCK												
As at 31 March 2013	5.91	203.79	839.09	30.09	11.21	21.82	10.15	3.90			1,125.96	
As at 31 December 2013	5.89	200.13	851.58	26.91	8.86	21.28	8.05	3.72			1,126.42	

Intangible Assets (₹ in Crore)

Particulars	Computer Software	Tower Design	Total
GROSS BLOCK			
As at 1 April 2012	6.97	3.47	10.44
Additions	0.08	-	0.08
Disposals / Adjustments	2.95	-	2.95
As at 31 March 2013	4.10	3.47	7.57
Additions	-	-	-
Disposals / Adjustments	-	-	-
As at 31 December 2013	4.10	3.47	7.57
AMORTISATION			
As at 1 April 2012	0.61	3.41	4.02
Charge for the Year	1.33	-	1.33
Disposals / Adjustments	-	-	-
As at 31 March 2013	1.94	3.41	5.35
Charge for the Year	0.97	-	0.97
Disposals / Adjustments	-	-	-
As at 31 December 2013	2.91	3.41	6.32
NET BLOCK			
As at 31 March 2013	2.16	0.06	2.22
As at 31 December 2013	1.19	0.06	1.25

NOTES :

- Freehold Property includes cost of Freehold Land ₹ 3.86 Crore (Previous Year ₹ 3.86 Crore) including the revaluation portion.
- Leasehold Land is at cost less amount written off.
- The Company has once again revalued on 31 March 2007 all its Freehold Property, most of which were revalued earlier on 31 March 1999 by Approved valuers.
The consequent increase in the value of Fixed Assets pursuant to the second revaluation amounted to ₹ 186.89 Crore and had been credited to the Revaluation Reserve A/c.
- Depreciation for the Period amounts to ₹ 65.68 Crore (Previous Year ₹ 110.53 Crore) from which ₹ 2.38 Crore (Previous Year ₹ 3.13 Crore) has been deducted being the depreciation in respect of revaluation of Fixed Assets which had been drawn from the Revaluation Reserve.
- The disposal / adjustment of free hold property during the year ended 31 March 2013 includes reversal of Revaluation Reserve of ₹ 116.34 Crore on reclassification of fixed asset to inventories and ₹ 3.30 Crore on account of sale of revalued asset.

Note - 11 A

Particulars	Face Value	Nos. as on	Nos. as on	(₹ In Crore)	(₹ In Crore)
	Rupees	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
NON CURRENT INVESTMENTS (AT BOOK VALUE)					
1. TRADE INVESTMENTS :					
a) INVESTMENT IN EQUITY INSTRUMENTS (INDIAN)					
<i>(Fully paid up unless otherwise stated)</i>					
Ordinary Shares: (Unquoted unless otherwise stated)					
<u>Subsidiaries :</u>					
Gammon Infrastructure Projects Limited (Quoted) (Refer note 11A 3(b))	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 and Billimoria Limited	10	51,000	51,000	0.05	0.05
Gammon Power Limited	10	50,000	50,000	0.05	0.05
Gammon Realty Limited	10	15,049,940	15,049,940	15.05	15.05
Gammon Retail Infra Private Limited	10	10,000	10,000	0.01	0.01
Metropolitan Infrahousing Private Limited	10	8,416	8,416	0.01	0.01
Patna Water Supply Distribution Network Private Limited	10	7,399	7,399	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	31,000,000	31,000,000	31.00	31.00
Gorakhpur Infrastructure Company Limited	10	16,828,987	16,828,987	16.83	16.83
Kosi Bridge Infrastructure Company Limited	10	12,562,831	12,562,831	12.56	12.56
Rajahmundry Expressway Limited (REL) *	10	5,655,000	5,655,000	5.65	5.65
Andhra Expressway Limited (AEL) *	10	5,655,000	5,655,000	5.65	5.65
				235.25	235.25
Add : Acquisition of Beneficial Interest in REL & AEL in lieu of Deposit paid (Refer note 11A 3(c))				5.66	5.66
				240.91	240.91
Less : Transfer of Beneficial Interest in SPV's in lieu of Deposit received (Refer note 11A 3(c))				44.50	44.50
	(A)			196.41	196.41
<u>Others :</u>					
Airscrew (India) Limited (Rs.5 paid up) #	100	200	200	-	-
Alpine Environmental Engineers Limited	100	204	204	-	-
Bhagirathi Bridge Construction Company Limited #	100	300	300	-	-
Modern Flats Limited (Unquoted)	10	2,040	2,040	-	-
Neptune Tower Properties Private Limited	10	100	100	-	-
Plamach 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 (Refer note 11A 3(c))				(26.41)	(26.41)
	(B)			0.24	0.24



Particulars	Face Value	Nos. as on	Nos. as on	(₹ In Crore)	(₹ In Crore)
	Rupees	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
b) INVESTMENT IN EQUITY INSTRUMENTS (FOREIGN)					
<i>(Fully paid up unless otherwise stated)</i>					
Ordinary Shares : (Unquoted, fully paid up)					
Subsidiaries :					
Associated Transrail Structure Limited, Nigeria	Naira 1	10,000,000	10,000,000	0.36	0.36
ATSL Holdings B.V., Netherlands * #	€ 100	180	180	0.12	0.12
Campo Puma Oriente S.A.	\$ 1	6,441	6,441	0.03	0.03
Gammon Holdings (Mauritius) Limited *	\$ 1	15,000	15,000	0.07	0.07
Gammon Holdings B.V. *	€ 100	180	180	0.12	0.12
Gammon International B.V. *	€ 100	180	180	0.12	0.12
Gammon International FZE	AED 150000	1	1	0.17	0.17
P.Van Eerd Beheersmaatschappij B.V. * #	€ 453.87	35	35	0.05	0.05
	(C)			1.04	1.04
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 S.p.A, Italy (Associate)	€ 1	780,000	780,000	19.52	19.52
	(D)			19.70	19.70
TOTAL TRADE INVESTMENTS (A+B+C+D)				217.39	217.39
2. OTHER INVESTMENTS :					
a) INVESTMENT IN EQUITY INSTRUMENTS					
Investments through Gammon India Trust	(E)			1.68	1.68
<i>(Company's own shares)(Refer Note 11A 3(a))</i>					
b) INVESTMENT IN GOVERNMENT SECURITIES :					
Government Securities lodged with Contractees as Deposit :					
Unquoted :					
Sardar Sarovar Narmada Nigam Limited - Bonds				0.30	0.30
Others				0.12	0.12
Government Securities Others - Unquoted (Indira Vikas Patras and National Savings Certificates)				0.12	0.12
	(F)			0.54	0.54
c) INVESTMENT IN PARTNERSHIP FIRM - CAPITAL CONTRIBUTION					
Gammon Shah (Fully Provided) #	(G)			-	-
TOTAL OTHER INVESTMENTS (E+F+G)				2.22	2.22
TOTAL (A+B+C+D+E+F+G)				219.61	219.61
Less : Provisions for diminution in the value of Investment #		Amount	Amount		
Aircscrew (India) Limited		0.00	0.00		
Bhagirathi Bridge Construction Company Limited		0.00	0.00		
Shah Gammon Limited		0.01	0.01		
STFA Piling (India) Limited		0.22	0.22		
Gammon Mideast Limited		0.18	0.18		
Gammon Shah		0.00	0.00		
P.Van Eerd Beheersmaatschappij B.V.		0.05	0.05		
ATSL Holdings B.V., Netherlands		0.12	-		
Ansaldocaldaie Boilers India Private Limited		37.15	-		
				37.73	0.46
TOTAL NON CURRENT INVESTMENTS				181.88	219.15
<i>* These shares are pledged</i>					
SUMMARY OF NON CURRENT INVESTMENTS :					

Particulars	Face Value	Nos. as on	Nos. as on	(₹ In Crore)	(₹ In Crore)
	Rupees	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Unquoted					
Aggregate Book Value of Foreign Investments				20.74	20.74
Aggregate Book Value of Indian Investments				91.59	91.59
				112.33	112.33
Quoted					
Aggregate Book Value of Indian Investments				107.29	107.28
Market Value of Quoted Investments				433.16	621.11

3. Note :

- (a) Pursuant to the scheme of amalgamation, the Company owns 5,804,620 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) In the previous year, the Company has pledged 430,286,305 equity shares of Gammon Infrastructure Projects Limited (GIPL) in favour of lenders of the said GIPL for a borrowing made by them.
- (c) The details of Beneficial & Contractual interest acquired and transferred in favour of it's Subsidiary M/s Gammon Infrastructure Projects Limited is detailed herein below -

ACQUIRED

(₹ in Crore)

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

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

Note - 11 B**CURRENT INVESTMENTS (AT BOOK VALUE)**

1. INVESTMENT IN EQUITY INSTRUMENTS: (Fully paid up unless otherwise stated) - Current	Face Value	Nos. as on	Nos. as on	(₹ In Crore)	(₹ In Crore)
	Rupees	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Ordinary Shares : (Quoted)					
Bank of Baroda	10	4,200	4,200	0.04	0.04
Cords Cable Industries Limited	10	33,502	33,502	0.45	0.45
Gujarat State Financial Corporation	10	4,600	4,600	0.01	0.01
HDFC Bank Limited	2	5,345	5,345	0.02	0.02
Housing Development Finance Corporation Limited	2	40,000	40,000	0.18	0.18
ICICI Bank Limited	10	2,500	2,500	0.04	0.04
Infosys Limited	5	400	400	0.03	0.03
Larsen & Toubro Limited	2	12,000	8,000	0.05	0.05



1. INVESTMENT IN EQUITY INSTRUMENTS: (Fully paid up unless otherwise stated) - Current	Face Value Rupees	Nos. as on 31 Dec 2013	Nos. as on 31 Mar 2013	(₹ In Crore) 31 Dec 2013	(₹ In Crore) 31 Mar 2013
Sadbhav Engineering Limited	1	11,240	11,240	0.02	0.02
Technofab Engineering Limited	10	175,000	175,000	0.47	0.47
Ultratech Cement Limited	10	1,600	1,600	0.04	0.04
TOTAL (A)				1.35	1.35
2. MUTUAL FUND (Quoted)					
HDFC Mutual Fund - Floating Rate Income Fund (Refer Note 47(ii))		2,048	1,952	-	-
Investments through Gammon India Trust					
SBI Dynamic Bond Fund		667,967	-	1.00	-
ICICI Prudential FMP		200,000	1,019,427	0.20	1.02
IDFC FMP		-	230,000	-	0.23
TOTAL (B)				1.20	1.25
TOTAL (A+B)				2.55	2.60
Less : Provisions for diminution in the value of Investment					
Cords Cable Industries Limited				0.41	0.39
TOTAL CURRENT INVESTMENTS				2.14	2.21
SUMMARY OF CURRENT INVESTMENTS :					
Unquoted					
Aggregate Book Value of Foreign Investments				-	-
Aggregate Book Value of Indian Investments				-	-
Quoted					
Aggregate Book Value of Indian Investments				2.55	2.60
Market Value of Quoted Investments				7.22	7.96

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

(₹ in Crore)

Particulars	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Capital Advance	2.48	4.79	-	-
Loans and Advances to Related Parties:				
Considered Good	1,705.86	1,571.45	76.80	24.02
Considered Doubtful	166.81	95.24	20.39	-
Less : Provision for doubtful loans	(166.81)	(95.24)	(20.39)	-
Deposits:				
Considered Good	35.32	27.00	31.89	34.32
Considered Doubtful	-	-	3.60	3.60
Less : Provision for doubtful deposit	-	-	(3.60)	(3.60)
Other Loans And Advances				
Taxes Paid Net of Provisions	308.30	254.38	-	-
Advance to Creditors / Sub Contractor	56.38	36.76	174.83	153.98
Staff Advances	-	-	4.29	3.14
Prepaid Expenses	1.07	3.69	7.14	6.92
Indirect Taxes and Duties recoverable	57.02	28.28	25.92	20.08
Other Advances	19.26	18.51	67.64	68.54
Deposits with Joint Stock Companies:				
Unsecured and Considered Doubtful	3.31	1.07	6.40	6.40
Less : Provision for doubtful	(3.31)	(1.07)	(6.40)	(6.40)
TOTAL	2,185.69	1,944.86	388.51	311.00

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

(₹ in Crore)

Name of the Related Party	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Unsecured and Considered Good				
Gammon International FZE	69.87	61.16	-	-
Gammon International B.V.	304.30	255.64	-	-
Campo Puma Oriente S.A.	23.77	11.88	-	-
Gammon Holdings (Mauritius) Limited	88.93	1.43	-	-
Gammon Holdings B.V.	231.23	201.86	-	-
Finest S.p.A	0.64	0.52	-	-
ATSL Holdings B.V., Netherlands	104.09	96.01	-	-
SAE Power Lines S.r.l	-	25.74	12.29	8.18
RAS Cities and Township Private Limited	12.00	12.00	-	-
Transrail Lighting Limited	-	42.10	44.72	-
Associated Transrail Structure Limited, Nigeria	-	-	1.95	1.55
JV Gammon-FECP, Nigeria	-	-	-	10.89
Franco Tosi Turbines Private Limited	-	-	0.41	0.41
Deepmala Infrastructure Private Limited	195.73	196.58	-	-
Gammon Cidade Tensacciai Joint Venture	-	-	8.86	0.48
Gammon and Billimoria Limited	33.58	39.37	-	-
Gammon Realty Limited	111.98	111.58	-	-
Kosi Bridge Infrastructure Company	-	-	0.61	0.61
Haryana Biomass Projects Limited	0.07	0.07	-	-
Rajahmundry Godavari Bridge Limited	-	-	0.35	0.35
Ansaldocaldaie Boilers India Private Limited	6.35	6.34	-	-
Gammon Power Limited	-	-	0.01	0.01
Gammon Progressive JV	0.61	0.52	-	-
Gammon Rizzani JV	0.44	0.44	-	-
Mumbai Nasik Expressway Limited	-	-	0.01	0.01
Jager Gammon Joint Venture	2.04	1.91	-	-
Gammon Archirodon Joint Venture	0.03	0.03	-	-
Gammon JMC Joint Ventures	-	0.05	-	-
Gammon Encee JV	4.85	4.85	-	-
Gammon CMC Joint Venture	-	-	0.36	-
GIPL GIL Joint Venture	-	-	5.93	-
OSE Gammon Joint Venture	0.14	0.14	-	-
Atlanta India Limited Gammon JV	-	1.31	-	-
Gammon Sew Joint Venture	-	-	0.06	0.06
BBJ Gammon JV	1.26	0.70	-	-
Gactel Turnkey Projects Limited	35.88	35.43	-	-
Rajahmundry Expressway Limited	-	-	0.12	0.12
Andhra Expressway Limited	-	-	0.43	0.44
Metropolitan Infra Housing Private Limited	478.07	463.79	-	-



(₹ in Crore)

Name of the Related Party	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Sofinter S.p.A	-	-	0.47	0.69
SAE Transmission India Limited	-	-	0.20	0.20
Tidong Hydro Power Limited	-	-	0.02	0.02
TOTAL (A)	1,705.86	1,571.45	76.80	24.02
Unsecured and Considered Doubtful (Refer Note 33)				
Gammon International FZE	19.26	15.69	-	-
P.Van Eerd Beheersmaatschappij B.V.	6.75	5.93	-	-
Gammon International B.V.	0.85	0.69	-	-
Gammon Holdings B.V.	87.99	71.25	-	-
ATSL Holdings B.V., Netherlands	18.04	1.68	-	-
JV Gammon-FECP, Nigeria	-	-	12.45	-
SAE Power Lines S.r.l	33.92	-	7.94	-
TOTAL (B)	166.81	95.24	20.39	-
TOTAL (A + B)	1,872.67	1,666.69	97.19	24.02

(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 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Subsidiaries / Fellow Subsidiaries :				
Gammon International FZE *	89.13	76.85	89.13	76.85
P.Van Eerd Beheersmaatschappij B.V. *	6.75	5.93	6.75	5.93
Gammon International B.V. *	305.15	256.33	305.15	256.33
Campo Puma Oriente S.A.	23.77	11.88	23.77	11.88
Gammon Holdings (Mauritius) Limited *	88.93	1.43	88.93	1.43
Gammon Holdings B.V. *	319.22	273.11	319.22	273.11
ATSL Holdings B.V., Netherlands	122.13	97.69	122.13	101.50
SAE Power Lines S.r.l	54.15	33.92	56.98	36.72
Transrail Lighting Limited	44.72	42.10	45.56	57.10
ATSL, Nigeria Company	1.95	1.55	1.98	1.56
Deepmala Infrastructure Private Limited	195.73	196.58	196.73	239.82
Gammon Infrastructure Projects Limited	-	-	-	73.55
Gammon and Billimoria Limited	33.58	39.37	39.37	44.74
Gammon Realty Limited	111.98	111.58	111.98	111.58
AnsaldoCaldaie Boilers India Private Limited	6.35	6.34	6.38	6.33
Gammon Power Limited *	0.01	0.01	0.01	0.01
Franco Tosi Turbines Private Limited *	0.41	0.41	0.42	0.41
Gactel Turnkey Projects Limited *	35.88	35.43	47.83	125.88
Metropolitan Infra Housing Private Limited	478.07	463.79	478.07	475.94
Associates & Group Companies :				
Finest S.p.A	0.64	0.52	0.64	2.73

* These loans are interest free.

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

13 Other Assets

(₹ in Crore)

Particulars	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Unbilled Revenue	-	-	174.70	232.62
Interest Accrued Receivable	87.42	66.50	161.17	127.22
Other Receivable	1.66	5.73	17.53	8.80
TOTAL	89.08	72.23	353.40	368.64

14 Inventories

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Raw Material	41.50	58.73
Material at Construction Site	416.70	468.57
Stores and Spares	8.77	7.96
Work In Progress - Real Estate	21.71	20.80
Work In Progress	1,189.04	1,403.71
Finished Goods	74.23	42.21
TOTAL	1,751.95	2,001.98

(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 lower of cost and net realizable value. 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 and net realisable value. The Weighted Average Method of inventory valuation is used to determine the cost.
Work In Progress - Real Estate	Work in progress on construction contracts reflects value of land, material inputs and project expenses
Other Scrap Material	At net realisable value

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

15 Trade receivables

(₹ in Crore)

Particulars	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Trade Receivables :				
<i>(Unsecured, considered good unless otherwise stated)</i>				
Long Term Trade Receivables :	869.90	812.48	-	-
Short Term Trade Receivables :				
Outstanding for a period exceeding six months	-	-	689.73	740.06
Other Debts	-	-	592.90	738.60
Doubtful Debts	-	-	134.46	1.55
Provision for doubtful debts	-	-	(134.46)	(1.55)
TOTAL	869.90	812.48	1,282.63	1,478.66



- (a) In respect of the road projects undertaken by the Company, in furtherance to the recommendation of the Dispute Resolution Board (DRB), during the previous years the Company has recognized revenue to the extent of ₹ 150.09 Crore of which ₹ 14.12 Crore has been recovered. The balance of ₹ 135.97 Crore being the award from the arbitral tribunal received for its projects is included in Non-Current Trade Receivables. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favourable awards from the DRB and the arbitration tribunal, the Management is reasonably certain that the claims will get favourable verdict from the courts.

The Company had also recognised revenue of ₹ 58.00 Crore in respect of one of the project based on advanced negotiation and discussion with the client and is confident of realising the same, pending the final revision in contract value.

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

Name of the party	(₹ in Crore)	
	As at 31 Dec 2013	As at 31 Mar 2013
Indira Container Terminal Private Limited (Joint Venture)	6.27	5.63
Kosi Bridge Infrastructures Company Limited	66.13	66.13
Mumbai Nasik Expressway Limited	22.42	25.44
Rajahmundry Godavari Bridge Limited	1.83	1.83
Pravara Renewable Energy Limited	20.84	5.06
Patna Highway Project Limited	8.15	23.37
Deepmala Infrastructure Private Limited	8.56	3.13
SAE Power lines S.r.l	149.19	126.64
Transrail Lighting Limited	5.41	2.63
Gammon Atlanta	-	6.38
OSE Gammon	51.44	52.98
Gammon OSE	1.92	4.30
Gammon Progressive	0.14	2.33
Gammon Srinivasa	7.01	9.85
Gammon Archirodon	3.07	3.07
Gammon BBJ	-	0.40
Gammon Sew	0.49	0.60
Jaegar Gammon	2.27	6.59
GIL JMC	12.40	12.40
Patel Gammon	60.43	75.15
Hyundai Gammon	0.67	5.03
Gammon OJSC Mosmetrostroy	53.90	55.01
Gammon Pratibha	7.69	14.30
Less- Provision made against SAE Power lines S.r.l receivable	(52.49)	-
TOTAL	437.74	508.25

16 Cash and Bank Balances

(₹ in Crore)

Particulars	Current	
	As at 31 Dec 2013	As at 31 Mar 2013
Cash and Cash Equivalent		
Cash Balances	9.35	5.25
Funds In Transit	4.07	0.47
Bank Balances	48.16	39.10
	61.58	44.82
Others		
Unpaid Dividend	0.73	0.76
Other Bank Balances	6.53	6.69
Bank Deposits (On Margin Account)	21.61	25.74
	28.87	33.19
TOTAL	90.45	78.01

- (a) Other Bank balances include ₹ 6.53 Crore (Previous Year ₹ 6.69 Crore) with bank branches in foreign countries relating to certain foreign projects which are not readily available for use by the Company and are subject to exchange control regulation of the respective countries.
- (b) Balances in Foreign Bank Accounts are as per ledger and in case of some of the banks are subject to reconciliation.

17 Revenue from Operations

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Turnover	3,234.11	5,203.78
Less : Excise Duty	(47.62)	(103.53)
	3,186.49	5,100.25
TOTAL	3,186.49	5,100.25

(a) Breakup of Turnover

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Sale of products		
(i) Towers Sale	326.90	792.33
(ii) Conductor Sale	168.28	400.77
(iii) Wind Mill	1.90	2.62
(iii) Brought out Sale	155.24	268.74
Less : Excise Duty	(47.62)	(103.53)
SUB TOTAL	604.70	1,360.93
Sale of services		
(i) Construction / Erection Services	2,565.77	3,713.16
(ii) Testing Charges	16.02	26.16
SUB TOTAL	2,581.79	3,739.32
TOTAL	3,186.49	5,100.25

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

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Turnover for the year	2,333.26	3,474.36
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	21,759.15	19,449.20
Aggregate Contract Profits / Losses recognized for contracts existing as at the year end,	2,182.82	2,168.55
Contract Advances (Net)	684.13	690.07
Retention amount due from customers	661.00	563.13
Gross amount due from customers for contract work	631.82	814.31
Gross amount due to customers for contract work	72.32	97.76

18 Other Operating Revenue

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Export Incentive	0.43	3.61
Sale of Scrap	17.56	30.81
Freight Charges	26.66	56.32
Compensation on foreclosure of contract with Sub Contractor	36.00	-
Miscellaneous Operating Income	11.85	6.37
Share of Profit on Joint Venture	0.32	-
Other Contractual Revenue	15.23	19.21
Less : Sub Contract Cost	(15.23)	(19.21)
	-	-
TOTAL	92.82	97.11



19 Other Income

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Interest Income	79.38	114.33
Miscellaneous Income	3.76	0.63
Prior Period Income	0.29	1.78
Profit on Sale of Assets	0.68	7.68
Profit on Sale of Current Investments	0.20	7.72
Dividend Received From Current Investments	0.13	0.28
TOTAL	84.44	132.42

- Dividend received from own investment held through Gammon India Trust is adjusted in Surplus ₹ NIL (Previous Year ₹ 0.12 Crore).

20 Foreign Exchange Gain / (Loss)

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Exchange (Gain) / (Loss)	13.14	3.98
Mark to Market on Fx transactions	0.32	(3.76)
TOTAL	13.46	0.22

21 Cost of Materials Consumed

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Opening Stock	527.30	617.21
Add : Purchases (Net of Discount)	1,336.72	2,531.45
Less : Closing Stock	458.20	527.30
TOTAL	1,405.82	2,621.36

(a) **Breakup of material consumed**

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Project Materials Consumed	1,036.04	1,713.23
Raw Material Consumed - Manufacturing	369.78	908.13
TOTAL	1,405.82	2,621.36

(b) **Raw Material Consumed - Manufacturing**

(₹ in Crore)

Particulars	Apr - Dec 2013		FY 2012 - 2013	
	Amount	%	Amount	%
Raw Materials :				
Imported	42.33	11.45%	73.48	8.09%
Indigenous	327.45	88.55%	834.65	91.91%
TOTAL	369.78	100.00%	908.13	100.00%

(c) Consumption of Raw Material - Manufacturing

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Transmission Line Towers & Parts		
Steel	233.64	578.70
Zinc	23.85	51.43
Conductor		
Aluminium Ingots	74.42	18.98
Aluminium / EC Wire Rod	25.18	227.67
GI Wire	12.69	31.35
TOTAL	369.78	908.13

22 Purchase of Stock in Trade

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Traded Item - Brought out material	132.91	225.02
<i>(Conductor, Insulators & Hardware item)</i>		
TOTAL	132.91	225.02

23 Changes in inventories of finished goods work in progress

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Inventory Adjustments - WIP		
Opening - Construction	1,386.11	1,129.96
- Manufacturing	17.60	12.53
	1,403.71	1,142.49
Less : Closing		
- Construction	(1,180.51)	(1,386.11)
- Manufacturing	(8.53)	(17.60)
	(1,189.04)	(1,403.71)
Inventory Adjustments - FG		
Stock at Commencement	42.21	38.34
Less : Stock at Closing	(74.23)	(42.21)
	(32.02)	(3.87)
TOTAL	182.65	(265.09)

24 Employee Benefits

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Salaries, Bonus, Perquisites etc.	306.31	478.50
Contribution to Employees Welfare Funds, Gratuity and Leave Encashment	13.18	24.63
Staff Welfare Expenses	8.67	15.95
ESOP Compensation Cost	-	(0.32)
TOTAL	328.16	518.76



- (a) The Company has made application to the Central Government for payment of Managerial Remuneration in case of inadequacy of profits during the previous year. The Company's application for waiver of excess remuneration of ₹ 1.84 Crore paid to CMD and ₹ 0.26 Crore paid to an Executive Director during the year 2011 - 2012 has been rejected. The Company has preferred a representation to the Ministry to reconsider its decision and reply is awaited.

The Company's application for payment of remuneration to Chairman & Managing Director for the year 2012 - 2013 of ₹ 6.85 Crore and 2013-14 of ₹ 4.14 Crore is pending for approval with the Central Government.

The Company's application for payment of remuneration to Mr. Himanshu Parikh for year 2012 - 2013 has been approved for ₹ 1.66 Crore as against proposed remuneration of ₹ 1.71 Crore. The review of this part approval is also pending with the CG.

25 Finance Cost

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Interest Expense	397.22	436.53
Other Borrowing Costs	4.93	6.88
TOTAL	402.15	443.41

26 Depreciation & Amortisation

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Depreciation	84.71	109.19
Less : Depreciation on Revalued Assets	(2.38)	(3.13)
Amortisation	0.97	1.33
TOTAL	83.30	107.39

27 Other Expenses

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Plant Hire Charges	31.39	46.31
Consumption of Stores and Spares	50.27	97.81
Outward Freight	34.25	67.75
Sales Tax	40.00	88.55
Service Tax	63.50	65.87
Power & Fuel	89.84	141.54
Fees & Consultations	33.68	67.47
Rent	22.47	33.46
Rates & Taxes	9.71	7.54
Travelling Expenses	24.36	38.58
Communication	5.73	8.35
Insurance	26.23	43.07
Repairs to Plant & Machinery	0.53	2.48
Repairs to Building	0.13	0.14
Other Repairs & Maintenance	9.57	13.27
Bank Charges & Commission	23.57	33.61
Other Site Expenses	23.89	44.78
Sundry Expenses	46.70	51.18
Prior Period Expenses	8.07	0.90
Bad Debts Written Off	9.78	1.47
Provision for Doubtful Debts / Advances	151.63	1.07
Provision for Diminution in the value of Investments	0.13	0.03
Loss on Sale of Assets	0.03	-
Share of Loss on Joint Venture	-	0.66
Branch Audit Fees	0.58	0.65
Remuneration to Auditors	1.01	1.05
TOTAL	707.05	857.59

(a) Remuneration to Auditors

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Audit Fees including Consolidation	0.59	0.64
Tax Audit	0.17	0.11
Limited Review	0.09	0.14
Certification	0.03	0.05
Other Services	0.11	0.10
Reimbursement of Out of Pocket Expenses	0.02	0.01
TOTAL	1.01	1.05

(b) Consumption of Stores and Spares

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Project Site	22.34	35.54
Manufacturing	27.93	62.27
TOTAL	50.27	97.81

(c)

(₹ in Crore)				
Particulars	Apr - Dec 2013		FY 2012 - 2013	
	Amount	%	Amount	%
Stores & Spare Parts (Manufacturing)				
Imported	0.02	0.07%	0.20	0.32%
Indigenous	27.91	99.93%	62.07	99.68%
TOTAL	27.93	100.00%	62.27	100.00%

28 Exceptional Items

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Provision for impairment towards exposure to P.Van Eerd Beheersmaatschappij B.V. (Refer Note 33)	-	25.75
Provision for impairment of Gammon Holdings B.V. (Refer Note 33)	-	69.54
Provision towards operation in Oman (Refer Note 43)	-	11.35
Provision towards impairment in ACBI	37.15	-
Provision towards impairment related to SAE S.r.l	57.85	-
Provision for risks and contingencies (Refer Note 33)	184.38	-
Reversal of interest cost due to reduction in interest rate as per CDR	(12.47)	-
Fees and costs in connection with the CDR implementation process	3.97	-
TOTAL	270.88	106.64

29 CIF Value of Imports

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Raw Materials	60.25	82.02
<i>Including Traded Goods ₹ 9.44 Crore (Previous Year ₹ 8.33 Crore)</i>		
Machinery	10.60	17.68
Stores & Spares	7.42	4.70
TOTAL	78.27	104.40



30 Earnings in Foreign Exchange

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
FOB Value of Exports	92.66	222.93
Revenue from Overseas Project and Receipts from World Bank aided Projects in Foreign Currency	84.80	68.21
Interest	4.16	3.07
Tower Testing Charges	5.01	9.30
TOTAL	186.63	303.51

31 Expenditure in Foreign Currency

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Travelling	0.65	0.86
Interest Paid	1.44	2.65
Expenditure at Foreign Sites / Branch	74.71	65.77
Professional, Technical & Consultancy	4.41	5.37
Other Matters (Books, Periodicals, Subscription etc.)	3.12	1.87
TOTAL	84.33	76.52

32 Remittance of Dividend in Foreign Currency

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
(i) Numbers of Non Resident Shareholders		
a) For FY 2012 - 2013 Final	-	
b) For FY 2011 - 2012 Final		12.00
(ii) Numbers of shares held by them		
a) For FY 2012 - 2013 Final	-	
b) For FY 2011 - 2012 Final		7,933,545
(ii) Gross Amount of Dividend		
a) For FY 2012 - 2013 Final	-	
b) For FY 2011 - 2012 Final		0.16

33 Foreign Venture

(a) The Company through its Special Purpose Investment Vehicle holds the following stakes :

- Franco Tosi Mecannica S.p.A, Italy (FTM)
- Sofinter S.p.A, Italy
- Sadelmi S.p.A, Italy
- SAE Power Line S.r.l, Italy

(b) The Company's exposure towards investment in Sofinter group is ₹ 560.77 Crore including Investments and guarantees towards the acquisition loan taken by the SPV. The Company has carried out valuation of Sofinter group through an independent valuer considering business plan of all companies within the Sofinter group, order book position and economic environment where the Company is operating. The carrying value is higher compare to the valuation by ₹ 132.59 Crore. The management is of the view that valuation carried out is based on current European scenario whereas growth option to various sub-continent in future cannot be ruled out. The management asserts that the valuation does not factor future growth when the world economies including those in South East Asia and India improve and therefore considering the long-term commitment of the management and its business plan, the management does not expect any provision towards diminution in the value of Investment in Sofinter. The management is of the view that the diminution in the value being the difference in the carrying value of investment over the valuation carried out by the external valuer is temporary in nature and does not require provisioning. Hence, based on valuation report and management perception for future scenario, the carrying value of investment in this group does not require any impairment.

(c) The Board of FTM has approved on 29 May 2013, to go in for a procedure permitted under recently notified Italian laws to minimize the risks attributed to the Company's legacy statutory and other debts, while at the same time seeking to ensure the timely execution of ongoing and future projects by optimizing operational cash flows. This involves restructuring the Company with approval of the court. Post restructuring, the operations of the Company are foreseen to significantly turn around and bring it back to profitability.

The said application was admitted by the Court on 7 June 2013 and the court soon thereafter appointed a Judicial Commissioner to evaluate the possibility of FTM continuing its operations and, if this was established, to set out a procedure to continue and manage the Company for a period of at least two years.

In July 2013, court received the confirmation of the possibility of continuity of FTM from the Judicial Commissioner authorized him, in agreement with FTM to call for bids for the lease of the business for two years, to be followed by a sale. Four bidders have submitted compliant bids for the lease. The initial date for identifying and closing the transaction with the successful lessee was early September 2013; further postponed to October 2013. In October 2013, Court has requested Ministry to directly handle this matter. The ministry has appointed committee of 3 people, who will be meeting during end of March 2014 to take a decision on bids.

In light of the on-going procedure, the Commissioner has not released any financial statements or financial information relating to the operations of FTM for 2013 and it is expected that this will not be released until the entire process is complete.

The continuous shifting of dates thereby delaying the finalization of the lease is affecting the ongoing projects of FTM. In few cases corporate guarantee of Gammon India Limited were invoked for amount of Euro 2.20 Million. This amount is fully provided in the books of Gammon India Limited and shown under provision for risks and contingencies. There is delay in other projects as well due to the slow pace of execution for reasons mentioned above and slippage in completion dates, these projects are also at high risk of cancellation with attendant consequences thereof in respect of the Bank Guarantees.

The Company's exposure in FTM (Net of provisions made and credit balance in Foreign Exchange Translation Reserve) is ₹ 570.42 Crore including corporate guarantee given for acquisition loan taken by its SPV.

Management is of the view that due to this restructuring there will be no impairment of its investment in the Company. Management is also hopeful that notwithstanding the difficulties and risks, these Projects will be completed with some delays but without contractual consequences. Management is in an advance stage of negotiations with intended buyer for sale of its stake in the Company, given its large intellectual property, references etc.

- (d) The Company through its step down Subsidiary P. Van Eerd Beheersmaatschappij B.V., Netherlands (PVAN) held a 50% shareholding in Sadelmi S.p.A for Euro 7.50 Million, Italy (Sadelmi) with the remaining 50% held by Busi Impianti S.p.A, Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l wholly held by Busi Group.

The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons.

In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards its funded exposures in connection with the Investment in Sadelmi of ₹ 25.72 Crore and has charged the same as an exceptional item. The Company has exposure in respect of Corporate Guarantee for acquisition loan by its SPV.

The Company has made provision as risks and contingencies of ₹ 69.46 Crore towards the guarantees issued to the banker of its wholly owned SPV PVAN, in respect of loans taken by the said Subsidiary for making investment into Sadelmi, in accordance with AS-29 "Provisions, Contingent liabilities and Contingent Assets" considering the net worth and operations of the said Sadelmi.

- (e) The accounts of M/s SAE Power Line S.r.l (SAE), a step down Subsidiary, of the Company are not audited and are as per management prepared unaudited accounts. The Company's exposure towards investments in SAE is ₹ 318.74 Crore including investments and guarantees towards the acquisition Loan taken by the SPV. On the basis of offer received for this business from intended buyer, the management is of the view that carrying value of investment in this business needs to be impaired considering offer price as based valuation of business. Considering the offer price, the Company has provided for Impairment of investments, loans of ₹ 110.45 Crore and provision towards risk and contingencies of ₹ 88.29 Crore towards the guarantee given for the acquisition loan taken by SPV.
- (f) Considering the losses in one of its Subsidiary M/s Ansaldoaldaie Boilers India Private Limited (ACBI) of ₹ 37.15 Crore, the Company has carried out an impairment test of its investments in ACBI. On the basis of the impairment test carried out the Management has made full provision towards the impairment of its investment in ACBI of ₹ 37.15 Crore.

34 ESOP Scheme

Pursuant to the amalgamation of ATSL with the Company, the outstanding options of the employees of the erstwhile ATSL outstanding as on 1 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 27 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 27 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 ₹
28 September 2008	21,260	28.09.08 to 27.09.11	250.00	677.65
28 September 2009	26,575	28.09.09 to 27.09.12	250.00	677.65
28 March 2010	26,575	28.03.10 to 27.03.13	250.00	677.65
28 March 2011	31,890	28.03.11 to 27.03.14	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	Apr - Dec 2013	FY 2012 - 2013
Net Income as reported (₹ in Crore)	(765.91)	(59.05)
Add : ESOP compensation cost as accounted on Intrinsic value method (₹ in Crore)	-	-
Less : ESOP compensation cost as accounted on fair value method (₹ in Crore)	-	-
Net Profit Adjusted (₹ in Crore)	(765.91)	(59.05)
Basic earnings per share - as reported (₹)	(56.41)	(32.82)
Basic earning per share – Adjusted (₹)	(56.41)	(32.82)
Diluted earning per share – as reported (₹)	(56.41)	(32.82)
Diluted earning per share – Adjusted (₹)	(56.41)	(32.82)

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	Apr - Dec 2013	FY 2012 - 2013
Option Shares Outstanding at the beginning of the year	8,700	21,790
Options exercised during the year	-	-
Option Shares granted during the year	-	-
Option Shares lapsed during the year	-	13,090
Option Shares Outstanding at the end of the year	8,700	8,700

During the year NIL (*Previous Year NIL*) options were exercised by the employees against which NIL equity shares (*Previous Year NIL*) were allotted and NIL (*Previous Year 13,090*) options were lapsed during the year on account of cessation of employment. None of the 8,700 options outstanding have been forfeited during the year.

- 35 The Company's CDR package was approved by the CDR EG in its meeting held on 24 June 2013 and communicated to the Company vide its letter of approval dated 29 June 2013. The Company executed the Master Restructuring Agreement (MRA) with the CDR lenders on 24 September 2013. Substantial securities have been created in favour of the CDR Lenders.

Considering the approval of the CDR package and the availability of Priority Loans under the package, the Management is confident of meeting its projections made to the lenders. The Company has received further order during the period of ₹ 4,126 Crore, it is exploring sale of non-core assets, pursuing rigorous austerity measure across all levels, downsizing its staff and actively exploring partnerships for its real estate projects. In view thereof, although there are cash losses of ₹ 311.76 Crore during the period, the Management is confident that the going concern assumption is appropriate.

36 Earning Per Share

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

Particulars	Apr - Dec 2013	FY 2012 - 2013
Net profit attributable to the Equity Share holders (₹ in Crore)	(765.91)	(445.67)
Outstanding Number of equity shares at the end of the year	135,774,668	135,774,668
Weighted Number of Shares during the period – Basic	135,774,668	135,774,668
Weighted Number of Shares during the period – Diluted	136,515,084	136,515,084
Earning Per Share – Basic (₹)	(56.41)	(32.82)
Earning Per Share – Diluted (₹)	(56.41)	(32.82)

*Since the options granted are anti dilutive hence diluted EPS is not computed.

Reconciliation of weighted number of outstanding during the year :

Particulars	Apr - Dec 2013	FY 2012 - 2013
Nominal Value of Equity Shares (₹ per share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	135,774,668	135,774,668
Add: Issue of shares under ESOP	-	-
Number of Equity Shares at the end	135,774,668	135,774,668
Weighted average of equity shares at the end	135,774,668	135,774,668
For Dilutive EPS :		
Weighted average no. of shares in calculating basic EPS	135,774,668	135,774,668
Add: Shares kept in abeyance	725,800	725,800
Add: On grant of stock option under ESOP	14,616	14,616
Weighted average no. of shares in calculating dilutive EPS	136,515,084	136,515,084

37 Disclosure under Accounting Standard – 19 “Leases” of the Companies (Accounting Standards) Rule, 2006

The Company has taken various residential / godowns / offices premises (including Furniture and Fittings if any) under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in Statement of Profit and Loss Account under Rent, Rates and Taxes.

The Company has taken certain equipment on an operating lease and the future minimum committed lease rentals are given as follows on the basis of current usage-

Particulars	Apr - Dec 2013	FY 2012 - 2013
Payable not later than one year	3.92	2.65
Payable between one to five years	5.96	7.59
Payable after five years	-	-

(₹ in Crore)

38 Contingent Liability

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
a Liability on contracts remaining to be executed on Capital Accounts	6.68	18.27
b Counter Guarantees given to Bankers for Guarantees given by them and Corporate Guarantees, on behalf of Subsidiary, erstwhile Subsidiary, Associate Companies	4,670.91	4,859.44
c 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	99.92	105.08
d Disputed Sales Tax Liability for which the Company has gone into Appeal	90.57	43.45
e Claims against the Company not acknowledged as debts	126.39	68.34
f Disputed Excise Duty Liability	0.05	0.05
g Disputed Service Tax Liability	31.81	53.44
h Against bill discounting	-	7.68
i Outstanding Letters of Credit Pending Acceptance	144.16	459.56
j On partly paid shares (Refer Note 46(iii))	-	-

(₹ in Crore)



(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
k In respect of Income Tax Matters of Company and its Joint Ventures	185.09	45.11
l Commitment towards capital contribution in Subsidiary under contractual obligation	47.36	47.36
m Disputed stamp duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited	4.93	4.93
n Right to recompense in favour of CDR lenders in accordance with the terms of MRA	504.96	-
o There is a disputed demand of UCO Bank pending since 1986, of USD 436251 i.e. ₹ 1.72 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. ₹ 0.12 Crore, which adjustment has not been accepted by the Company.		
p The Company had deposited during previous years, 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.		
q Counter claims in arbitration matters referred by the Company – liability unascertainable.		
r The disputed Service Tax liability disclosed above is after considering legal advice on the probability of the liability materialising being remote.		

39 Segment Reporting

The Company is engaged mainly in "Construction and Engineering" segment. During the year, the Company has started Real Estate Business which is a different segment of "Real Estate Development" and additionally the Company has revenue from Windmills. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Accounting Standard AS -17 - 'Segment Reporting' is done. The Company also primarily operates under one geographical segment namely India.

40 Quantitative information of Derivative instruments entered into by the Company and outstanding as at balance sheet date

(a) For Un-hedged Foreign Currency Exposures :

Unhedged Foreign currency exposure as at 31 December 2013 is ₹ 1,383.66 Crore (Previous Year ₹ 1,081.33 Crore) receivables and ₹ 235.29 Crore (Previous year ₹ 242.17 Crore) payables. Currency wise unhedged amounts are as follows:

Currency	As at 31 Dec 2013		As at 31 Mar 2013	
	Receivables	Payables	Receivables	Payables
USD - US Dollar	148,425,669	28,206,546	130,779,803	34,330,854
EURO	44,246,077	1,433,005	42,055,991	1,191,055
GBP - Great Britain Pound	-	3,892	-	11,811
AED - UAE Dirham	95,560	-	95,560	-
SEK - Swedish Kronor	-	863,450	-	26,863
DZD - Algeria	128,754,639	209,576,576	113,792,364	211,088,907
NAIRA - Nigeria	1,170,092	6,213,707	1,170,092	6,213,707
KSH - Kenya	128,784,924	4,858,971	76,465,896	43,402,704
BTN - Bhutan	443,763,462	221,009,610	309,331,135	243,049,649
CAD - Canadian Dollar	3,170,833	-	4,467,527	126,987
BIRR - Ethiopia	46,561,281	25,414,134	30,666,033	16,319,706
RWF - Rwandan France	13,928,547	85,724,313	130,030,285	8,774,930

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

42 Joint Venture

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

Name of Joint Venture	Description of Interest	% of involvement
1 BBJ Gammon	Jointly Controlled Operation	49.00%
2 CMC - Gammon JV	Jointly Controlled Operation	50.00%
3 Gammon - CMC JV	Jointly Controlled Operation	60.00%
4 Gammon - CRFG JV	Jointly Controlled Operation	55.00%
5 Gammon AG JV	Jointly Controlled Operation	51.00%
6 GAMMON ARCHIRODON	Jointly Controlled Operation	98.50%
7 Gammon Atlanta	Jointly Controlled Operation	50.00%
8 Gammon BBJ	Jointly Controlled Operation	50.00%
9 GAMMON LIMAK	Jointly Controlled Operation	51.00%
10 Gammon OSE	Jointly Controlled Operation	50.00%

Name of Joint Venture	Description of Interest	% of involvement
11 Gammon Pratibha (BWSSB)	Jointly Controlled Operation	70.00%
12 Gammon Progressive	Jointly Controlled Operation	50.00%
13 GAMMON RIZZANI	Jointly Controlled Operation	50.00%
14 GAMMON SEW	Jointly Controlled Operation	90.00%
15 Gammon Srinivasa	Jointly Controlled Operation	80.00%
16 Gammon Yuksel JV	Jointly Controlled Operation	51.00%
17 Gammon Yuksel JV	Jointly Controlled Operation	50.00%
18 Gammon Yuksel JV	Jointly Controlled Operation	50.00%
19 GIL JMC	Jointly Controlled Operation	70.00%
20 GIL Simplex (Dholakal Tupul)	Jointly Controlled Operation	51.00%
21 GIL Simplex (Khongsang Imphal)	Jointly Controlled Operation	51.00%
22 Hyundai Gammon	Jointly Controlled Operation	49.00%
23 IM - JV	Jointly Controlled Operation	12.25%
24 JFE - Gammon Joint Venture	Jointly Controlled Operation	40.00%
25 JFE - Gammon Joint Venture	Jointly Controlled Operation	40.00%
26 MI - JV	Jointly Controlled Operation	9.80%
27 OSE GIL	Jointly Controlled Operation	50.00%
28 Patel Gammon	Jointly Controlled Operation	49.00%
29 Afghanistan ATSL AEPC Consortium	Jointly Controlled Operation	75.00%
30 Consortium between SAE Powerlines S.r.l and ATSL	Jointly Controlled Operation	NIL
31 Consortium SAE - GAMMON	Jointly Controlled Operation	37.03%
32 Gammon - FCEP - Joint Venture - Nigeria	Jointly Controlled Operation	80.13%
33 JV Siemens Limited And ATSL, Kenya	Jointly Controlled Operation	NIL
34 SAE - GAMMON Consortium	Jointly Controlled Operation	51.56%
35 SAE - GIL Consortium	Jointly Controlled Operation	33.91%
36 SAE - Gammon Consortitum	Jointly Controlled Operation	85.46%
37 SAE - Gammon Consortitum - Togo Benin	Jointly Controlled Operation	40.00%
38 Bhutan Consortium Jyoti Structures Limited & Gammon India Limited	Jointly Controlled Entity	50.00%
39 Gammon Encee Consortium	Jointly Controlled Entity	51.00%
40 Jaeger Gammon	Jointly Controlled Entity	90.00%
41 Gammon Construtora Cidade Tensaccia Joint Venture	Jointly Controlled Entity	60.00%
42 Gammon OJSC Mosmetrostroy Joint Venture	Jointly Controlled Entity	51.00%
43 Gammon - CMC JV	Jointly Controlled Entity	50.00%
44 GIPL GIL Joint Venture	Jointly Controlled Entity	5.00%

(b) Details of Income & Expenditure and Assets & Liabilities of Jointly controlled entities as per the audited accounts of the Joint venture entity are as under-

Particulars of JV with share	Share of	Share of	Share of	Share of
	Assets	Liabilities	Income	Expenditure
1 Gammon Encee Consortium (51%)*	4.76 (4.76)	1.40 (1.40)	-	-
2 Jaeger Gammon (90%)	9.20 (9.90)	9.08 (9.78)	4.38 (25.59)	4.39 (25.60)
3 Gammon Construtora Cidade Tensaccia Joint Venture (60%)*	95.04 (53.94)	89.20 (53.78)	81.79 (33.68)	80.21 (33.98)
4 Gammon OJSC Mosmetrostroy Joint Venture (51%)	92.21 (100.30)	110.82 (117.50)	142.69 (235.44)	143.04 (235.82)
5 Bhutan Consortium Jyoti Structures Limited & Gammon India Limited (50%)*	53.31 (48.14)	53.31 (48.14)	60.41 (69.78)	60.41 (69.78)
6 Gammon CMC Joint Venture (50%)*	0.63 -	0.63 -	-	0.90 -
7 GIPL GIL Joint Venture (5%)*	0.36 -	0.36 -	0.13 -	0.13 -

(Previous year figures are in brackets)

* Based on Management Accounts.



43 Joint Venture and Operations in Oman

The Company has during the previous year suspended its operations at Oman JV and its branch office and has provided towards all receivables and assets in connection therewith. The Company has also suspended recognition of the results of the Joint Venture in its financials and does not expect any liabilities in connection therewith.

44 Disclosure of transactions with Related Parties, as required by Accounting Standard - 18 'Related Party Disclosures' has been set out in a separate Annexure - 2.

45 In terms of the decision of the Board of Directors in their meeting held on 18 February 2014 and as noted by the CDR lenders, the Company has decided to close its financial year as at 31 December 2013. Accordingly these financial statements are for a period of 9 months from 1 April 2013 to 31 December 2013 and are not comparable with the figures for the previous year of 12 months.

46 Previous year figures are regrouped and rearranged with those of the current period.

47 Details of rounded off amounts

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

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
(i) Non Current Investment		
Aircscrew (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	20,646	19,677
(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 : 18 March 2014

For and on behalf of the Board of Directors

Abhijit Rajan
Chairman & Managing Director

Chandahas C. Dayal
Director

Girish Bhat
Chief Financial Officer

Mumbai, Dated : 18 March 2014

Digambar C. Bagde
Deputy Managing Director - T&D Business

Rajul A. Bhansali
Executive Director

Gita Bade
Company Secretary

Details of Continuing default as on 31 Dec 2013

Annexure 1

(₹ in Crore)

Bank / Party Name	Facility	Amounts	Due On	Type
Bank of Baroda	FITL	0.17	Nov-13	Interest
Bank of Baroda	FITL	0.18	Dec-13	Interest
Canara Bank	FITL	0.21	Dec-13	Interest
Syndicate Bank	FITL	0.22	Dec-13	Interest
Syndicate Bank	FITL	0.27	Jun-13	Interest
United Bank of India	FITL	0.26	Dec-13	Interest
Gactel Turnkeys Project Limited	ICD	0.03	Mar-13	Interest
Gammon Road Infrastructure Limited	ICD	0.01	Mar-13	Interest
Franco Tosi Turbines Private Limited	ICD	1.30	Mar-13	Interest
Franco Tosi Turbines Private Limited	ICD	0.46	Dec-13	Interest
Central Bank of India	FITL NCD	0.02	Dec-13	Interest
Allahabad Bank	FITL NCD	0.01	Dec-13	Interest
Indian Bank	FITL NCD	0.01	Dec-13	Interest
Karnataka Bank	FITL NCD	0.01	Dec-13	Interest
Bank of Maharashtra	FITL NCD	0.01	Dec-13	Interest
United India Insurance Company Limited	FITL NCD	0.01	Dec-13	Interest
GIC India	FITL NCD	0.01	Dec-13	Interest
GIC India	FITL NCD	0.02	Dec-13	Interest
LIC of India	FITL NCD	0.01	Mar-13	Interest
LIC of India	FITL NCD	0.01	Apr-13	Interest
LIC of India	FITL NCD	0.02	May-13	Interest
LIC of India	FITL NCD	0.02	Jun-13	Interest
LIC of India	FITL NCD	0.02	Jul-13	Interest
LIC of India	FITL NCD	0.02	Aug-13	Interest
LIC of India	FITL NCD	0.01	Sep-13	Interest
LIC of India	FITL NCD	0.03	Oct-13	Interest
LIC of India	FITL NCD	0.03	Nov-13	Interest
LIC of India	FITL NCD	0.04	Nov-13	Interest
LIC of India	FITL NCD	0.04	Dec-13	Interest
LIC of India	FITL NCD	0.01	Feb-13	Interest
LIC of India	FITL NCD	0.02	Mar-13	Interest
LIC of India	FITL NCD	0.03	Apr-13	Interest
LIC of India	FITL NCD	0.04	May-13	Interest
LIC of India	FITL NCD	0.04	Jun-13	Interest
LIC of India	FITL NCD	0.05	Jul-13	Interest
LIC of India	FITL NCD	0.04	Aug-13	Interest
LIC of India	FITL NCD	0.02	Sep-13	Interest
LIC of India	FITL NCD	0.07	Oct-13	Interest
LIC of India	FITL NCD	0.08	Nov-13	Interest
LIC of India	FITL NCD	0.09	Nov-13	Interest
LIC of India	FITL NCD	0.10	Dec-13	Interest
LIC of India	NCD	3.47	Mar-13	Interest
LIC of India	NCD	1.56	Mar-13	Interest
LIC of India	NCD	1.54	Sep-13	Interest
Canara Bank	Cash Credit	2.31	Dec-13	Overdrawn



(₹ in Crore)

Bank / Party Name	Facility	Amounts	Due On	Type
IDBI Bank	Cash Credit	6.71	Dec-13	Overdrawn
Bank of Baroda	Cash Credit	0.78	Dec-13	Overdrawn
Bank of Baroda	Priority Loan	0.59	Nov-13	Interest
Bank of Baroda	Priority Loan	0.62	Dec-13	Interest
Canara Bank	Priority Loan	0.43	Dec-13	Interest
Syndicate Bank	Priority Loan	0.22	Dec-13	Interest
Punjab National Bank	Priority Loan	0.01	Dec-13	Interest
ICICI Bank	Priority Loan	0.30	Dec-13	Interest
Allahabad Bank	Priority Loan	0.01	Dec-13	Interest
IDBI Bank	Priority Loan	0.02	Oct-13	Interest
IDBI Bank	Priority Loan	0.04	Nov-13	Interest
IDBI Bank	Priority Loan	0.08	Dec-13	Interest
DBS Bank	Priority Loan	0.53	Dec-13	Interest
DBS Bank	Short Term Loan	0.05	Dec-13	Interest
DBS Bank	Short Term Loan	0.34	Dec-13	Interest
Syndicate Bank	WCDL	0.56	Dec-13	Interest
Bank of Baroda	WCTL	0.58	Nov-13	Interest
Bank of Baroda	WCTL	0.58	Dec-13	Interest
Canara Bank	WCTL	1.21	Dec-13	Interest
Syndicate Bank	WCTL	0.34	Dec-13	Interest
Syndicate Bank	WCTL	0.15	Dec-13	Interest
Punjab National Bank	WCTL	0.57	Dec-13	Interest
ICICI Bank	WCTL	0.86	Dec-13	Interest
Allahabad Bank	WCTL	0.73	Dec-13	Interest
IDBI Bank	Cash Credit	0.66	Dec-13	Interest
IDBI Bank	WCTL	0.85	Dec-13	Overdrawn
IDBI Bank	WCTL	0.60	Oct-13	Interest
IDBI Bank	WCTL	0.58	Nov-13	Interest
IDBI Bank	WCTL	0.61	Dec-13	Interest
ICICI Bank	Professional Fees	1.38	Oct-13	Professional Fees
Oriental Bank of Commerce	WCTL	0.27	Dec-13	Interest
Oriental Bank of Commerce	WCTL	0.29	Dec-13	Interest
Bank of Baroda	FITL	0.15	Dec-13	Interest
Bank of Maharashtra	FITL	0.05	Dec-13	Interest
IDBI Bank	Priority Loan	0.18	Oct-13	Interest
IDBI Bank	Priority Loan	0.42	Nov-13	Interest
IDBI Bank	Priority Loan	0.83	Dec-13	Interest
IDBI Bank	WCTL	0.54	Oct-13	Interest
IDBI Bank	WCTL	0.52	Nov-13	Interest
IDBI Bank	WCTL	0.54	Dec-13	Interest
IDBI Bank	FITL	0.04	Dec-13	Interest
DBS Bank	Short Term Loan	0.50	Nov-13	Interest
DBS Bank	Short Term Loan	0.40	Dec-13	Interest
Bank of Maharashtra	FITL	0.08	Dec-13	Interest
Export Import Bank of India	Demand Loan	7.42	Dec-13	Principal
Export Import Bank of India	Demand Loan	0.08	Dec-13	Interest

Details of Continuing default as on 31 Mar 2013

(₹ in Crore)

Bank / Party Name	Facility	Amounts	Due On	Type
Bank of Baroda	Short Term Loan	40.00	Feb-13	Principle
Bank of Baroda	Short Term Loan	40.00	Mar-13	Principle
Syndicate Bank	Short Term Loan	100.00	Jan-13	Principle
IDBI Bank	Short Term Loan	45.00	Jan-13	Principle
Canara Bank	Term Loan	17.50	Mar-13	Principle
Bank of Maharashtra	Term Loan	1.14	Mar-13	Principle
DBS Bank	Short Term Loan	0.27	Mar-13	Interest
DBS Bank	Short Term Loan	0.16	Mar-13	Interest
Bank of Baroda	Short Term Loan	2.07	Mar-13	Interest
Syndicate Bank	Short Term Loan	1.02	Mar-13	Interest
Syndicate Bank	Short Term Loan	0.04	Jan-13	Interest
IDBI Bank	Short Term Loan	1.30	Jan-13	Interest
UCO Bank	Short Term Loan	2.12	Jan-13	Interest
UCO Bank	Short Term Loan	1.92	Feb-13	Interest
UCO Bank	Short Term Loan	2.12	Mar-13	Interest
United Bank of India	Term Loan	2.65	Jan-13	Interest
United Bank of India	Term Loan	2.40	Feb-13	Interest
United Bank of India	Term Loan	2.65	Mar-13	Interest
Union Bank of India	Term Loan	2.39	Jan-13	Interest
Union Bank of India	Term Loan	2.16	Feb-13	Interest
Union Bank of India	Term Loan	1.84	Mar-13	Interest
ICICI Prudential	NCD	2.49	Mar-13	Interest
LIC of India	NCD	5.53	Mar-13	Interest
Franco Tosi Turbines Private Limited	ICD	0.54	Mar-13	Interest
Franco Tosi Turbines Private Limited	ICD	0.76	Mar-13	Interest
Gammon Road Infrastructure Limited	ICD	0.00	Mar-13	Interest
Gactel Turnkeys Project Limited	ICD	0.03	Mar-13	Interest
Bank of Maharashtra	Term Loan	1.23	Mar-13	Interest
Bank of Baroda	Demand Loan	0.28	Mar-13	Interest
Export Import Bank of India	Demand Loan	0.52	Mar-13	Interest
Export Import Bank of India	Demand Loan	0.10	Mar-13	Interest
Canara Bank	Cash Credit	4.06	Mar-13	Overdrawn
Syndicate Bank	WCDL	0.89	Mar-13	Overdrawn
Bank of Baroda	Cash Credit	1.09	Mar-13	Overdrawn
Allahabad Bank	Cash Credit	0.13	Mar-13	Overdrawn
Allahabad Bank	WCDL	1.08	Mar-13	Overdrawn



Annexure 2

A Related Party Disclosure (AS - 18)

SUBSIDIARIES	
1	Ansaldoaltaie Boilers India Private Limited
2	ATSL Holdings B.V., Netherlands
3	ATSL Infrastructure Projects Limited
4	Associated Transrail Structures Limited, Nigeria
5	Campo Puma Oriente S.A.
6	Deepmala Infrastructure Private Limited
7	Franco Tosi Hydro Private Limited
8	Franco Tosi Turbines Private Limited
9	Gactel Turnkey Projects Limited
10	Gammon and Billimoria Limited
11	Gammon Holdings (Mauritius) Limited
12	Gammon Holdings B.V.
13	Gammon Infrastructure Projects Limited
14	Gammon International B.V.
15	Gammon International FZE
16	Gammon Power Limited
17	Gammon Realty Limited
18	Gammon Retail Infrastructure Private Limited
19	Metropolitan Infrahousing Private Limited
20	P.Van Eerd Beheersmaatschappaji B.V.
21	Patna Water Supply Distribution Network Private Limited
22	SAE Transmission India Limited
23	Transrail Lighting Limited
STEPDOWN SUBSIDIARIES	
24	Andhra Expressway Limited
25	Aparna Infraenergy India Private Limited
26	Birmitrapur Barkote Highway Private Limited
27	Chitoor Infra Company Private Limited
28	Cochin Bridge Infrastructure Company Limited
29	Dohan Renewable Energy Private Limited
30	Earthlink Infrastructure Projects Private Limited
31	Franco Tosi Meccanica S.p.A
32	Gammon and Billimoria LLC
33	Gammon Italy S.r.l
34	Gammon Logistics Limited
35	Gammon Projects Developers Limited
36	Gammon Renewable Energy Infrastructure Limited
37	Gammon Renewable Energy Private Limited
38	Gammon Road Infrastructure Limited
39	Gammon Seaport Infrastructure Limited
40	Ghaggar Renewable Energy Private Limited
41	Gorakhpur Infrastructure Company Limited
42	Haryana Biomass Power Limited
43	Indori Renewable Energy Private Limited
44	Jaguar Projects Developers Limited
45	Kasavati Renewable Energy Private Limited
46	Kosi Bridge Infrastructure Company Limited
47	Lilac Infraprojects Developers Limited
48	Marine Projects Services Limited
49	Markanda Renewable Energy Private Limited
50	Mormugao Terminal Limited
51	Mumbai Nasik Expressway Limited
52	Pataliputra Highway Limited
53	Patna Buxar Highways Limited
54	Patna Highway Projects Limited
55	Pravara Renewable Energy Limited
56	Preeti Township Private Limited

57	Rajahmundry Expressway Limited
58	Rajahmundry Godavari Bridge Limited
59	Ras Cities And Townships Private Limited
60	SAE Powerlines S.r.l
61	Satluj Renewable Energy Private Limited
62	Sidhi Singrauli Road Project Limited
63	Segue Infrastructure Projects Private Limited
64	Sikkim Hydro Power Ventures Limited
65	Sirsa Renewable Energy Private Limited
66	Tada Infra Development Company Limited
67	Tangri Renewable Energy Private Limited
68	Tidong Hydro Power Limited
69	Vijaywada Gundugolanu Road Project Private Limited
70	Vizag Seaport Private Limited
71	Yamuna Minor Minerals Private Limited
72	Yamunanagar Panchkula Highway Private Limited
73	Youngthang Power Ventures Limited
JOINT VENTURE	
1	Gammon Atlanta
2	Gammon Archirodon
3	Gammon BBJ
4	Gammon Cidade Tensacciai
5	Gammon Encee Rail JV
6	Gammon Mosmetrostroy
7	Gammon OSE
8	Gammon Pratibha
9	Gammon Progressive
10	Gammon Rizzani
11	Gammon SEW
12	Gammon SEW
13	Gammon Srinivasa
14	GIL JMC
15	Haryana Bio Mass Power Limited
16	Hyundai Gammon
17	Indira Container Terminal Private Limited
18	Jaeger Gammon JV
19	OSE Gammon
20	Patel Gammon
21	Sofinter S.p.A
22	Gammon FECF JV, Nigeria
23	Consortium of Jyoti Structure & GIL
24	GIPL GIL JV
ASSOCIATES	
1	Eversun Sparkle Maritime Services Private Limited
2	Modern Toll Roads Limited
3	Finest S.p.A Italy
KEY MANAGERIAL PERSONNEL	
1	Mr. Abhijit Rajan
2	Mr. Rajul A. Bhansali
3	Mr. Digambar C. Bagde
RELATIVES OF KEY MANAGERIAL PERSONNEL	
1	Mr. Harshit Rajan
2	Mrs. Sandhya Bagde
3	Ms. Ruchi Bagde
ASSOCIATE OF KEY MANAGERIAL PERSONNEL	
1	Active Agro Farming Private Limited
2	Pacific Energy Private Limited

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

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year Apr - Dec 2013		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
SUBSIDIARIES				
Subcontracting Income	206.12		325.81	
Gorakhpur Infrastructure Company Limited		-		13.63
Kosi Bridge Infrastructure Company Limited		-		3.85
Patna Highway Projects Limited		76.67		204.08
Pravara Renewable Energy Limited		96.71		25.22
Rajahmundry Godavari Bridge Limited		13.34		41.94
Subcontracting Expenditure	3.69		0.65	
Transrail Lighting Limited		3.69		0.65
Operating And Maintenance Income	15.23		19.21	
Andhra Expressway Limited		7.41		9.34
Rajahmundry Expressway Limited		7.82		9.87
Operating And Maintenance Expenses	15.23		19.21	
Gammon Infrastructure Projects Limited		15.23		19.21
Purchase of Goods	11.55		2.22	
Gactel Turnkey Project Limited		10.57		0.09
Transrail Lighting Limited		0.98		2.13
Sale of Goods	19.85		36.26	
Deepmala Infrastructure Private Limited		9.45		-
Transrail Lighting Limited		2.78		2.24
SAE Power Lines S.r.l		7.62		30.55
Purchase of Investments / Advances towards Equity / Allotment of Shares	-		15.01	
Transrail Lighting Limited		-		15.00
Receiving of Services	13.94		33.27	
Gactel Turnkey Project Limited		6.96		27.75
SAE Power Lines S.r.l		6.98		3.09
Insurance Claim Received	-		0.29	
Andhra Expressway Limited		-		0.28
Insurance Claim Transferred	-		0.29	
Gammon Infrastructure Projects Limited		-		0.29
Finance provided (incl. Loans and equity contribution in cash or in kind)	78.83		547.18	
ATSL Holdings B.V., Netherlands		24.45		69.37
Deepmala Infrastructure Private Limited		2.70		133.77
Gactel Turnkey Project Limited		3.75		102.16
Gammon International B.V.		8.64		33.85
Metropolitan Infrahousing Private Limited		14.40		87.27
Finance provided for expenses & on a/c payments	110.71		3.39	
Ansaldocaldaie Boilers India Private Limited		0.02		0.78
Gactel Turnkey Project Limited		0.11		0.95
Gammon Holdings (Mauritius) Limited		90.40		-
SAE Power Lines S.r.l		15.86		1.29
Amount liquidated towards the finance provided	13.03		281.84	
Gammon Infrastructure Projects Limited		-		92.58
Gammon and Billimoria Limited		5.78		5.36
Deepmala Infrastructure Private Limited		3.70		48.00
Gactel Turnkey Project Limited		3.42		90.51
Metropolitan Infrahousing Private Limited		0.12		28.80



(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year Apr - Dec 2013		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Interest Income during the year	63.62		101.98	
Metropolitan Infrahousing Private Limited		31.86		57.90
Campo Puma Oriente S.p.A		0.85		0.44
Gammon Realty Limited		7.59		8.53
Gammon and Billimoria Limited		3.47		4.66
Deepmala Infrastructure Private Limited		13.33		17.06
Finance received (incl. Loans and equity contribution in cash or in kind)	1.30		108.36	
Gammon Road Infrastructure Limited		-		45.00
Gammon Seaport Infrastructure Limited		-		30.00
Franco Tosi Turbines Private Limited		1.30		-
Patna Water Supply Distribution Network Private Limited		-		33.36
Finance received for expenses & on a/c payments	0.01		0.06	
Gammon Infrastructure Projects Limited		-		0.04
Gammon and Billimoria Limited		0.01		0.02
Amount liquidated towards the above finance	0.29		75.09	
Gammon Road Infrastructure Limited		-		45.00
Gammon Seaport Infrastructure Limited		-		30.09
Transrail Lighting Limited		0.29		-
Franco Tosi Turbines Private Limited		-		-
Interest Paid	2.90		3.53	
Franco Tosi Turbines Private Limited		0.51		0.60
Patna Water Supply Distribution Network Private Limited		2.38		2.71
Contract Advance received	5.01		26.23	
Gorakhpur Infrastructure Company Limited		-		17.93
Patna Highway Projects Limited		3.64		-
Pravara Renewable Energy Limited		0.57		7.07
SAE Power Lines S.r.l		0.79		1.23
Refund against Contract advance	29.15		44.91	
Deepmala Infrastructure Private Limited		14.60		7.40
Sikkim Hydro Power Venture Limited		-		20.23
Pravara Renewable Energy Limited		12.95		4.79
Rajahmundry Godavari Bridge Limited		-		12.49
Guarantees and Collaterals Outstanding	3,353.53		2,969.66	
Ansaldoaldaie Boilers India Private Limited		252.90		252.90
Deepmala Infrastructure Private Limited		33.80		233.80
Franco Tosi Meccanica S.p.A		441.78		499.98
Gammon Holdings B.V.		728.35		390.61
Gammon International B.V.		523.38		244.78
Metropolitan Infrahousing Private Limited		175.00		175.00
Pledge of Shares (Number of shares)	-		430,286,305	
Gammon Infrastructure Projects Limited		-		430,286,305
Provision made for doubtful debts	110.33		95.29	
ATSL Holdings B.V., Netherlands		15.99		-
Gammon International FZE		-		15.69
Gammon Holdings B.V.		-		71.25
SAE Power Lines S.r.l		94.35		-
Provision made for Investment	37.27		-	
Ansaldoaldaie Boilers India Private Limited		37.15		-

(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year Apr - Dec 2013		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Outstanding Balances Receivables				
Loans and Advances	1,852.32		1,644.21	
ATSL Holdings B.V., Netherlands		104.09		97.69
Deepmala Infrastructure Private Limited		195.73		196.58
Gammon Holding B.V.		231.24		273.11
Gammon International B.V.		304.30		256.33
Gammon Realty Limited		111.97		111.57
Metropolitan Infrahousing Private Limited		477.95		463.67
Interest Receivable	224.31		167.21	
Deepmala Infrastructure Private Limited		41.55		28.22
Gammon Realty Limited		45.87		38.28
Metropolitan Infrahousing Private Limited		117.51		85.65
Trade & Other Receivable	278.56		283.55	
Kosi Bridge Infrastructure Company Limited		66.74		66.74
Mumbai Nasik Expressway Limited		22.43		25.45
SAE Power Lines S.r.l		111.82		134.82
Outstanding Balances Payable				
Trade & Other Payable	96.85		151.97	
Patna Water Supply Distribution Network Private Limited		16.69		33.36
Deepmala Infrastructure Private Limited		10.00		24.60
Gorakhpur Infrastructure Company Limited		17.93		17.93
Pravara Renewable Energy Limited		2.78		16.69
Rajahmundry Godavari Bridge Limited		10.09		16.44
ASSOCIATES				
Amount liquidated towards the finance provided	-		2.32	
Finest S.p.A		-		2.32
Interest Income during the year	0.04		0.12	
Finest S.p.A		0.04		0.12
Outstanding Balances Receivables	2.02		1.61	
Finest S.p.A		2.02		1.61
ASSOCIATE OF KEY MANAGERIAL PERSONNEL				
Loan & Advances Received	17.00		-	
Pacific Energy Private Limited		6.00		-
Active Agro Farming Private Limited		11.00		-
KEY MANAGERIAL PERSONNEL				
Remuneration paid	5.48		13.33	
Mr. Abhijit Rajan		4.14		8.74
Mr. Himanshu V. Parikh		-		2.12
Mr. Rajul A. Bhansali		0.56		0.92
Mr. Rohit Modi		-		0.58
Mr. Digambar C. Bagde		0.78		0.97
Loan & Advances Received	83.00		-	
Mr. Abhijit Rajan		83.00		-
RELATIVES OF KEY MANAGERIAL PERSONNEL				
Remuneration paid	0.48		0.63	
Mr. Harshit Rajan		0.46		0.62
Ms. Ruchi Bagde		0.02		0.01



(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year Apr - Dec 2013		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
JOINT VENTURE				
Subcontracting Income	389.22		643.93	
Consortium of Jyoti Structure & GIL		40.88		24.07
Gammon OJSC Mosmetrostroy JV		154.16		238.21
Gammon Cidade Tensacciai		42.36		40.87
Indira Container Terminal Private Limited		10.32		33.48
Jaeger Gammon		5.14		25.15
Patel Gammon		119.76		168.16
Sale of Goods	23.20		35.52	
Consortium of Jyoti Structure & GIL		23.20		35.52
Finance provided for expenses & on a/c payments	25.02		34.81	
Gammon FECF JV Nigeria		1.56		10.02
Gammon SEW		0.04		3.52
Gammon OJSC Mosmetrostroy JV		9.46		15.57
Amount liquidated towards the finance provided	16.91		20.05	
Gammon OJSC Mosmetrostroy JV		10.85		12.49
Gammon Cidade Tensacciai		5.89		0.95
Gammon SEW		0.04		4.49
Finance received for expenses & on a/c payments	-		37.91	
Gammon OJSC Mosmetrostroy JV		-		37.91
Amount liquidated towards the above finance	-		29.06	
Gammon OJSC Mosmetrostroy JV		-		29.06
Interest paid during the year	1.47		2.41	
Gammon Cidade Tensacciai		1.43		2.35
Contract Advance received	78.33		68.63	
Gammon OJSC Mosmetrostroy JV		41.51		5.91
Jaeger Gammon		0.30		14.71
Patel Gammon		36.03		41.72
Refund received against Contract Advance	87.79		93.10	
Indira Container Terminal Private Limited		10.64		14.66
Gammon OJSC Mosmetrostroy JV		15.82		17.43
Jaeger Gammon		0.30		17.00
Patel Gammon		48.66		27.51
Guarantees and Collaterals Outstanding	518.70		583.38	
Gammon Cidade Tensacciai		162.03		124.51
Gammon OJSC Mosmetrostroy JV		212.10		168.09
Jaeger Gammon		32.95		32.45
Gammon FECF JV Nigeria		10.82		94.39
Consortium of Jyoti Structure & GIL		9.50		58.04
Outstanding Balances Receivables				
Trade & Other Receivable	278.22		302.17	
Gammon OJSC Mosmetrostroy JV		53.90		55.01
OSE Gammon		51.58		53.12
Consortium of Jyoti Structure & GIL		39.85		24.07
Patel Gammon		60.43		75.15
Outstanding Balances Payable				
Trade & Other Payable	178.98		189.21	
Consortium of Jyoti Structure & GIL		13.15		17.81
Gammon Cidade Tensacciai		41.62		63.97
Gammon OJSC Mosmetrostroy JV		107.95		80.53
Indira Container Terminal Private Limited		5.00		5.00
Patel Gammon		6.15		18.78

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LIMITED
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956

(Amount in ₹)

Sr. No.	Particulars	ATSL Infrastructure Projects Limited	Deepmala Infrastructure Private Limited	Gactel Turnkey Projects Limited	Gammon and Billimoria Limited	Gammon Infrastructure Projects Limited	Gammon Power Limited	Gammon Realty Limited	Gammon Retail Infrastructure Private Limited	Transrail Lighting Limited
		31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013
1	Financial year ending on									
	Share Capital (including share application money pending allotment)	500,000	100,000	50,500,000	1,000,000	1,476,155,376	500,000	200,500,000	100,000	310,000,000
2	Reserves	(151,165)	(567,752)	(394,605,352)	16,109,321	4,845,440,400	962,916	(552,337,651)	(150,267)	(295,676,712)
3	Liabilities	200,035,462	7,386,966,046	2,468,923,235	956,645,964	10,089,494,945	20,620,958	1,592,712,394	50,267	917,213,521
4	Total Liabilities	200,384,297	7,386,498,294	2,124,817,883	973,755,285	16,411,090,121	22,083,874	1,240,874,743	-	931,536,809
5	Total Assets	200,384,297	7,386,498,294	2,124,817,883	973,755,285	16,411,090,121	22,083,874	1,240,874,743	-	931,536,809
6	Investments (excluding Subsidiary Companies)	-	-	3,577,589	-	609,466,780	-	-	-	-
7	Turnover	-	-	496,380,725	-	725,620,654	-	-	-	515748375
8	Profit before taxation	(3,371)	(44,010)	(133,066,065)	2,140,561	(142,663,299)	1,742,900	(51,988,606)	(29,489)	(19,021,689)
9	Provision for taxation	-	-	1,350,285	661,433	(3,016,897)	816,000	-	-	(240,010)
10	Profit after taxation	(3,371)	(44,010)	(134,416,350)	1,479,128	(139,666,402)	926,900	(51,988,606)	(29,489)	(18,781,679)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-

Details of Investment										
I) Joint Ventures / Associates										
Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	21,439,500	-	-	-	-
SEZ Adityapur Limited	-	-	-	-	-	190,000	-	-	-	-
Indira Container Terminal Private Limited	-	-	-	-	-	507,830,000	-	-	-	-
Modern Toll Roads	-	-	-	-	-	244,700	-	-	-	-
Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	30,518,080	-	-	-	-
Sadelmi S.p.A	-	-	-	-	-	-	-	-	-	-
Maa Durga Expressways Private Limited	-	-	-	-	-	49,000,000	-	-	-	-
ATSL Infrastructure Projects Limited	-	-	-	-	-	244,500	-	-	-	-
Ansaldocaldaie - GB Engineering Private Limited	-	-	-	-	-	-	-	-	-	-
II) Other										
Non Traded, Redeemable, Quoted NCDs	-	-	-	-	-	-	-	-	-	-
Investment in mutual fund	-	-	-	3,528,589	-	-	-	-	-	-
Share of Profit / (Losses) in a Partnership Firm	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	49,000	-	-	-	-	-	-



DETAILS OF SUBSIDIARIES OF GAMMON INDIA LIMITED
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956

Sr. No.	Particulars	(Amount in ₹)									
		Metropolitan Infrahousing Private Limited	SAE Transmission India Limited (SAET)	Franco Tosi Hydro Private Limited	Franco Tosi Turbines Private Limited	Preeti Township Private Limited	Patna Water Supply Distribution Networks Private Limited	AnsaldoCaldiaie Boilers India Private Limited	Andhra Expressway Limited*	Aparna Infraenergy India Private Limited*	
	Financial year ending on	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013
1	Share Capital (including share application money pending allotment)	100,000	500,000	100,000	951,450	1,000,000	100,000	1,000,000	290,000,000	500,000	500,000
2	Reserves	872,314,383	(2,862,745)	(79,054)	(14,281,207)	(1,143,316)	(42,188,172)	(563,433,486)	346,369,043	(233,607)	(233,607)
3	Liabilities	9,031,220,952	22,500,491	43,871	233,241,846	85,782,635	506,495,862	1,183,636,044	1,192,979,288	386,942,858	386,942,858
4	Total Liabilities	9,903,635,335	20,137,746	64,817	219,912,089	85,639,319	464,407,690	1,120,202,558	1,829,348,331	387,209,251	387,209,251
5	Total Assets	9,903,635,335	20,137,746	64,817	219,912,089	85,639,319	464,407,690	1,120,202,558	1,829,348,331	387,209,251	387,209,251
6	Investments (excluding Subsidiary Companies)	-	-	-	-	-	-	180,050,000	50,296,182	-	-
7	Turnover	-	-	-	-	-	229,073,757	148,020,663	418,680,000	-	-
8	Profit Before Taxation	(62,921,820)	(5,626,607)	(22,899)	-	(37,221)	(39,866,791)	(334,078,193)	44,390,753	(89,989)	(89,989)
9	Provision for Taxation	-	-	-	-	-	36,616	(2,959,233)	8,072,756	-	-
10	Profit After Taxation	(62,921,820)	(5,626,607)	(22,899)	-	(37,221)	(39,903,407)	(331,118,960)	36,317,997	(89,989)	(89,989)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-	-
	Details of Investment										
	I) Joint Ventures / Associates										
	Eversun Sparkle Marlimes Services Private Limited	-	-	-	-	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-	-	-	-	-
	Sadeimi S.p.A	-	-	-	-	-	-	-	-	-	-
	Maa Durga Expressways Private Limited	-	-	-	-	-	-	-	-	-	-
	ATSL Infrastructure Projects Limited	-	-	-	-	-	-	-	-	-	-
	AnsaldoCaldiaie - GB Engineering Private Limited	-	-	-	-	-	-	180,050,000	-	-	-
	II) Other										
	Non Traded, Redeemable, Quoted NCDs' Investment in Mutual Fund	-	-	-	-	-	-	-	-	-	-
	Share of Profit / (Losses) in a Partnership Firm	-	-	-	-	-	-	-	50,296,182	-	-
	Other	-	-	-	-	-	-	-	-	-	-

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LIMITED
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956)

Sr. No.	Particulars	(Amount in ₹)										
		Birmitrapur Barkote Highway Private Limited *	Cochin Bridge Infrastructure Company Limited*	Dohan Renewable Energy Private Limited*	Chittoor Infra Private Limited*	Earthlink Infrastructure Projects Private Limited*	Gammon Logistics Limited*	Gammon Projects Developers Limited*	Gammon Renewable Energy Infrastructure Projects Limited*	Gammon Road Infrastructure Limited*	31 Dec 2013	31 Dec 2013
	Financial year ending on	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013
1	Share Capital (including share application money pending allotment)	100,000	64,000,700	100,000	100,000	100,000	100,000	100,000	25,500,000	2,500,000	500,000	500,000
2	Reserves	(377,544)	39,536,963	(104,500)	(59,106)	(69,180)	(42,376,488)	(1,277,759)	(8,969,517)			
3	Liabilities	109,525,872	166,729,179	4,500	126,875,497	209,088,838	17,525,264	6,053,500	52,862,094			
4	Total Liabilities	109,248,328	270,266,842	-	126,916,391	209,119,658	648,776	5,178,214	52,084,335			
5	Total Assets	109,248,328	270,266,842	-	126,916,391	209,119,658	648,776	5,178,214	52,084,335			
6	Investments (excluding Subsidiary Companies)	-	-	-	-	-	-	-	-	-	-	50,000
7	Turnover	-	35,708,973	-	-	-	40,000,000	-	-	-	-	-
8	Profit Before Taxation	(150,961)	(3,203,528)	(6,445)	(7,392)	(6,022)	34,951,951	(17,633)	(42,933)			1,973,828
9	Provision for Taxation	-	118,700	-	-	-	7,980,251	970,665	-			425,000
10	Profit After Taxation	(150,961)	(3,322,228)	(6,445)	(7,392)	(6,022)	26,971,701	(988,298)	(42,933)			1,548,828
11	Dividend - Equity	-	-	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-	-	-
	Details of Investment											
	I) Joint Ventures / Associates											
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Sadelimi S.p.A	-	-	-	-	-	-	-	-	-	-	-
	Maa Durga Expressways Private Limited	-	-	-	-	-	-	-	-	-	-	-
	ATSL Infrastructure Projects Limited	-	-	-	-	-	-	-	-	-	-	-
	Ansaldoaldiaie - GB Engineering Private Limited	-	-	-	-	-	-	-	-	-	-	-
	II) Other											
	Non Traded, Redeemable, Quoted NCDs' Investment in Mutual Fund	-	-	-	-	-	-	-	-	-	-	50,000
	Share of Profit / (Losses) in a Partnership Firm	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-	-



DETAILS OF SUBSIDIARIES OF GAMMON INDIA LIMITED
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956

(Amount in ₹)

Sr. No.	Particulars	Gammon Seaport Infrastructure Limited*	Ghaggar Renewable Energy Private Limited*	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 InfraProjects Developers Limited*
	Financial year ending on	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013
1	Share Capital (including share application money pending allotment)	500,000	100,000	542,870,500	500,000	100,000	500,000	100,000	483,000,000	500,000
2	Reserves	(72,819)	(865,645)	(571,246,710)	(13,361,263)	(90,479)	636,161	(104,500)	(192,000,480)	(93,699)
3	Liabilities	4,500	905,058	7,058,770,853	13,024,480	4,500	4,500	4,500	4,427,647,067	4,500
4	Total Liabilities	431,681	139,413	7,030,394,643	163,217	14,021	1,140,661	-	4,718,646,587	410,801
5	Total Assets	431,681	139,413	7,030,394,643	163,217	14,021	1,140,661	-	4,718,646,587	410,801
6	Investments (excluding Subsidiary Companies)	-	-	75,830,587	-	-	-	-	-	-
7	Turnover	-	-	729,000,000	-	-	-	-	480,684,931	-
8	Profit Before Taxation	(14,680)	(9,185)	(178,024,405)	(4,973)	(7,283)	(6,945)	(21,989)	(88,563,717)	(4,861)
9	Provision for Taxation	-	-	(14,640)	-	-	-	-	-	-
10	Profit After Taxation	(14,680)	(9,185)	(178,009,765)	(4,973)	(7,283)	(6,945)	(21,989)	(88,563,717)	(4,861)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-

Details of Investment										
II) Joint Ventures / Associates										
Eversun Sparkle Maritimes Services Private Limited		-	-	-	-	-	-	-	-	-
SEZ Adityapur Limited		-	-	-	-	-	-	-	-	-
Indira Container Terminal Private Limited		-	-	-	-	-	-	-	-	-
Modern Toll Roads		-	-	-	-	-	-	-	-	-
Blue Water Iron Ore Terminal Private Limited		-	-	-	-	-	-	-	-	-
Sademi S.p.A		-	-	-	-	-	-	-	-	-
Maa Durga Expressways Private Limited		-	-	-	-	-	-	-	-	-
ATSL Infrastructure Projects Limited		-	-	-	-	-	-	-	-	-
AnsaldoCaldate - GB Engineering Private Limited		-	-	-	-	-	-	-	-	-
II) Other										
Non Traded, Redeemable, Quoted NCDs		-	-	-	-	-	-	-	-	-
Investment in Mutual Fund		-	-	75,830,587	-	-	-	-	-	-
Share of Profit / (Losses) in a Partnership Firm		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LIMITED
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956)

Sr. No.	Particulars	(Amount in ₹)										
		Marine Projects Services Limited*	Markanda Renewable Energy Private Limited*	Mumbai Nasik Expressway Limited*	Mormugao Terminal Limited*	Patna Buxar Highways Limited*	Pataliputra Highway Limited*	Patna Highway Projects Limited*	Pravara Renewable Energy Limited*	Ras Cities and Townships Private Limited*	31 Dec 2013	31 Dec 2013
	Financial year ending on	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013
1	Share Capital (including share application money pending allotment)	500,000	100,000	520,000,000	500,000	561,147,030	1,500,000	25,000,000	174,000,000	100,000		
2	Reserves	2,115,197	(96,870)	1,006,401,154	(106,864)	(16,029,593)	(132,780,469)	(5,794,983)	(3,746,401)	639,358		
3	Liabilities	4,500	4,500	8,620,015,202	32,182,396	1,308,504,411	584,859,703	8,601,913,732	2,325,853,250	367,318,839		
4	Total Liabilities	2,619,697	7,630	10,146,416,356	32,575,532	1,853,621,848	453,579,234	8,621,118,749	2,496,106,849	368,058,197		
5	Total Assets	2,619,697	7,630	10,146,416,356	32,575,532	1,853,621,848	453,579,234	8,621,118,749	2,496,106,849	368,058,197		
6	Investments (excluding Subsidiary Companies)	-	-	-	-	-	-	-	-	-	-	-
7	Turnover	-	-	941,169,706	-	-	-	-	-	-	-	-
8	Profit Before Taxation	(8,355)	(12,837)	135,509	(48,435)	(163,086)	(353,822)	(569,964)	(69,077)	(10,269)		
9	Provision for Taxation	-	-	(7,515,700)	-	-	-	-	-	-		
10	Profit After Taxation	(8,355)	(12,837)	7,651,209	(48,435)	(163,086)	(353,822)	(569,964)	(69,077)	(10,269)		
11	Dividend - Equity	-	-	-	-	-	-	-	-	-		
12	Dividend - Preference	-	-	-	-	-	-	-	-	-		
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-		
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-		
	Details of Investment											
	I) Joint Ventures / Associates											
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-	-	-	-	-	-
	Sadeimi S.p.A	-	-	-	-	-	-	-	-	-	-	-
	Maa Durga Expressways Private Limited	-	-	-	-	-	-	-	-	-	-	-
	ATSL Infrastructure Projects Limited	-	-	-	-	-	-	-	-	-	-	-
	AnsaldoCaldia - GB Engineering Private Limited	-	-	-	-	-	-	-	-	-	-	-
	II) Other											
	Non Traded, Redeemable, Quoted NCDs' Investment in Mutual Fund	-	-	-	-	-	-	-	-	-	-	-
	Share of Profit / (Losses) in a Partnership Firm	-	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-	-



DETAILS OF SUBSIDIARIES OF GAMMON INDIA LIMITED
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956

(Amount in ₹)

Sr. No.	Particulars	Satluj Renewable Energy Private Limited*	Rajahmundry Expressway Limited*	Godavari Bridge Limited*	Sikkim Hydro Power Ventures Limited*	Sirsa Renewable Energy Private Limited*	Segue Infrastructure Projects Private Limited*	Sidhi Singrauli Road Project Limited *	Tada Infra Development Company Limited*	Tangri Renewable Energy Private Limited*
	Financial year ending on	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013
1	Share Capital (including share application money pending allotment)	100,000	290,000,000	1,765,000,000	627,359,420	100,000	100,000	1,009,100,000	500,000	100,000
2	Reserves	(2,060,323)	415,874,122	1,028,158,217	(5,681,591)	(88,862)	(68,251)	(7,945,934)	(1,817,178)	(90,798)
3	Liabilities	4,744,500	1,324,118,792	5,966,809,442	550,596,919	4,500	78,202,283	1,168,780,756	1,802,383	7,500
4	Total Liabilities	2,784,177	2,029,992,914	8,759,967,659	1,172,274,749	15,638	78,234,032	2,169,934,822	485,205	16,702
5	Total Assets	2,784,177	2,029,992,914	8,759,967,659	1,172,274,749	15,638	78,234,032	2,169,934,822	485,205	16,702
6	Investments (excluding Subsidiary Companies)	-	61,351,315	-	-	-	-	-	-	-
7	Turnover	-	444,285,000	-	-	-	-	-	-	-
8	Profit Before Taxation	(14,346)	46,632,446	(164,968)	(3,476,061)	(5,197)	(6,134)	(7,897,010)	(8,679)	(9,882)
9	Provision for Taxation	-	1,737,318	-	-	-	-	-	-	-
10	Profit After Taxation	(14,346)	44,895,128	(164,968)	(3,476,061)	(5,197)	(6,134)	(7,897,010)	(8,679)	(9,882)
11	Dividend - Equity	-	-	-	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-	-	-	-

Details of Investment										
I) Joint Ventures / Associates										
Eversun Sparkle Maritimes Services Private Limited		-	-	-	-	-	-	-	-	-
SEZ Adityapur Limited		-	-	-	-	-	-	-	-	-
Indira Container Terminal Private Limited		-	-	-	-	-	-	-	-	-
Modern Toll Roads		-	-	-	-	-	-	-	-	-
Blue Water Iron Ore Terminal Private Limited		-	-	-	-	-	-	-	-	-
Sadelmi S.p.A		-	-	-	-	-	-	-	-	-
Maa Durga Expressways Private Limited		-	-	-	-	-	-	-	-	-
ATSL Infrastructure Projects Limited		-	-	-	-	-	-	-	-	-
Ansaldoaldate - GB Engineering Private Limited		-	-	-	-	-	-	-	-	-
II) Other										
Non Traded, Reddable, Quoted NCDs		-	-	-	-	-	-	-	-	-
Investment in Mutual Fund		-	61,351,315	-	-	-	-	-	-	-
Share of Profit / (Losses) in a Partnership Firm		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-

DETAILS OF SUBSIDIARIES OF GAMMON INDIA LIMITED
(Pursuant to the Central Government Order under Section 212(8) of the Companies Act, 1956)

Sr. No.	Particulars	(Amount in ₹)					
		Tidong Hydro Power Limited*	Vijaywada Gundugolanu Road Project Private Limited*	Vizag Seaport Private Limited*	Yamuna Minor Minerals Private Limited*	Yamanagar Panchkula Highway Private Limited *	Youngthang Power Ventures Limited*
		31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013	31 Dec 2013
1	Share Capital (including share application money pending allotment)	500,000	100,000	871,912,640	100,000	190,500,000	144,500,000
2	Reserves	(119,680)	(6,882,011)	26,791,998	(888,483)	(2,845,215)	(26,654,815)
3	Liabilities	15,310,079	881,941,606	3,185,017,339	939,044	218,768,324	572,916,825
4	Total Liabilities	15,690,399	875,159,595	4,083,721,977	150,561	406,423,109	690,762,010
5	Total Assets	15,690,399	875,159,595	4,083,721,977	150,561	406,423,109	690,762,010
6	Investments (excluding Subsidiary Companies)	-	-	-	-	-	-
7	Turnover	-	-	863,049,782	-	-	-
8	Profit Before Taxation	(7,674)	(129,023)	39,452,908	(270,501)	(334,419)	(3,529,353)
9	Provision for Taxation	-	-	790,376	-	-	-
10	Profit After Taxation	(7,674)	(129,023)	38,662,532	(270,501)	(334,419)	(3,529,353)
11	Dividend - Equity	-	-	-	-	-	-
12	Dividend - Preference	-	-	-	-	-	-
13	Proposed Dividend - Equity	-	-	-	-	-	-
14	Proposed Dividend - Preference	-	-	-	-	-	-
	Details of Investment						
	I) Joint Ventures / Associates						
	Eversun Sparkle Maritimes Services Private Limited	-	-	-	-	-	-
	SEZ Adityapur Limited	-	-	-	-	-	-
	Indira Container Terminal Private Limited	-	-	-	-	-	-
	Modern Toll Roads	-	-	-	-	-	-
	Blue Water Iron Ore Terminal Private Limited	-	-	-	-	-	-
	Sadelmi S.p.A	-	-	-	-	-	-
	Maa Durga Expressways Private Limited	-	-	-	-	-	-
	ATSL Infrastructure Projects Limited	-	-	-	-	-	-
	Ansaidocdaite - GB Engineering Private Limited	-	-	-	-	-	-
	II) Other						
	Non Traded, Redeemable, Quoted NCDs	-	-	-	-	-	-
	Investment in Mutual Fund	-	-	-	-	-	-
	Share of Profit / (Losses) in a Partnership Firm	-	-	-	-	-	-
	Other	-	-	-	-	-	-

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

For and on behalf of the Board of Directors

Abhijit Rajan Chairman & Managing Director	Digambar C. Bagde Deputy Managing Director - T&D Business
Chandrabhas C. Dayal Director	Rajul A. Bhansali Executive Director
Girish Bhat Chief Financial Officer	Gita Bade Company Secretary

Mumbai, Dated : 3 April 2014

Annexure to Information regarding Subsidiary Companies
Details of Investments as at 31-12-2013

(Amount in ₹)

Sr. No.	Particulars	No. of shares / Units / Bonds	Face value	Book value	Quoted / Unquoted
1	Gammon Infrastructure Projects Limited				
	Non Current investment (at cost):				
	Jointly controlled entity:				
	Fully paid equity shares:				
	SEZ Adityapur Limited	19,000	10	190,000	Unquoted
	Indira Container Terminal Private Limited	50,783,000	10	507,830,000	Unquoted
	Blue Water Iron Ore Terminal Private Limited	3,051,808	10	30,518,080	Unquoted
	Maa Durga Expressways Private Limited	4,900,000	10	49,000,000	Unquoted
	TOTAL			587,538,080	
	Non Current investment (at cost):				
	Associates Companies:				
	Fully paid equity shares:				
	Eversun Sparkle Maritimes Services Private Limited	2,143,950	10	21,439,500	Unquoted
	Modern Toll Roads	24,470	10	244,700	Unquoted
	Aparna Infraenergy India Private Limited	24,450	10	244,500	Unquoted
	TOTAL			21,928,700	
2	Gactel Turnkey Projects Limited				
	Current Investment (at cost)				
	Other Companies				
	ING Liquid Fund - Daily Dividend Option	330,560	10	3,528,589	Unquoted
	Non Current investment (at cost):				
	Other Companies				
	National Saving Certificate	7	5000	35,000	Unquoted
	National Saving Certificate	4	1000	4,000	Unquoted
	National Saving Certificate	1	10000	10,000	Unquoted
	TOTAL			3,577,589	
3	Ansaldocaldaie Boilers India Private Limited				
	Non Current investment (at cost):				
	Associates Companies:				
	Fully paid equity shares:				
	Ansaldocaldaie - GB Engineering Private Limited	18,005,000	10	180,050,000	Unquoted
4	Campo Puma Oriente S.A.				
	Non Current investment (at cost):				
	Other Companies				
	Oil Exploration Assets			3,065,855,066	Unquoted
5	P.Van Eerd Beheersmaatschappaji B.V. Netherlands				
	Non Current investment (at cost):				
	Other Companies				
	Fully paid equity shares:				
	Sadelmi S.p.A			640,644,948	Unquoted
6	Andhra Expressway Limited				
	Current Investment (at cost)				
	Other Companies				
	Birla Mutual Fund - Growth schemes	251,693	10	50,296,182	Unquoted
7	Gammon Road Infrastructure Limited				
	Current Investment (at cost)				
	Other Companies - IHMCL	5,000	10	50,000	Unquoted
8	Rajahmundry Expressway Limited				
	Current Investment (at cost)				
	Other Companies				
	Birla Mutual Fund - Growth schemes	307,015	10	61,351,315	Unquoted
9	Gorakhpur Infrastructure Company Limited				
	Current Investment (at cost)				
	Other Companies				
	Icici Prudential	414,339	10	75,830,587	Unquoted
10	Gammon International B.V.				
	Non Current investment (at cost):				
	Associates Companies:				
	Fully paid equity shares:				
	Sofinter S.p.A	78,682,127		4,699,068,000	Unquoted



INDEPENDENT AUDITOR'S REPORT

To
THE BOARD OF DIRECTORS, GAMMON INDIA LIMITED

We have audited the accompanying consolidated financial statements of **Gammon India Limited** ('GIL' or 'the Company') and its Subsidiaries, Joint Ventures and Associates (Gammon Group), which comprise the consolidated Balance Sheet as at 31 December 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the period 1 April 2013 to 31 December 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained and unavailability of financial statement and information of material Subsidiaries provides sufficient and appropriate basis for our qualified audit opinion.

Basis of Qualified Opinion

(a) *The accounts of one of the subsidiaries M/s Franco Tosi Meccanica S.p.A, Italy (FTM) have not been audited since December 2011 for reasons mentioned in note 1(a)(ii) of the financial statements which inter-alia covers the application for pre-insolvency composition agreement with creditors in Italian court and continuous shifting of dates and delays in conclusion of the process of restructuring. In the light of the on-going procedure the Commissioner in charge of the restructuring procedure has not released any financials. There are therefore no financials available for consolidation after December 2012 being the date when the Management Prepared Financial Statements were last made up. Those financial statements were subject to audit. The same were considered in the Consolidated Financial Statements for the year ended 31 March 2013.*

The group's exposure in the said subsidiary (net of provisions and credit balance in Foreign Exchange Translation Reserve) is ₹ 570.42 Crore as detailed in note 1(a)(ii).

The management has however made full provisions towards the Goodwill of ₹ 109.12 Crore on consolidation in the previous financial year ended 31 March 2013.

These consolidated financials include the un-audited management prepared financial results as on December 2012 of FTM whose net assets represented ₹ 1537.89 Crore, Revenue of ₹ 204.66 Crore and net cash of ₹ (6.24) Crore and in the absence of the availability of financial statements and financial information since December 2012, these Consolidated Financial Statements do not contain any effect since December 2012. Similarly, the accounts of Franco Tosi Turbines Private Limited a subsidiary of FTM has also not prepared financial statements for the period ended 31 December 2013 and these consolidated financial statements do not contain the effects arising therefrom. The financial information upto 31 March 2013 have been included based on the last Audited Financial Statements.

(b) *The auditors of M/s SAE Powerlines S.r.l, Italy (SAE) a subsidiary of the Company, whose financial statements as at 31 December 2013 reflect total assets of ₹ 302.55 Crore, Revenue of ₹ 111.97 Crore and Net cash flows of ₹ (9.78) Crore has expressed their inability to opine on the financial statements in view of the said SAE ability to operate as a going concern is at risk and the directors of the said SAE have highlighted liquidity crisis. However, GIL in the previous financial year has made provisions towards the Goodwill on consolidation of ₹ 17.63 Crore and further provision of ₹ 3.14 Crore for the current year.*

(c) *The financial statements of the following Associate are based on un-audited Management prepared financial statements as follows.*

i. *M/s Sofinter S.p.A, Italy, a material Associate whose consolidated financial statements reflect Total Assets of ₹ 3228.40 Crore, Revenue of ₹ 2816.87 Crore and Net Cash flow of ₹ (75.39) Crore the group's share of profit being ₹ 2.08 Crore.*

(d) *The financial statements of the following Subsidiaries and Associates are based on un-audited accounts signed by one of the Director representing GIL as follows :-*

(i) *M/s Campo Puma Oriente S.A., Panama, a subsidiary of the Company whose financial statements reflect Total Assets of ₹ 384.94 Crore, Revenue of ₹ 65.24 Crore and Net Cash flows of ₹ (3.07) Crore.*

(ii) *M/s Finest S.p.A, Italy, an Associate of the Company whose financial statements reflect Net Assets of ₹ 41.12 Crore, Revenue of ₹ 0.00 Crore and Net Cash flows of ₹ (1.83) Crore.*

Since the Subsidiaries and Associates mentioned above in para (c) and (d) are material the Assets, Revenue and Cash flow represented in those financial statements are subject to audit.

- (e) In the absence of audited financial results of the Associate M/s Sofinter detailed above, we reiterate the qualified opinions to the financial statements for the year ended December 2012 of the auditors of the said Sofinter which is referred to in para 1(b)(iv)(b) to the financial statements regarding the absence of sufficient information to assess the recoverability of the net receivables of Euro 13.20 Million i.e. ₹ 112.67 Crore, the Company's share being Euro 7.00 Million (₹ 59.75 Crore) in one of the Associates whose financial statements reflect a negative equity of about Euro 14.30 Million (₹ 122.06 Crore) The figures reflected above are the updated figures as at 31 December 2013 as per the unaudited management accounts.
- (f) The said auditors had also qualified their report on the financial statements for the year ended December 2012 for an amount of Euro 3.00 Million. i.e. ₹ 25.61 Crore regarding recognition of possible claims resulting in trade receivables being overstated by the same amount and consequent effect on profits recognized of Euro 2.10 Million i.e. ₹ 17.92 Crore as qualified by the said auditors.
- (g) The auditor of one of the subsidiary M/s Gammon & Billimoria LLC, Dubai have qualified their audit opinion regarding receivables of AED 2.70 Million (₹ 4.54 Crore) (31 March 2013 AED 2.70 Million (₹ 3.93 Crore), which is due to the Company as a sub-contractor. Since the said Company has back to back terms with the main contractor, the recoverability of the said amounts is dependent on successful outcome of the main contractor's dispute with the client, the auditors are of the opinion that substantial portion of the same should be considered as impaired.
- (h) The Company's Application for Managerial Remuneration for the Chairman and Managing Director and other Executive Directors is rejected for some of the previous years, partly accepted for some years and no decision has been taken for the balance years. In view of the same no effect has been given in the attached financial statements for the following
- (i) Recovery of Managerial Remuneration of ₹ 2.10 Crore for year ended 31 March 2012 and 2013 for application rejected and partly allowed for which the Company has gone into a review appeal.
- (ii) Managerial Remuneration paid in excess of limits of ₹ 10.98 Crore for which no decision has been taken.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in our basis for qualified opinion paragraph*, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 December 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the period from 1 April 2013 to 31 December 2013; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the period from 1 April 2013 to 31 December 2013.

Emphasis of Matter

- (a) We draw attention to Note no 16(a) of the explanatory notes relating to recoverability of an amount of ₹ 150.09 Crore as at March 2013 out of which ₹ 14.12 Crore has been collected. The balance of ₹ 135.97 Crore are carried under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards and ₹ 58.00 Crore where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the Company.
- (b) Note no 1(a)(viii) relating to the Management's plans to address the uncertainty as to the timing and realisation of Cash Flows and excess of Current Liabilities over Current Assets. Our Report is not qualified in this matter.

Other Matters

- (a) We did not audit the financial statements of certain Subsidiaries whose financial statements reflect Total Assets of ₹ 6382.34 Crore as at December 31, 2013, Total Revenue of ₹ 557.95 Crore and Cash Flows of ₹ (34.10) Crore for the 9 month period from 1 April 2013 to 31 December 2013;
- (b) Certain Joint Venture companies whose financial statements reflect Total Assets of ₹ 777.43 Crore as at December 31, 2013, Total Revenue of ₹ 279.80 Crore and Cash Flows amounting to ₹ (6.34) Crore for the 9 month period from 1 April 2013 to 31 December 2013, the Company's share of such Assets, Total Revenue and Total Cash Flows being ₹ 390.98 Crore, ₹ 142.70 Crore and ₹ (3.21) Crore respectively and
- (c) Certain Associates, the Company's share in the profit of such Associates being ₹ 0.01 Crore for the 9 month period from 1 April 2013 to 31 December 2013. The above-mentioned financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The Subsidiaries referred in para (a) above do not include the standalone financial statements of Gammon Infrastructure Projects Limited where the audit has been conducted by us as the Joint Auditors.
- (d) The financial statements of certain Subsidiaries whose financial statements reflect Total Assets of ₹ 1944.87 Crore as at December 31, 2013, Total Revenue of ₹ 65.24 Crore and Cash Flows of ₹ (3.08) Crore for the 9 month period from 1 April 2013 to 31 December 2013, certain Joint Ventures whose financial statements reflect Total Assets of ₹ 13.32 Crore as at December 31, 2013, Total Revenue of ₹ 10.50 Crore and Cash Flows of ₹ 0.30 Crore for the 9 month period from 1 April 2013 to 31 December 2013, the Company's share of such Assets, Revenue and Cash Flows being ₹ 12.61 Crore, ₹ 10.31 Crore and ₹ 0.03 Crore respectively, Associates in which the Company's share in the profit of such Associates being ₹ 1.91 Crore and one of the Associates as on December 31, 2013 which was a Joint Venture for a part of the year the Company's share of revenue of ₹ 919.24 Crore is based on unaudited financial statements certified by the respective Managements or Director of the said entities as detailed in our basis of qualified opinion.

For Natvarlal Vepari & Co.

Firm Registration Number:106971W
Chartered Accountants

N. Jayendran

M. No. 40441
Partner

Mumbai, Dated : 3 April 2014



CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

(₹ in Crore)

Particulars	Note No.	As at 31 Dec 2013	As at 31 Mar 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	27.50	27.50
Reserves and Surplus	3	245.88	1,082.00
		273.38	1,109.50
Minority Interest			
		258.34	335.53
Non-Current Liabilities			
Long Term Borrowings	4	8,519.36	6,206.67
Deferred Tax Liabilities (Net)	5	130.00	202.10
Other Long Term Liabilities	6	636.70	542.51
Long Term Provisions	7	306.73	339.63
		9,592.79	7,290.91
Current Liabilities			
Short Term Borrowings	8	2,020.66	3,378.94
Trade Payables	9	1,973.24	2,670.16
Other Current Liabilities	10	2,157.81	2,346.99
Short Term Provisions	7	296.28	289.33
		6,447.99	8,685.42
TOTAL		16,572.50	17,421.36
ASSETS			
Non-Current Assets			
Fixed Assets	11		
- Tangible Assets		2,238.28	2,404.76
- Intangible Assets		2,221.56	2,371.44
- Capital Work In Progress		43.03	65.32
- Intangible Assets under Development	11A	2,375.37	2,029.22
		6,878.24	6,870.74
Goodwill on Consolidation	11B	138.99	579.34
Non-Current Investments	12	818.74	338.51
Long Term Loans and Advances	13	818.80	791.95
Long Term Trade Receivable	16	867.30	789.20
Deferred Tax Assets	5	135.54	82.73
Other Non-Current Assets	14	150.91	110.97
		9,808.52	9,563.44
Current Assets			
Current Investments	12	26.14	7.02
Inventories	15	2,100.48	2,424.23
Property Development Account	15A	1,619.32	1,491.50
Trade Receivables	16	1,592.70	2,241.28
Cash and Cash Equivalents	17	256.16	460.80
Short Term Loans and Advances	13	714.67	794.26
Other Current Assets	14	454.51	438.83
		6,763.98	7,857.92
TOTAL		16,572.50	17,421.36

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 and on behalf of the Board of Directors

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

Abhijit Rajan
Chairman & Managing Director

Digambar C. Bagde
Deputy Managing Director - T&D Business

N. Jayendran
Partner
M.No. 40441

Chandras C. Dayal
Director

Rajul A. Bhansali
Executive Director

Girish Bhat
Chief Financial Officer

Gita Bade
Company Secretary

Mumbai, Dated : 3 April 2014

Mumbai, Dated : 3 April 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTH ENDED 31 DECEMBER 2013

(₹ in Crore)

Particulars	Note No.	Apr - Dec 2013	FY 2012 - 2013
Total Revenue			
Revenue from Operations (Net)	18	4,820.08	7,344.44
Other Operating Revenue	19	112.34	149.78
Other Income	20	46.34	91.37
		4,978.76	7,585.59
Expenses			
Cost of Material Consumed	21	1,669.46	3,143.46
Purchase of Stock in Trade	22	146.51	292.48
Change in Inventory - WIP & FG	23	395.95	(349.36)
Subcontracting Expenses		1,021.57	1,554.48
Employee Benefit Expenses	24	577.72	968.68
Foreign Exchange (Gain) / Loss	25	(27.31)	14.81
Finance Costs	26	683.54	827.35
Depreciation & Amortisation	27	273.01	343.67
Other Expenses	28	1,156.35	1,503.91
		5,896.80	8,299.48
Profit Before Exceptional and Extraordinary Items		(918.04)	(713.89)
Exceptional Items	38	(18.50)	(190.46)
Profit Before Tax and Share in Associates		(936.54)	(904.35)
Tax Expenses			
Current Income Tax		21.58	43.50
Mat Credit Entitlement		(2.29)	(4.87)
Deferred Tax		(143.59)	(34.54)
Prior year Tax Adjustments		1.01	1.97
		(123.29)	6.06
Profit / (Loss) before Minority Interest and Share in Associates		(813.25)	(910.41)
Profit / (Loss) in Associates		(3.68)	(11.51)
Transferred to Minority Interest		55.07	72.09
Profit After Tax For The Year		(761.86)	(849.83)
Earning Per Equity Share	31		
Face Value per Share		2.00	2.00
Basic EPS		(56.11)	(62.59)
Diluted EPS		(56.11)	(62.59)

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 : 3 April 2014

For and on behalf of the Board of Directors

Abhijit Rajan
Chairman & Managing Director

Chandras C. Dayal
Director

Girish Bhat
Chief Financial Officer

Mumbai, Dated : 3 April 2014

Digambar C. Bagde
Deputy Managing Director - T&D Business

Rajul A. Bhansali
Executive Director

Gita Bade
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTH ENDED 31 DECEMBER 2013

(₹ in Crore)

	Apr - Dec 2013	FY 2012 - 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(936.54)	(904.35)
Adjustments for :		
Depreciation	273.01	343.67
(Profit) / Loss on Sale of Assets	(1.73)	(8.68)
(Profit) / Loss on Sale of Investments	(2.28)	(10.97)
Dividend Income	(0.21)	(0.41)
Interest Income	(20.93)	(21.52)
Interest Expenses	683.54	827.35
Foreign Exchange loss / gain	3.39	11.72
Provision for Periodic Maintenance	37.53	44.19
Provision for Diminution in Value of Investment	0.21	-
Provision towards Investments in Intangible Assets	40.69	-
Exceptional Items	18.50	190.46
Provision for Doubtful Debt	103.88	30.62
Bad Debts Written off	9.92	46.74
	1,145.51	1,453.17
Operating Profit Before Working Capital Changes	208.98	548.82
Effect of Foreign Currency Translation of Cash Flows	(3.16)	(36.83)
Trade and Other Receivables	70.49	(189.54)
Inventories	57.72	(368.29)
Trade Payables & Working Capital Finance	(111.84)	537.71
Loans and Advances	(104.31)	(161.92)
	(91.11)	(218.87)
Cash Generated from Operations	117.86	329.95
Direct Taxes paid	(112.54)	(81.41)
Net Cash from Operating Activities	5.32	248.54
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(471.44)	(713.68)
Sale of Fixed Assets	7.31	15.62
Cash & Bank balance reduced due to Stake Change	(212.34)	-
Loans Given to Subsidiaries, Associates and Others	(23.05)	(49.65)
Loans Refund from Subsidiaries, Associates and Others	2.21	48.51
Other Bank Balances	61.42	(42.21)
Purchase of Investments		
Subsidiary, Joint Ventures & Associates	(119.94)	(11.22)
Others	(566.39)	(409.51)
Sale of Investments:		
Subsidiary, Joint Ventures & Associates	-	-
Others	489.99	308.48
(Acquisition) / Reduction of Stake in Subsidiaries	26.45	3.34
Interest received	27.63	(51.99)
Dividend received	0.21	0.41
Net Cash from Investment Activities	(777.95)	(901.90)

CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTH ENDED 31 DECEMBER 2013 (Contd.)

(₹ in Crore)

	Apr - Dec 2013	FY 2012 - 2013
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(474.97)	(791.71)
Minority Interest Contribution	(19.16)	79.58
Dividend Paid (Including Tax)	(3.79)	(3.05)
Proceeds from Promoter Contribution	100.00	-
Proceeds from Long Term Borrowings	907.43	1,655.90
Proceeds from / (Repayment of) Short Term Borrowings	215.75	(531.78)
Foreign Currency Translation Reserve	(2.91)	7.06
Movement in Other Reserves	(93.14)	(90.09)
Proceeds from issue of Share Capital & Share Premium	0.25	(0.84)
Net Cash from Financing Activities	629.46	325.07
NET INCREASE IN CASH AND CASH EQUIVALENTS	(143.17)	(328.29)
Balance as on 31 March 2013 / 31 March 2012	332.96	661.24
Balance as on 31 December 2013 / 31 March 2013	189.79	332.96
NET INCREASE IN CASH AND CASH EQUIVALENTS	(143.17)	(328.29)
Note : Figure in brackets denote outflows		
	As at 31 Dec 2013	As at 31 Mar 2013
Cash and Cash Equivalents	189.71	332.93
Effect of Exchange Rate Changes	0.08	0.03
Balance Restated above	189.79	332.96

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 : 3 April 2014

For and on behalf of the Board of Directors

Abhijit Rajan
Chairman & Managing Director

Chandrasah C. Dayal
Director

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Chief Financial Officer

Mumbai, Dated : 3 April 2014

Digambar C. Bagde
Deputy Managing Director - T&D Business

Rajul A. Bhansali
Executive Director

Gita Bade
Company Secretary



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

A ACCOUNTING POLICIES :

1 Principles of Consolidation :

The Consolidated 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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. The Consolidated Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting. The Consolidated Financial Statements comprise the financial statements of GAMMON INDIA LIMITED ("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 The 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.

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 and other receivable from the customers but exclude VAT, wherever applicable.
- (d) Revenue from providing services are recognized in income statement at the moment said services are completed. As for works in progress, they are measured based on the status of completion of work. Whenever the results of the agreement cannot be reliably evaluated, revenues are recognized only to the extent that costs are deemed to be recoverable.
- (e) Insurance claims are accounted for on cash basis.
- (f) On Infrastructure Development Business :
 - (i) Annuity and Toll Receipts :

The toll fees collection from the users is accounted when the amount is due and recovered.

The cash compensation on account of multiple entries of cars has been accounted on accrual basis as per the order of Government of Kerala for which Supplementary Concession Agreement is being worked out between the Government of Kerala, Greater Cochin Development Authority and Cochin Bridge Infrastructure Company Limited (a subsidiary of the Company).

The annuity income earned from Build, Operate, Transfer ('BOT') projects is recognised on a time basis over the period during which the annuity is earned. Revenues from bonus and other claims are recognised upon acceptance from customer / counter-party.
 - (ii) Berth Operations :

Revenue by way of berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharf age, barge freight, other charges etc. are recognised on an accrual basis and is billed as per the terms of the contract with the customers at the rates approved by Tariff Authority for Marine Ports (TAMP) as the related services are performed.

Other operating income is recognised on an accrual basis when the same is due.
- (g) Cargo freight income :

Cargo freight income is recognized at the time of booking of the consignment and is being accounted net of rebates, discounts and booking commission.
- (h) Revenue for design and assemblies are recognized on the basis of work progress reports provided for each contract.
- (i) Interest income is recognised on time proportion method basis taking into account the amounts outstanding and the rate applicable.
- (j) Dividend Income is accounted when the right to receive the same is established.

4 Turnover :

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

Turnover in respect of the BOT contracts, governed by service concession agreements with government authorities (grantor), is considered as exchanged with the grantor against toll collection rights / annuities receivable and not eliminated.

Turnover also includes the revenue from the supply of material in the transmission tower contracts in accordance with the terms of contract and revenues in respect of the infrastructure development business.

5 Research and Development Expenses :

The Costs of research are charged at the moment they are borne.

The Costs for development in relation to a specific project are capitalized only when the Company is able to show the technical possibility of carrying out the intangible asset in order to make it available for use and sale, its intention to make it available for use and sale, the modalities the activity can provide for future economic benefits, the availability of technical, financial, as well as any other kind of resources in order to carry out development and its capacity to reliably assess the cost attributable to the activity during its development.

After the original recognition, the costs of development are assessed net of the corresponding quotas of amortization and of the impairment loss. Further capitalized costs for development are amortized with reference to the period of time where it is expected that the project thereof will produce revenue for the Company.

6 Joint Venture :

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

7 Employee Retirement Benefits :

The companies of the Group have both defined contribution plans and defined benefit plans.

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

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



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

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

In case of certain Subsidiaries and a Joint Venture the entitlement of employee's retirement benefit is based upon the employee's final salary and length of service, subject to the completion of a minimum service period based on the laws of the respective country. The expected costs of these benefits are accrued over the period of employment. The terminal benefits are paid to employees' on their termination or leaving employment. Accordingly, the Company does not expect settlement against terminal benefit obligation in the near future.

8 Fixed Assets :

Fixed Assets are valued and stated at cost of acquisition less accumulated depreciation thereon. Revalued assets are stated at the revalued amount. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Assets held by virtue of financial lease agreements, through which the risks and benefits Associated with ownership thereof are essentially transferred to the Group, are recognised as Group assets and accounted for at their current value or, if lower, the current value of the minimum payments due for the leasing, including any sum to be paid for exercising the purchase option. The corresponding liability to the lessor is represented in the accounts under financial payables.

Capital Work In Progress represents the costs incurred on project activity till completion of the project. It includes all direct material, labour and sub-contracting costs and those indirect costs related to constructions that are identifiable with or allocable to the project including borrowing costs.

Depreciation and Amortization :

Indian Operations

Depreciation for the accounting period is provided on :

- 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 :

Assets	From	To
Building	20 Years	40 Years
Plant & Machinery	3 Years	20 Years
Computer	3 Years	7 Years
Furniture & Fixtures	3 Years	10 Years
Office Equipment	2 Years	15 Years
Motor Vehicles	3 Years	8 Years
Temporary Site Office	2 Years	8 Years

Intangible Assets :

Intangible assets are amortised over the period of the useful life of the rights and it begins when the asset is available for use. Intangible assets of infinite useful lives are not amortized but subject to impairment test, on an annual basis.

Intangible assets are represented by non-monetary elements, identifiable and lacking physical consistency, controllable and capable of generating future economic benefits. These elements are recorded at purchase and / or production cost, inclusive of any directly attributable expenses for preparing the asset for use, net of accumulated amortisation and any impairment losses.

Intangible assets also represents the concession rights in relation to toll roads to collect toll fees for improvement, operations and maintenance, rehabilitation and strengthening of existing 2 lane road and widening to 4 lane divided carriageway from Km. 539.500 to Km. 440.000 (Vadape-Gonde Section) of NH-3 on Build, Operate and Transfer (BOT) basis in the State of Maharashtra. Such costs include all construction costs including sub-contract costs and other costs attributable to the said project asset including borrowing costs and the proportionate cash payout (negative grant) at the end of concession period to NHAI.

Hitherto the amortisation of intangible assets arising out of service concession agreements was based on units of usage method i.e. on the number of vehicles expected to use the project facility over the concession period as estimated by the management. During the year, based on notification dated 17 April 2012 issued by the Ministry of Corporate Affairs, the Company has changed the method of amortisation of intangible assets arising out of service concession agreement prospectively. Effective 1 April 2012 the amortisation is in proportion to the revenue earned for the period to the total estimated toll and annuity revenue i.e. expected to be collected over the balance concession period. Had the Company followed the earlier method, the amortisation would have been higher by ₹ 1.85 Crore.

9 Impairment of Assets :

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

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

10 Investments :

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

Investments in Associates are accounted under Equity Method as per Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India ('AS - 23').

11 Inventories :

- (a) In case of the Indian Operations, the Stores and Construction Materials are valued and stated at lower of cost or net realisable value. The Weighted Average Method of inventory valuation is used to determine the cost. Raw materials are valued at cost, net of Excise Duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof.
- (b) Work in progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profit in evaluated jobs.
- (c) Work in progress from manufacturing operation is valued at cost and Costs are determined on Weighted Average Method.
- (d) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average Method except in case of overseas operations and an Indian subsidiary where the finished goods are valued on Weighted Average Cost basis.
- (e) In case of the overseas Operations and an Indian subsidiary, the Stores & spares and Construction materials are valued at Weighted Average Cost basis.
- (f) Works in progress for service contracts are measured based on the status of completion of work. Whenever the results of the agreement cannot be reliably evaluated, revenues are recognized only to the extent that costs are deemed to be recoverable. The costs for purchasing goods and services are recognized in the income statement on accrual basis and develop into decreases in economic benefits, which occur in the form of cash outflows, or of impairment of assets or incurring liabilities.

12 Foreign Currency Translation :

Initial Recognition

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Fixed Assets acquired in foreign currencies are translated at the rate prevailing on the date of Bill of Lading.

Conversion

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

Exchange Differences

- (a) Any Gain or Loss on account of exchange difference either on settlement or translation is recognized in the Profit and Loss Account.
- (b) The exchange gain / loss on long term loans to non integral operations being Subsidiaries are restated to Foreign Exchange Translation Reserve Account and will be transferred to the Profit and Loss Account in the year when the disposal of or otherwise transfer of the operations are done.



Translation

- (a) The transactions of Oman Branch are accounted as a non-integral operation. The related exchange difference on conversion is accounted under Foreign Currency Translation Reserve Account.
- (b) The transactions of branches at Kenya, Nigeria, Bhutan and Algeria are accounted as integral operation.
- (c) The conversion of component financial statements expressed in foreign currency are as follows:
 - (i) the assets and liabilities are converted using the exchange rates in effect as of the balance sheet date;
 - (ii) the income and expenditure are converted using the average exchange rate for the period / year;
 - (iii) the "Foreign Exchange Translation Reserve" comprises both the exchange differences generated by the conversion of the economic quantities using a rate other than the closing one and those generated by the conversion of the opening shareholders' equities at an exchange rate other than the closing one for the reporting period;
 - (iv) goodwill and adjustments deriving from the fair value linked to the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and converted using the period end exchange rate.
- (d) In line with notification of the Companies (Accounting Standards) Amendment Rules 2011 issued by Ministry of Corporate Affairs on March 31, 2011 amending Accounting Standard - 11 ('AS - 11') "The Effects of Changes in Foreign Exchange Rates (revised 2003)", the Company has chosen to exercise the option under para 46 inserted in the standard by the notification. Accordingly, exchange differences on all long term monetary items, with retrospective effect from April 01, 2007, are:
 - (i) To the extent such items are used for the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset and depreciated over the balance life of the asset.
 - (ii) In other cases accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised to the Profit and Loss Account over the balance life of the long term monetary item but not beyond March 31, 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 100.00% 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 Provisions, 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 Grants :

Public Grants, in the presence of a formal allocation resolution, and in any event, when the right to their disbursement is considered definitive since reasonably certainty exists that the Group will observe the conditions envisaged for perception thereof and that the grants will be collected, are recorded on an accrual basis in direct correlation with the costs incurred. The public grants provided for investments are therefore booked against the purchase price or the production costs of the asset. Other operating grants are credited to the income statement under the item "Other revenues and income".

The SPV on receipt of grant as equity support from NHAI accounts the same under Shareholders funds under Reserves and Surplus, in accordance with the terms of the concession granted to the Company. The grant related to operations not forming part of equity support will be credited to the Profit and Loss Account.

21 Deferred Payment Liability :

The deferred payment liability represents the cash payout (Negative grant) payable to the NHAI as per the terms of the Concession agreement at the end of the Concession period. The said deferred payment liability does not carry any interest thereon.

22 Minority Interest :

Minority interest comprises of amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the Subsidiaries and further movements in their share in the equity, subsequent to the date of the investments.

B OTHER NOTES

- 1 The consolidated financial statements comprise the financial statements of GAMMON INDIA LIMITED (GIL) (the holding Company), its Subsidiary Companies, Joint Ventures and Associates consolidated on the basis of the relevant accounting standards.

a. SUBSIDIARIES :

The following Subsidiary Companies have been consolidated in the financial statement as per ('AS - 21') as on 31 December 2013.

Name of the Subsidiaries	Country of Incorporation	Dec - 2013		2012 - 2013	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Gammon Infrastructure Projects Limited	India	74.98%	74.98%	74.98%	74.98%
Andhra Expressway Limited ('AEL')	India	100.00%	74.98%	100.00%	74.98%
Aparna Infraenergy India Private Limited ('AIIPL')	India	100.00%	74.98%	100.00%	74.98%
Cochin Bridge Infrastructure Company Limited ('CBICL')	India	97.66%	73.23%	97.66%	73.23%
Chittoor Infrastructure Company Private Limited ('CICPL')	India	100.00%	74.98%	100.00%	74.98%
Dohan Renewable Energy Private Limited ('DREPL')	India	100.00%	74.98%	100.00%	74.98%
Earthlink Infrastructure Projects Private Limited ('EIPPL')	India	100.00%	74.98%	100.00%	74.98%
Gammon Logistics Limited ('GLL')	India	100.00%	74.98%	100.00%	74.98%
Gammon Projects Developers Limited ('GPD')	India	100.00%	74.98%	100.00%	74.98%
Gammon Renewable Energy Infrastructure Limited ('GREIL')	India	100.00%	74.98%	100.00%	74.98%
Gammon Road Infrastructure Limited ('GRIL')	India	100.00%	74.98%	100.00%	74.98%
Gammon Seaport Infrastructure Limited ('GSIL')	India	100.00%	74.98%	100.00%	74.98%
Ghaggar Renewable Energy Private Limited ('GREPL')	India	100.00%	74.98%	100.00%	74.98%
Gorakhpur Infrastructure Company Limited ('GICL')	India	100.00%	82.74%	100.00%	82.74%
Haryana Biomass Power Limited ('HBPL')	India	100.00%	74.98%	100.00%	74.98%
Indori Renewable Energy Private Limited ('IREPL')	India	100.00%	74.98%	100.00%	74.98%
Jaguar Projects Developers Limited ('JPDL')	India	100.00%	74.98%	100.00%	74.98%
Kasavati Renewable Energy Private Limited ('KREPL')	India	100.00%	74.98%	100.00%	74.98%
Kosi Bridge Infrastructure Company Limited ('KBICL')	India	100.00%	74.98%	100.00%	74.98%
Lilac Infraprojects Developers Limited ('LIDL')	India	100.00%	74.98%	100.00%	74.98%
Markanda Renewable Energy Private Limited ('MREPL')	India	100.00%	74.98%	100.00%	74.98%
Marine Project Services Limited ('MPSL')	India	100.00%	74.98%	100.00%	74.98%
Mumbai Nasik Expressway Limited ('MNEL')	India	79.99%	59.98%	79.99%	59.98%
Patna Buxar Highways Limited ('PBHL')	India	100.00%	74.98%	100.00%	74.98%
Pataliputra Highway Limited ('PHL')	India	100.00%	74.98%	100.00%	74.98%
Patna Highway Projects Limited ('PHPL')	India	100.00%	74.98%	100.00%	74.98%
Pravara Renewable Energy Limited ('PREL')	India	100.00%	74.98%	100.00%	74.98%
Ras Cities and Townships Private Limited ('RCTPL')	India	100.00%	74.98%	100.00%	74.98%
Rajahmundry Expressway Limited ('REL')	India	100.00%	74.98%	100.00%	74.98%
Rajahmundry Godavari Bridge Limited ('RGBL')	India	63.00%	47.24%	55.65%	41.73%
Satluj Renewable Energy Private Limited ('SREPL')	India	100.00%	74.98%	100.00%	74.98%
Sikkim Hydro Power Ventures Limited ('SHPVL')	India	100.00%	74.98%	100.00%	74.98%
Segue Infrastructure Projects Private Limited ('SIPPL')	India	100.00%	74.98%	100.00%	74.98%
Sirsa Renewable Energy Private Limited ('Sirsa REPL')	India	100.00%	74.98%	100.00%	74.98%
Tada Infra Development Company Limited ('TIDCL')	India	100.00%	74.98%	100.00%	74.98%
Tangri Renewable Energy Private Limited ('TREPL')	India	100.00%	74.98%	100.00%	74.98%
Tidong Hydro Power Limited ('THPL')	India	51.00%	38.24%	51.00%	38.24%
Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	India	100.00%	74.98%	100.00%	74.98%
Vizag Seaport Private Limited ('VSPL')	India	73.76%	55.31%	73.76%	55.31%
Yamuna Minor Minerals Private Limited ('YMMPL')	India	100.00%	74.98%	100.00%	74.98%
Youngthang Power Ventures Limited ('YPVL')	India	100.00%	74.98%	100.00%	74.98%
Birmiltrapur Barkote Highway Private Limited ('BBHPL')	India	100.00%	74.98%	100.00%	74.98%
Mormugao Terminal Limited ('MTL')	India	100.00%	74.98%	100.00%	74.98%



Name of the Subsidiaries	Country of Incorporation	Dec - 2013		2012 - 2013	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Sidhi Singrauli Road Project Limited ('SSRPL')	India	100.00%	74.98%	100.00%	74.98%
Yamunanagar Panchkula Highway Private Limited ('YPHPL')	India	100.00%	74.98%	100.00%	74.98%
ATSL Infrastructure Projects Limited	India	100.00%	87.74%	100.00%	87.74%
Gactel Turnkey Projects Limited ('GACTEL')	India	100.00%	100.00%	100.00%	100.00%
Gammon and Billimoria Limited ('GB')	India	50.94%	50.94%	50.94%	50.94%
Gammon and Billimoria LLC ('GBLLC')	Dubai	49.00%	49.00%	49.00%	49.00%
Gammon International FZE ('GIFZE')	Dubai	100.00%	100.00%	100.00%	100.00%
P.Van Eerd Beheersmaatschappaji B.V., Netherlands ('PVAN')	Netherlands	100.00%	100.00%	100.00%	100.00%
Deepmala Infrastructure Private Limited ('DIPL')	India	70.52%	70.52%	51.00%	51.00%
Gammon Retail Infrastructure Private Limited ('GRIPL')	India	99.00%	99.00%	99.00%	99.00%
Gammon Power Limited ('GPL')	India	100.00%	100.00%	100.00%	100.00%
Campo Puma Oriente S.A.	Panama	73.76%	66.39%	73.76%	66.39%
ATSL Holdings B.V., Netherlands	Netherlands	100.00%	100.00%	100.00%	100.00%
SAE Powerlines S.r.l (Subsidiary of ATSL Holdings B.V.)	Italy	100.00%	100.00%	100.00%	100.00%
Transrail Lighting Limited ('TLL')	India	100.00%	100.00%	100.00%	100.00%
Associated Transrail Structures Limited, Nigeria	Nigeria	100.00%	100.00%	100.00%	100.00%
Gammon Realty Limited ('GRL')	India	75.06%	75.06%	75.06%	75.06%
Gammon Holdings B.V., Netherlands ('GHBV')	Netherlands	100.00%	100.00%	100.00%	100.00%
Franco Tosi Meccanica S.p.A	Italy	83.94%	83.94%	83.94%	83.94%
Gammon Italy S.r.l	Italy	100.00%	100.00%	100.00%	100.00%
Gammon International B.V., Netherlands ('GIBV')	Netherlands	100.00%	100.00%	100.00%	100.00%
Metropolitan Infrahousing Private Limited ('MIPL')	India	84.16%	84.16%	84.16%	84.16%
SAE Transmission India Limited ('SAET')	India	100.00%	100.00%	100.00%	100.00%
Franco Tosi Hydro Private Limited ('FTH')	India	100.00%	100.00%	100.00%	100.00%
Franco Tosi Turbines Private Limited ('FTT')	India	100.00%	85.63%	100.00%	85.63%
Preeti Townships Private Limited	India	60.00%	45.04%	60.00%	45.04%
Ansaldoaldalae Boilers India Private Limited ('ACB')	India	73.40%	85.37%	73.40%	85.37%
Gammon Holdings (Mauritius) Limited ('GHM')	Mauritius	100.00%	100.00%	100.00%	100.00%
Patna Water Supply Distribution Network Private Limited ('PWS')	India	73.99%	73.99%	73.99%	73.99%

- (i) The results of Campo Puma Oriente S.A. for the period January to December 2013 are consolidated based on unaudited accounts which are signed by one of the directors representing Gammon India Limited.
- (ii) The Board of Franco Tosi Meccanica S.p.A, Italy (FTM) had approved on 29 May 2013, to go in for a procedure permitted under recently notified Italian laws to minimize the risks attributed to the Company's legacy statutory and other debts, while at the same time seeking to ensure the timely execution of ongoing and future projects by optimizing operational cash flows. This involves restructuring the Company with approval of the court. Post restructuring, the operations of the Company are foreseen to significantly turn around and bring it back to profitability.

The said application was admitted by the Court on 7 June 2013 and the Court soon thereafter appointed a Judicial Commissioner to evaluate the possibility of FTM continuing its operations and, if this was established, to set out a procedure to continue and manage the Company for a period of at least two years.

In July 2013, court received the confirmation of the possibility of continuity of FTM from the Judicial Commissioner authorized him, in agreement with FTM to call for bids for the lease of the business for two years, to be followed by a sale. Four bidders have submitted compliant bids for the lease. The initial date for identifying and closing the transaction with the successful lessee was early September 2013, further postponed to October 2013. In October 2013, Court has requested Ministry to directly handle this matter. The ministry has appointed committee of 3 people, who will be meeting during end of March 2014 to take a decision on bids.

In light of the on-going procedure, the Commissioner has not released any financial statements or financial information relating to the operations of FTM for 2013 and it is expected that this will not be released until the entire process is complete.

The continuous shifting of dates thereby delaying the finalization of the lease is affecting the ongoing projects of FTM. In few cases corporate guarantee of Gammon India Limited were invoked for amount of Euro 2.20 Million. This amount is fully provided in the books of Gammon India Limited and shown under provision for risks and contingencies. There is delay in other projects as well due to the slow pace of execution for reasons mentioned above and slippage in completion dates, these projects are also at high risk of cancellation with attendant consequences thereof in respect of the Bank Guarantees.

The group's exposure in the said subsidiary (net of provisions and credit balance in Foreign Exchange Translation Reserve) is ₹ 570.42 Crore which includes the loans made and Investments made of ₹ 268.44 Crore and the exposure of corporate guarantee towards the borrowing made by the overseas SPV through which the step down subsidiary is held of ₹ 301.98 Crore. Further there are guarantee exposures towards the non-fund based guarantees given to the projects of the said subsidiary of ₹ 415.15 Crore outstanding as at 31 December 2013.

Management is of the view that due to this restructuring there will be no impairment of its investment in the Company. Management is also hopeful that notwithstanding the difficulties and risks, these Projects will be completed with some delays but without contractual consequences. Further, post Balance sheet date, M/s Gammon Holdings B.V. has entered into Memorandum of Understanding with intended purchaser for sale of its investment in Franco Tosi Mecannica S.p.A. The sale-purchase agreement is subject to regulators, shareholders' and bankers' approval.

Notwithstanding the above, considering the complexity of the situation, economic condition prevalent in Europe and as a measure of prudence, the Company has made provision in Financial Year 2012 - 2013 towards impairment of the entire Goodwill arising on consolidation of FTM into the Company of an amount of ₹109.12 Crore and had charged the same as an exceptional item.

- (iii) Gammon and Billimoria Limited holds 49.00% of the equity of Gammon and Billimoria (LLC), a limited liability Company registered in Dubai hereafter referred as GBLLC. Since the Management and Operational control of GBLLC is with Gammon and Billimoria Limited, GBLLC is being consolidated as a Subsidiary under Accounting Standard ('AS - 21') issued by The Institute of Chartered Accountants of India.
- (iv) During the year, GIPL has executed an agreement on 30 August 2013 with Simplex Infrastructures Limited to terminate the shareholders agreement for selling 49.00% in Vijayawada Gundugolanu Road Project Private Limited (VGRPPL). Accordingly GIPL shall hold 100.00% equity in VGRPPL.
- (v) SAE Powerlines S.r.l for the period January 2013 to December 2013 has been consolidated in the above results, being the financial year of the said Company. SAE during the recent years including current period sustained heavy losses and continues to operate in a seriously unhealthy financial situation due to high level of payable to suppliers, payables towards advances received from customers, and liabilities towards tax and social security which are overdue. The financial condition post the balance date has deteriorated further and its payables to tax have increased substantially despite the Company accessing the government assisted employee layoff scheme. The directors have also highlighted a liquidity crisis which could render the Company inactive in the near future and compromise its ability to operate in the future. The auditors' have expressed their inability to opine on the financial statements in view of the said SAE ability to operate as a going concern is at risk and the directors of the said SAE have highlighted liquidity crisis. However, the Company in the previous financial year has made full provisions towards the Goodwill on consolidation.

The Company's exposure towards investment is SAE Powerline S.r.l is ₹ 381.74 Crore including Investments and guarantees towards the acquisition loan taken by the SPV. On the basis of offer received for this business from intended buyer, the management is of the view that carrying value of investment in this business needs to be impaired considering offer price as base valuation of business. Following principle of conservatism and on prudent basis, the Company has provided in the Financial Year 2012 - 2013 for ₹ 20.50 Crore towards impairment of Goodwill.

Further, post balance sheet date, one of the Company's subsidiary has entered into Memorandum of Understanding with intended purchaser for sale of its investment in SAE Power Line S.r.l. The sale- purchase agreement is subject to regulators', shareholders' and bankers' approval.

- (vi) M/s Ansaldo Caldaie Boilers India Private Limited had received amounts as share application money of ₹ 16.64 Crore for further allotment of shares which were to be issued on terms and conditions to be decided by the Board and in line with the exchange regulation of the RBI. The Company was to receive a proportionate amount from its Holding Company in order to issue such equity shares to the shareholders. Since the same was not received the said amounts were not converted into equity shares of the Company. The Company had made an application for to RBI to either refund the said amounts or convert the same into compulsory convertible preference shares, which shall be converted when the holding Company infuses its portion of the equity. The Reserve Bank of India had on 29 January 2014 directed the Company to refund the said amounts to Ansaldo Caldaie S.p.A. The Company has subsequently applied to RBI vide letter dated 28 February 2014 to convert the share application money as ECB Loan which has also been approved by the Board of S.p.A and same is pending with RBI. The management is hopeful that the favourable response would be received from the Reserve Bank to convert such monies into long term loan.

The Company has during the year incurred substantial cash losses in its operations. The Company has prepared its business plans as approved by the Board of Directors, which envisages receipts of orders from bids that are been placed where the Company is the preferred bidder or projects secured which is presently under suspension / hold and the Company is in the process of executing certain jobs to be received from M/s Ansaldo Caldaie S.p.A and the adequate references in that context. The ability of the Company to continue as a going concern is dependent on the outcome of such bids and securing of projects and the fructification of the business plan. The management of the Company is confident of achieving cash flows in order to fulfil its cash flow commitments through various options.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that may be necessary if the Company is not able to continue as a going concern.

- (vii) The Company through its step down subsidiary P. Van Eerd Beheersmaatschappij B. V. Netherlands (PVAN) held a 50.00% shareholding in Sadelmi S.p.A for Euro 7.50 Million, Italy (Sadelmi) with the remaining 50.00% held by Busi Impianti S.p.A, Italy since April 2008. Due to the economic conditions prevailing in different parts of the world where Sadelmi was present some of the projects under execution



encountered serious contractual problems. Sadelmi therefore sought creditors' protection through a Court in Italy and simultaneously, as part of scheme, applied for transferring the remaining projects and leased all references standing in its name since inception to a new Company Busi Power S.r.l wholly held by Busi Group. The above procedure however has not yet been completed as the decision in the Court is still awaited. The delay is on account of objections raised by some creditors among other reasons. In view of the uncertainties prevailing in Europe and the delay in the outcome of the Court process in respect of the Creditors' protection sought by M/s Sadelmi in its application in connection therewith, the Company has, on prudent basis, made full provision towards the Investment in Sadelmi of ₹ 52.59 Crore in Financial Year 2012 - 2013. While Commissioner has released the financials for the period ended December 2012 which showed heavy losses in excess of the equity infused by the said Company. The management is confident that no further commitment is required to be infused by the Company and all losses have been recorded.

- (viii) In case of GIPL, one of the Subsidiary Company, current liabilities exceed current assets by ₹ 608.97 Crore as on 31 December 2013. The Group is taking various steps to meet its commitments, both, short term and long term in nature. The Group is actively pursuing various payments from the client including bonuses, grants, and claims for its projects. Subsequent to the Balance Sheet Date, in one such case, it has received such bonus payment amounting to ₹ 67.34 Crore. Further the Group intends to monetize some of its mature assets, as well as securitize some of its future receivables. The Group is in active discussions with various lenders for raising additional long term debts. The Group will also generate contracting income and developer fees out of the new projects that it has been awarded. Based on detailed evaluation of the current situation, plans formulated and active discussions underway with various stakeholders, management is confident that the going concern assumption and the carrying values of the assets and liabilities in these financial statements are appropriate. Accordingly, the accompanying financial statements do not include any adjustments that may result from these uncertainties.

b. JOINTLY CONTROLLED ENTITIES :

The following Jointly Controlled Entities have been considered applying ('AS - 27') on the basis of audited accounts (except stated otherwise) for the year ended 31 December 2013.

Details of Joint Ventures entered into by the Company :

Name of the Joint Venture	Country of Incorporation	Dec 2013		2012 - 2013	
		Ownership Interest	Effective Interest	Ownership Interest	Effective Interest
Blue Water Iron Ore Terminal Private Limited ('BWIOTPL')*	India	10.12%	7.59%	10.12%	7.59%
Indira Container Terminal Private Limited ('ICTPL')	India	50.00%	37.49%	50.00%	37.49%
Maa Durga Expressway Private Limited ('MDEPL') ***	India	-	-	49.00%	36.74%
SEZ Adityapur Limited ('SEZAL')	India	38.00%	28.49%	38.00%	28.49%
GIPL - GIL JV	India	100.00%	76.23%	-	-
Gammon Al Matar ('GALM')	Oman	85.00%	85.00%	85.00%	85.00%
Gammon Eceer Rail ('Consortium')	India	51.00%	51.00%	51.00%	51.00%
Sofinter S.p.A**	Italy	-	-	45.00%	45.00%
Gammon - Cons - Tensacciai - 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%
Ansaldocaldaie - GB Engineering Private Limited	India	50.00%	36.70%	50.00%	36.70%
Gammon SEW	India	90.00%	90.00%	90.00%	90.00%
Gammon Jyoti Bhutan Consortium	India	50.00%	50.00%	50.00%	50.00%

* Based on the un-audited management accounts for the period ended 31 December 2013.

** Sofinter S.p.A has become from Joint Venture Company to Associate Company from October 2013.

*** GIPL has executed an agreement on 30 August 2013 with Simplex Infrastructures Limited to terminate the shareholders agreement for buying 49.00% in Maa Durga Expressway Private Limited. Accordingly GIPL shall not hold any equity in MDEPL.

- (i) The details of the Companies that are consolidated as part of Sofinter group as Joint Venture upto September 2013 and an Associate thereafter are tabulated hereunder :

Name of Subsidiaries	Country of Incorporation	Ownership Interest	
		2013	2012
Ansaldocaldaie 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%

Name of Subsidiaries	Country of Incorporation	Ownership Interest	
		2013	2012
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	100.00%	100.00%
Consorzio Ecosar	Italy	97.00%	97.00%
Consorzio Nitcomisa	Italy	-	100.00%
Multiservice S.p.A	Italy	-	95.00%

- (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 Dec 2013	As at 31 Mar 2013
ASSETS		
Non Current Assets		
Fixed Assets :		
Tangible Assets (Net)	32.61	200.28
Intangible Assets (Net)	12.50	32.59
Capital Work In Progress	-	20.27
Intangible Assets Under Development	250.23	228.18
Goodwill on Consolidation	-	448.44
Non Current Investments	-	2.56
Deferred Tax Assets	-	27.80
Long Term Loans and Advances	16.28	36.57
Other Non Current Assets	12.75	0.71
Current Assets		
Current Investments	-	0.92
Inventories	43.79	144.22
Trade Receivables	35.50	408.78
Cash and Bank Balances	3.08	218.91
Short Term Loans and Advances	17.79	150.29
Other Current Assets	2.82	6.20
	427.33	1,926.72
LIABILITIES		
Non Current Liabilities		
Long Term Borrowings	216.12	427.93
Deferred Tax Liabilities (Net)	1.69	1.50
Trade Payables, Non Current	-	-
Deferred Payment Liability	-	-
Other Long Term Liabilities	10.97	42.79
Long Term Provisions	0.04	74.89
Share Application Money Pending Allotment	1.00	1.00
Minority Interest	(1.57)	(3.08)
Current Liabilities		
Short Term Borrowings	39.62	198.08
Trade Payables, Current	58.16	442.16
Other Current Liabilities	103.21	350.76
Short Term Provisions	0.04	47.84
Reserves and Surplus		
Surplus / (Deficit) in the Statement of Profit and Loss :	-	-
Opening Balance	(12.29)	(45.49)
During the Current Year	109.91	140.29
Total Reserves, Surplus and Liabilities	526.89	1,678.67



(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
INCOME		
Revenue from Operations	1,146.43	1,065.45
Other Income	6.72	9.29
Total Income	1,153.16	1,074.74
EXPENSES		
Cost of Material Consumed	287.56	266.34
Change in Inventory and FG	246.62	(0.71)
Subcontracting Expenses	164.21	270.80
Employee Benefit Expenses	122.31	156.77
Other Expenses	174.57	194.74
Exceptional Items	-	-
Finance Cost	16.00	24.56
Depreciation and Amortisation	12.36	16.80
Total Expenses	1,023.63	929.30
Profit Before Tax	129.53	145.44
Provision for Tax	19.61	5.16
Profit After Tax	109.91	140.28

(iii) The above figures pertaining to the Joint Venture Companies are based on the audited accounts for the year ended 31 December 2013 except for Sofinter, BWIOTPL and SEZAL which are based on the un-audited management accounts. In case of Sofinter Income and Expenditure are for the period January 2013 to September 2013.

(iv) **Sofinter :**

- (a) On 29 October 2013 Sofinter has received the Conversion Request from the bond holder B.T. Global Investors Limited for the conversion of all the bonds into Sofinter Shares. Based on the terms of the bonds and the conversion ratio the number of Sofinter shares to be issued in favor of B.T. Global Limited equals to 35.00% of the Share Capital of Sofinter. Consequently, the stake of GIL in the group is reduced to 32.50%. Pursuant to dilution of the stake in Sofinter and the triggering of the changes in the shareholders agreement relating to the composition of the board and the affirmative votes on certain critical matters, Sofinter hitherto a Joint Venture is now an Associate in which the Company exercises significant influence having 32.50% stake with effect from October, 2013. The consolidated results therefore consider proportionate consolidation of the Profit and Loss for the period January to September 2013 and the accounting of the profit in accordance with the equity method as per Accounting Standard ('AS - 23') for the period thereafter from October to December 2013.
- (b) Due to the fact that the finalization of the impairment test requested by the usual accounting procedures, under IFRS Rules, are still in progress, the present Management Report as at 31 December 2013 does not include any impairment test. The present Management Report as at 31 December 2013 has not yet been audited, being the audit procedure still in progress. The management expects that the Audit Report would contain the same remarks as evidenced in their audit report, in particular for what refers to same as in previous year.
- Trade Receivables in excess of Euro 3.00 Million (₹ 25.61 Crore), related to possible recharges to a supplier of the costs incurred for repairs to plant. The amount was estimated on the basis of the expected recovery of the claims following legal actions brought against the supplier. Under the applicable accounting standards the proceeds from the claims should have been recognised in the year when their occurrence and qualification are reasonably certain.
 - In the absence of plans of ITRO Pte Limited, an affiliated Company in Singapore, the auditors would not be in possession of sufficient information to assess the recoverability of the net receivables booked in the consolidated financial statements of Sofinter Group.
 - In relation to the above, the Company, during 2013, has not entered into full production activity, resulting in a loss of about Euro 2.60 Million equivalent. Today the value of the share capital and reserves of the Company is approximately Euro (14.30) Million equivalent and the percentage of negative equity attributable to Sofinter S.p.A amounted to Euro 7.00 Million. The value of the investment was adjusted by allocation of a special fund, to the corresponding portion of the negative equity of the Associate. It is also noted that the Company has a net debt position of Euro 5.80 Million against banks in addition to approximately Euro 26.40 Million as shareholders loan, of which Euro 12.50 Million of Sofinter S.p.A. Itro Pte Limited, also has against the subsidiary Itea S.p.A, a net debt of Euro 2.60 Million. Overall, the Group has therefore net credits again Itro Pte Limited amounting to Euro 13.20 Million, net of the relevant provision accrued. The Shareholders are at present dealing with some Singapore companies who work in the field of waste management in order to sell the Company, they are waiting for some offers in order to evaluate some possible sale.
 - In Previous Years Sofinter Group started lawsuits for the recovery of trade accounts receivable reported in the consolidated financial statements for about Euro 9.00 Million (₹ 76.82 Crore). Group management, after consulting with legal counsels, believes that the lawsuits will not give rise to losses other than those already provided in connection with a possible unfavourable outcome, equal to Euro 4.50 Million (₹ 38.41 Crore).

c. ASSOCIATES :

The following Associates have been accounted for on one line basis applying the equity method in accordance with the Accounting Standard ('AS – 23') "Accounting for Investment in Associates in Consolidated Financial Statements".

(₹ in Crore)

Name of Company	% Share Held	Original Cost of Investments	Goodwill / (Capital Reserve)	Adjusted / Accumulated Profit / (Loss) upto previous period	Profit / (Loss) for the Current Period	Adjustments for the current period	Carrying Amount of Investment
Ecopower S.r.l.*	9.00%	-	-	-	-	-	-
	9.00%	0.17	-	0.72	0.00	(0.04)	0.85
SWS G&B*	22.50%	-	-	-	-	-	-
	22.50%	0.03	-	-	-	-	0.03
Cons Ansaldo Energie Riun*	11.25%	-	-	-	-	-	-
	11.25%	0.09	-	-	-	(0.04)	0.05
Oristano Ambiente*	18.00%	-	-	-	-	-	-
	18.00%	0.15	-	-	-	-	0.15
ESMSPL**	23.27%	1.70	-	(0.32)	(0.12)	-	1.26
	23.27%	1.70	-	(0.36)	0.01	0.03	1.38
MTL**	36.93%	0.02	-	(0.00)	(0.00)	-	0.02
	36.93%	0.02	-	-	-	-	0.02
Finest S.p.A	50.00%	19.52	7.57	1.27	(0.17)	0.18	20.80
	50.00%	19.52	7.57	1.38	(0.11)	-	20.79
Sofinter S.p.A ***	32.50%	469.91	327.57	-	2.08	15.20	487.18
	-	-	-	-	-	-	-
TOTAL		491.15	335.14	0.95	1.79	15.37	509.26
		21.67	7.57	1.75	(0.10)	(0.05)	23.27

* Marked Companies are Associates of earlier Joint Venture, Sofinter Group and hence proportionate share of its investments and share of profit/(loss) is taken for the Previous Year.

**Marked Companies are Associates of Subsidiary GIPL.

*** Sofinter S.p.A has become Joint Venture to Associate Company from October 2013.

d. LIMITED LIABILITY PARTNERSHIP :

During the year, Gammon Realty Limited, one of the Subsidiary of the Company held the 50.00% of share in Brookfield Multiplex Gammon India LLP.



2 Share Capital

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

Particulars	As at 31 Dec 2013		As at 31 Mar 2013	
	No of Shares	Amount	No of Shares	Amount
(₹ in Crore)				
Authorised Capital :				
Equity Shares of ₹ 2/- each	74,710,000,000	14,942.00	355,000,000	71.00
6% Optionally Convertible Preference Shares of ₹ 350/- each	3,000,000	105.00	3,000,000	105.00
Issued, Subscribed and Fully Paid up Capital :				
Issued:				
Equity Shares of ₹ 2/- each, fully paid	137,355,208	27.47	137,355,208	27.47
Subscribed and Fully Paid up Capital :				
Equity Shares of ₹ 2/- each, fully paid	135,774,668	27.16	135,774,668	27.16
Share Forfeiture Account				
Money received in respect of Right Shares of ₹ 10/- each forfeited	170,948	0.34	170,948	0.34
TOTAL		27.50		27.50

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

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

(b) Reconciliation of number of shares outstanding :

Particulars	As at 31 Dec 2013		As at 31 Mar 2013	
	No of Shares	Amount	No of Shares	Amount
(₹ in Crore)				
As at the beginning of the year	135,774,668	27.16	135,774,668	27.16
Add : Issued during the year - ESOP	-	-	-	-
As at the end of the year	135,774,668	27.16	135,774,668	27.16

(c) Details of Shareholding in excess of 5% :

Name of Shareholder	As at 31 Dec 2013		As at 31 Mar 2013	
	No of Shares	%	No of Shares	%
Pacific Energy Private Limited	18,013,015	13.20	18,013,015	13.20
Warhol Limited	13,437,359	9.84	13,437,359	9.84
Devyani Estate and Properties Private Limited	12,182,805	8.93	12,182,805	8.93
Abhijit Rajan	8,172,459	5.99	1,381,144	1.01

(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 Dec 2013	31 Mar 2013
Equity Shares issued as consideration on merger of Associated Transrail Structures Limited with the Company	20,106,106	20,106,106
TOTAL	20,106,106	20,106,106

(e) Shares reserved under options to be given :

17,400 (Previous Year 17,400) 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 Dec 2013	As at 31 Mar 2013		
(i) Capital Reserve				
As per Last Balance Sheet	76.32	140.65		
Add : Fresh receipts	-	20.34		
Add : Transfer from Minority Interest	11.95	-		
Less : Reduction	(2.06)	-		
Less : Transfer to Minority Interest	(3.01)	(84.67)		
	83.20	76.32		
(ii) Capital Redemption Reserve	105.00	105.00		
(iii) Securities Premium Account				
As per last Balance Sheet	1,293.94	1,296.76		
Less : Utilised on issuance of Bonus Shares	-	(1.05)		
Add/(Less) : Share premium transferred from (to) Minority Interest	-	(1.63)		
Less : Share issue expenses during the year	-	(0.14)		
	1,293.94	1,293.94		
(iv) Debenture Redemption Reserves				
As per last Balance Sheet	81.00	165.28		
Less : Transferred to General Reserve	-	(84.28)		
	81.00	81.00		
(v) Revaluation Reserves				
As per Last Balance Sheet	135.15	256.60		
Less : Reversal on A/c of Asset Transfer to Inventories (Refer Note 15 A)	-	(116.34)		
Less : Transferred to General Reserve on Sale of Assets	-	(3.30)		
Add/(Less) : Exchange Difference	-	1.32		
Less : Depreciation on Revalued Assets	(2.38)	(3.13)		
	132.77	135.15		
(vi) Share Options Outstanding Account				
As per Last Balance Sheet	3.63	3.63		
Add : Addition during the period	2.96	-		
Less : Employee stock options exercised	(0.02)	(0.02)		
Less : Forfeiture of employee stock options offered	(0.74)	(0.43)		
	5.83	3.18		
Less : Deferred employee compensation outstanding	(2.00)	(0.00)		
Add : Short accounting of ESOP's in prior years	0.03	0.03		
Less : Employee Stock Option Forfeited	(0.40)	-		
Less : Transfer to General Reserve on Lapse of ESOP's	(1.22)	(1.23)		
Less : Transfer to Securities Premium A/c on Exercise of ESOP's	(1.46)	(1.46)		
	0.77	0.52		
(vii) Other Reserves				
General Reserve				
As per last Balance Sheet	344.38	256.83		
Add : Transferred from Debenture Redemption Reserve	-	84.28		
Add : Transferred from Revaluation Reserve on sale of assets	-	3.30		
Add : Transferred from Surplus	-	(0.03)		
	344.38	344.38		



(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Foreign Currency Translation Reserve		
As per last Balance Sheet	98.88	44.55
Add/(Less) : Arising out of current year	(55.78)	54.33
	43.10	98.88
Foreign Currency Monetary Item Translation Difference Reserve		
As per last Balance Sheet	(52.65)	(22.55)
Add/(Less) : Arising out of current year	85.44	(41.17)
Add/(Less) : Amount recognised in the Statement of Profit and Loss	3.34	11.57
Add/(Less) : Translation Difference	(11.98)	(0.52)
	24.15	(52.65)
Special Contingency Reserve	50.00	50.00
Other Reserves	1.43	1.19
Surplus / (Deficit)		
Profit brought forward from last year	(1,051.74)	(173.80)
Add : Dividend from Own Shares	-	0.12
Sub-Total	(1,051.74)	(173.68)
Less : Loss for the year	(761.86)	(849.83)
Transfer to Other Reserve	(0.34)	-
Proposed Dividend	-	(2.29)
Tax on Dividend	-	(1.48)
Transferred to Foreign Currency Translation Reserve	(120.64)	(23.70)
Adjustments due to changes of stake in Sofinter	18.29	-
Adjustments to Minority Interest	2.41	(0.09)
Amount Transferred to Capital Reserve	-	(0.70)
Other Adjustments	0.01	0.04
Sub-Total	(862.13)	(878.06)
TOTAL	(1,913.86)	(1,051.74)
	245.88	1,082.00

- (a) The General Reserve is created to comply with the "the Companies (Transfer of Profit and Reserve rules 1975)".
- (b) The Foreign Currency Translation Reserve is created in terms of Accounting Standard 11 "The Effect of Changes in Foreign Exchange Rates" issued under the Companies Accounting Standard Rules 2006.
- (c) The Special Contingency Reserve has been created by the Company to meet any possible contractual losses / liabilities / claims following the principles of conservatism and prudence.
- (d) In accordance with Circular issued by Ministry of Corporate Affairs No. 04/2013 dated 11 February 2013 the Company is maintaining the Debenture Redemption Reserve to the extent of 25.00% of the outstanding debentures.
- (e) Dividend received from own investment held through Gammon Trust is adjusted under Surplus NIL (*Previous Year ₹ 0.12 Crore*).
- (f) Capital Reserve includes grant of received by two SPV's of the Group, from NHAI and the Government of Andhra Pradesh in the nature of equity support of the grantor.
- (g) In line with notification of the Companies (Accounting Standards) Amendment Rules 2009 issued by Ministry of Corporate Affairs on 31 March 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 chosen to exercise the option under para 46 inserted in the standard by the notification.

During the year ₹ 3.34 Crore (*Previous Year Credit of ₹ 11.57 Crore*) amortisation cost charged to the Profit and Loss Account out of Foreign Currency Monetary Item Translation Difference Account.

₹ 24.15 Crore Credit (*Previous Year Debit of ₹ 52.65 Crore*) accumulated in the "Foreign Currency Monetary Item Translation Difference Account", being the amount remaining to be realised as at 31 December 2013.

4 Long Term Borrowings

(₹ in Crore)

Particulars	Non Current		Current Maturities	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Non Convertible Debentures				
Placed with Banks and Financial Institutions	399.00	469.00	100.00	30.00
Term Loans				
Priority Loan	366.69	-	-	-
Rupee Term Loan (RTL) - 1	786.91	-	-	-
Rupee Term Loan (RTL) - 2	475.00	-	-	-
Rupee Term Loan (RTL) - 3	350.00	-	-	-
Funded Interest Term Loan (FITL)	208.66	-	-	-
Working Capital Term Loan (WCTL)	647.22	-	-	-
From Banks	3,882.25	3,891.15	213.73	426.41
From Financial Institutions	956.82	1,422.46	324.70	152.41
From Others	-	-	25.00	25.01
Deferred Payment Liabilities	120.00	120.00	-	-
Finance Lease Obligations	17.75	118.68	2.60	7.11
Loans from Minority Shareholders	209.06	185.38	-	-
Loans from Related Parties				
Promoters Contribution	100.00	-	-	-
Convertible bonds issued by Joint Venture Company	-	-	-	42.69
TOTAL	8,519.36	6,206.67	666.03	683.63
The above amount includes				
Secured Borrowings	7,961.13	5,841.24	663.43	622.35
Unsecured Borrowings	558.23	365.43	2.60	61.28
Amount disclosed under the head "Other Current Liabilities" (note 10)			666.03	683.63

(a) Term Loan - GIL

- (i) The Company's Corporate Debt Restructuring (CDR) package was approved by the CDR Empowered Group (EG) in its meeting held on 24 June 2013 and communicated to the Company vide its letter of approval dated 29 June 2013. The Company executed the Master Restructuring Agreement (MRA) with the CDR lenders on 24 September 2013. Substantial securities have been created in favor of the CDR lenders.

Key features of the CDR proposal are as follows :

- Reschedule of Short Term Loans & Term Loans (RTL) and NCD payable over a period of ten years.
- Repayment of Rupee Term Loans (RTL) after moratorium of 27 months from cut off date being 1 January 2013 in structured quarterly instalments commencing from April 2015.
- Conversion of various irregular / outstanding / devolved financial facilities into Working Capital Term Loan (WCTL).
- Repayment of WCTL after moratorium of 27 Months from cut off date in structured quarterly instalments commencing from April 2015, subject to mandatory prepayment obligation on realisation of proceeds from certain asset sale and capital infusion.
- Restructuring of existing and fresh fund based and non fund based financial facilities, subject to renewal and reassessment every year.
- Interest accrued but not paid on certain financial facilities till March 2014 shall be converted into Funded Interest Term Loan (FITL).
- Waiver of existing events of defaults, penal interest and charges, etc in accordance with MRA.
- Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA.
- Contribution of ₹ 100.00 Crore in the Company by Promoters, in lieu of bank sacrifice, in the form of Promoters Contribution.

(ii) Securities for Term Loans and NCD :

Rupee Term Loan (RTL) - 1 and FITL thereon -

- 1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
- 2) 2nd pari-passu charge on the Gammon House, entire current assets, loans and advances, long term trade receivables and other assets of the Company.
- 3) For Canara Bank 1st pari-passu charge on land parcel of Metropolitan Infrahousing Private Limited (MIPL) along with their NCD holders.



Rupee Term Loan (RTL) - 2 and FITL thereon -

- 1) 1st pari-passu charge on Gammon House.
- 2) 2nd pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
- 3) 2nd pari-passu charge on entire current assets, loans and advances, long term trade receivables and other assets of the Company.

Rupee Term Loan (RTL) - 3 and FITL thereon -

- 1) 3rd pari-passu charge over the entire fixed assets (movable and immovable) and current assets of the Company excluding the Gammon House.
- 2) 3rd pari-passu charge on the Gammon House.

Working Capital Term Loan (WCTL) -

- 1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
- 2) 2nd pari-passu charge on the Gammon House, entire current assets, loans and advances, long term trade receivables and other assets of the Company.

Priority Loan -

- 1) 1st pari-passu charge on the entire Fixed Assets (movable and immovable), both present and future of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
- 2) 2nd pari-passu charge on the Gammon House, entire current assets, loans and advances, long term trade receivables and other assets of the Company.

Non Convertible Debentures (NCD) and FITL thereon -

- 1) 1st pari-passu charge by mortgage of Gujarat Property and hypothecation over the pari-passu security with the Non Convertible Debentures.
- 2) 3rd pari-passu charge over the entire fixed assets (movable and immovable) and current assets of the Company excluding the Gammon House.
- 3) 3rd pari-passu charge on the Gammon House.

(iii) Funded Interest Term Loan (FITL) -

The interest amount on RTL - 1, RTL - 2, RTL - 3 and NCDs for the initial period of 15 months i.e. from cut off date till 31 March 2014 will be converted to FITL.

(iv) Interest on Term Loans -

The above mention term loans carry an interest rate which is MI base rate + 175 bps except in case of NCD which are as follows-

Non Convertible Debenture	(₹ in Crore)	As at 31 Dec 2013	As at 31 Mar 2013
	100.00	11.05%	11.05%
	100.00	9.50%	9.50%
	74.00	10.50%	10.50%
	50.00	9.95%	9.95%
TOTAL	324.00		

v) Repayment Term -

Type of Loan	Repayment Schedule
RTL 1, RTL 2, RTL 3, NCD, WCTL & FITL	Repayable in 31 quarterly instalments commencing 15 April 2015 and ending on 15 October 2022.
Priority Loan	Repayable in 20 quarterly ballooning instalments commencing 15 April 2015 and ending on 15 January 2020.

vi) Collateral security pari-passu with all CDR lenders -

- (a) Pledge of entire unencumbered equity shares (present and future) of GIL held by Promoters subject to Section 19(2) & 19(3) of Banking Regulation Act including pledge of encumbered equity shares as and when such shares are released by the respective existing lenders.
- (b) Personal guarantee of Mr. Abhijit Rajan, Chairman & Managing Director.

- (c) Undertaking to create pledge over the resultant shares of Metropolitan Infrahousing Private Limited (MIPL) after signing the JV agreement with developer.
- (d) Undertaking to create pledge over shares of Gactel Turnkey Projects Limited (currently pledged to lenders of Gactel), as and when they are released in the future.
- (e) Pledge over the following shares -
 23.00% of Deepmala Infrastructure Private Limited
 100.00% of Adityapur SEZ Limited
 24.00% of Ansaldocaldaie Boilers India Private Limited
 100.00% of Transrail Lighting Limited

vii) **Term & Condition of Term Loans and NCD (Previous Year) -**

Name of the Bank	Securities	Repayment Schedule
a) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Monthly instalments of ₹ 1.14 Crore each.
b) IDBI Bank	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Monthly instalments of ₹ 0.75 Crore each.
c) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Repayable on 18 th , 21 st & 24 th month from the date of disbursement (27 March 2012).
d) Bank of Maharashtra	Secured by hypothecation of Plant & Machinery, Specific Land & Building and other assets.	Repayable in 54 equal instalments of ₹ 0.65 Crore. Moratorium period of 6 months from date of 1 st disbursement i.e. 30 September 2012.
e) United Bank of India	Secured by Pari-passu charge of Commercial Property, 2 nd charge on the present and future current assets with existing lenders and Personal Guarantee of Chairman & Managing Director.	Repayable in 15 unequal quarterly instalment, From December 2013 Onwards.
f) United Bank of India		
g) Canara Bank	Secured by Pari-passu charges along with debenture holders of land parcel of Metropolitan Infra Housing Private Limited (MIPL) including Corporate Guarantee of MIPL, 2 nd charge on Stock & Receivable of the Company.	Repayable in 12 unequal quarterly instalment, From March 2013 Onwards.
h) Redeemable Non Convertible Debenture	Secured by hypothecation of specific Plant & Machinery with pari-passu charge by mortgage of immovable property in Gujarat.	Repayable in at the end of 8 th , 9 th & 10 th year in respect of NCD ₹ 224.00 Crore and 5 th , 6 th & 7 th year in respect of ₹ 100.00 Crore from the respective date of allotment.

Term loans and NCD period has changed based on CDR package during current year. Repayment term shown under Previous Year was based on original terms of approval.

- (viii) The Promoters have infused an amount of ₹ 100.00 Crore in terms of the CDR agreement repayment of which shall, till the final settlement date, be subordinate to the restructured facility.
- (ix) In terms of the MRA the lenders have a right to convert outstanding loan into equity under certain terms & conditions. The authorised capital has been accordingly increased by ₹ 14,871.00 Crore.
- (x) **Project loans - Public Private Partnership Projects -**

The term loans from banks and financial institutions are primarily taken by various project executing entities of the Group for the execution of the projects. These loans are secured by a first mortgage and charge on all the movable properties, immovable properties, tangible assets, intangible assets and all bank accounts (including escrow bank accounts) save and except the project assets of each individual borrowing company in the Group.

Loans from others are secured by first charge on proceeds / receivables to be received from the National Highways Authority of India (NHAI) towards annuities to be received for the period between the scheduled commercial operation date and the actual commercial operations date (COD). This loan carries interest rate in the range of 13.00% p.a. The loan is repaid on 14 February 2014.

One of the Group SPV had obtained a secured term loan from a financial institution for which charge is yet to be created as at 31 December 2013. The financial institution has levied a penal interest of ₹ 4.51 Crore upto 31 December 2013 which has not been paid. Delay in creation of Mortgage is also on account of non-functioning of Registration Department from past three months due to State wide agitation and the Company is seeking waiver of penal interest as a matter of force majeure.



Term loan from financial institution also includes loan availed by GIPL and is secured by a) Pledge of equity shares of one of the SPV for an aggregate value of ₹ 143.34 Crore (*Previous Year ₹ 219.45 Crore*), b) a first and exclusive charge on the Designated account, Debt Service Reserve aggregating to ₹ 7.35 Crore as on 31 December 2013, (*Previous Year ₹ 10.10 Crore*), Surplus Monies and the sale proceeds to be received by the Borrower due to Mumbai Nasik Expressway Limited ('MNEL') Stake sale and / or the Lender exercising its power in respect of the Borrower's stake in MNEL under the Loan Agreement. The balance is secured by equity shares of GIPL pledged by the holding company, hence is shown as unsecured portion. This term loan carries an interest rate of 14.00% p.a. It's repayment is entirely due on 15 September 2014.

The above mentioned long term loans carry an interest rate which is at a spread above / below the bank's base rate or bank prime lending rate or G-SEC rate or at a negotiated rate. The spread ranges from 50 to 300 bases points. In case of consortium of lenders the rate applicable is the highest rate charged by any one member of the consortium thereof.

Loan from others, carries interest rate in the range of 10.00% to 14.00% p.a.

(xi) Investment SPV's (GIBV, GHBV, PVAN, ATSL B.V.) -

The Loan is secured by charge over DSRA A/c of the Company. The Parent Company has also pledged its entire shareholding of the Company with the Bank and also provided Corporate Guarantee.

During the year Term Loan from ICICI Bank has been rescheduled by which the same are to be repaid by 1 April 2015 by sale of Investments. In case sale does not occur or the proceeds are insufficient, the same is repayable by the parent Company in quarterly instalments from 1 April 2015. The applicable interest rate is equal to 3 months LIBOR plus 275 bps for GIBV and PVAN, and 3 months LIBOR plus 250 bps for GHBV and ATSL B.V. Interest and instalment is due and paid on quarterly basis. The interest rate will increase by 100 bps for GIBV and PVAN while 125 bps for GHBV and ATSL B.V., if not repaid before 30 April 2015 with retrospective effect from 1 October 2012. Provision has been made for such additional amounts by the respective SPV's.

During the year Term Loan from ICICI Bank, UK PLC has been rescheduled by which the same are to be repaid by 1 April 2015 by sale of Investments. In case sale does not occur or the proceeds are insufficient, the same is repayable by the parent Company in quarterly instalments from 1 April 2015. The applicable interest rate is equal to 3 months EURO LIBOR plus 360 bps for GIBV, Interest & instalment is due and paid on quarterly basis. The interest rate will increase by 100 bps if not repaid before 30 April 2015 with retrospective effect from 1 October 2012. Provision has been made for such additional amounts by the respective SPV's.

- (xii) The Term loan for TLL is secured by First charge on all Fixed Assets and Current Assets of the Company and Corporate Guarantee of the Holding Company. The loan is repayable in monthly instalment of ₹ 0.88 Crore for 24 months and ₹ 0.62 Crore for 9 months. The applicable rate of interest is @ 14.25% p.a.
- (xiii) The Term loan for ACBI is secured on First charge on entire Current Assets of the Company. The Collateral Security is a First charge on Fixed Assets of the Company. The repayment schedule after a Moratorium of one year is repayable in 16 quarterly instalments starting from April 2013. The interest is chargeable at 375 bps above the Bank's base rate.
- (xiv) Sofinter : Repayment to Unicredit is scheduled for 2019 (*previously 2016*), calls for the first instalment on 30 June 2013. The interest rate applied is variable and equal to the six-month Euribor with application of a spread of 2.00%. The loan is secured by pledge on 100.00% of Ansaldo's shares and 32.50% of Sofinter's shares. Repayment to Monte Paschi di Siena is scheduled for 2016 (*previously 2014*), calls for the first principal payment on 20 February 2012. The interest rate applied is variable and equal to the six-month Euribor with application of a spread of 2.00%. Repayment to Banca Intesa San Paolo S.p.A is scheduled for the 2016 period (*previously 2013*), calls for the first principal payment on 15 March 2013. Repayment will be made on the basis of a repayment plan which envisages straight-line principal payments. The interest rate applied is variable and equal to the three-month Euribor with application of a spread of 2.00%.
- (xv) The Term Loan for ACGB is secured by Equitable Mortgage of Land and Building and Hypothecation of Plant and Machinery. The interest is chargeable at 320 bps above Bank's base rate.
- (xvi) The Term Loan for Gactel is secured by Hypothecation of Fixed Assets and Current Assets of the Company and negative lien on 75.00% of land at Bhopal and construction thereon standing In the name of DIPL and corporate guarantee of GIL.
- (xvii) The Term Loan for DIPL is secured by first charge on 75.00% of total Plot of Land admeasuring 14.88 acres situated at South TT nagar in Bhopal (Madhya Pradesh) and are repayable in 8 equal quarterly instalment after a moratorium of 24 months.
- (xviii) Franco : Loan from Financial Institution has been agreed for a repayment plan with 20 quarterly instalments starting from 2013 and secured by a mortgage for a total of Euro 8.00 Million. Loan from the Banca Carige is secured by a mortgage on movable and privilege. The plan signed provides for rescheduling the repayment of debt in 36 semi-annual instalments starting from 2015.

(b) Deferred Payment Liability, Unsecured

As per the terms of the concession agreement between MNEL and NHAI, MNEL is required to make a cash payout ('Negative Grant') of ₹ 120.00 Crore in the last year of the concession period (i.e. March, 2026). The same is capitalised as toll concession rights and is represented as deferred payment liability in the financial statements.

- (c) An investor invested in the equity of one of the Joint Venture of the Company an amount equal to Euro 5.00 Million and paid a "to be converted Bond Loan", issued by the JV, for a total value of Euro 13.00 Million, that bore interest at the annual gross rate of 1.00%. 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.

(d) 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 Dec 2013	As at 31 March 2013
Andhra Expressway Limited ('AEL')	₹ 10/-	13,175,970	13,175,970
Birmitrapur Barkote Highway Private Limited ('BBHPL')	₹ 10/-	2,600	2,600
Cochin Bridge Infrastructure Company Limited ('CBICL')	₹ 10/-	1,664,019	1,664,019
Gorakhpur Infrastructure Company Limited ('GICL')	₹ 10/-	27,686,396	27,686,396
Kosi Bridge Infrastructure Company Limited ('KBICL')	₹ 10/-	20,767,040	20,767,040
Mumbai Nasik Expressway Limited ('MNEL')	₹ 10/-	38,942,800	38,942,800
Patna Buxar Highways Limited ('PBHL')	₹ 10/-	14,589,823	13,000
Pataliputra Highway Limited ('PHL')	₹ 100/-	7,350	7,350
Patna Highway Projects Limited ('PHPL')	₹ 10/-	750,000	750,000
Rajahmundry Expressway Limited ('REL')	₹ 10/-	14,744,579	14,744,579
Rajahmundry Godavari Bridge Limited ('RGBL')	₹ 10/-	89,573,750	89,573,750
Sidhi Singrauli Road Project Limited ('SSRPL')	₹ 10/-	26,236,600	-
Vizag Seaport Private Limited ('VSPL')	₹ 10/-	63,770,015	61,515,633
Indira Container Terminal Private Limited ('ICTPL')*	₹ 10/-	16,500,000	16,500,000
Gammon Holdings B.V., Netherlands ('GHBV')	€ 100	180	180
Gammon International B.V., Netherlands ('GIBV')	€ 100	180	180
P.Van Eerd Beheersmaatschappaji B.V., Netherlands ('PVAN')	€ 454	35	35
ATSL Holdings B.V., Netherlands	€ 100	180	180
Gammon Infrastructure Projects Limited	₹ 2/-	430,286,305	430,286,305
TOTAL		758,697,822	715,630,017

(e) Maturity Profile

(₹ in Crore)

Period	As at 31 Dec 2013	As at 31 Mar 2013
Installments payable within one year ie. Upto 31 December 2014	666.03	683.63
Installments payable between 1 to 5 years	3,973.38	3,654.04
Installments payable beyond 5 years	4,545.98	2,552.63
TOTAL	9,185.39	6,890.30

5 Deferred Tax Liabilities & Deferred Tax Assets

(₹ in Crore)

Particulars	As at 31 Dec 2013		As at 31 Mar 2013	
Deferred Tax Liability	130.00		202.10	
Deferred Tax Asset	135.54		82.73	
Breakup of the same	DTL	DTA	DTL	DTA
Deferred Tax Liabilities				
Depreciation	144.29	139.76	251.64	32.48
On Account of Lease	0.53	-	0.53	9.38
Others	20.26	-	20.26	2.70
Sub-Total	165.08	139.76	272.42	44.57



(₹ in Crore)

Particulars	As at 31 Dec 2013		As at 31 Mar 2013	
Deferred Tax Asset				
On Account of Gratuity / Leave Encashment Provision	0.12	8.00	7.56	0.16
Risk and Contingencies	16.22	-	16.22	14.65
On Account of Tax Losses	18.43	30.85	18.43	36.95
On Account of unabsorbed Depreciation	-	60.63	-	60.46
On account of dis-allowances	-	70.92	-	-
Foreign Exchange Translation Reserve	-	57.58	23.78	-
Others	0.31	47.32	4.34	15.09
Sub-Total	35.08	275.30	70.32	127.30
Deferred Tax Liabilities	130.00		202.10	
Deferred Tax Assets		135.54		82.73

One of the SPV has unabsorbed depreciation as per tax returns which is available for set off against taxable income. The SPV has recognised the Deferred Tax Asset credit estimating its future taxable income on the basis of the actual traffic plying on the road during the balance period of the Concession which satisfies the test of virtual certainty supported by convincing evidence for recognising the Deferred Tax Asset on the unabsorbed depreciation as per the tax returns. The SPV has obtained an independent expert's opinion about the satisfaction of the convincing evidence as required by Accounting Standard ('AS - 22') on "Accounting for Taxes on Income". The Deferred Tax Asset recognised in respect of this SPV amounts to ₹ 34.55 Crore on the unabsorbed depreciation as per the tax returns available for set off from future taxable income.

6 Other Long Term Liabilities

(₹ in Crore)

Particulars	As at 31 Dec 2013		As at 31 Mar 2013	
Trade Payables				
Micro, Small & Medium Enterprises	-		-	
Retention / Security Deposits	76.50		47.10	
		76.50		47.10
Others				
Advances from Clients	360.30		320.58	
Margin Money Received	0.50		-	
Interest Accrued but not Due	16.45		-	
Other Long Term Liabilities	182.94		174.83	
		560.19		495.41
TOTAL		636.70		542.51

7 Provisions

(₹ in Crore)

Particulars	Long Term		Short Term	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Provision for Employee Benefits				
Provision for Gratuity				
- India Companies	0.98	0.82	3.77	3.34
- Overseas Companies	79.67	89.79	4.85	16.47
Provision for Leave Benefits	11.28	14.99	5.31	7.05
Provision for Cash Compensation	-	-	-	0.17
Other Provisions	-	-	0.12	-
Others				
Provision for Periodic Maintenance	53.18	72.40	56.75	-
Provision for Risk & Contingencies	-	-	141.77	162.41
Proposed Dividend	-	-	-	2.29
Corporate Tax on Dividend	-	-	-	1.48
Provision for Taxation Net of Taxes Paid	161.63	161.63	76.02	79.15
Other Provisions	-	-	7.69	16.97
TOTAL	306.73	339.63	296.28	289.33

(a) Disclosure relating to Employee Benefits As per Revised ('AS - 15')

Particulars	(₹ in Crore)	
	As at 31 Dec 2013	As at 31 Mar 2013
(i) Change in Benefit Obligation		
Liability at the beginning of the year	10.70	10.38
Interest Cost	0.76	0.83
Current Service Cost	1.07	1.81
Past Service Cost (Non Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Benefit Paid	(0.10)	(1.87)
Actuarial (gain) / loss on obligations	(1.07)	(0.49)
Liability Transferred in	-	0.04
Curtailements and Settlements	-	-
Liability at the end of the year	11.36	10.70
(ii) Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	6.58	6.24
Expected Return on Plan Assets	0.42	0.53
Contributions	(0.04)	1.62
Benefit Paid	0.02	(1.70)
Actuarial gain / (loss) on Plan Assets	(0.02)	(0.11)
Fair Value of Plan Assets at the end of the year	6.94	6.58
Total Actuarial (gain) / loss to be Recognised	(1.07)	(0.49)
(iii) Actual Return on Plan Assets		
Expected Return on Plan Assets	0.42	0.53
Actuarial gain / (loss) on Plan Assets	(0.28)	(0.01)
Actual Return on Plan Assets	0.14	0.51
(iv) Amount Recognised in the Balance Sheet		
Liability at the end of the year	11.36	10.73
Fair Value of Plan Assets at the end of the year	6.64	6.57
Difference	4.75	4.16
Un-recognised Past Service Cost	-	-
Amount Recognised in the Balance Sheet	4.75	4.16
(v) Expenses Recognised in the Income Statement		
Current Service Cost	1.20	1.74
Interest Cost	0.65	0.82
Expected Return on Plan Assets	(0.41)	(0.53)
Net Actuarial gain / (loss) to be Recognised	(0.81)	(0.43)
Past Service Cost (Non Vested Benefit) Recognised	-	-
Past Service Cost (Vested Benefit) Recognised	-	(0.01)
Effect of Curtailment or Settlements	(0.04)	(0.04)
Expense Recognised in the Profit and Loss Account	0.59	1.56
(vi) Balance Sheet Reconciliation		
Opening Net Liability	4.16	4.16
Expenses as above	0.59	1.57
Employers Contribution	0.04	(1.60)
Liability Transferred in	-	0.04
Effect of Curtailment or settlements	-	-
Amount Recognised in the Balance Sheet	4.75	4.16
(vii) Actuarial Assumptions		
Discount Rate Current	9.20%	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.

(b) Disclosure relating to Provisions As per Revised ('AS - 29')

(₹ in Crore)

Account Head	Opening Balance	Provisions Made	Reversed during the year	Paid / Utilisations	Closing Balance
Provisions for Risk and Contingencies	162.41	27.13	-	(47.77)	141.77
	151.47	62.98	-	(52.04)	162.41
Provisions for Periodic Maintenance	72.40	37.53	-	-	109.93
	28.21	44.19	-	-	72.40
Cash Compensation Scheme	0.17	-	-	(0.17)	-
	1.95	0.43	-	(2.21)	0.17

During the year, based on the management's assessment the provision for risk and contingency that was created in the year 2008 - 2009 amounting to ₹ 50.61 Crore towards its exposure in Sofinter is no longer required and accordingly the provision for risk and contingency is being earmarked towards the possible exposure in FTM once the accounts of Franco Tosi are made available to the Company.

- In GIPL, a demand of ₹ 20.50 Crore has been raised by the Income Tax Authorities for Assessment Years 2005 - 2006 to 2011 - 2012 pursuant to assessment proceedings conducted under Section 153A of the Income Tax Act, 1961. The Company has filed an appeal against the said demand with The Commissioner of Income Tax (Appeals), Mumbai. It has also deposited a sum of ₹ 1.60 Crore for Assessment Years 2007 - 2008 to 2011 - 2012 against the demand and also made a provision of ₹ 0.46 Crore in the books of accounts for tax to meet the said demand.

8 Short-term Borrowings

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Loans repayable on demand :		
Cash Credit from Consortium Bankers	1,176.63	1,620.45
Loans and Advances from Minority Shareholders	261.91	230.23
Other Loans and Advances:		
Buyers Credit	60.42	77.54
Short Term Loans - From Banks	431.31	1,363.81
- From Financial Institutions	14.33	14.33
- From Others	76.07	72.58
	582.12	1,528.26
TOTAL	2,020.66	3,378.94
The above amount includes		
Secured Borrowings	1,158.32	2,002.47
Unsecured Borrowings	862.35	1,376.47

(i) Securities - Cash Credit from Consortium Bankers :

- 1st pari-passu charge on the entire current assets, loans and advances, long term trade receivables and other assets of the Company.
- 2nd pari-passu charge over the entire fixed assets (immovable and movable) of the Company, including the pari-passu security with Non Convertible Debenture but excluding the exclusive security for Non Convertible Debenture and the Gammon House.
- 2nd pari-passu charge on Gammon House.

- (ii) The rate of interest on above loan is linked to MI base rate + 175 bps.
- (iii) Borrowings from Bank are Secured by the First Mortgage on the Company Properties called "Area Sud" in the municipality of Legnano-Milano.
- (iv) Buyers Credit are secured by guarantee of consortium bankers.
- (v) Cash Credit of ACBI from IDBI bank is secured against first charges on entire Current Assets of the Company. The Collateral Security is on Fixed Assets of the Company.
- (vi) Cash Credit of TLL from banks is secured by first charge over entire Current Assets of the Company, first charge over entire fixed assets of the Company and Corporate Guarantee of GIL, the Holding Company

9 Trade Payables

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Trade Payables	1,973.24	2,670.16
TOTAL	1,973.24	2,670.16

10 Other Current Liabilities

(₹ in Crore)

Particulars	As at 31-Dec-2013	As at 31-Mar-2013
Current Maturities of Term Loan (Refer Note 4)	666.03	683.63
Advances from Clients	996.29	1,200.55
Interest accrued but not due	33.22	44.46
Interest accrued and due	60.40	57.74
Income received in advance	-	0.17
Unpaid Dividends	0.73	0.76
Share Application Money Pending Allotment	22.54	12.01
Payables for Capital Goods	29.32	40.91
Other Payables		
- Duties and Taxes Payable	111.99	118.99
- Others	237.29	187.77
	349.28	306.76
TOTAL	2,157.81	2,346.99



Note 11

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

Particulars	(₹ in Crore)										Total
	Leasehold Land	Freehold Property	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture And Fixtures	Wind Mill	Electric Installation			
Tangible Assets											
Gross Block											
As at 1 April 2012	182.93	1,062.34	2,262.22	126.98	52.53	51.05	26.95	4.65			3,769.65
Additions	3.41	5.74	61.50	2.87	4.13	1.62	-	0.34			79.61
Disposals/Adjustments	(3.32)	(124.00)	(21.30)	(5.16)	3.87	(5.34)	-	-			(155.25)
Foreign Translation Adjustments	7.72	30.36	39.65	1.39	0.18	0.25	-	-			79.55
On Account of proportion Change	-	-	-	-	-	-	-	-			-
As at 31 March 2013	190.74	974.44	2,342.07	126.08	60.71	47.58	26.95	4.99			3,773.56
Depreciation											
As at 1 April 2012	31.40	161.59	861.36	75.63	30.00	23.25	14.00	0.77			1,198.00
Charge for the Year	4.43	21.03	119.81	12.29	7.28	2.15	2.79	0.24			170.02
Disposals/Adjustments	(6.11)	(1.00)	(15.77)	(3.40)	0.91	(4.85)	-	-			(30.22)
Foreign Translation Adjustments	1.46	6.69	21.03	0.43	1.17	0.21	-	0.00			31.00
On Account of proportion Change	-	-	-	-	-	-	-	-			-
As at 31 March 2013	31.18	188.31	986.43	84.95	39.37	20.76	16.79	1.01			1,368.80
Net Block											
As at 31 March 2013	159.56	786.13	1,355.64	41.13	21.34	26.82	10.16	3.98			2,404.76
As at 31 December 2013	26.14	769.05	1,346.71	42.98	16.66	24.88	8.06	3.80			2,238.28

Intangible Assets							(₹ in Crore)
Particulars	BOT concession Assets	Computer Software	Licences & Trade Marks & Similar Right	Development Cost	Licence Fees	Others	Total
Gross Block							
As at 1 April 2012	2,050.06	12.71	33.20	47.49	12.50	38.53	2,194.49
Additions	735.23	0.18	0.04	15.27	-	1.76	752.49
Disposals/Adjustments	-	(2.95)	0.00	-	-	0.87	(2.08)
Foreign Translation Adjustments	-	0.08	1.36	2.32	-	1.88	5.64
On Account of proportion Change	-	-	-	-	-	-	-
As at 31 March 2013	2,785.29	10.02	34.61	65.08	12.50	43.04	2,950.54
Additions	-	0.32	-	-	-	-	0.32
Disposals/Adjustments	-	0.15	1.44	-	-	-	1.59
Foreign Translation Adjustments	-	0.31	0.21	-	-	-	0.52
On Account of proportion Change	-	-	(17.47)	(55.33)	-	(27.10)	(99.90)
As at 31 December 2013	2,785.29	10.80	18.79	9.75	12.50	15.94	2,853.07
Depreciation							
As at 1 April 2012	330.21	3.33	23.55	42.13	-	37.96	437.18
Charge for the Year	127.33	2.44	2.55	3.63	-	0.77	136.72
Disposals/Adjustments	(0.07)	-	-	-	-	-	(0.07)
Foreign Translation Adjustments	-	0.05	1.08	2.24	-	1.90	5.27
On Account of proportion Change	-	-	-	-	-	-	-
As at 31 March 2013	457.47	5.82	27.18	48.00	-	40.63	579.10
Charge for the Year	109.16	2.12	0.80	-	-	-	112.08
Disposals	18.99	0.15	0.56	-	-	-	19.70
Foreign Translation Adjustments	-	0.23	0.21	-	-	-	0.44
On Account of proportion Change	-	-	(16.48)	(38.26)	-	(25.07)	(79.81)
As at 31 December 2013	585.62	8.32	12.27	9.74	-	15.56	631.51
Net Block							
As at 31 March 2013	2,327.82	4.20	7.43	17.08	12.50	2.41	2,371.44
As at 31 December 2013	2,199.67	2.48	6.52	0.01	12.50	0.38	2,221.56

- Leasehold Land is at cost less amount written off.
- The Company has once again revalued on 31 March 2007 all its Freehold Property, most of which were revalued earlier on 31 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 ₹ 273.01 Crore (Previous Year ₹ 343.67 Crore) from which has been deducted a sum of ₹ 2.38 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 31 December 2013 amount to ₹ 0.02 Crore (Previous Year ₹ 0.03 Crore) has been transferred to Project Development Cost.
- Depreciation and Amortisation includes amortisation on Investment Property amounting to ₹ 53.85 Crore (Previous Year ₹ 40.99 Crore).
- Depreciation charge for the year includes an amount of ₹ 0.08 Crore (Previous Year ₹ 0.17 Crore) capitalised to intangible asset under development and ₹ 0.01 Crore (Previous Year ₹ 0.01 Crore) has been transferred to Capital WIP.
- Depreciation for the year includes amount of ₹ 11.72 Crore of share of Sofinter Joint Venture for 9 months.
- The disposal / adjustment of free hold property during the year ended 31 March 2013 includes reversal of Revaluation Reserve of ₹ 116.34 Crore on reclassification of fixed asset to inventories and ₹ 3.30 Crore on account of sale of revalued asset.
- Land to the extent of 36.515 acres out of a total of 66.458 acres and buildings standing on the said lands, taken over by one of the Joint Venture form G B Engineering Private Limited is yet to be registered in the name of the Company.



11A Intangible Assets under Development

Particulars	(₹ in Crore)	
	As at 31 Dec 2013	As at 31 Mar 2013
Contract expenditure	1,769.13	2,083.30
Developer fees	99.74	140.66
Concession fees	9.78	5.36
Borrowing costs	421.08	464.13
Employee benefit expenses	16.00	10.43
Other Expense	60.73	54.96
Depreciation	0.32	0.24
	2,376.78	2,759.09
Less : Miscellaneous income	(0.70)	(0.76)
Capitalised during the period	(0.71)	(729.11)
TOTAL	2,375.37	2,029.22

During the current period two wholly owned Subsidiaries of the Group have initiated correspondence with NHAI for closure of its projects viz. Birmitrapur to Barkote of NH-23 and Yamunanagar to Panchkula of NH-73 on mutually acceptable terms on account NHAI's inability to fulfil conditions precedent due to non-availability of Right of Way to the Site and non-receipt of Environment and Forest Clearances. The group's exposure to these two projects includes expenditure towards projects of ₹ 40.69 Crore and guarantees of ₹ 38.91 Crore. The closure is subject to confirmation by NHAI and involves a process of discussions and settlement between the Company and NHAI to determine the terms of closure or continuance of the project, pending which, no adjustments have been made in the financial statements.

11B Goodwill / Capital Reserve on Consolidation

Particulars	(₹ in Crore)	
	As at 31 Dec 2013	As at 31 Mar 2013
Goodwill on Consolidation	716.92	683.43
Add : Arising out of Current Year	7.90	33.49
Less : Transfer of Goodwill to Investment in Associates	(448.44)	-
Less : Capital Reserve on Consolidation	(7.76)	(11.10)
	268.62	705.82
Less : Provision for Impairment of Goodwill	(129.62)	(126.48)
TOTAL	138.99	579.34

(i) Provision for Impairment of Goodwill Consists of :-

Particulars	(₹ in Crore)	
	As at 31 Dec 2013	As at 31 Mar 2013
Franco Tosi Meccanica S.p.A	109.12	109.12
SAE Powerlines S.r.l	20.50	17.36
TOTAL	129.62	126.48

12 Investments

Particulars	(₹ in Crore)			
	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Investment Properties				
Oil Exploration Assets	306.59	310.24	-	-
Investments in Shares & Debentures				
Associates as per ('AS - 23')	509.26	23.27	-	-
Other Investments				
Quoted	-	-	1.35	1.35
Unquoted	65.95	56.37	4.90	-
Investment in Partnership	0.00	0.00	-	-
Investments in Mutual Funds	-	-	20.30	6.06
Investment in Government Securities	0.55	0.55	-	-
Investment in Own Shares through GIL Trust	1.68	1.69	-	-
Grand Total	884.03	392.12	26.55	7.41
Less : Provision for Diminution in value of investment	(65.29)	(53.61)	(0.41)	(0.39)
TOTAL	818.74	338.51	26.14	7.02

(a) Breakup of Provision for Diminution in Value of Investment

(₹ in Crore)

Particulars	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Sadelmi S.p.A	64.06	52.59	-	-
ESMSPL	0.56	0.56	-	-
Other	0.67	0.46	0.41	0.39
TOTAL	65.29	53.61	0.41	0.39

(b) OIL Exploration Assets

INVESTMENT IN CAMPO PUMA ORIENTE S.A AND CONSORSIO PEGASO

- (i) CONSORSIO PEGASO (Pegaso) was established in Quito – Ecuador on 31 October 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 1 July 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 30 December 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 21 January 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 1 February 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 S.A.

(₹ in Crore)

Particulars	31 Dec 2013	31 Dec 2012
Capitalised Investment	316.22	201.61
Capitalised Administration Expense	2.00	1.07
Drilling Investment	34.66	33.42
Work In Progress	31.30	27.70
Facilities Investment	2.64	21.11
Exploration investment	40.35	80.80
Secondary Recovery	3.05	0.48
(-) Amortisation of Capitalised Investment	(117.68)	(57.96)
(-) Amortisation of Pre-contract Expenses	(10.95)	(5.56)
Others	5.00	7.57
TOTAL	306.59	310.24

- (v) Drilling Investment : This represents the 100.00% of share of the rights and obligations that Consortium Pegaso maintains (100.00% in 2011). There were three wells drilled during previous year.
- (vi) Capitalised Investment represents the 100.00% of share of rights and obligations that Consortium Pegaso maintains (100.00% in 2011). The values of investments in Development and executed and completed production by December 2012 on which it is performed the corresponding amortisation and capitalised expenses administration.
- (vii) Work in progress represents pre-contract expenses of CPO until entered as member of Consortium Pegaso and the percentage of share of Consortium Pegaso's expenses.
- (viii) Amortisation of Capitalised Investment is based on the method applicable to the marginal contracts based on the accounting regulation for service contracts in the respective country.
- (ix) On 15 March 2012, Campo Puma Oriente S.A. as member of Consorcio Pegaso made a formal request to the Ministry of Non-Renewable Natural Resources asking for their approval for a transfer of 7.38% of shares from Joshi Technologies International, Inc. in favor of Gammon India Limited. Until the date of this report, this process still pending to be approve.



- (c) The Company has carried out valuation of Sofinter group through an independent valuer considering business plan of all Companies within the Sofinter group, order book position and economic environment where the Company is operating. The management is of the view that valuation carried out is based on current European scenario whereas growth option to various sub-continent in future cannot be ruled out. The management asserts that the valuation does not factor future growth when the world economies including those in South East Asia and India improve and therefore considering the long term commitment of the management and its business plan, the management does not expect any provision towards diminution in the value of Investment in Sofinter. The management is of the view that the diminution in the value being the difference in the carrying value of investment over the valuation carried out by the external valuer is temporary in nature and does not require provisioning. Hence, based on valuation report and management perception for future scenario, the carrying value of investment in this group does not require any impairment.
- (d) Post balance sheet date, one of the Company's Subsidiary has entered into Memorandum of Understanding with intended seller to acquire further stake in Sofinter group. The sale-purchase agreement is subject to regulators, shareholders and bankers' approval.
- (e) For disclosure under Accounting Standard ('AS - 23') "Accounting for Investment in Associates in Consolidated Financial Statements" refer Note 1(c).

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

(₹ in Crore)

Particulars	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Loans and Advances				
Capital Advance	82.08	101.24	-	-
Loans and Advances to Related Parties	16.19	15.31	78.09	74.25
Security & Other Deposits	41.04	60.88	31.94	34.64
Loans and Advances Considered doubtful	-	-	12.45	3.60
Less : Provision for doubtful loans and advances	0.00	-	(12.45)	(3.60)
Advances recoverable in cash or kind				
Prepaid Expenses	50.68	54.01	49.22	58.58
Advance to Creditors / Sub Contractor	140.34	125.73	261.14	249.47
Other Loans And Advances				
Taxes Paid Net of Provisions	379.85	288.72	6.73	17.87
Staff Advances	-	-	4.56	3.98
Indirect Taxes and Duties recoverable	-	-	121.73	161.50
Others	103.52	139.75	161.26	193.97
Deposits with Joint Stock Companies				
Unsecured and Considered good	5.10	6.31	-	-
Unsecured and Considered doubtful	0.39	1.46	6.40	6.40
Less : Provision for doubtful deposits	(0.39)	(1.46)	(6.40)	(6.40)
TOTAL	818.80	791.95	714.67	794.26

14 Other Assets

(₹ in Crore)

Particulars	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Balances in Escrow Bank Accounts	5.51	15.11	13.20	15.17
Unbilled Revenue	-	-	174.70	232.62
Interest Accrued Receivable	93.94	66.72	0.00	33.92
Accrued Income	-	-	62.22	143.08
Mat Credit Entitlement	21.86	19.52	-	-
Other Receivable	29.60	9.62	204.38	14.04
TOTAL	150.91	110.97	454.51	438.83

Pursuant to the exercise of the Put Option pursuant to a Put Option agreement with an Investor, the Company has recorded a payment of USD 32.00 Million. The underlying Shares have however not been transferred due to a dispute between the parties. Pending such transfer, the shares continue to remain in pledge to cover the payments of USD 32.00 Million.

15 Inventories

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Raw Material	82.35	142.53
Material at Construction Site	420.23	472.90
Stores and Spares	15.81	15.23
Work In Progress	1,490.47	1,726.09
Finished Goods	91.62	67.48
TOTAL	2,100.48	2,424.23

(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

15A Property Development Account

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
Balance at the beginning of the year	1,491.50	1,335.41
Add : Expenses incurred during the year and directly charged to the project		
Cost of freehold land	-	20.90
Less : Material Transfer to Statement of Profit and Loss	-	(26.64)
Cost of Material Consumed	24.00	10.63
Labour and Other related expenses	-	2.36
Site Development permission fees	-	3.71
Finance Costs	102.44	140.33
Other Expenses	1.38	4.80
TOTAL	1,619.32	1,491.50

Project Development account includes expenses incurred under the following broad heads

(₹ in Crore)

Particulars	31 Dec 2013	31 Mar 2013
Cost of Leasehold Land	343.56	343.56
Cost of Freehold land	763.83	763.83
Land Development Expenses	75.65	51.66
Finance Cost	412.18	309.74
Other Expenses	24.09	22.71
TOTAL	1,619.32	1,491.50

During the Previous Year, the Company has decided to develop its land situated at Andheri carried as a Fixed Asset. Accordingly, the amount carried in the books as fixed assets of ₹ 116.39 Crore is classified as Current Asset after reversal of Revaluation Reserve of ₹ 116.34 Crore in respect of the Andheri land and the net amount of ₹ 0.05 Crore is shown under Property Development Account.



16 Trade receivables

(₹ in Crore)

Particulars	Non Current		Current	
	31 Dec 2013	31 Mar 2013	31 Dec 2013	31 Mar 2013
Trade Receivables				
(Unsecured, considered good unless otherwise stated)				
Outstanding for a period exceeding six months	851.21	736.64	942.63	623.67
Other Debts	16.09	52.56	650.07	1,617.61
(Unsecured, considered doubtful)				
Doubtful Debts	-	-	126.58	46.15
Provision for doubtful debts	-	-	(126.58)	(46.15)
TOTAL	867.30	789.20	1,592.70	2,241.28

- (a) In respect of the road projects undertaken by the Company, in furtherance to the recommendation of the Dispute Resolution Board (DRB), during the Previous Years the Company has recognized revenue to the extent of ₹ 150.09 Crore of which ₹ 14.12 Crore has been recovered. The balance of ₹ 135.97 Crore being the award from the arbitral tribunal received for its projects is included in Non-Current Trade Receivables. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favourable awards from the DRB and the arbitration tribunal, the Management is reasonably certain that the claims will get favourable verdict from the courts. The Company had also recognised revenue of ₹ 58.00 Crore in respect of one of the project based on advanced negotiation and discussion with the client and is confident of realising the same, pending the final revision in contract value.
- (b) Under the Concession Agreement dated 27 October 1999, executed between CBICL, GIL the holding Company of the Group, Government of Kerala (GOK) and Greater Cochin Development Authority (GCDA) dated 6 January 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 was to be executed as per the Government of Kerala's Order Nos. G.O. (M.S.) No. 11/2005/PWD dated 24 January, 2005 and G.O. (M.S) No. 16/2005/PWD dated 1 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 of ₹ 1.54 Crore which it is accounting as Trade receivables. The annuities have not been collected till date and in respect of which CBICL has initiated arbitration procedures. CBICL has not made any provision against the said receivables as it is confident of receiving a favourable award.

17 Cash and Bank Balances

(₹ in Crore)

Particulars	Current	
	As at 31 Dec 2013	As at 31 Mar 2013
Cash and Cash Equivalent		
Cash Balances	11.10	7.83
Funds In Transit	4.58	0.85
Bank Balances	174.03	324.25
	189.71	332.92
Others		
Unpaid Dividend	0.73	0.76
Debt Service Reserve Account	7.35	-
Other Bank Balances	6.53	50.26
Fixed Deposit Account (On Margin Account)	51.84	76.85
	66.45	127.87
TOTAL	256.16	460.80

- (a) Other Bank balances include ₹ 6.53 Crore (Previous Year ₹ 6.69 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	Apr - Dec 2013	FY 2012 - 2013
Turnover	4,871.39	7,452.47
Less : Excise Duty	(51.31)	(108.03)
	4,820.08	7,344.44
TOTAL	4,820.08	7,344.44

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

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Turnover for the year	2,630.60	4,005.61
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end	23,273.61	20,746.23
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end	2,285.72	2,262.20
Contract Advances (Net)	827.72	895.96
Gross Amount due from Customers for contract work	1,418.26	1,546.25
Gross Amount due to Customers for contract work	87.03	115.01

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. During the current period, expenses on construction activity and developer fees incurred by the operator on the project with the Group were 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 revenue and contract profit during the current year from such contracts are not eliminated to the extent of ₹ 134.73 Crore (Previous Year : ₹ 386.44 Crore) and ₹ 44.56 Crore (Previous Year ₹ 119.08 Crore) respectively.

During the Previous Year, one of the SPV had received bunched up annuity amounting to ₹ 22.31 Crore on account of the delay caused not on account of the SPV. The SPV has amortised the intangible asset proportionately for the portion related to the bunched up annuity.

19 Other Operating Income

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Operating Grant Received	10.54	20.62
Export Incentive	0.43	3.61
Sale of Scrap	19.83	34.80
Freight Charges	27.34	58.03
Compensation on foreclosure of contract with Sub-contractor	36.00	-
Fees & Miscellaneous Receipts	10.30	27.47
Revenue from O & M activities	7.91	5.25
TOTAL	112.34	149.78

20 Other Income

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Interest Income	20.93	21.52
Miscellaneous Income	19.45	44.92
Profit on Sale of Assets	2.23	9.48
Profit on Sale of Investments	2.37	10.97
Dividend Received From Current Investments	0.21	0.41
Insurance Claim Received	1.14	4.07
TOTAL	46.34	91.37

- (a) Dividend received from own investment held through Gammon Trust is adjusted under appropriation ₹ NIL (Previous Year ₹ 0.12 Crore).



21 Cost of Materials Consumed

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Opening Stock	617.99	707.70
Add : Purchases (Net of Discount)	1,560.03	3,053.75
Less : Closing Stock	(508.56)	(617.99)
TOTAL	1,669.46	3,143.46

22 Purchase of Stock in Trade

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Brought out material	146.51	292.48
TOTAL	146.51	292.48

23 Changes in inventories of finished goods work in progress

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Inventory Adjustments - WIP	433.62	(341.67)
Inventory Adjustments - FG	(37.67)	(7.68)
TOTAL	395.95	(349.35)

24 Employee Benefits

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Salaries, Bonus, Perquisites etc.	498.22	837.41
Contribution to Employees welfare funds, Gratuity and Leave Encashment	59.05	97.55
Staff Welfare expenses	20.45	33.72
TOTAL	577.72	968.68

(a) The Company has made application to the Central Government for payment of Managerial Remuneration in case of inadequacy of profits during the Previous Year. The Company's application for waiver of excess remuneration of ₹ 1.84 Crore paid to CMD and ₹ 0.25 Crore paid to an Executive Director during the year 2011 - 2012 has been rejected. The Company has preferred a representation to the Ministry to reconsider its decision and reply is awaited.

The Company's application for payment of remuneration to Chairman & Managing Director for the year 2012 - 2013 of ₹ 6.84 Crore and 2013 - 2014 of ₹ 4.14 Crore is pending for approval with the Central Government.

The Company's application for payment of remuneration to Mr. Himanshu Parikh for year 2012 - 2013 has been approved for ₹ 1.66 Crore as against proposed remuneration of ₹ 1.71 Crore. The review of this part approval is also pending with the Central Government.

25 Foreign Exchange (Gain)/Loss

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Exchange (Gain) / Loss	(27.31)	11.05
Mark to Market on Forex Transactions	-	3.76
TOTAL	(27.31)	14.81

26 Finance Cost

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Interest Expense	661.15	779.45
Other Financial Charges	22.39	47.90
TOTAL	683.54	827.35

27 Depreciation & Amortisation

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Depreciation on Tangible Assets	105.09	169.44
Less : Depreciation on Revalued Assets	(2.38)	(3.13)
Amortisation on Intangible Assets	116.45	136.64
Amortisation on Investment Properties	53.85	40.72
TOTAL	273.01	343.67

28 Other Expenses

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Plant Hire Charges	43.83	64.03
Consumption of Stores and Spares	55.62	105.14
Outward Freight	67.27	104.12
Sales Tax	41.22	89.42
Service Tax	63.60	65.70
Power & Fuel	112.65	183.82
Fees & Consultations	119.06	150.22
Rent, Rates & Taxes	71.54	75.98
Travelling Expenses	40.48	67.32
Communication	11.11	16.00
Insurance	35.97	64.64
Repairs to Plant & Machinery	46.79	31.85
Bank Charges & Commission	37.46	68.44
Bad Debts Written off	9.92	46.74
Loss on Sale of Assets	0.51	0.80
Provision for Doubtful Debts	103.88	30.62
Remuneration to Auditors	1.01	1.05
Loss on Joint Venture	1.55	4.66
Loss on Sale of investments	0.09	-
Prior Period Expense	27.06	-
Provision towards Investments in Intangible Assets	40.69	-
Provision for diminution in value of investments	0.21	-
Sundry Expenses (None of which is more than 1% of total revenue individually)	224.85	333.36
TOTAL	1,156.35	1,503.91

29 (a) Remuneration to Auditors

(₹ in Crore)

Particulars	Apr - Dec 2013	FY 2012 - 2013
Audit Fees including Consolidation	0.59	0.64
Tax Audit	0.17	0.11
Limited Review	0.09	0.14
Certification	0.03	0.05
Other Services	0.11	0.10
Reimbursement of Out of Pocket Expenses	0.02	0.01
TOTAL	1.01	1.05

Remuneration to auditor of components are merged with fees and consultations.



30 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.

- 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.
- 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.
- Disclosures relating to the employee benefits for the overseas components have not been given in the absence of data in the required format.

31 Earning Per Share

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

Particulars	Apr - Dec 2013	FY 2012 - 2013
Net profit attributable to the Equity Share holders (₹ in Crore)	(761.86)	(849.83)
Outstanding equity shares at the end of the year	135,774,668	135,774,668
Weighted Number of Shares during the period – Basic	135,774,668	135,774,668
Weighted Number of Shares during the period – Diluted	136,515,084	136,515,084
Earning Per Share – Basic (₹)	(56.11)	(62.59)
Earning Per Share – Diluted (₹)	(56.11)	(62.59)
*Since the effect on the Diluted EPS is anti-dilutive, no effect for the same has been given		

Reconciliation of weighted number of outstanding during the year

Particulars	Apr - Dec 2013	FY 2012 - 2013
Nominal Value of Equity Shares (₹ per share)	2.00	2.00
For Basic EPS :		
Number of Equity Shares at the beginning	135,774,668	135,774,668
Add: Issue of shares under ESOP	-	-
Number of Equity Shares at the end	135,774,668	135,774,668
Weighted average of equity shares at the end	135,774,668	135,774,668
For Dilutive EPS :		
Weighted average no. of shares in calculating basic EPS	135,774,668	135,774,668
Add: Shares kept in abeyance	725,800	725,800
Add: On grant of stock option under ESOP	14,616	14,616
Weighted average no. of shares in calculating dilutive EPS	136,515,084	136,515,084

32 The Company's CDR package was approved by the CDR EG in its meeting held on 24 June 2013 and communicated to the Company vide its letter of approval dated 29 June 2013. The Company executed the Master Restructuring Agreement (MRA) with the CDR lenders on 24 September 2013. Substantial securities have been created in favour of the CDR Lenders.

Considering the approval of the CDR package and the availability of Priority Loans under the package, the Management is confident of meeting its projections made to the lenders. The Company has received further order during the period of ₹ 4,126.00 Crore, it is exploring sale of non-core assets, pursuing rigorous austerity measure across all levels, downsizing its staff and actively exploring partnerships for its real estate projects. In view thereof, although there are cash losses of ₹ 376.58 Crore during the period, the Management is confident that the going concern assumption is appropriate.

33 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.

Gactel, one of the Subsidiary Company has taken 15 acres of land on lease basis for a period of 30 years renewable for each period of 30 years at a time without any additional cost to the Company. The land is to be used for development of reality facilities such as retail mall, commercial offices and hotel etc. Therefore, the cost of leased land and expenditure during development stage has been directly debited to “Project Work In Progress”, which is shown under Current Assets.

DIPL, one of the Subsidiary Company has taken 15 acres of land on lease basis for a period of 30 years renewable for each period of 30 years at a time without any additional cost to the Company. The land is to be used for development of reality facilities such as retail mall, commercial offices and hotel etc. Therefore, the cost of leased land and expenditure during development stage has been directly debited to “Project Work In Progress”, which is shown under Current Assets.

One of the SPV 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 lease was ₹ 0.44 Crore (Previous Year: ₹ 0.92 Crore) and under cancellable operating leases was ₹ 0.07 Crore (Previous Year: ₹ 0.08 Crore) which has been disclosed as lease rentals in the Statement of Profit and Loss.

Further, another SPV has also taken an office premises on a non-cancellable operating lease. The monthly lease rents amounts to ₹ 0.10 Crore (Previous Year : ₹ 0.10 Crore).

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

(₹ in Crore)

Particulars	Amount payable to Leasing Companies	
	As at 31 Dec 2013	As at 31 Mar 2013
Within 1 Year	7.83	10.97
Between 1 and 5 Years	25.02	53.22
Beyond 5 Years	-	75.32

34 Contingent Liability

(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
i Liability on contracts remaining to be executed on Capital Accounts	185.64	133.74
ii Counter Guarantees given to Bankers for Guarantees given by them and Corporate Guarantees, on behalf of Subsidiary, erstwhile Subsidiary, Associate Companies*	5,263.45	5,114.88
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	268.60	117.84
iv Corporate Guarantees and Counter Guarantees given to Bankers by a step down Subsidiary & Joint Venture for their projects	122.22	866.41
v Disputed Sales Tax liability for which the Company has gone into Appeal	91.47	44.32
vi Claims against the Company not acknowledged as debts	148.52	187.10
vii Disputed Excise Duty Liability	0.05	0.05
viii Disputed Service Tax Liability	31.81	53.44
ix Against bill discounting	-	7.68
x Disputed Stamp Duty	17.77	-
xi In respect of Income Tax Matters	301.97	45.72
xii Commitment towards capital contribution in Subsidiary under contractual obligation	47.36	47.36
xiii Letter of Credit	144.16	468.83



(₹ in Crore)

Particulars	As at 31 Dec 2013	As at 31 Mar 2013
xiv Disputed Stamp Duty liability for assets acquired during amalgamation with erstwhile Associated Transrail Structures Limited.	4.93	4.93
xv Right to recompense in favour of CDR lenders in the terms of the MRA.	504.96	-
xvi There is a disputed demand of UCO Bank pending since 1986, of USD 436251 i.e. ₹ 1.72 Crore. Against this, UCO Bank has unilaterally adjusted the Company's Fixed Deposit of USD 30584 i.e. ₹ 0.12 Crore, which adjustment has not been accepted by the Company.		
xvii 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.		
xviii Counter claims in arbitration matters referred by the Company – liability unascertainable.		
xix The disputed Service Tax Liability disclosed above is after considering legal advice on the probability of the liability materialising being remote.		

* Corporate guarantees includes an amount of USD 18.00 Million, ₹ 111.41 Crore (*Previous Year USD 35.00 Million (₹ 179.04 Crore)*) issued on behalf of a wholly owned Subsidiary guaranteeing its contractual commitment towards purchase of securities.

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

- (i) During the Previous Year, some of the Subsidiaries of the Group has received block assessment orders raising demand u/s 143(3) read with Section 153(A) of the Income Tax Act, 1961 for assessment years from 2005 - 06 to 2011 - 12 totalling to ₹ 76.49 Crore. The Subsidiaries of the Group are of the view that the said Orders are unjustified and unsustainable and hence is in the process of filing appeals against the said assessment Orders with the Commissioner of Income-Tax (Appeals). Since the Subsidiaries of the Group proposes to appeal against these orders, they believe that no liability will ultimately result from these and accordingly no provision has been made in these financial statements in respect of these amounts. .
- (ii) An amount of ₹ 17.77 Crore claimed by the collector and district registrar, Rajahmundry, pursuant to and Order dated 15 March 2005, as deficit Stamp Duty payable on the concession agreement entered into between a Subsidiary of the Group and NHAI, classifying the concession agreement as a 'lease' under Article 31(d) of the Indian Stamp Act. The Subsidiary has impugned the Order by way of a writ petition before the High Court of Andhra Pradesh at Hyderabad. No provision is considered necessary in respect of the said demand, as the management of the Subsidiary believes that there is no contravention of the Indian Stamp Act.
- (iii) A winding up petition against a Subsidiary of the Group, has been filed by a creditor for recovery of ₹ 1.41 Crore. The Subsidiary is disputing the said amount and has recognised ₹ 0.17 Crore payable as there are claims and counter claims by both parties. Pending the final outcome of such proceeding, the claim from the trade payable is disclosed as a Contingent Liability. The management of the said subsidiary is of the view that the same would be settled and does not expect any additional liabilities towards the same.
- (iv) Export obligation under EPCG scheme by a Subsidiary of group Company amounts to ₹ 22.90 Crore (*Previous Year ₹ 27.89 Crore*).
- (v) In terms of the individual Contracts signed by SPV's they are required to carry major periodic maintenance of the roads they are operating as a part of commitment against receipt of Tolling Rights and / or Annuities. The said SPV's have made provisions towards the same in their respective financial statements.
- (vi) One of the SPV's engaged in generating power from a bagasse power plant has committed to purchase bagasse when the power plant becomes operational. The total commitment to purchase the bagasse, upto 31 December 2013, is ₹ 6.50 Crore (*Previous Year : ₹ 6.50 Crore*).
- (vii) In case of the Ansaldo Caldaie S.p.A guarantees in favour of the customers Middle Delta for the Banha plant for approximately Euro 21.00 Million, West delta Electricity for the Abu Qir plant job for approximately Euro 38.00 Million, and Cairo Electricity for the El Tebbin plant for approximately Euro 21.00 Million and in favour of the customer East Delta for Suez Plant for an amount of approximately Euro 36.00 Million and the Sofinter S.p.A guarantees in favour of the client Consorzio TUC Costrucoes which amount is Euro 13.80 Million and of the customer Mitsubishi which the amount is approximately Euro 8.60 Million, and of the customer Marubeni which amount is approximately Euro 7.60 Million.
- (viii) The total capital commitment as on 31 December 2013 is ₹ 7,881.82 Crore (*Previous Year : ₹ 7,643.72 Crore*). The capital commitments are in respect of projects where the concession agreements have been signed and does not include projects where only Letters of Intents are held.

35 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 10.00% 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	3,797.58	1,134.84	4,932.42	76.99	23.01
	6,195.33	1,298.89	7,494.22	82.67	17.33
Segment Asset	13,618.37	2,954.13	16,572.50	82.17	17.83
	13,575.70	3,845.63	17,421.33	77.93	22.07
Capital Expenditure	5,970.33	907.92	6,878.25	86.80	13.20
	5,759.55	1,111.20	6,870.75	83.83	16.17

36 Quantitative information of Derivative instruments entered into by the Company and outstanding as at balance sheet date

(a) For Un-hedged Foreign Currency Exposures for the Holding Company :

Foreign currency exposure un-hedged as at 31 December 2013 is ₹ 1,399.97 Crore (Previous Year ₹ 1,086.14 Crore) receivables and ₹ 313.00 Crore (Previous Year ₹ 254.40 Crore) payables. Currency wise un-hedged amounts are as follows-

Currency	As at 31 Dec 2013		As at 31 Mar 2013	
	Receivables	Payables	Receivables	Payables
USD - US Dollar	148,954,873	37,451,264	130,779,803	34,330,854
EURO	44,636,690	3,784,207	42,055,991	1,191,055
GBP - Great Britain Pound	-	3,892	-	11,811
AED - UAE Dirham	95,560	-	95,560	-
SEK - Swedish Kronor	-	863,450	-	26,863
DZD - Algeria	128,754,639	209,576,576	113,792,364	211,088,907
NAIRA - Nigeria	1,170,092	6,213,707	1,170,092	6,213,707
KSH - Kenya	128,784,924	4,858,971	76,465,896	43,402,704
BTN - Bhutan	443,763,462	221,009,610	309,331,135	243,049,649
CAD - Canadian Dollar	3,174,403	8,415	4,467,527	126,987
BIRR - Ethiopia	46,561,281	25,414,134	30,666,033	16,319,706
RWF - Rwandan France	13,928,547	85,724,313	130,030,285	8,774,930

(b) The breakup of the outstanding derivative position of the overseas Subsidiaries is tabulated hereunder :

(₹ in Crore)

Particulars	As at 31 Dec 2013		As at 31 Dec 2012	
	Assets	Liabilities	Assets	Liabilities
Derivatives on exchange rates	-	-	0.77	0.52
Derivatives on interest rates	-	-	-	0.09
Total non-current derivatives	-	-	0.77	0.61



37 Joint Venture

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

Name of Joint Venture		Description of Interest	% of involvement
1	BBJ Gammon	Jointly Controlled Operation	49.00%
2	CMC - Gammon JV	Jointly Controlled Operation	50.00%
3	Gammon - CMC JV	Jointly Controlled Operation	60.00%
4	Gammon - CRFG JV	Jointly Controlled Operation	55.00%
5	Gammon AG JV	Jointly Controlled Operation	51.00%
6	Gammon Archirodon	Jointly Controlled Operation	98.50%
7	Gammon Atlanta	Jointly Controlled Operation	50.00%
8	Gammon BBJ	Jointly Controlled Operation	50.00%
9	Gammon Limak	Jointly Controlled Operation	51.00%
10	Gammon OSE	Jointly Controlled Operation	50.00%
11	Gammon Pratibha (BWSSB)	Jointly Controlled Operation	70.00%
12	Gammon Progressive	Jointly Controlled Operation	50.00%
13	Gammon Rizzani	Jointly Controlled Operation	50.00%
14	Gammon Srinivasa	Jointly Controlled Operation	80.00%
15	Gammon Yuksel JV	Jointly Controlled Operation	51.00%
16	Gammon Yuksel JV	Jointly Controlled Operation	50.00%
17	Gammon Yuksel JV	Jointly Controlled Operation	50.00%
18	GIL JMC	Jointly Controlled Operation	70.00%
19	GIL Simplex (Dholakal Tupul)	Jointly Controlled Operation	51.00%
20	GIL Simplex (Khongsang Imphal)	Jointly Controlled Operation	51.00%
21	Hyundai Gammon	Jointly Controlled Operation	49.00%
22	IM - JV	Jointly Controlled Operation	12.25%
23	JFE - Gammon Joint Venture	Jointly Controlled Operation	40.00%
24	JFE - Gammon Joint Venture	Jointly Controlled Operation	40.00%
25	MI - JV	Jointly Controlled Operation	9.80%
26	OSE GIL	Jointly Controlled Operation	50.00%
27	Patel Gammon	Jointly Controlled Operation	49.00%
28	Afghanistan ATSL AEPC Consortium	Jointly Controlled Operation	75.00%
29	Consortium between SAE Powerlines S.r.l and ATSL	Jointly Controlled Operation	NIL
30	Consortium SAE - Gammon	Jointly Controlled Operation	37.03%
31	Gammon - FCEP - JV Nigeria	Jointly Controlled Operation	80.13%
32	JV Siemens Limited And ATSL, Kenya	Jointly Controlled Operation	NIL
33	SAE - Gammon Consortium	Jointly Controlled Operation	51.56%
34	SAE - GIL Consortium	Jointly Controlled Operation	33.91%
35	SAE - Gammon Consortium	Jointly Controlled Operation	85.46%
36	SAE - Gammon Consortum - Togo Benin	Jointly Controlled Operation	40.00%
37	Bhutan Consortium Jyoti Structures Limited & GIL	Jointly Controlled Operation	50.00%
38	Gammon Encee Consortium	Jointly Controlled Operation	51.00%
39	Jaeger Gammon	Jointly Controlled Operation	90.00%
40	Gammon - CMC JV	Jointly Controlled Operation	50.00%

38 Exceptional Items

(₹ in Crore)		
Particulars	Apr - Dec 2013	FY 2012 - 2013
Provision for Diminution in Value of Investment (Refer Note 1(a)(vii))	-	52.59
Provision for Impairment of Goodwill in FTM and SAE (Refer Note 1(a)(ii) and 1(a)(v))	-	126.48
Provision towards operation in Oman (Refer Note 38)	-	11.39
Provision for risks and contingencies	27.00	-
Reversal of interest cost due to reduction in interest rate as per CDR	(12.47)	-
Fees and costs in connection with the CDR implementation process	3.97	-
TOTAL	18.50	190.46

39 Joint Venture and operations in Oman

The Company has during the Previous Year suspended its operations at Oman JV and its branch office and has provided towards all receivables and assets in connection therewith. The Company has also suspended recognition of the results of the Joint Venture in its financials and does not expect any liabilities in connection therewith.

- 40** Disclosure of transactions with Related Parties, as required by Accounting Standard ('AS - 18') "Related Party Disclosures" has been set out in a separate statement - 1 annexed to this schedule.
- 41** In terms of the decision of the Board of Directors in their meeting held on 18 February 2014 and as noted by the CDR lenders, the Company has decided to close its financial year as at 31 December 2013. Accordingly these financial statements are for a period of 9 months from 1 April 2013 to 31 December 2013 and are not comparable with the figures for the Previous Year of 12 months.
- 42** Previous Year figures are regrouped and rearranged with those of the current period.

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 : 3 April 2014

For and on behalf of the Board of Directors

Abhijit Rajan
Chairman & Managing Director

Chandras C. Dayal
Director

Girish Bhat
Chief Financial Officer

Mumbai, Dated : 3 April 2014

Digambar C. Bagde
Deputy Managing Director - T&D Business

Rajul A. Bhansali
Executive Director

Gita Bade
Company Secretary



Statement - 1

Related Party Disclosure ('AS - 18')

A	Relationship
	Joint Ventures
1	Gammon Atlanta
2	Gammon Archirodon
3	Gammon BBJ
4	Gammon Pratibha
5	Gammon Progressive
6	Gammon Rizzani
7	Gammon Srinivasa
8	Gammon JMC
9	Haryana Bio Mass Power Limited
10	Hyundai Gammon
11	Indira Container Terminal Private Limited
12	Jaeger Gammon JV
13	OSE Gammon
14	Patel Gammon
15	Gammon FECF JV Nigeria
16	Consortium of Jyoti Structure & GIL

	Associates & Group Companies
1	Eversun Sparkle Maritime Services Private Limited
2	Modern Toll Roads Limited
3	Finest S.p.A Italy
4	Sofinter S.p.A
	Key Managerial Personnel
1	Mr. Abhijit Rajan
2	Mr. Rajul A. Bhansali
3	Mr. Digambar C. Bagde
	Relatives of Key Managerial Personnel
1	Mr. Harshit Rajan
2	Mrs. Sandhya Bagde
3	Ms. Ruchi Bagde
	Associate of Key Managerial Personnel
1	Active Agro Farming Private Limited
2	Pacific Energy Private Limited

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

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
(₹ In Crore)				
<u>ASSOCIATES</u>				
Sale of goods and services	0.25		-	
Sofinter S.p.A		0.25		-
Amount liquidated towards the finance provided	0.30		2.32	
Sofinter S.p.A		0.30		
Finest S.p.A		-		2.32
Interest Income during the year	0.04		0.12	
Finest S.p.A		0.04		0.12
Outstanding Balances Receivables	2.49		1.61	
Sofinter S.p.A		0.47		
Finest S.p.A		2.02		1.61
Outstanding Balances Payable	0.05		-	
Sofinter S.p.A		0.05		-
<u>KEY MANAGERIAL PERSONNEL</u>				
Remuneration paid	5.48		18.69	
Mr. Abhijit Rajan		4.14		8.79
Mr. Himanshu Parikh		-		2.13
Mr. Rajul A. Bhansali		0.56		1.11
Mr. Rohit Modi		-		0.58
Mr. Digambar C. Bagde		0.78		0.97
Mr. Kishor Kumar Mohanty		-		2.58
Mr. Parag Parikh		-		1.70
Mr. R. K. Malhotra		-		0.83
Loans & Advances Received	83.00		-	
Mr. Abhijit Rajan		83.00		-
<u>RELATIVES OF KEY MANAGERIAL PERSONNEL</u>				
Remuneration paid	0.48		0.63	
Mr. Harshit Rajan		0.46		0.62
Ms. Ruchi Bagde		0.02		0.01
Associate of Key Managerial Personnel				
Loans & Advances Received	17.00		2.32	
Pacific Energy Private Limited		6.00		-
Active Agro Farming Private Limited		11.00		2.32
<u>JOINT VENTURE</u>				
Subcontracting Income	177.24		331.36	
Jaeger Gammon		-		25.15
Consortium of Jyoti Structure & GIL		40.88		42.46
Gammon Pratibha		-		37.32
OSE Gammon		-		45.33
Patel Gammon		119.76		168.16



(₹ In Crore)

Nature of Transactions / Relationship / Major Parties	Current Year		Previous Year	
	Amounts	Amounts from Major Parties	Amounts	Amounts from Major Parties
Subcontracting Expenditure	-	-	-	-
Consortium of Jyoti Structure & GIL		-		-
Sale of Goods	23.20		35.52	
Consortium of Jyoti Structure & GIL		23.20		35.52
Finance provided for expenses & on a/c payments	2.70		12.23	
Gammon Atlanta		-		0.12
Gammon BBJ		1.00		1.10
Jaeger Gammon		-		0.81
Gammon Pratibha		-		-
Gammon Progressive		-		-
Gammon FECP JV Nigeria		1.56		10.02
Amount liquidated towards the finance provided	1.07		2.11	
Gammon BBJ JV		0.45		0.70
Gammon Rizzani		-		1.41
Gammon JMC		0.62		-
Gammon Progressive		-		-
Interest paid during the year	0.04		0.05	
GIL Archirodon JV		-		-
Hyundai Gammon		0.04		0.05
Contract Advance received	36.03		56.43	
Jaeger Gammon		-		14.71
Patel Gammon		36.03		41.72
Refund received against Contract Advance	53.25		44.51	
Jaeger Gammon		-		17.00
Patel Gammon		48.66		27.51
Guarantees and Collaterals Outstanding	111.62		290.78	
OSE Gammon		4.35		20.83
Gammon Atlanta		8.95		8.95
Consortium of Jyoti Structure & GIL		-		58.04
Patel Gammon		36.93		28.05
Gammon Srinivas		-		7.00
Hyundai Gammon		13.09		-
Gammon Pratibha		14.22		-
Jaeger Gammon		-		32.45
Gammon FECP JV Nigeria		10.82		94.39
Outstanding Balances Receivables				
Trade & Other Receivables	199.56		234.86	
Consortium of Jyoti Structure & GIL		39.85		24.07
Gammon Atlanta		-		7.69
OSE Gammon		51.58		53.12
Gammon JMC		-		12.46
Jaeger Gammon		-		8.50
Patel Gammon		60.43		75.15
Outstanding Balances Payable				
Trade & Other Payables	22.32		39.33	
Consortium of Jyoti Structure & GIL		13.15		17.81
Patel Gammon		6.15		18.78
Hyundai Gammon		2.46		-
Gammon SEW		-		1.43
Jaeger Gammon		-		0.70



Santacruz Chembur Link Road, Mumbai



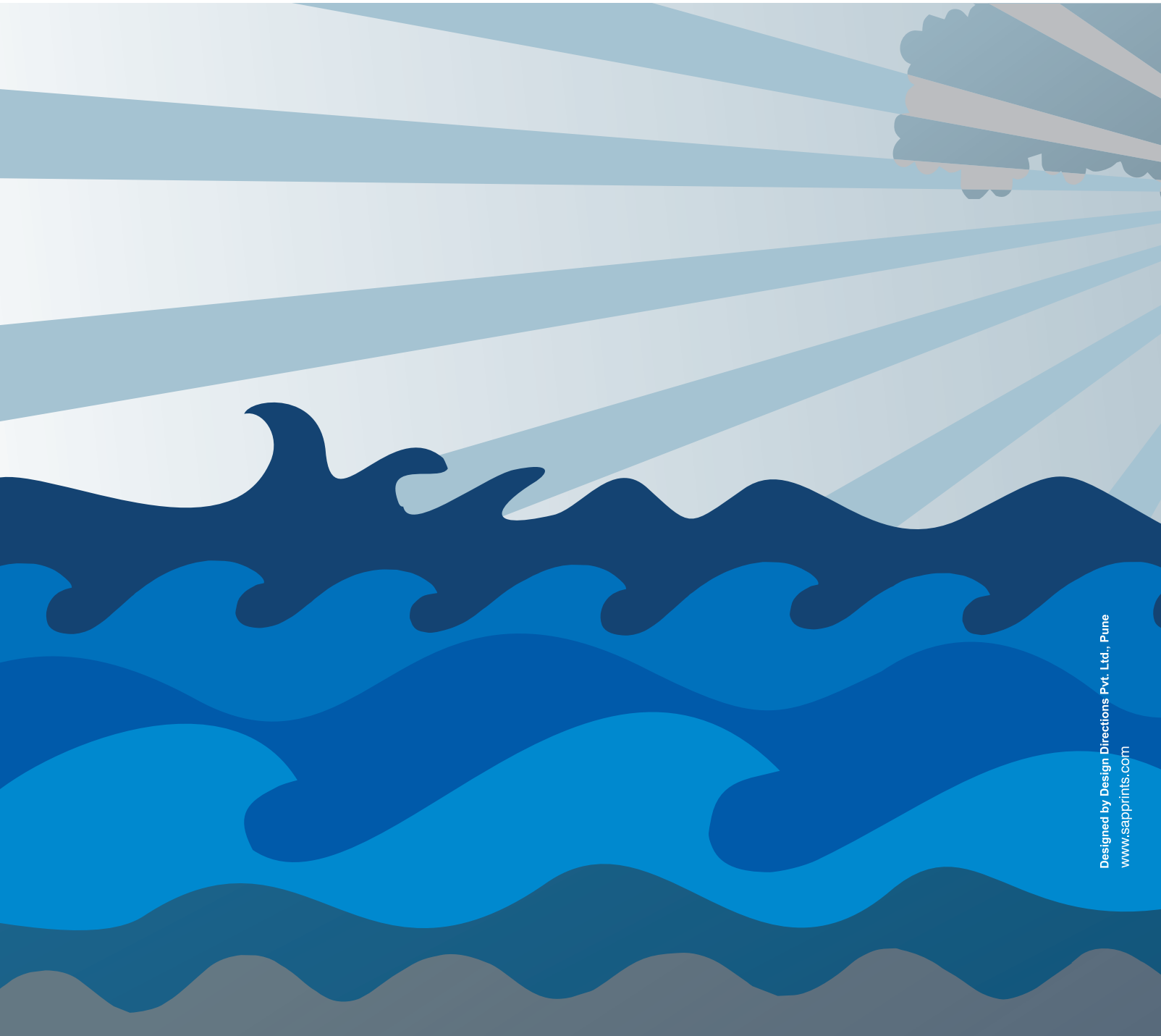
Shrishti Project, Bhopal www.shrishti.co

GAMMON INDIA LIMITED

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CIN: L74999MH1922PLC000997



GAMMON INDIA LIMITED

[CIN:L74999MH1922PLC000997]

Regd. Office: 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai, 400 025

Website: www.gammonindia.com Email: gammon@gammonindia.com

Tel: +91 22 61153000 Fax: +91 22 24300529

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the **Ninety Second Annual General Meeting of Gammon India Limited** will be held on Monday, 30th June, 2014 at 4.30 P.M. at Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai - 400 025 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet for the nine (9) months period ended 31st December, 2013 and Profit & Loss Account for the period ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Parvez Umrigar (DIN: 00106689) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Audit and Auditors) Rules, 2014, M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W), the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of three (3) years from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Chandradas C. Dayal (DIN: 00178583), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March, 2019.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Naval Choudhary (DIN: 00192164), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March, 2019.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Jagdish Sheth (DIN: 00675344), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March, 2019.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Urvashi Saxena (DIN: 02021303), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March, 2019.”
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Atul Kumar Shukla (DIN: 00121601), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March, 2019.”
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Atul Dayal (DIN: 00005021), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years upto 31st March, 2019.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), M/s. Vinod Modi & Associates, Chartered Accountants (Firm Registration No. 111515W) and M/s. M. G. Shah & Associates, Chartered Accountants (Firm Registration No. 112561W), the retiring Joint Branch Auditors of the Company, be and are hereby re-appointed as Joint Branch Auditors of “Gammon India Limited –Transmission Business” at Nagpur and all other offices of Transmission and Distribution business wherever situated in India and abroad and to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2018-19 to examine and audit the books of accounts for the financial years 2014-2015, 2015-16, 2016-17, 2017-18 & 2018-19 on such remuneration as may be determined by the Board of Directors.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 42, 62(1)(c) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed and any other rules/regulations/guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India, the Reserve Bank of India (the “RBI”), the Securities and Exchange Board of India (“SEBI”), Issue of Capital and Disclosure Requirements Regulations, 2009 (the “SEBI ICDR Regulations”), as amended, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “Takeover Regulations”) and subject to the approval of the Corporate Debt Restructuring Empowered Group (the “CDR EG”) and such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, and all such other approvals which may be obtained by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall deem to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) and in terms of and furtherance to the scheme of corporate debt restructuring (the “CDR Package”) by and between the Company and the lenders of the Company whose loans have been restructured (the “CDR Lenders”), pursuant to the CDR Package under the corporate debt restructuring scheme issued by the RBI and the corporate debt restructuring guidelines formulated thereunder, which has been approved by the CDR EG at its meeting held on 24th June, 2013 (the “Approval Date”) and communicated to the Company by the Corporate Debt Restructuring Cell (the “CDR Cell”) vide letter dated 29th June, 2013 and amendment letter dated 31st July, 2013 (the “CDR LOA”) and in terms thereof, and in terms of the Master Restructuring Agreement dated 24th September, 2013 by and between the Company and its CDR Lenders (the “MRA”), consent of the Company be and is hereby accorded to the Board to issue, offer and allot, on a preferential basis, 36,968,575 (Three Crores Sixty Nine Lacs Sixty Eight Thousand Five Hundred and Seventy Five) Equity Shares of face value of ₹ 2/- (Rupee Two Only) each [the “Equity Shares”] at a price of ₹ 27.05/- (Rupees Twenty Seven and Paise Five Only) each (including premium of ₹ 25.05/-) aggregating to ₹ 1,000,000,000/- (Rupees One Hundred Crores Only) in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations to the below mentioned allottees:

Sr. No.	Names of the allottees	No. of Equity Shares	Category
1	Mr. Abhijit Rajan	30,683,918	Promoter
2	Pacific Energy Private Limited	2,218,114	Promoter
3	Active Agro Farming Private Limited	4,066,543	Affiliate of promoter
	Total	36,968,575	

RESOLVED FURTHER THAT the ‘relevant date’ for determining the price of the Equity Shares to be allotted to the aforementioned allottees shall be the date of approval of the CDR Package, being 24th June, 2013;

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 74 of SEBI ICDR Regulations, the Board be and is hereby authorized to issue and allot the Equity Shares at a future date, subject to the approval of the CDR Lenders and the said Equity Shares shall rank pari passu with the existing equity shares of the Company in all respects and the Equity Shares shall be subject to lock-in for such period that may be prescribed under the SEBI ICDR Regulations;

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution(s), the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purposes, including to seek listing of the equity shares to be issued and allotted and to modify, accept and give effect to any modifications in the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, CDR EG, RBI, the Government of India, etc.) and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, offer and allotment of the equity shares and to execute all such deeds, documents, writings, agreements, applications in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Members or otherwise with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors/Officials of the Company to give effect to this resolution.”

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: “RESOLVED THAT pursuant to the provisions of Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, including the rules made thereunder and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force (“the Act”) and subject to the approval of the Central Government and all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of remuneration aggregating to ₹ 60,000,000/- (Rupees Six Crores Only) per annum to Mr. Abhijit Rajan - Chairman & Managing Director (DIN: 00177173) as set out below for the period from 1st January 2014 to 31st March 2015, for the financial year 2015-16 & for the period 1st April 2016 to 16th May 2016;

(Amount in ₹)

Financial Year / Period	Salary (p.a.)	Perquisites & Allowances (p.a.)	Retirals (p.a.)	Total*(p.a.)
01.01.2014 - 31.03.2015	62,788,245	2,665,000	9,543,000	74,996,245
2015-2016	50,230,600	2,135,000	7,634,400	60,000,000
01.04.2016 - 16.05.2016	6,346,339	269,744	964,561	7,580,644

The term of Mr. Abhijit Rajan as the Chairman & Managing Director expires on 16th May 2016.

*Explanation:

- Provision of car for use on Company’s business and telephone at residence will not be considered perquisite.
- Valuation of perquisites shall be done as per Income Tax rules wherever applicable.
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this resolution, including the Nomination & Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required, by the Central Government while according its approval;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including but not limited to making of an application to regulatory authorities, execution of necessary documents and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, including the rules made thereunder and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force (“the Act”) and subject to the approval of all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the Company hereby accords its approval for the payment of remuneration of ₹ 8,000,000/- (Rupees Eighty Lacs Only) per annum to Mr. Rajul A. Bhansali - Executive Director (International Operations) (DIN: 00178558) for the period 1st January, 2014 until the remainder of his tenure i.e. up to 29th March 2015 *[(a) Provision of car for use on Company’s business and telephone at residence will not be considered perquisite; (b) Valuation of perquisites shall be done as per Income Tax rules wherever applicable and (c) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.]*;

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorized committee thereof, for the time being exercising the powers conferred on the Board by this resolution, including the Nomination & Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such manner as may be permitted in accordance with the provisions of the Act and/or to the extent as may be required or by the Central Government while according their approval, if any;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including but not limited to making of an application to regulatory authorities, if necessary, execution of necessary documents and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution.”

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), consent of the Company be and is hereby accorded to Mr. Harshit Rajan, a relative of Mr. Abhijit Rajan, Chairman and Managing Director of

the Company, to continue to hold an office or place of profit in the Company as Vice President – Procurement for a period of 3 (three) years effective 1st May 2014 on the following remuneration (inclusive of all benefits):

Period/Year	Remuneration (p.a.)
01.05.2014 – 31.03.2015	6,405,438
01.04.2015 – 31.03.2016	6,725,710
01.04.2016 – 31.03.2017	7,061,996

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the above resolution.”

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies payment of remuneration of ₹ 60,000/- (Rupees Sixty Thousand Only) per annum to Mr. R. S. Raghavan, Cost Auditor for conducting audit of cost accounting records maintained by the Company in respect of (a) manufacture of Power Transmission Tower Parts at the Company’s factory locations at Butibori, Deoli and Baroda and (b) manufacture of Power Conductors at the Company’s factory location at Silvassa for the financial year 2014-15;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things to give effect to this resolution.”

**By Order of the Board of Directors
For GAMMON INDIA LIMITED**

GITA BADE
Company Secretary

Registered Office:

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

Dated: 3rd June 2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND INSTEAD OF HIMSELF / HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten (10) percent of the total paid-up share capital of the Company.
2. Proxies to be effective should be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses under Item Nos. 4 to 15 is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th June, 2014 to 30th June, 2014 (both days inclusive).

5. Members who hold shares in the dematerialized form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.
6. Voting through electronic means:
- (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
 - (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
 - (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. 23rd June 2014, may cast their vote electronically.
 - (d) The e-voting period commences at 9:30 a.m. on Tuesday, 24th June, 2014 and ends at 5:30 p.m. on Thursday, 26th June, 2014. The e-voting module shall be disabled by CDSL for voting thereafter.**
 - (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
 - (f) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members as on the date of dispatch of notice.
 - (g) The Board of Directors at their meeting have appointed Mr. Vidyadhar V. Chakradeo, Practicing Company Secretary as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (h) **Instructions for e-voting:**
 - (1) In case of Members receiving Notice of the Annual General Meeting by email and who wish to vote using the e-voting facility :**
 - (i) Email contains your user ID and password for e-Voting. Please note that this password is an initial password.
 - (ii) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
 - (iii) Now click on “Shareholders” to cast your votes.
 - (iv) Now, select the Electronic Voting Sequence Number (“EVSN”) - 140530001 along with “GAMMON INDIA LIMITED” from the drop down menu and click on “SUBMIT”.
 - (v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details##	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

*Members who have not updated their PAN with the Company / Depository Participant are requested to use default number '**GM1379BG11**' in the PAN field for e-voting.

#Members who have not updated their Date of Birth with the Company / Depository Participant are requested to use default number '**23121978**' in the DOB field for e-voting.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the value <Default Value> in the DOB column or the <Default Value> in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in Physical form will then reach directly to the voting screen.
- (viii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting on resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- (x) If you are already registered with CDSL for e-voting, then you can use your existing login id and password for casting your vote.
- (xi) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- (xii) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- (xiii) Click on the Resolution File link if you wish to view the entire Notice of the Annual General Meeting.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at gita.bade@gammonindia.com with a copy marked to helpdesk.evoting@cdslindia.com.
- (xvii) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.

(2) In case of Members receiving Notice of the Annual General Meeting by post and who wish to vote using the e-voting facility :

Please follow all steps from Sr. No. (ii) to Sl. No. (xvi) above, to cast your vote.

7. Members are requested to carefully read the instructions and in case of any queries, you may refer to the QnA on e-Voting for Members and User Manual for Shareholders to cast their votes available in the Help section of www.evotingindia.com.
8. Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
9. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
10. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gammonindia.com and on the website of CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company on 30th June 2014 and communicated to the NSE & BSE Limited.
11. Pursuant to Section 205A of the Companies Act, 1956, the dividend not encashed or claimed within seven (7) years from the date of its transfer to the unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.
Accordingly, the unclaimed final dividend for the year 2006-2007 is due for transfer on or before 21st November 2014. In terms of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the IEPF after the said transfer.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. As per the General Circular 08/2014 No. 1/19/2013-CL-V dated 4th April 2014 issued by the Ministry of Corporate Affairs, the financial statements (and documents required to be attached thereto), auditors report and board's report in respect of financial years that commenced earlier than 1st April 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act, 1956. The Ministry of Corporate Affairs, Government of India has, vide General Circular No. 2/2011 dated 8th February, 2011 read together with General Circular No. 3/2011 dated 21st February, 2011, granted exemption under Section 212(8) of the Companies Act, 1956, for not attaching

Annual Report of subsidiary companies, subject to fulfillment of certain conditions by the holding company. As stated in the said circulars, the Board of Directors, vide its resolution dated 3rd April, 2014 accorded its consent for not attaching the balance sheet of the subsidiaries. Further the Company has presented in the Annual Report, the consolidated financial statements of the Company and all its subsidiaries duly audited by its statutory auditors. The consolidated financial statements have been prepared in strict compliance with the applicable Accounting Standards and, where applicable, the Listing Agreement as prescribed by the Securities and Exchange Board of India. The Company has disclosed in the consolidated balance sheet the following information in aggregate for each subsidiary including subsidiaries of subsidiaries:- (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend.

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

14. Electronic copy of the Notice along with the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.
15. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of their electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar & Transfer Agents, M/s. Link Intime India Private Limited by sending an e-mail to gammonindiagogreen@linkintime.co.in along with details like Name, Folio No. etc.
16. Members are requested to send their queries, if any, at least ten (10) days before the Annual General Meeting, so as to enable the Board to keep the information ready.
17. The shareholders are requested to address their correspondence to the Registrar & Share Transfer Agent viz. M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400 078.
18. Members may also note that the Notice of the 92nd Annual General Meeting and the Annual Report for 2013 will be available on the Company's website viz. www.gammonindia.com. Physical copies of the aforesaid documents will be available at the registered office for inspection during normal business hours on working days.
19. Information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed / re-appointed is as below:

Name of Director	Mr. Parvez Umrigar	Mr. Chandrahas C. Dayal
Age (years)	51	70
Qualifications	B.Com, FICAI, AICAI	Chartered Accountant
Expertise	Wide experience of over 25 years in the areas of strategic planning, finance, accounts, taxation & compliance.	Vast professional experience and expertise in internal audit, taxation and finance.
Directorships held in other companies	NIL	<ol style="list-style-type: none"> 1. Pacific Netpro Limited 2. Gammon & Billimoria Ltd. 3. Andhra Expressway Ltd. 4. Cochin Bridge Infrastructure Co. Ltd. 5. Rajahmundry Expressway Ltd. 6. Mumbai Nasik Expressway Ltd. 7. STFA Piling (India) Ltd. 8. TML Industries Ltd. 9. Gammon Infrastructure Projects Ltd. 10. Synchrofin Services Pvt. Ltd. 11. Vizag Seaport Pvt. Ltd. 12. Navdeep Chemicals Pvt. Ltd. 13. Spectrum Informatics Pvt. Ltd. 14. Mature Trading and Investment Pvt. Ltd. 15. Raseera Investments Pvt. Ltd.
Memberships / Chairmanships of committees of other public companies.	NIL	<ol style="list-style-type: none"> 1. Gammon Infrastructure Projects Limited - Audit Committee (Chairman) 2. Gammon Infrastructure Projects Limited – Shareholders /Investor Grievance Committee (Member) 3. Cochin Bridge Infrastructure Company Limited - Audit Committee (Member) 4. Rajahmundry Expressway Limited - Audit Committee (Member) 5. Mumbai Nasik Expressway Limited - Audit Committee (Member)
Shareholding (No. of shares)	2,15,648	1,500
Name of Director	Mr. Naval Choudhary	Mr. Jagdish Sheth
Age (years)	67	81
Qualifications	B.E. (Mechanical), M.B.A. (IIM Ahmedabad)	B.Sc. (Hons.) Bombay University, Fellow of Institute of Chartered Ship Brokers (London), Diploma in Business Management (Bombay)
Expertise	Wide experience in various management disciplines such as Strategic Planning, Marketing, Finance & Banking, and Production Control.	Wide and varied experience in management and strategic planning.
Directorships held in other companies	NIL	NIL

Name of Director	Mr. Naval Choudhary	Mr. Jagdish Sheth
Memberships / Chairmanships of committees of other public companies.	NIL	NIL
Shareholding (No. of shares)	NIL	NIL

Name of Director	Mrs. Urvashi Saxena	Mr. Atul Kumar Shukla
Age (years)	69	68
Qualifications	Post Graduate	Masters in Science
Expertise	Former Chairperson of Income Tax Settlement Commission, Delhi. Former Chief Commissioner of Income Tax, Mumbai.	Vast experience in the field of General Management, Marketing Management and Management Consultancy.
Directorships held in other companies	1. Kosi Bridge Infrastructure Company Ltd. 2. Elder Health Care Ltd. 3. Elder Pharmaceuticals Ltd. 4. Sharda Cropchem Ltd. 5. Orbit Corporation Ltd.	1. Almondz Global Securities Ltd. 2. India Infoline Trustee Co. Ltd 3. Star Union Dai-chi Life Insurance Company Ltd. 4. India Venture Advisors Pvt. Ltd. 5. SAA Wellness Pvt. Ltd.
Memberships / Chairmanships of committees of other public companies.	Member of Audit Committee – Elder Health Care Limited.	NIL
Shareholding (No. of shares)	Nil	NIL

Name of Director	Mr. Atul Dayal
Age (years)	64
Qualifications	Solicitor
Expertise	Vast experience in legal field. His areas of expertise are Economic Laws, such as Customs & Central Excise and Corporate Law.
Directorships held in other companies	1. Pudumjee Industries Limited 2. Reliance Retail Finance Limited.
Memberships / Chairmanships of committees of other public companies.	1. Member of Audit Committee - Pudumjee Industries Limited. 2. Member of Audit Committee - Reliance Retail Finance Limited.
Shareholding (No. of shares)	NIL

ANNEXURE TO NOTICE

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 4 to 15 of the accompanying Notice dated 3rd June, 2014.

Item No. 4:

Mr. Chandrahas C. Dayal is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in March 1995. Mr. Dayal is a chartered accountant having vast professional experience and expertise in internal audit, taxation and finance. He holds 1,500 equity shares of the Company.

Mr. Dayal is a director whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Dayal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five (5) consecutive years upto 31st March, 2019. Notice has been received from a member proposing Mr. Dayal as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Dayal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter for appointment of Mr. Dayal as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day, excluding public holidays and Sundays.

The Board wishes to continue to avail the services of Mr. Dayal as an Independent Director and hence commends passing of the resolution at Item No. 4 of the Notice.

Except Mr. Chandrahas C. Dayal and Mr. Atul Dayal - Director, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in any manner, in passing the resolution set out at Item No. 4.

Item No. 5:

Mr. Naval Choudhary is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May 2009. Mr. Choudhary holds a B.E (Mechanical) degree from University of Rajasthan and a master of business administration degree from Indian Institute of Management, Ahmedabad. He has served as the managing director of Albright and Wilson Chemicals India Limited and has gained vast experience in his capacity as managing director and chief executive officer in several organizations in India and overseas. He has vast experience in various management disciplines such as strategic planning, marketing, finance and banking, and production and inventory control. He does not hold any equity shares of the Company.

Mr. Choudhary is a director whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Choudhary being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five (5) consecutive years upto 31st March, 2019. Notice has been received from a member proposing Mr. Choudhary as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Choudhary fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter for appointment of Mr. Choudhary as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day, excluding public holidays and Sundays.

The Board wishes to continue to avail the services of Mr. Choudhary as an Independent Director and hence commends passing of the resolution at Item No. 5 of the Notice.

Except Mr. Naval Choudhary, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in any manner, in passing the resolution set out at Item No. 5.

Item No. 6:

Mr. Jagdish Sheth is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September 2007. Mr. Sheth holds a B. Sc. (Hons) degree from Bombay University and is a fellow of Institute of Chartered Ship Brokers (London). He also has a diploma in business management. He has served as Chairman and Managing Director of the Shipping Corporation of India. He does not hold any equity shares of the Company.

Mr. Sheth is a director whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Sheth being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five (5) consecutive years upto 31st March, 2019. Notice has been received from a member proposing Mr. Sheth as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Sheth fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter for appointment of Mr. Sheth as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day, excluding public holidays and Sundays.

The Board wishes to continue to avail the services of Mr. Sheth as an Independent Director and hence commends passing of the resolution at Item No. 6 of the Notice.

Except Mr. Jagdish Sheth, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in any manner, in passing the resolution set out at Item No. 6.

Item No. 7:

Mrs. Urvashi Saxena is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company in January, 2008. Mrs. Saxena holds M.A and LLB degrees. She has held various positions in the department of revenue, ministry of finance, government of India. She is presently associated with a law firm advising in corporate and taxation matters particularly international taxation and transfer pricing issues. She has served as the chairperson of Income Tax Settlement Commission, New Delhi. She does not hold any equity shares of the Company.

Mrs. Saxena is a director whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mrs. Saxena being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a term of five (5) consecutive years upto 31st March, 2019. Notice has been received from a member proposing Mrs. Saxena as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mrs. Saxena fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the letter for appointment of Mrs. Saxena as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day, excluding public holidays and Sundays.

The Board wishes to continue to avail the services of Mrs. Saxena as an Independent Director and hence commends passing of the resolution at Item No. 7 of the Notice.

Except Mrs. Urvashi Saxena, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in any manner, in passing the resolution set out at Item No. 7.

Item No. 8:

Mr. Atul Kumar Shukla is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in July 2009. Mr. Shukla holds a degree of masters in science. He has vast experience in the field of general management, marketing management and management consultancy. He has served as the chairman of Life Insurance Corporation of India. Presently, he is a management consultant and is a director on the boards of various companies. He does not hold any equity shares of the Company.

Mr. Shukla is a director whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Shukla being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five (5) consecutive years upto 31st March, 2019. Notice has been received from a member proposing Mr. Shukla as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Shukla fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter for appointment of Mr. Shukla as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day, excluding public holidays, Saturday and Sunday.

The Board wishes to continue to avail the services of Mr. Shukla as an Independent Director and hence commends passing of the resolution at Item No. 8 of the Notice.

Except Mr. Atul Kumar Shukla, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in any manner, in passing the resolution set out at Item No. 8.

Item No. 9:

Mr. Atul Dayal is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September 1999. Mr. Dayal is a solicitor having vast experience in legal field. His areas of expertise are economic laws, such as customs and central excise and corporate laws. He does not hold any equity shares of the Company.

Mr. Dayal is a director whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Dayal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five (5) consecutive years upto 31st March, 2019. Notice has been received from a member proposing Mr. Dayal as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Dayal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the letter for appointment of Mr. Dayal as an Independent Director setting out the terms and conditions would be available for inspection at the Registered Office of the Company during normal business hours on any working day, excluding public holidays, Saturday and Sunday.

The Board wishes to continue to avail the services of Mr. Dayal as an Independent Director and hence commends passing of the resolution at Item No. 9 of the Notice.

Except Mr. Atul Dayal and Mr. Chandahas C. Dayal - Director, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in any manner, in passing the resolution set out at Item No. 9.

Item No. 10:

The Board of Directors has, at its meeting held on 3rd April, 2014 approved the re-appointment of M/s. Vinod Modi & Associates, Chartered Accountants and M/s. M. G. Shah & Associates, Chartered Accountants, as Joint Branch Auditors of 'Gammon India Limited – Transmission Business Headquarters, Nagpur' and all other offices wherever situated to examine and audit the books of accounts for the next five (5) financial years 2014-2015, 2015-16, 2016-17, 2017-18 & 2018-19.

Your Directors commend passing of the Ordinary Resolution at Item No. 10 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

Item No. 11:

Members may recall that the Company's corporate debt restructuring package was approved by the CDR EG at its meeting held on 24th June 2013 (the "Approval Date") and communicated to the Company vide letter of approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 (the "CDR LOA"). Pursuant to the CDR LOA, the Promoters were required to infuse an amount of ₹ 1,000,000,000/- (Rupees One Hundred Crores Only) as contribution towards the "Promoters' Contribution". Accordingly, the following Promoters and their Affiliates have brought in the said contribution within the time as stipulated in the CDR LOA:

Sr. No.	Name of the Contributor	Amount of Contribution (₹)
1.	Mr. Abhijit Rajan	830,000,000
2.	Pacific Energy Private Limited	60,000,000
3.	Active Agro Farming Private Limited	110,000,000
	TOTAL	1,000,000,000

The approved CDR Package as well as the Master Restructuring Agreement dated 24th September 2013 ["MRA"], executed by the Company with the CDR Lenders provides for issue of securities to the aforementioned contributors in lieu of their respective contributions, subject to the approval of the CDR Lenders. Accordingly, the Company is seeking approval of the CDR Lenders for the issue and allotment of Equity Shares to the Promoters.

The Board of Directors, at its meeting held on 3rd June 2014, subject to the approval of the CDR Lenders and the shareholders, approved the proposal for issue of 36,968,575 (Three Crores Sixty Nine Lacs Sixty Eight Thousand Five Hundred and Seventy Five) equity shares of ₹ 2/- each for an amount not exceeding ₹ 1,000,000,000/- (Rupees One Hundred Crores Only) at a price of ₹ 27.05/- (Rupees Twenty Seven and Paise Five Only) per equity share to the aforementioned Promoters and their Affiliates.

Other terms relating to issue of Equity Shares:

The following disclosures are being made pursuant to Regulation 73 of the SEBI ICDR Regulations and the Companies (Share Capital & Debenture) Rules, 2014:

(a) Objects of the Preferential Issue:

The object of the issue, is to issue and allot Equity Shares of the Company to the Promoters and their Affiliates towards the contribution made by them as "Promoters Contribution" as envisaged under the CDR LOA and the MRA.

(b) Proposal of the Promoters, Directors or Key Management Personnel of the issuer to subscribe to the offer:

The proposed preferential issue of 36,968,575 (Three Crores Sixty Nine Lacs Sixty Eight Thousand Five Hundred Seventy Five) Equity Shares shall be subscribed by the following Promoters viz. (i) Mr. Abhijit Rajan – Chairman & Managing Director (ii) Pacific Energy Private Limited; and (iii) Active Agro Farming Private Limited (Affiliate of the Promoter).

Except the above, none of the directors or Key Managerial Personnel intends to subscribe to Equity Shares of the Company.

(c) Shareholding Pattern before and after the preferential issue:

Sr. No.	Particulars	Pre-Allotment		Post-Allotment	
		No. of shares*	% to listed capital	No. of shares	% to listed capital
A	Promoters' holding:				
	1. Indian:				
	Individual	8,189,479	6.00	38,873,397	22.41
	Bodies Corporate	36,481,240	26.73	42,765,897	24.65
	2. Foreign Promoters	3,086,435	2.26	3,086,435	1.78
	TOTAL (A)	47,757,154	34.99	84,725,729	48.84
B	Non-Promoters' holding:				
	1. Institutional Investors	36,572,961	26.79	36,572,961	21.08
	2. Non-Institutional Investors:				
	Private Corporate Bodies	20,400,910	14.95	20,400,910	11.76
	Directors & relatives	1,034,620	0.76	1,034,620	0.60
	Indian Public	25,434,376	18.63	25,434,376	14.66
	Others (incl. NRIs)	5,300,447	3.88	5,300,447	3.06
	TOTAL (B)	88,743,314	65.01	88,743,314	51.16
	TOTAL (A) + (B)	136,500,468	100.00	173,469,043	100.00

* The pre-shareholding pattern is as on 23rd May 2014

(d) Time within which the preferential issue shall be completed:

The Equity Shares will be issued within the time limit prescribed under SEBI ICDR Regulations.

(e) Identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issue consequent to the preferential issue:

Sr. No.	Name of the proposed allottee	Pre-issue holding		Equity shares proposed to be allotted	Post-issue holding		Natural persons who are the ultimate beneficial owners
		Shares	% of holding		Shares	% of holding	
	PROMOTERS (A)						
1.	Mr. Abhijit Rajan	8,172,459	5.99	30,683,918	38,856,377	22.40	Not Applicable
2.	Pacific Energy Private Limited	18,013,015	13.20	2,218,114	20,231,129	11.66	Mr. Abhijit Rajan
	SUB TOTAL (A)	26,185,474	19.18	32,902,032	59,087,506	34.06	

NON-PROMOTERS (B)							
3.	Active Agro Farming Private Limited	-	-	4,066,543	4,066,543	2.34	Mr. Abhijit Rajan
SUB TOTAL (B)		-	-	4,066,543	4,066,543	2.34	
TOTAL (A+B)		26,185,474	19.18	36,968,575	63,154,049	36.41	

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

(f) Undertaking by the Company:

This is not applicable in the present case.

(g) Pricing of the Equity Shares:

As per the provisions of Chapter VII of the SEBI ICDR Regulations, the term 'Stock Exchange' for the purpose of calculation of issue price, means any of the recognized stock exchanges at which the shares of the Issuer Company are listed and in which the highest trading volume in respect of shares of the Company has been recorded during the preceding twenty six weeks / two weeks prior to the relevant date.

Equity Shares of the Company are listed on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The past six month's turnover prior to Relevant Date, i.e. 24th June, 2013 is as follows:

Name of the Stock Exchange	No. of Shares
BSE	38,49,260
NSE	1,16,46,376

Accordingly the Equity Shares will be issued at a price not less than higher of the following in terms of SEBI ICDR Regulation for preferential issues as amended from time to time:

Sr. No	Basis	Price (₹)
1.	The average of the weekly high and low of the closing prices of the related equity shares quoted on the stock exchange (NSE) during the twenty six weeks preceding the relevant date. Or	27.05
2.	The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange (NSE) during the two weeks preceding the relevant date.	16.39

(h) Certificate from Statutory Auditors:

M/s. Natvarlal Vepari & Co., Chartered Accountants have certified that the issue of the Equity Shares is being made in accordance with the SEBI ICDR Regulations. A copy of the said certificate is open for inspection at the Registered Office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the result of the Annual General Meeting.

(i) Relevant Date:

The 'Relevant Date' for the allotment of equity shares contemplated under Item No. 11 pursuant to the CDR Package will be 24th June, 2013, being the date on which the Corporate Debt Restructuring Package was approved by the Corporate Debt Restructuring Empowered Group.

(j) Lock-in Period:

The Equity Shares issued shall be locked in as per the provisions of the SEBI ICDR Regulations.

Other Disclosures:

The Company's CDR Package, which inter alia included provision for issue of equity shares to promoters on preferential basis towards their Promoter Contribution, was approved by the members by special resolution by way of Postal Ballot. In view of the same, pursuant to Regulation 10(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations"), as amended from time to time, the allottees to whom the said Equity Shares are proposed to be issued and allotted and to whom the provisions of Regulation 3 & 4 of SEBI SAST Regulations may apply are exempted from the obligation to make an open offer under the aforesaid regulations.

As per Section 62(1)(c) of the Companies Act, 2013, issue of securities on a preferential basis to persons, whether or not they are members of the Company, has to be approved by the shareholders by way of a special resolution. Accordingly, the resolution at Item No. 11, if approved by the shareholders, will enable the Company to issue Equity Shares to the persons as stated above on a preferential basis in compliance with the conditions stated in the CDR LOA and the MRA.

Mr. Abhijit Rajan – Chairman & Managing Director holds 3.85% of the paid-up equity share capital of Pacific Energy Private Limited and 100% of the paid-up equity share capital of Active Agro Farming Private Limited. Except Mr. Rajan none of the Directors and Key Managerial Personnel of the Company or their relatives are interested or concerned in the passing of the above resolution.

Your Directors commend passing of the special resolution at Item No. 11 of the Notice.

Item Nos. 12 & 13:

- (a) At the 90th Annual General Meeting of the Company held on 25th September, 2012, members had approved payment of 'Minimum Remuneration' of ₹ 6 Crores per annum to Mr. Abhijit Rajan - Chairman & Managing Director of the Company for the financial years 2012-13 and 2013-14. The Company had made an application to the Central Government for payment of the aforesaid remuneration to Mr. Rajan and the approval is awaited.
- (b) The members had, at the 90th Annual General Meeting of the Company held on 25th September, 2012, approved payment of 'Minimum Remuneration' of ₹ 80 Lacs per annum to Mr. Rajul A. Bhansali - Executive Director of the Company for the financial year 2013-14.

The recessionary trends in the construction industry continued during the period under review. As a consequence the downturn in the Company's operations continued unabated. The severe liquidity crisis led to delays in project executions and revenues continued to remain stagnant. In view of the losses incurred during the year under review and taking into consideration the financial health of the Company and the roles and responsibilities entrusted to Mr. Rajan and Mr. Bhansali, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 12th March 2014 and 18th March 2014 resolved that the remuneration payable to Mr. Rajan & Mr. Bhansali shall be at the same level as paid in the previous financial years i.e (a) ₹ 6 Crores per annum to Mr. Rajan from 1st January 2014 until the remainder of his tenure i.e upto 16th May 2016 and (b) ₹ 80 Lacs per annum to Mr. Bhansali from 1st January 2014 until the remainder of his tenure i.e upto 29th March 2015 as per the details set out in the resolutions.

Approval of the Shareholders is being sought for payment of remuneration as set out in the resolutions at Item Nos. 12 & 13. Approval of the Central Government will also be sought in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013, as may be required.

Information as required in terms of Section II of Part II of Schedule V to the Act is furnished below:

I. GENERAL INFORMATION :

1. Nature of Industry : Construction & Engineering
2. Date of commencement of commercial production : Not Applicable
3. In case of new companies, expected date of commencement of activities : Not Applicable
as per project approved by Financial Institutions appearing in the Prospectus
4. Financial Performance

Financial parameters of the Company for the last five financial years:

(₹ in Crore)

Sr. No.	Particulars	Year				
		2009-10	2010-11	2011-12	2012-13	9 months period ended 31.12.2013
(1)	Paid-up Capital	25.83	27.49	27.50	27.50	27.50
(2)	Reserves & Surplus	1,898.72	2,088.15	2,224.48	1,687.12	1,018.28
(3)	Turnover	4,534.25	5,636.85	5,473.23	5,100.25	3,186.49
(4)	Net Profit as per Section 197 of the Companies Act, 2013 & Section 198 of the erstwhile Companies Act, 1956	217.81	186.26	161.12	(434.20)	(905.68)
(5)	Amount of dividend	13.73*	10.63**	2.73	NIL	NIL
(6)	Rate of Dividend declared	30%	40%	10%	NIL	NIL

*Includes dividend @ ₹ 21/- per share on 6% Optionally Convertible Preference Shares.

**Includes interim dividend @ 20% per share and final dividend @ 20% per share.

5. Foreign Investments or Collaborators, if any : The total equity shares held by Foreign Institutional Investors is 30,657,128 Equity Shares of ₹ 2/- each which constitutes 22.46% of the Paid-up Equity Share Capital of the Company.

II. INFORMATION ABOUT THE APPOINTEE:

1. MR. ABHIJIT RAJAN:

a. Background Details:

Mr. Abhijit Rajan, aged 53 years has completed his graduation in India and pursued management studies in Europe. Mr. Rajan was appointed as the Managing Director of the Company in 1991. He took over as the Chairman of the Company in 1996 and since then has been re-appointed as the Chairman and Managing Director of the Company from time to time. He has over 28 years of experience in strategic planning and management and in the construction industry. His present tenure as the Chairman and Managing Director of the Company was approved by the shareholders in the 89th Annual General Meeting for a term of 5 (five) years with effect from 17th May 2011. Mr. Rajan reports to the Board of Directors of the Company.

b. Past Remuneration:

(Amount in ₹)

Year	Amount* (per annum)
2011-2012	122,177,928
2012-2013	81,234,400
2013-2014	60,000,000

*including salary, perquisites & commission and retiral benefits (PF, Gratuity & Superannuation)

c. Recognition / Awards: NIL

d. Job Profile & Suitability:

Mr. Abhijit Rajan is the Chairman and Managing Director of the Company since June 1991. He works under the supervision and guidance of the Board of Directors. As an industrialist, he has built his reputation on the basis of good stewardship of the Gammon Group. With his sharp business acumen, his leadership skills, and his rich experience in the construction and contracting business the Company has grown manifold and has diversified from contracting business into infrastructure development, realty business, power transmission and energy business and is truly a “Builder to the Nation.” In the present industry scenario and competitive business environment the duties and responsibilities of Mr. Rajan has grown manifold. In these challenging times it is imperative that the Gammon Group continues to function under the leadership and stewardship of Mr. Rajan.

e. Remuneration proposed:

Details of the total remuneration comprising, interalia, salary and perquisites and allowances and other benefits/perquisites which is proposed to be paid to Mr. Abhijit Rajan - Chairman & Managing Director for the period 1st January 2014 to 31st March 2015, for the F.Y. 2015-16 & for the period 1st April 2016 to 16th May 2016 have been fully set out in the resolution at Item No. 12 of the Notice.

f. Comparative Remuneration profile with respect to Industry, Size of the Company, Profile of the position and person:

Mr. Abhijit Rajan, as the Chairman & Managing Director of the Company, has today made Gammon one of the largest construction and engineering companies in India. Under his leadership the Gammon group diversified from various sectors of civil engineering, design and construction business to infrastructure development, realty business, power and energy sector and even oil exploration. Considering Mr. Rajan’s contribution, his job profile and responsibilities, role played by him in managing the Company’s affairs, his experience and acumen in steering the Company through a competitive and strategic business environment, the size of the Company, comparable remuneration of managerial personnel in the similar industry and the industry in which it operates, the Nomination & Remuneration Committee, at its meeting held on 12th March 2014, approved payment of remuneration of ₹ 6 Crores per annum to Mr. Rajan for the periods 1st January 2014 to 31st March 2015, for the F.Y. 2015-16 & for the period 1st April 2016 to 16th May 2016 as set out in the resolution and recommended the same to the Board for its approval. Based on the recommendation of the Nomination & Remuneration Committee, the Board, at its meeting held on 18th March 2014, approved the aforesaid payment of remuneration to Mr. Rajan as set out in the resolution at Item No. 12 of the Notice.

g. Pecuniary Relationship, directly or indirectly with the Company or relationship with the Managerial Personnel, if any:

Mr. Abhijit Rajan, Chairman & Managing Director is not related to any managerial personnel in the Company. He does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel besides the remuneration set out in the resolution at Item No. 12 and except to the extent of his shareholding as a Promoter in the Equity Share Capital of the Company.

2. MR. RAJUL A. BHANSALI:

a. Background Details:

Mr. Rajul Bhansali joined the Company’s Board in March 2003 as the Whole-time Director and since then has discharged various functions as a Director of the Company. He is currently Executive Director – International Operations. Mr. Rajul Bhansali, aged 58, is a Commerce graduate and a member of the Institute of Chartered Accountants of India. He has vast experience in diverse functional areas such as

finance, commercial and general management in engineering and construction industry. Mr. Bhansali has 36 years of experience in manufacturing, project engineering and EPC Companies in India and overseas.

b. Past Remuneration:

(Amount in ₹)

Year	Amount* (per annum)
2011-2012	8,225,120
2012-2013	8,642,184
2013-2014	8,000,000

**including salary, perquisites & commission and retiral benefits (PF, Gratuity & Superannuation)*

c. Recognition / Awards: NIL

d. Job Profile & Suitability:

As Executive Director - International Operations, Mr. Bhansali is responsible for overseeing Gammon's investments and safeguarding its interests in overseas ventures in the Power Equipment Manufacturing Companies in Italy and Oil Exploration Company in Ecuador. He reports to the Chairman & Managing Director of the Company. To enable him to manage the affairs of these companies in a best possible manner, Mr. Bhansali has been inducted on the Boards of all the overseas subsidiaries/ associate companies as a nominee of the Company. Since joining the Board of the Company, Mr. Bhansali has been effectively managing the domestic and overseas affairs of the Company. Considering the rich experience and expertise in diverse functional areas in engineering and construction industry, Mr. Bhansali is best suited for effectively managing the Company's business in his capacity as Director of the Company.

e. Remuneration proposed:

Details of the total remuneration comprising, *inter alia*, salary and perquisites and allowances and other benefits/perquisites which is proposed to be paid to Mr. Rajul A. Bhansali - Executive Director (International Operations) for the remainder of his tenure has been fully set out in the resolution at Item No. 13 of the Notice.

f. Comparative Remuneration profile with respect to Industry, Size of the Company, Profile of the position and person:

Mr. Rajul Bhansali is in charge of the Company's International Operations. His responsibilities include overseeing the operations of the overseas companies on a day to day basis and safeguarding the Company's interests in overseas ventures. Considering Mr. Bhansali's job responsibilities, the duties performed by him, his rich experience and expertise, the size of the Company, comparable remuneration of managerial personnel in similar industry and the industry in which it operates, the Nomination & Remuneration Committee at its meeting held on 12th March 2014 approved payment of remuneration of ₹ 80 Lacs per annum to Mr. Bhansali for the period 1st January 2014 to 29th March 2015 and recommended the same to the Board for its approval. Based on the recommendation of the Nomination & Remuneration Committee, the Board, at its meeting held on 18th March 2014, approved the aforesaid payment of remuneration to Mr. Bhansali as set out in the resolution at Item No. 13 of the Notice.

III. OTHER INFORMATION

1. Reasons for inadequate profits:

The recessionary trends in the construction industry continued during the period under review leading to postponement of projects, delays in decision making by government agencies and large PSU's. Inordinate delays in clearing of dues, adverse regulatory environment and bureaucratic apathy further caused delays in project execution. As a consequence the downturn in the Company's operations continued unabated during the period under review. The severe liquidity crisis also affected project execution. Revenues continued to remain stagnant due to the delays in execution. All this led to re-assessment of jobs, higher borrowings and higher interest costs coupled with fall in margins. The Company continues to face difficulties in realising receivables and arbitration claims. Further considering the economic scenario in Europe and uncertainties prevailing there, The Company on a prudent basis and following the principal of conservatism, made provisions against risk & contingencies towards impairment of Investments/ Advances in its overseas companies.

2. Steps taken or proposed to be taken for improvement:

The Company is pursuing various options for streamlining its business operations in wake of the continued liquidity crises. The Company is currently re-assessing its jobs which have turned negative due to external factors and efforts are being taken to turn these jobs profitable. Timely completion of those jobs which are in the closing stages is also being taken up on priority basis. The Company has taken several effective cost reduction measures. The Company is aggressively bidding for those jobs which are within the ambit of the Company's core competencies and which have a substantial profit margin. The Company is also actively exploring partnerships for its real estate projects. On the international front, the Company is considering options for reorganizing its overseas business by aggressively pursuing monetization of international power and oil business. The Company is also pursuing for amicable settlement of non-routine collection including claims and arbitration awards.

3. Expected increase in productivity and profits in measurable terms:

In spite of various challenges, the Company could secure new orders worth ₹ 3,500 Crores. With the assistance provided by the lenders, the Company is also taking efforts to streamline its cash management so that it is in a better position to complete the new projects on time. Your Company believes that the new government shall introduce more business friendly policies in addition to according more importance to the infrastructure needs of this country. The Company is already geared up to take advantage of the new opportunities and initiatives that the Company expects this government to provide.

IV. DISCLOSURES:

Disclosures required to be made pursuant to point IV of Part A of Section II of Part II of Schedule V to the Act have been made in the Corporate Governance Report for the nine (9) months period ending 31st December 2013.

The relevant Notices of the Annual General Meeting referred to in the Explanatory Statement in respect of Item Nos. 12 & 13 are open for inspection at the Registered Office of the Company between 10.00 a.m. and 5.00 p.m. on all working days except on Saturdays, Sundays and other public holidays upto Monday, 30th June, 2014.

Except for Mr. Rajan & Mr. Bhansali, no other Directors or Key Managerial Personnel of the Company or their relatives are directly or indirectly concerned or interested in the resolutions at Item Nos. 12 & 13 of this Notice.

Your Directors commend the resolutions at Item Nos. 12 & 13 for your approval as Special Resolutions.

Item No. 14:

Mr. Harshit Rajan, relative of Mr. Abhijit Rajan, the Chairman and Managing Director of the Company, is at present holding office as Vice President - Procurement in the Company on remuneration of ₹ 6,655,000/- per annum inclusive of all allowances and benefits applicable as per the Company policy. The aforesaid remuneration and holding of place of profit was in compliance with Section 314(1B) of the Companies Act, 1956 and in accordance with the approval received from the Ministry of Corporate Affairs, Government of India, vide their letter no. B25899253/2/2011-CL.VII dated 14th May 2012.

Taking into consideration the duties assigned, the overall salary structure paid to senior employees within the organization as well as in comparable industries and responsibilities entrusted to him, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 12th March 2014 and 18th March 2014 approved re-appointment of Mr. Harshit Rajan as Vice President – Procurement for a further period of three (3) years, effective from 1st May, 2014, on the revised remuneration as set out below:

(Amount in ₹)	
Period/Year	Remuneration (p.a.)
01.05.2014 – 31.03.2015	6,405,438
01.04.2015 – 31.03.2016	6,725,710
01.04.2016 – 31.03.2017	7,061,996

Pursuant to Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014, approval of the shareholders is being sought for the re-appointment of Mr. Harshit Rajan and payment of remuneration to him as aforementioned.

Except Mr. Abhijit Rajan, none of the other Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested in the passing of the above resolution.

Your Directors commend the Special Resolution at Item No. 14 for members' approval.

Item No. 15:

Members are hereby informed that the Audit Committee and the Board of Directors, at their respective meetings held on 18th March 2014 have appointed Mr. R. S. Raghavan as Cost Auditor of the Company for the financial year 2014-15 to conduct audit of cost accounting records maintained by the Company in respect of (a) manufacture of Power Transmission Tower Parts at the Company's factory locations at Butibori, Deoli and Baroda and (b) manufacture of Power Conductors at the Company's factory location at Silvassa on a remuneration of ₹ 60,000/- (Rupees Sixty Thousand) per annum.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor is required to be ratified by the shareholders.

None of the other Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

Your Directors commend the resolution at Item No. 15 for ratification by the members.

**By Order of the Board of Directors
For GAMMON INDIA LIMITED**

**GITA BADE
Company Secretary**

Registered Office:

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

Place : Mumbai
Dated : 3rd June 2014

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN : L74999MH1922PLC000997

Name of the Company : **Gammon India Limited**

Registered Office : Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai, 400025

Name of the Member (s):

Registered Address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the holder(s) of _____ shares of **Gammon India Limited**, hereby appoint

1 Name:

Address:

E- mail Id:

Signature: _____, or failing him

2 Name:

Address:

E- mail Id:

Signature: _____, or failing him

3 Name:

Address:

E- mail Id:

Signature: _____

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 92nd Annual General Meeting of the Company, to be held on Monday, the 30th day of June, 2014, at 4.30 P.M. at Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai - 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
1	Adoption of Financial Statements for the Nine (9) months period ended 31 st December, 2013.
2	To appoint a Director in place of Mr. Parvez Umrigar, who retires by rotation and being eligible, offers himself for re-appointment.
3	To re-appoint M/s. Natvarlal Vepari & Co., Chartered Accountants as Statutory Auditors of the Company.
4	To appoint Mr. Chandrahas C. Dayal as an Independent Director.
5	To appoint Mr. Naval Choudhary as an Independent Director.
6	To appoint Mr. Jagdish Sheth as an Independent Director.
7	To appoint Ms. Urvashi Saxena as an Independent Director.
8	To appoint Mr. Atul Kumar Shukla as an Independent Director.
9	To appoint Mr. Atul Dayal as an Independent Director.
10	To re-appoint M/s. Vinod Modi & Associates & M/s. M. G. Shah & Associates as Joint Branch Auditors of the Company's Transmission & Distribution Division, Nagpur.
11	To issue Equity Shares to Promoters and their affiliates on a preferential basis.
12	To approve payment of remuneration to Mr. Abhijit Rajan – Chairman & Managing Director.
13	To approve payment of remuneration to Mr. Rajul A. Bhansali – Executive Director.
14	To approve payment of remuneration to Mr. Harshit Rajan - Vice President - Procurement
15	To ratify payment of remuneration to Mr. R. S. Raghavan, Cost Auditor.

Signed this _____ day of June, 2014

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix
Revenue
Stamp

GAMMON INDIA LIMITED

[CIN:L74999MH1922PLC000997]

Regd. Office: 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai, 400 025

Website: www.gammonindia.com Email: gammon@gammonindia.com

Tel: +91 22 61153000 Fax: +91 22 24300529

GAMMON INDIA LIMITED

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

CIN : L74999MH1922PLC000997

ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the meeting hall)

I hereby record my presence at the NINETY SECOND ANNUAL GENERAL MEETING of the Company to be held at Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai – 400 025 on Monday, 30th day of June, 2014, at 4.30 P. M.

Full Name of the *Shareholder/Proxy (in Block Letters)
Folio No. or Client/ DP ID No.:
No. of Shares held.:

***Strike out whichever is not applicable**

NOTE:

Members who have multiple folios / demat accounts with different joint holders may use copies of this attendance slip. Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.

GAMMON INDIA LIMITED

[CIN:L74999MH1922PLC000997]

Regd. Office: 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai, 400 025

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