

LIBERATED FOR GROWTH



We are venturing ahead confidently...with value-accretive projects, a diversified national presence, an optimum blend of market-based and assured return projects, a leadership position in our chosen areas of businesses and a meaningful contribution to India's economic growth agenda.



We are acutely focused...to make the most of our deep understanding of the public-private-partnership model, to capitalise on our strategic relationships, to persevere our core values and to produce tangible results that positively impact the community at large.



We are independent...from our parent company, with our own autonomous and self-governing management and board of directors. With a sound financial platform, we are free to pursue our agenda for growth.



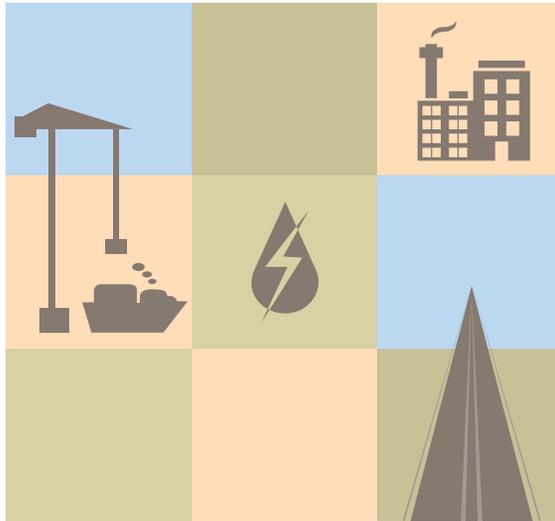
We are unbound...to further leverage our peer position within India's infrastructure sector, to increase our market depth and to deliver various streams of value through multiple sectors.



As a free-thinking and self-determined Company...we are unwavering in our desire to deliver stakeholder value, uncompromising in our principles that make us financially prudent, unfettered to reach deeper within ourselves and limited only by our imagination in setting new benchmarks of excellence.

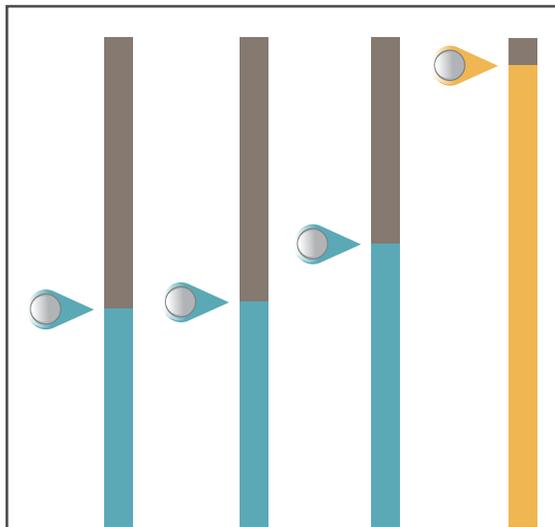
IN OUR CONTINUOUS DESIRE FOR PRODUCING SUSTAINABLE LONG-TERM GROWTH, WE HAVE NEVER FELT MORE LIBERATED TO FACE THE FUTURE AT GAMMON INFRASTRUCTURE PROJECTS LIMITED, THAN NOW.

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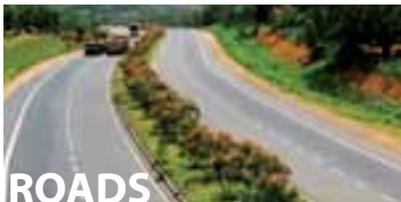


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LIBERATED FOR GROWTH	



OUR GROWTH ENGINES



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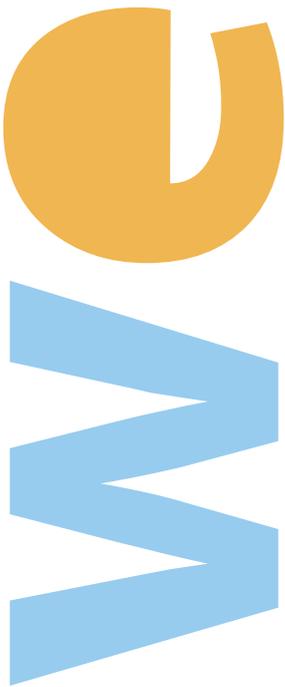
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OUR BUSINESS AT A GLANCE

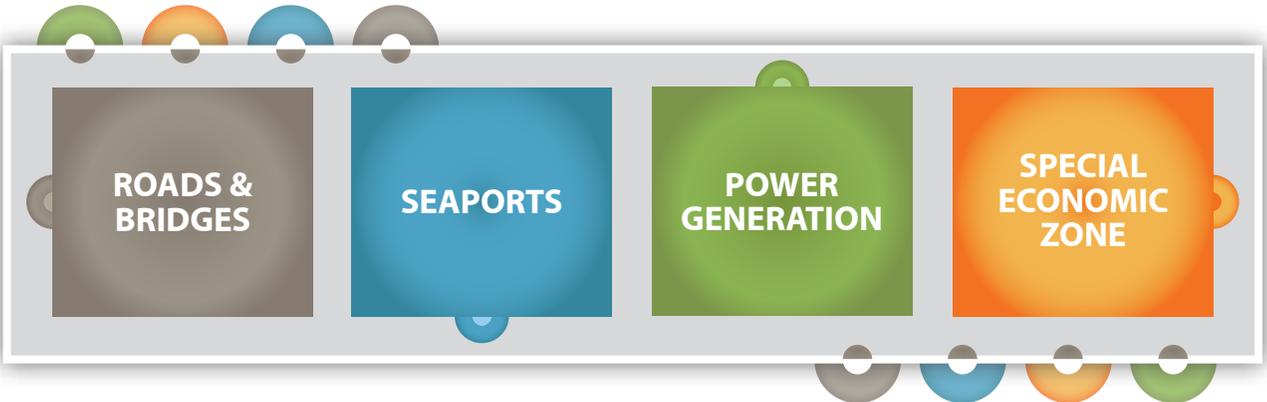


- ARE AN INFRASTRUCTURE PROJECT DEVELOPMENT COMPANY, PROMOTED BY GAMMON INDIA LIMITED, ONE OF THE LARGEST CONSTRUCTION COMPANIES IN INDIA.
- UNDERTAKE AND DEVELOP INFRASTRUCTURE PROJECTS IN SECTORS SUCH AS ROADS, BRIDGES, SEAPORTS, POWER GENERATION AND SPECIAL ECONOMIC ZONE.
- UNDERTAKE DEVELOPMENT OF INFRASTRUCTURE PROJECTS USING THE BOT, BOOT, BOO AND OTHER PPP MODELS.
- OFFER SERVICES IN OTHER AREAS OF PROJECT DEVELOPMENT SUCH AS CONSTRUCTION, PROJECT ADVISORY SERVICES AND OPERATIONS & MAINTENANCE.

CONSOLIDATED AND STANDALONE PROFIT & LOSS STATEMENT

₹ in Lakhs)	CONSOLIDATED			STANDALONE		
	FY2012	FY2013	CHANGE	FY2012	FY2013	CHANGE
Total Income	42,937	69,813	63%	11,127	14,020	26%
EBITDA	22,277	47,512	113%	6,440	9,729	51%
EBITDA Margins	52%	68%		58%	69%	
Depreciation	7,789	16,085	107%	199	199	0%
Interest	15,565	29,683	91%	2,227	4,246	91%
Profit After Tax & Minority Interest	(2,541)	1,472	158%	3,294	3,043	(8%)

OUR PROJECT PORTFOLIO GIVES US SIZE AND SCALE



OUR PRESENCE

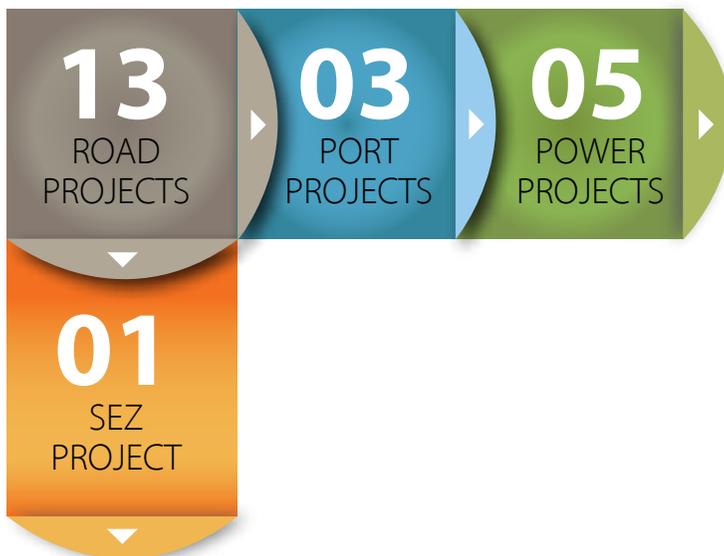
- PROJECT DEVELOPMENT
- PROJECT ADVISORY
- OPERATIONS & MAINTENANCE
- CONSTRUCTION

22 TOTAL PROJECTS

07 OPERATIONAL PROJECTS

05 PROJECTS UNDER CONSTRUCTION

10 PROJECTS UNDER DEVELOPMENT



FOCUS Strategy

>  Expanding based on our core strengths

Establishing presence across sectors and geographies  <

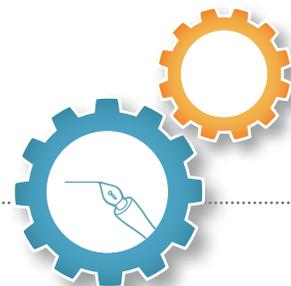
>  Leveraging strategic relationships

Building upon a synergistic position in infrastructure development  <

>  Making an early entry and achieving a dominant position in identified sectors

Achieving a mix of market-based and assured return projects  <

CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr. Abhijit Rajan
Chairman & Managing Director

Mr. Himanshu Parikh
Vice Chairman

Mr. Kishor Kumar Mohanty
Managing Director

Mr. Parag Parikh
Whole Time Director & CFO

Mr. Chandrahas Charandas Dayal
Independent Director

Mr. Naresh Chandra
Independent Director

Mr. Sushil Chandra Tripathi
Independent Director

Ms. Homai A Daruwalla
Independent Director

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.
Tel. No.: 022-2596 3838
Fax No.: 022-2594 6969

AUDITORS

M/s. Natvarlal Vepari & Co.
M/s. S.R. Batliboi & Co. LLP

COMPANY SECRETARY

Mr. G. Sathis Chandran

REGISTERED OFFICE

Gammon House,
Veer Savarkar Marg,
Prabhadevi,
Mumbai – 400 025
Telephone: +91 22 6661 4000
Fax: +91 22 6661 4025
Website: www.gammoninfra.com

CORPORATE OFFICE

Orbit Plaza,
5th Floor,
Plot No. 952/954,
New Prabhadevi Road,
Prabhadevi,
Mumbai – 400 025
Telephone: +91 22 6748 7200
Fax: +91 22 6748 7201

PAN INDIA PRESENCE



WHAT MAKES US DIFFERENT?



WE

- ARE AMONG THE FIRST IN INDIA TO BE MODELED AS AN INFRASTRUCTURE DEVELOPER HOLDING COMPANY.
- ARE AMONG THE FIRST COMPANIES WITH DIVERSIFIED EXPOSURE IN THE INFRASTRUCTURE SECTOR.
- ARE A PART OF GAMMON GROUP, ONE OF THE LEADING CONSTRUCTION ENGINEERING COMPANIES IN INDIA.
- HAVE A SOUND TRACK RECORD OF SUCCESSFUL PROJECT COMPLETION AND ARE FOCUSED ON EFFICIENT PROJECT OPERATION.
- ARE ONE OF THE FEW COMPANIES TO LEVERAGE THE BOT, BOOT, BOO AND OTHER PPP MODELS TO PARTICIPATE IN INFRASTRUCTURE PROJECTS.
- ARE THE PIONEERS IN FINANCIAL ENGINEERING WITH A STRONG REPUTATION WITHIN THE LENDING COMMUNITY.
- AIM TO ACHIEVE LONG-TERM GROWTH IN SHAREHOLDER VALUE BY BEING SELECTIVE IN PROJECT ACQUISITION.
- POSSESS THE FINANCIAL AND OPERATIONAL CAPABILITIES TO TAKE ON THE BIGGEST CHALLENGES AND CREATE OPPORTUNITIES THROUGH THE PUBLIC-PRIVATE-PARTNERSHIP MODEL.

BOARD OF DIRECTORS

- | | | |
|----|----|----|
| | 1. | 2. |
| 3. | 4. | 5. |
| 6. | 7. | 8. |



WITH INCOMPARABLE INDUSTRY TALENT, SIGNIFICANT EXPERIENCE AND VALUABLE DOMAIN EXPERTISE, WE MOVE FORWARD TO GROW OUR BUSINESS AND STAND OUT FROM THE REST. WE ARE SELECTIVELY CHOOSING OUR NEXT STEPS TO YIELD SUSTAINABLE GROWTH.

1. MR. ABHIJIT RAJAN

Chairman & Managing Director

- A successful industrialist, with over three decades of business experience.
- His zeal and vision is driving the Gammon Group of Companies.

2. MR. HIMANSHU PARIKH

Vice Chairman

- Rich managerial experience in diverse functional areas.
- On the Board of several Gammon Group of Companies.

3. MR. KISHOR KUMAR MOHANTY

Managing Director

- An engineer with an MBA degree in Finance & Marketing from XIM (Bhubaneswar) and AMP from Harvard Business School, Boston.
- Has over three decades of managerial experience in various capacities.

4. MR. PARAG PARIKH

Whole Time Director & CFO

- Post Graduate in Commerce and a Post Graduate Master in Business Administration.
- Over 13 years of experience in Finance and Strategy.

5. MR. CHANDRAHAS CHARANDAS DAYAL

Independent Director

- A Chartered Accountant with vast experience and expertise in audit, internal audit, finance and valuation.
- Head of the Audit Committee of the Company.

6. MR. NARESH CHANDRA

Independent Director

- Retired officer of the Indian Administrative Service; held important positions in the Central Government.
- Served as a Senior Adviser to the Prime Minister of India, as Governor of Gujarat and as the Ambassador of India to the US.

7. MR. SUSHIL CHANDRA TRIPATHI

Independent Director

- Retired officer of the Indian Administrative Service; over 37 years of experience at a senior level in the State and Central Government.

8. MS. HOMAI A DARUWALLA

Independent Director

- Chartered Accountant with over three decades of experience in the banking sector.

CHAIRMAN'S MESSAGE



WE ARE FACED WITH UNPRECEDENTED CHALLENGES AND WE NEED TO OVERCOME THEM THROUGH PATIENCE, UNDERSTANDING AND A RESOLVED CAPACITY TO FIND WORKABLE SOLUTIONS TO COMPLEX PROBLEMS. I AM HEARTENED TO SEE GIPL STRIVE AHEAD THROUGH ITS CAUTIOUS AND JUDICIOUS CHOICES.

Dear Shareholders,

At Gammon Infrastructure Projects Limited (GIPL), our journey continues and we passionately believe that by doing things right, we can be powerful contributors to India's economic progress. Since the 1920s and across multiple decades, economic cycles and several landmark projects that defined India's infrastructural progress, the Gammon Group has always exhibited a visionary and pioneering spirit based on a dream to become an accomplished global player. At GIPL, we have stood firm in our commitment to build a sustainable business and deliver value to our customers and shareholders, while contributing to the communities we live in.

FY2013 has been a year of some rewarding moments and challenges. A big challenge we faced and still continue to face is the broader economic scenario which has affected the domestic infrastructure sector. The slowing down of global economic growth, combined with a challenging business environment on the domestic front, took a toll on India's infrastructure sector. The investment climate in the country has become cloudy. Project implementation is way behind target and there is uncertainty in the pace of project awarding and

implementation. Infrastructure players are struggling with land, environment and forest clearances, affecting project viability. To add to this, low operating margins are also adding pressure to their cash flows and the ability to serve debt. To get back to a higher growth trajectory, substantial physical investment in the infrastructure sector is a prerequisite. There is an urgent need to invest sufficiently in the sector to ramp up India's GDP growth and sustain it further.

CAPTURED THE FUTURE OPPORTUNITY

While the Corporate Debt Restructuring (CDR) process of GIPL's parent company Gammon India Limited (GIL) continues unabated, it is important to emphasise that GIPL is not a part of the CDR process. On the contrary, it has solid positive cashflows across all its projects; a richly experienced independent management team and Board of Directors; a business model distinctly different from GIL and a healthy balance sheet deserving of respect. I am heartened to see that GIPL continues to get a warm reception from the financial community in continuing to support the debt requirements for its various projects. Till date, we have achieved funding for all our projects in hand and this

is a result of the faith and trust GIPL has deservedly won on the back of an accomplished track record.

CAPTURING THE FUTURE OPPORTUNITY

The era unfolding before us presents a historic opportunity for resilient companies to pursue growth within this complex industry. Our concentration remains on gaining value accretive projects selectively to result in long-term business stability. We are not resting on the laurels of our multiple achievements and are placing continued focus on creating greater value for our customers, partners, employees and shareholders.

With incomparable industry talent under our roof, we are selectively choosing our next steps, concentrating on projects that can yield sustainable growth and remain well-positioned to deliver on our priorities. I thank our shareholders, independent directors and business partners for their unflinching guidance and constant support.

Yours Faithfully,

Abhijit Rajan
Chairman & Managing Director

MANAGING DIRECTOR'S MESSAGE



Dear Shareholders,

Resilience is not a commodity you are born with. Rather, it is self-manufactured painstakingly over time by working through one's problems and never giving up, even in the face of difficulty. At Gammon Infrastructure Projects Limited (GIPL), we live by this culture and have held ourselves responsible for a higher standard than what anyone expects of us. Thanks to this frame of mind, we've posted encouraging results during the last financial year, signalling a genuine sea-change for our Company. I am pleased to report a 63% increase in our revenue in FY2013 on a Y-o-Y basis. Our steady toll collections and assured annuities from our recently completed projects added significantly to our top line. Our EBITDA on a consolidated basis improved 113% from the previous year, reaching ₹ 47,512 lakhs in FY2013. On a bottom-line basis, we moved from a loss of ₹ 2,541 lakhs in the previous year to a net profit of ₹ 1,472 lakhs on a consolidated basis. Going ahead, our projects in advanced stages of commissioning will further add to our revenue lines. Our progress on strengthening our project pipeline gives us clear visibility into our revenue earning capacity beyond FY2014.

We live in interesting times – one in which attractive opportunities present themselves despite the temporary economic lull we find ourselves in. While we are confident about India's growth story continuing in the long run, we must recognise

WE REMAIN FOCUSED ON OUR CORE VALUES OF EFFICIENT PROJECT EXECUTION AND OPERATION. OUR KEY COMMITMENT IS TOWARDS REDUCING COSTS, REALIGNING OUR RESOURCES, IMPROVING OPERATIONAL EFFICIENCY AND ELEVATING OUR INTERNAL BENCHMARKS TO EXPLORE OUR ENTRY INTO DIFFERENT GEOGRAPHIES.

the short term limitations we are presented with. Currently, we face a challenging global business environment, decade-low economic growth, scarce capital and a depreciating Rupee. Besides this, the industry itself is facing its own set of challenges concerning land acquisition, environment & forest clearances, highly competitive business environment, slow decision making of the client and very few growth-conducive policies. On the brighter side, I see early shoots of recovery from a gradually changing environment. While domestic interest rates seem to be staying put for now to counter the depreciating Rupee, on the plus side commodity prices and inflation are stabilising and heading lower. Most importantly, there seems to be a general consensus on the need to give a fillip to the infrastructure sector, being a key driver behind attaining a higher growth trajectory. Given this, I see all stakeholders having a genuine desire to re-evaluate and improve the various existing PPP (Public-Private-Partnership) models, so that the country can truly advance forward on the strength of better infrastructure.

FOCUSING ON BASICS

Even as we remain bullish about our medium-term future despite tough market conditions, we continue to be intensely focused on the basic and fundamental aspects of running our business, ensuring we do not lose sight of our objectives for creating lasting success. I vehemently

believe that the way to get great financial results and create value for our stakeholders is by focusing on improving our core business driver - "the basics." For us this means 'hard' work; 'good' work and 'smart' work. By 'hard' work we mean that we don't believe in any free lunches and are prepared to pack-in hard labour for progressing our business. By 'good' work we mean to be transparent, fair and equitable in all our dealings. And by 'smart' work we mean the invention of win-win solutions at every critical decision junction. These are our business drivers on steroids and they give us a sustainable differentiation in the marketplace.

Beyond the basics, we are incessantly remixing our skills and expertise. This is not an easy path to success, but we are determined to pursue it. Our strength lies in our ability to achieve breakthrough benchmarks in project execution through optimum use of our management bandwidth. This rigorous approach to business comes from efforts in the institutionalisation of our processes, people and systems. I am pleased to say that we have made steady progress in strengthening our teams and in our overall enterprise building.

LIBERATED FOR GROWTH

The theme for our FY2013 annual report is "Liberated for Growth" and you might wonder what we mean by this. Let me explain. Today, we stand on our own two feet as a separate

and independent company from our parent, charting our success into the future. Despite many internal and external hurdles around us, we continue to receive much respect, trust and a general willingness to conduct business as usual from all our key stakeholders – including clients, lenders, partners and investors. The marketplace knows that we have the mettle to withstand the sector's complexities and that our rock-solid foundation will see us into the future. With this faith in us, we remain poised to move ahead with added vigour as we work towards getting more projects commissioned during FY2014 and successfully run our operational projects.

At GIPL, we believe in maintaining a personal and emotional connect with our employees, who are the backbone of our success. I am deeply grateful for their passion and sincerity in serving our various stakeholders' interests. I would like to thank our business partners, lenders, independent directors and shareholders for being the source of our strength and for continuing to repose their faith in us. We hope to continue our association with all of you as we leverage the PPP approach to touch new standards of excellence and gain higher value.

Sincerely Yours,

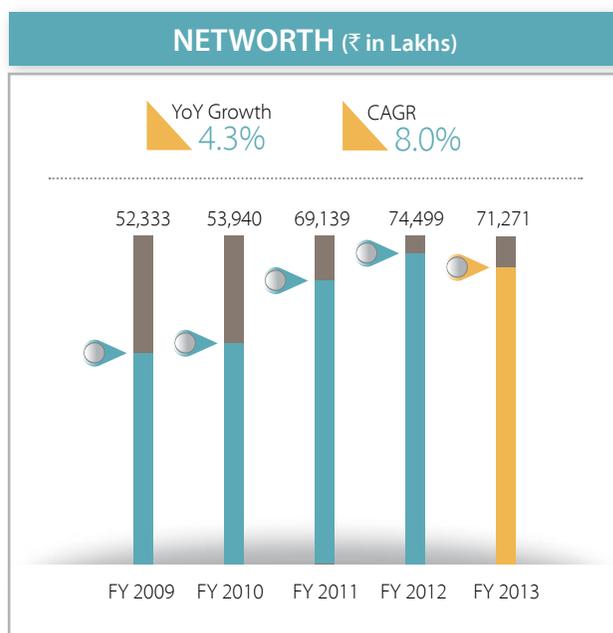
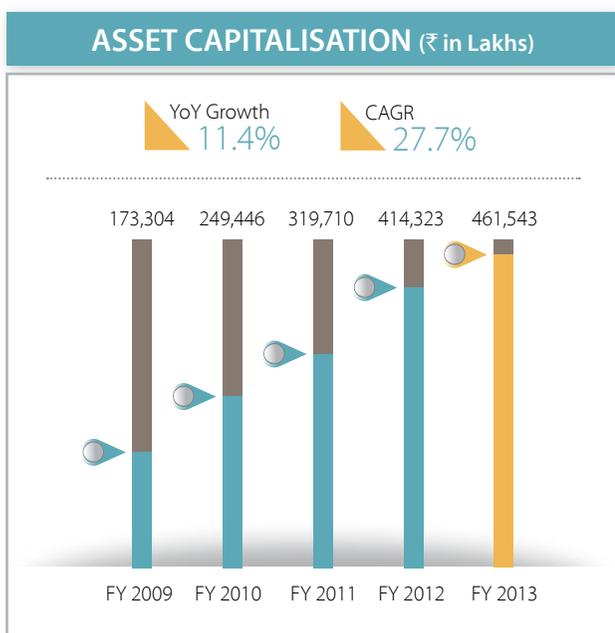
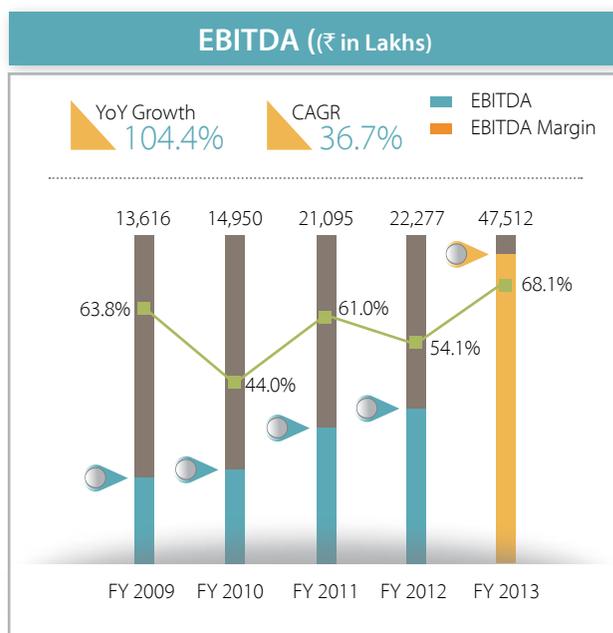
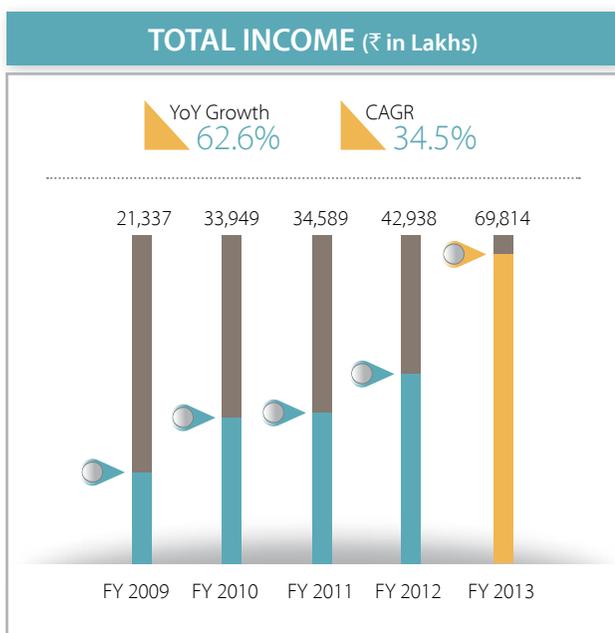
Kishor Kumar Mohanty
Managing Director

YEAR UNDER Review

FY2013 WAS ANOTHER EXAMPLE OF HIGH PERFORMANCE THAT EMANATED FROM OUR MASTERY OF A VALUE-CENTRED CULTURE, ENTERPRISE PERFORMANCE MANAGEMENT, FINANCE OPERATIONS, CAPITAL STEWARDSHIP AND ENTERPRISE RISK MANAGEMENT. THESE ARE SOME OF OUR NOTABLE HIGHLIGHTS OF THE YEAR UNDER REVIEW.

- Achieved top line of ₹ 69,813 lakhs on a consolidated basis, compared to ₹ 42,937 lakhs in FY2012, aided by recognition of revenue on a full year basis for Gorakhpur Bypass, Kosi Mahasetu and Mumbai-Nasik Road Project.
- Moved from ₹ 2,541 lakhs loss to ₹ 1,472 lakhs profit at the bottom line.
- Earned significantly higher EBITDA margins of 68%, as compared to 53% in FY2012.
- Successfully commenced construction of 30 MW co-generation power plant in Maharashtra.
- Added 2 harbour mobile cranes at Vizag Seaport.
- Handled over 5.77 million tonnes cargo at Vizag Seaport.
- Recorded Average Passenger Car Unit of 35,093 per day for the Mumbai-Nasik Expressway, compared to 33,123 per day in FY2012.
- Achieved average toll collection per day of ₹ 35.51 lakhs for Mumbai-Nasik Expressway, compared to ₹ 26.54 lakhs in FY2012.
- Tied up debt for 5 new Road Projects:
 - Patna Buxar Highways
 - Vijayawada Gundugolanu Road Project
 - Sidhi Singrauli Road Project
 - Yamunanagar Panchkula Highway
 - Bimitrapur Barkote Highway
- Received Letter of Award for Marmugao Terminal.
- On Course to commission four projects during FY2014-15:
 - Patna Highways
 - Rajahmundry-Godavari Bridge
 - Pravara Renewable Energy Project
 - Indra Container Terminal

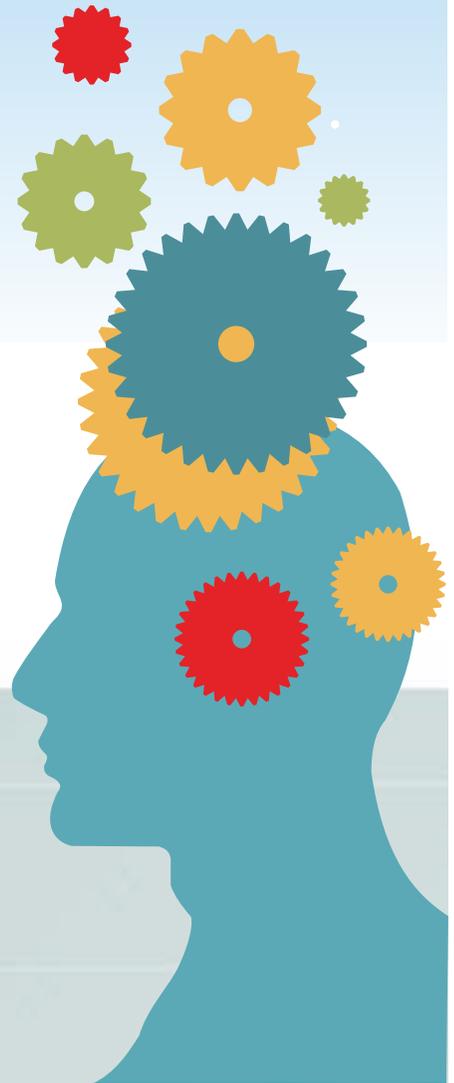
FINANCIAL HIGHLIGHTS



SHARPENING THE BASICS.

ADHERING TO OUR BASIC BUSINESS PRINCIPLES OF EXCELLENCE, PRAGMATISM AND PATIENCE, WE ARE POISED TO ENHANCE OUR LEADERSHIP POSITION WHEN MARKET CONDITIONS REBOUND.

AS THE INFRASTRUCTURE SECTOR COMBATS TOUGH TIMES, WE ARE FIXATED ON OUR BASIC BUSINESS PRINCIPLES. THIS IS HELPING US FURTHER INSTITUTIONALISE OUR BUSINESS PRACTICES, MAKING US EVEN MORE RESILIENT TO THE UPS AND DOWNS OF ECONOMIC CYCLES. WHILE WE FOCUS ON EXECUTING OUR HEALTHY PIPELINE OF PROJECTS, WE ARE GETTING 'FUTURE READY' TO EXPAND OUR ASSET BASE IN A MORE VIBRANT MARKETPLACE.



Beyond execution and delivery, we have also demonstrated our mettle on the optimal operation of our assets to ensure healthy cash generation. Our history of timely project execution, operational excellence and our strong domain expertise gives the lending and investing community the confidence and assurance to engage with us.

We realise the importance of faster turnaround of projects to improve their economic value. Despite a challenging scenario in the Indian infrastructure industry, we have set an impeccable record of meeting our commitments. Our basic business principles demand an unwavering commitment to execute and operate our projects efficiently. We not only rolled out our projects, but withstood all the complexities of the infrastructure sector, demonstrating our solid foundation. Our strong

domain knowledge enables us to accurately value and wisely choose each project.

With significant experience and valuable expertise, we are able to grow our business, win new projects and stand out from the rest. Steadfast to our fundamental business principles, we are primed to anticipate the future infrastructural needs in a challenging business environment.

BEING VALUE SMART.

IN ORDER TO ENHANCE OUR RETURN ON EQUITY, WE PRUDENTLY MAXIMISE THE USE OF SERVICEABLE DEBT.

IN THE INFRASTRUCTURE BUILDING INDUSTRY, PPP PROJECTS UNDER THE BOT MODEL ARE INHERENTLY CAPEX INTENSIVE. WE FOCUS ON ATTAINING A HEALTHY BLENDED EQUITY IRR FOR OUR SHAREOWNERS. OUR CAPITAL BUDGETING STRATEGY THEREFORE SEEKS TO FUND EACH PROJECT WITH AS MUCH DEBT AS IS PRUDENTLY SUPPORTED BY ITS CASHFLOWS. THIS APPROACH GIVES OUR SHAREHOLDERS OPTIMUM RETURNS AND OUR COMPANY THE ABILITY TO SPREAD IT'S AVAILABLE EQUITY CAPITAL ACROSS MULTIPLE PROJECTS.



At Gammon Infrastructure Projects Limited, value creation is a journey that never stops. We pursue value by building a diversified asset portfolio and by establishing a strong presence across multiple geographies. We preserve value through a rigorous administration of our financial and running costs, and also by operating the assets under management to yield the best possible net cashflows.

A strong focus on performance and productivity helps us lower our operating costs and improve efficiencies. Our ability to continuously recalibrate our existing debt helps us improve our margins. We generate sound surplus cashflows and securitise project receivables, which enhances our ability to fund the equity requirements of our new projects.

Our thought-process and bidding strategy are our key market differentiators. We continuously strive to have a judicious mix of projects producing stable and positive cash flows for assured returns. We do this by identifying and leveraging the right opportunities through selective acquisition of value-accretive projects

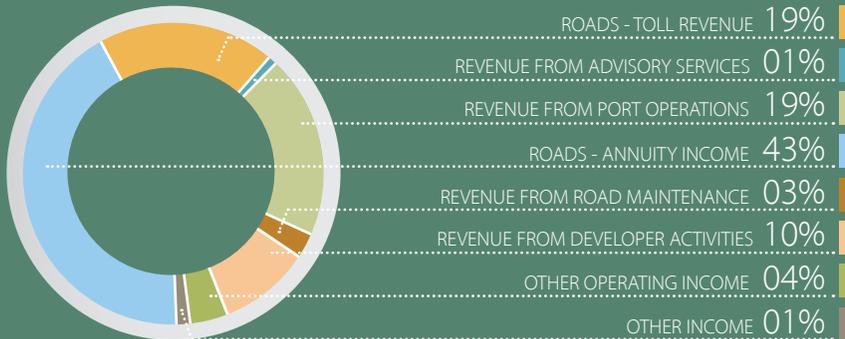
with strong fundamentals and considerable potential to earn steady revenues. As a result, we have built a portfolio that comprises an optimum blend of annuity and toll-based projects.

Our annuity projects give us clear future visibility with stable cashflows, healthy margins and assured sources of revenue; while our toll projects ensure minimum returns with an upside based on the future usage potential of these assets. In FY2013, four of our projects were based on fixed-return, while the remaining three projects were market-driven. Going forward, we endeavour to increase our share of toll-based projects spurring better topline and sharper margins.

STABILITY THROUGH DIVERSITY.

BY PARTICIPATING IN THE ROADS, PORTS AND POWER SEGMENTS, WE CUSHION OURSELVES FROM THE DRAMATIC FLUCTUATIONS IN A SINGLE INDUSTRY SEGMENT.

REVENUE BREAK-UP



THIS BALANCED APPROACH ALLOWS US TO RIDE OUT ECONOMIC UNCERTAINTIES AND ATTAIN STABILITY IN OUR PURSUIT FOR GROWTH. WE ARE ONE OF THE FIRST COMPANIES IN INDIA TO BE SUCCESSFULLY MODELED AS AN INFRASTRUCTURE BOT PLAYER WITH A MULTI-SECTOR EXPOSURE.



We are a pan-India BOT Infrastructure Company, with 7 operational assets and 15 projects under various stages of development. Our assets are well spread and diversified across 12 states in India. As the importance and focus on infrastructure comes to the forefront in the minds of policy-makers, we are poised to leverage the quantum growth opportunity in infrastructure development during the remaining part of this decade.

Today, our interests straddle across multiple infrastructure segments including roads, ports and power. This helps us achieve operational flexibility and effectively mitigate risks associated with cyclical downturns in specific sectors or geographical locations. We are amongst the very few BOT players in India exhibiting this quality.

Despite the ups and downs of turbulent economic cycles, we stand firmly on our own two feet. We enjoy

the requisite trust, faith and credibility of our customers and the financial community. We rank high on our project execution capabilities with an enviable track record.

We are suitably positioned to consolidate the existing opportunities and leverage new possibilities in the same breath. Our early mover advantage and continued presence across sectors provides us with a platform to strengthen our business and deliver added shareholder value.

LIBERATED FOR GROWTH.

WE HAVE GRADUATED INTO A CONFIDENT AND INDEPENDENT ENTERPRISE, WITH A CLEAR PATH LEADING TO SUSTAINABLE GROWTH ON THE HORIZON.

WITH A COMBINATION OF OUR ENVIABLE TRACK RECORD AND THE GOODWILL OF OUR STAKEHOLDERS, WE ARE UNSHACKLED TO JOURNEY FORWARD TOWARDS A PROMISING FUTURE.



Despite many internal and external hurdles, we possess the mettle to withstand the infrastructure sector's complexities. We remain poised to move ahead with added vigour as we work towards getting more projects commissioned and successfully run our operational projects. Our solid foundation will see us into the future.

With a healthy mix of annuity and toll-based revenue, our cash flows remain healthy and our commissioned projects keep adding to our corresponding revenue line. With all our pipeline projects financially tied up through reputable banks and institutional investors, we have clear visibility on our future revenues. Our ability to efficiently mobilise financial resources and our innovative financing options gives us the confidence to manufacture our growth.

Today, we operate independently from our parent company and engage with the most viable third party EPC bidders for our projects. At the same time, we enjoy the blessings of the strong goodwill and value the 'Gammon' name has stood for over the last few decades. With all these advantages, combined with the winning formula of project execution, innovative financing and excellent engineering, our path is clear ahead for delivering sustainable growth and value creation.

OUR GROWTH ENGINES

ROADS: LEVERAGING OUR CORE STRENGTHS TO BUILD A DEEPER PORTFOLIO

WE CONTINUE TO EXPLORE THE GROWING POTENTIAL IN THE ROADS SECTOR LEVERAGING THE BOT, BOOT, BOO AND OTHER PPP MODELS. WE TAKE PRIDE IN IDENTIFYING THE RIGHT PROJECTS AND IN HAVING ESTABLISHED A GOOD MIX OF ANNUITY AND TOLL-BASED PROJECTS. ALL OUR ROAD PROJECTS ARE WELL ON STREAM. OUR TOLL COLLECTION FROM OUR OPERATIONAL ASSETS IS HIGHER THAN ESTIMATED, DEPICTING OUR ASTUTE BIDDING STRATEGY.

Two of our annuity road projects, the Kosi Mahasetu Project, which is a four-lane bridge over Kosi River in Bihar, and the Gorakhpur Bypass Project, successfully commenced operations at the fag-end of FY2012. Our Mumbai-Nasik Expressway, which was commissioned in September 2011, is now contributing fully to our top and bottom line. In two of our road projects, Patna Highway Project and Rajahmundry-Godavari Bridge, significant completion has already taken place and these will see commissioning in the next 12-15 months. Our immediate challenge is to ensure our other road projects under advanced development stages, such as the Rajahmundry-Godavari Project and Patna Highway Project, get into the commissioning mode and add to our revenue lines.

A decent chunk of road projects awarded in FY2012 will get executed in terms of mobilising, implementing and roping in the

right EPC contractor. Debt for these road projects has been tied up from nationalised banks and the equity is already stitched.

We enjoy an optimum blend of annuity and toll-based road projects. Our annuity projects enjoy strong margins, while our toll collections are higher than estimated. Our average collection from the Mumbai-Nasik Expressway is in the range of ₹ 36 lakhs per day, owing to a constant rise in traffic growth on this corridor.

NEW ROAD PROJECTS

- Patna-Buxar Highway Limited (PBHL)
- Vijayawada Gundugolanu Road Project Pvt. Ltd. (VGRPPL)
- Sidhi-Singrauli Road Project Ltd. (SSRPL)
- Yamunanagar Panchkula Highway Pvt. Ltd. (YPHPL)
- Birmitrapur Barkote Highway Pvt. Ltd. (BBHPL)

ROADS PORTFOLIO

01

Total Number of Projects: 13

Operational: 6

Under Construction: 2

Under Development: 5

Estimated Portfolio Value

Annuity Projects: ₹ 27 bn

Toll Projects: ₹ 87 bn

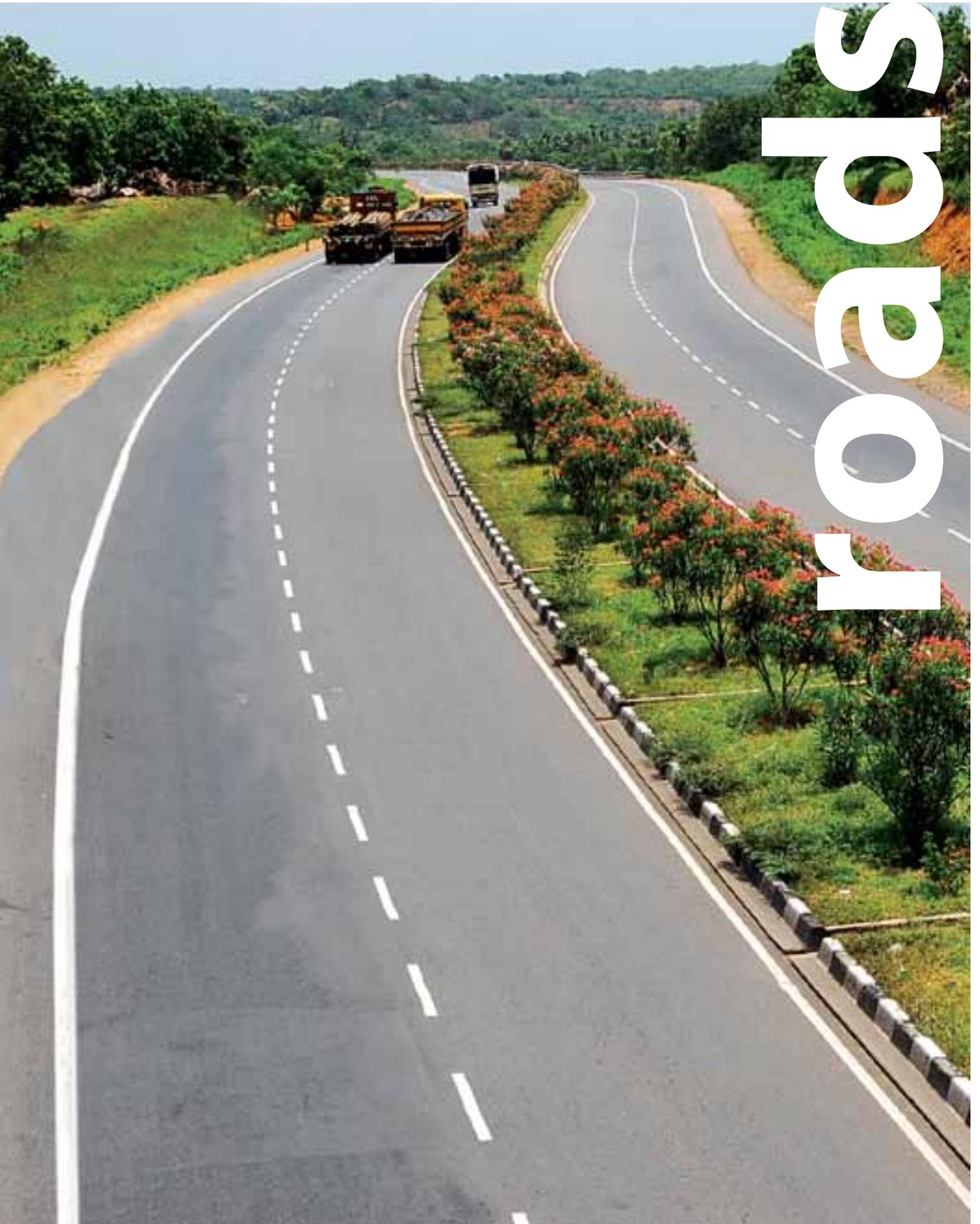
Road Lane Kms: 3,635

Bridge Lane Kms: 99

Project Mix

Annuity Projects: 38%

Toll Projects: 62%



roads

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OUR GROWTH ENGINES

PORTS: **BUILDING NEW GROWTH DRIVERS FOR INCREASED PROFITABILITY, BETTER REVENUES**

WE AIM TO STEP UP OUR EXPOSURE IN THE PORTS VERTICAL THROUGH A SLEW OF PORT PROJECTS. WE ENDEAVOUR TO LEVERAGE ON THE CARGO DEMAND FOR PORTS AND CAPITALISE ON THE RISING OPPORTUNITIES THROUGH OUR DOMAIN EXPERTISE. BY VIRTUE OF OUR SUPERIOR ASSET QUALITY IN PORTS, WE REMAIN CONFIDENT OF ACHIEVING EFFICIENT REALISATION PER TONNE IN OUR PORT PROJECTS.

Our Indira Container Terminal at Mumbai Port, with a capacity of 120,000 TEU, is currently under advanced stages of development. The tender process is on for procuring the equipment and the project may get commissioned over the next couple of years.

During the year, we finalised a 30-year concession agreement for Mormugao Port Trust (MPT), securing the right to mechanise the existing berth 11 for handling coal on BOT basis.

Our capability in handling any type of cargo at our Vizag port secures us against the market vagaries and any predictable demand slump. This port has been modeled on the first concession agreement under the PPP scheme. During the year, the Vizag port achieved a tonnage of around 5.8 million tonnes. Our average realisation per tonne basis has increased vis-à-vis FY2012.

We received an additional 30.5 acres of land located about 4.5 kms from the Vizag seaport, giving us the flexibility to handle storage outside cargo area and also saving on transportation costs. Our model of ensuring guaranteed cargo from our existing clients, such as Steel Authority of India Limited and ACC, grants us an assurance on the port traffic and future revenue visibility.

Moving forward, we aim to bid for port terminal projects on the East and West coast. In addition to this, we are participating in multiple port projects including bulk, multi-purpose and container terminals.

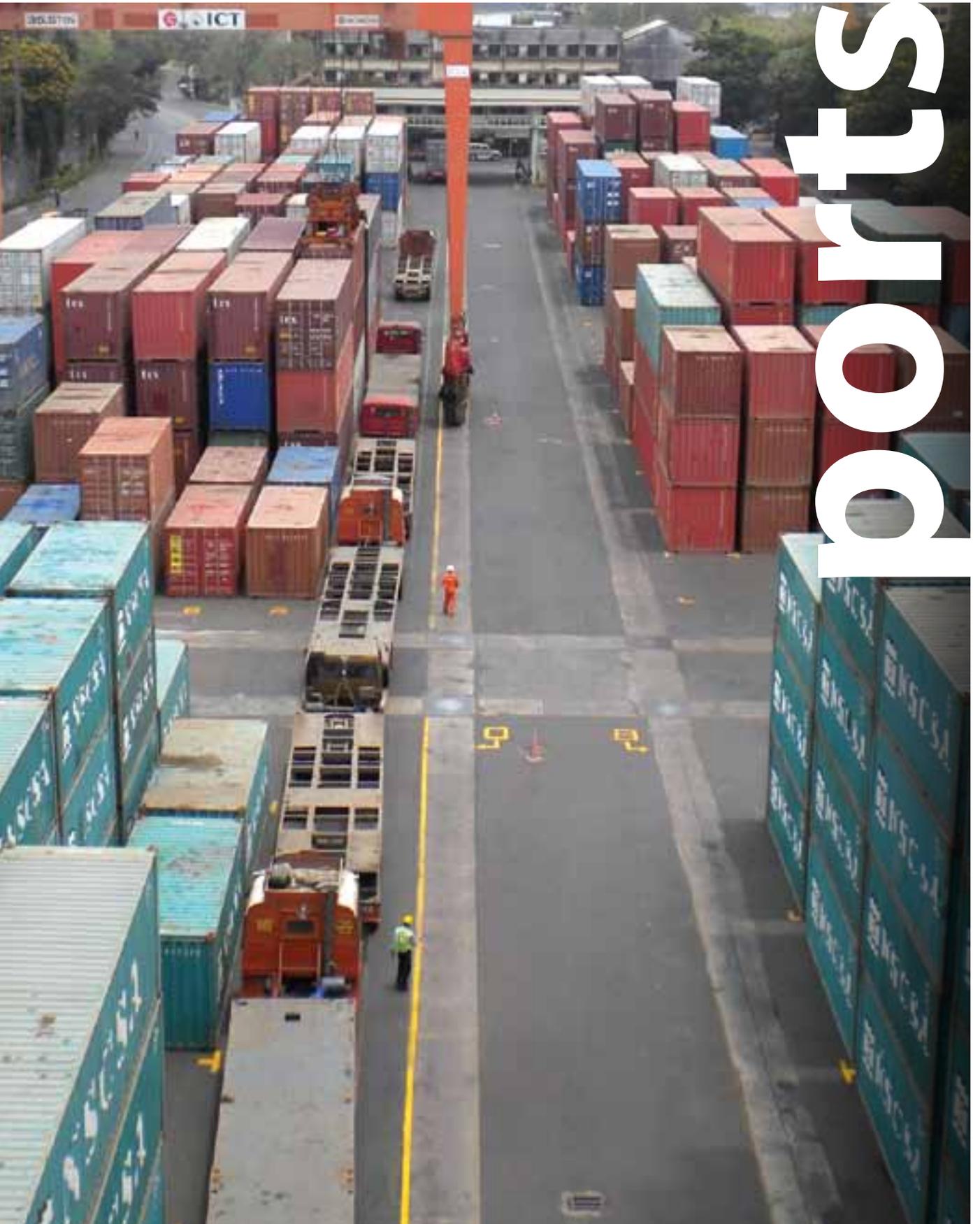
PORTS PORTFOLIO 02

Total Number of Projects: 3
Operational: 1
Under Construction: 1
Under Development: 1

Estimated Portfolio Value:
₹ 22 bn

Presence: 3 states

Combined Capacity:
Bulk: 14 MTPA
Container: 1.2 Mn TEU
Average Concession Period: 30 years



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OUR GROWTH ENGINES

POWER: **SETTING NEW BENCHMARKS OF EXCELLENCE**

WE ARE A SOCIALLY RESPONSIBLE COMPANY AIMED TOWARDS DEPLOYMENT OF ENVIRONMENT-FRIENDLY AND SUSTAINABLE POWER GENERATION TECHNOLOGIES. WE REMAIN FOCUSED ON REDUCING OUR CARBON FOOTPRINT AND INCREASING THE SUPPLY OF CLEAN ENERGY. FOR OUR CO-GENERATION PLANT, OUR STRATEGY OF ASSURED FUEL SUPPLY IMPROVES THE VIABILITY OF OUR PROJECT AND SECURES US AGAINST MARKET VAGARIES.

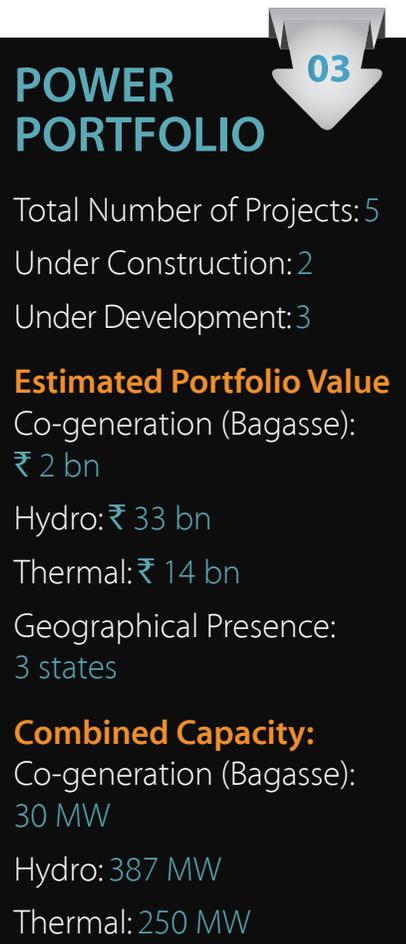
Given the inadequate availability of other energy resources, renewable energy is a viable alternative and a clean and sustainable option. Due to its undeniable merits, renewable energy, whether bagasse-based or hydro power, is envisaged to play a greater role in India's electricity portfolio in the medium to long-term.

Our 30 MW Pravara Co-generation Power Project at Ahmednagar in Maharashtra will see commissioning in FY2014. The project involves design, construction, finance and operation of the co-generation facility on BOOT basis. It also includes facilities for bagasse storage, water reservoir and ash disposal. Around 70% of the fuel requirement is committed by Dr. Vitthalrao Vikhe Patil Sahakari Karkhana, a co-operative sugar factory in Ahmednagar, which improves our project viability. Surplus power generated at the project through advanced technologies and used for captive consumption further adds to our revenue line and improves our profitability.

Our 66 MW Rangit II Hydroelectric Power Project in Sikkim on BOOT basis has received all major approvals. It is well underway with most contracts having been awarded for the construction of various components.

Our three hydro power projects are currently under various stages of implementation. Geological and ecological studies are being prepared for our 266 MW Youngthang Khab Hydro Power Project and Tidong Hydro Power Project in Himachal Pradesh. Rehabilitation and environmental clearances have been sought and the projects are moving as per schedule.

We have received clearance for our 250 MW coal-based thermal power project in Western India, which marks our foray into thermal power generation.



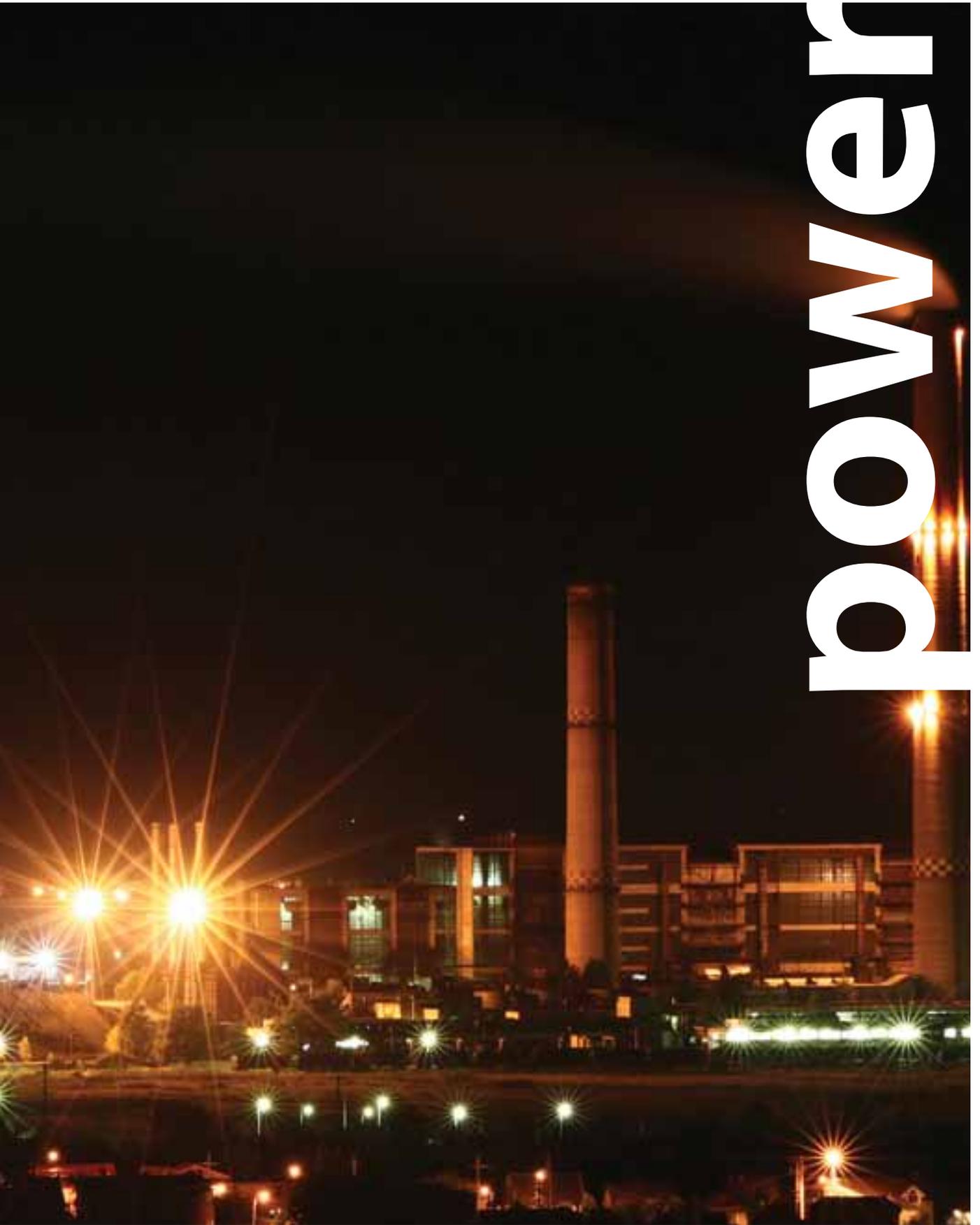
POWER PORTFOLIO 03

Total Number of Projects: 5
Under Construction: 2
Under Development: 3

Estimated Portfolio Value
Co-generation (Bagasse): ₹ 2 bn
Hydro: ₹ 33 bn
Thermal: ₹ 14 bn

Geographical Presence: 3 states

Combined Capacity:
Co-generation (Bagasse): 30 MW
Hydro: 387 MW
Thermal: 250 MW



power

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MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW:

The Indian economy has been on a strong growth path over the last decade, transforming it into Asia's third-largest economy. However, on a year-on-year basis, India's economic growth has been dwindling largely due to rising commodity prices and liquidity crunch. The infrastructure sector in India has been affected primarily due to high interest rates, rising inflation, depreciating rupee, sluggish pace of orders and the absence of viable big-ticket projects.

According to the Global Competitiveness Report 2013, India is ranked 84th in terms of basic infrastructure from a total of 142 countries, indicating that India's present infrastructure framework is insufficient to adapt to and support its growing economic requirements. The Indian Government has been laying strong emphasis on infrastructure development in its recent policies and reforms. The 12th Five Year Plan (FYP) has accordingly allocated a total investment of ₹ 60 lakh crore (approx. USD 1 trillion) for the infrastructure sector, nearly double compared with the allocation in the 11th FYP, which will be primarily achieved through the public-private partnership (PPP) model. The share of private investment is expected to increase to 48% in the 12th FYP, up from 36.6% in the 11th FYP.

ROADS:

India has the third-largest road network in the world, next to U.S. and China, with a road length of 4.69 million Kms, increasing at a CAGR of 4.0%. The country relies heavily on its robust road network which is used to transport over 65% of freight and 80% of passenger traffic. India's road density is among the highest in the world with 1.29 Kms of roads per sq. Kms. of area. Our national highways and expressways, currently at 79,116 Kms, constitute 1.7% of the road length and carry 40% of the total traffic. The percentage of paved roads in India is 49.3%. Road freight volumes are increasing at a CAGR of 9.1%, coupled with a CAGR of 10.8% in vehicles. Thus, the need for efficient and world-class road network is inevitable for the smooth transition of goods and services across the country.

THE NATIONAL HIGHWAY DEVELOPMENT PROJECT

The National Highway Development Project (NHDP) in India is the world's largest road development program based on a Public Private Partnership (PPP) model. The program is spread across 55,000 Kms (seven phases), with an estimated expenditure of ₹ 4,71,975 crore. The Indian Government has entrusted the National Highway Authority of India (NHAI) with the responsibility of implementing the NHDP program. Currently, about 24% of the total length of National Highways (NH) in India is single lane/intermediate-lane, about 52% is two-lane standard, while the balance 24% is four-lane standard or more. In FY2013, the achievement under various phases of NHDP has been about 2,159.7 Kms.



THE OUTLOOK FOR ROADS SECTOR APPEARS PROMISING. THE MINISTRY OF ROAD TRANSPORT & HIGHWAYS, ALONG WITH NHAI, PLANS TO AWARD 7,300 KMS OF ROAD PROJECTS DURING FY2014. IN ADDITION TO THIS, ANOTHER 3,000 KMS IS PROJECTED TO BE AWARDED IN FY2014.

NHDP & OTHER NHAI PROJECTS (AS AT JUNE 30, 2013)

SR. NO.	NHDP COMPONENTS	TOTAL LENGTH (KMS.)	COMPLETED 4/6 LANE (KMS.)	UNDER IMPLEMENTATION		BALANCE FOR AWARD
				LENGTH (KMS.)	NO. OF CONTRACTS	
1	GQ	5,846	5,846	0	6	-
2	Port Connectivity	380	374	6	2	-
3	NS-EW	7,142	6,155	615	53	372
4	NHDP Phase III	12,109	5,565	4,859	89	1,685
5	NHDP Phase IV	20,000	276	3,999	32	10,524
6	NHDP Phase V	6,500	1,574	2,506	28	2,420
7	NHDP Phase VI	1,000	-	-	-	1,000
8	NHDP Phase VII	700	21	20	2	659
9	NH-34	5.5	-	5.5	1	-
10	NH (O)	69	16	53	2	-
11	Other NHs	1,390	1,146	224	4	20
12	SARDP-NE	388	69	43	2	276
Total		55,460.5	21,042.0	12,330.5	221	16,956.0

Source: Ministry of Road Transport and Highways (MoRT&H).

Notes: GQ=Golden Quadrilateral connecting Delhi, Mumbai, Chennai, and Kolkata; NS-EW=North-South and East-West corridor; SARDP-NE=Special Accelerated Road Development Programme in the North-Eastern Region.

In FY2013, only 2,300 Kms of road projects were awarded, compared with 8,000 Kms projects awarded in FY2012. This decrease was primarily due to a declining interest in road projects as a result of the inordinate delays in various clearances and with banks holding back their funds for the road sector. However, going forward

the outlook for the roads sector appears promising as the Ministry of Road Transport & Highways (MoRT&H) and the NHAI plan to award 7,300 Kms during FY2014. In addition to this, another 3,000 Kms of road projects in Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh is projected to be awarded in FY2014.

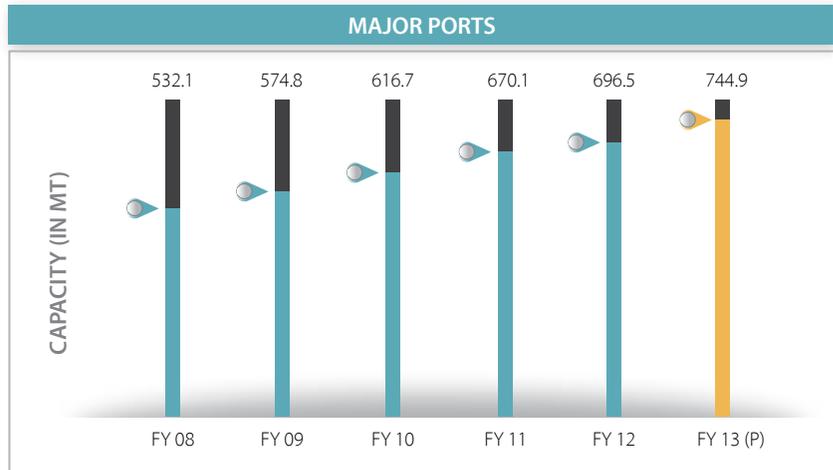


MANAGEMENT DISCUSSION AND ANALYSIS

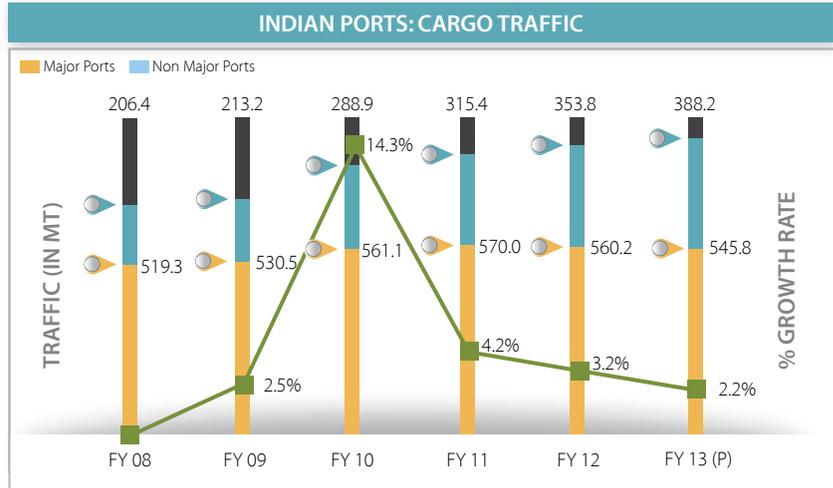
PORTS:

The Ports & Shipping industry plays a pivotal role in sustaining growth in trade and commerce and the overall development of the Indian economy. India currently ranks 16th among the maritime countries, having a long coastline of about 7,517 Kms with 13 major ports and about 200 non-major ports currently operating on the western and eastern coasts of India. According to the Ministry of Shipping, around 95% of the country's trade by volume and 70% by value happens via maritime transport. This is expected to increase in future as India emerges as a major manufacturing and outsourcing hub for the Western countries. The Indian ports sector received FDI worth US\$ 1,635.08 million (₹ 6,717.38 crore) between April 2000 and April 2013, which was 0.84% of the total FDI inflows received by India, according to the Department of Industrial Policy and Promotion (DIPP).

The Indian ports handled a total cargo traffic of 934.02 MT in FY2013, reflecting a modest 2.2% increase over FY2012. The cargo traffic at major ports, which accounts for 58% of India's total sea-borne cargo, declined by 2.6% to 545.8 MT, which was more than offset by 9.8% increase in cargo traffic to 388.2 MT at non-major ports. The total capacity at Indian ports increased 4.7% from 1,179.6 MT in March 2012 to 1,235.2 MT in March 2013. The total capacity at major ports was around 744.9 MT, having grown at a CAGR of 7.0% over the last 5 years.



(Source: Ministry of Shipping, Government of India)



(Source: Ministry of Shipping, Government of India)

The Planning Commission of India in its 12th Five Year Plan (FYP) expects a total investment of ₹ 1,80,626 crore in the ports sector. Further, it has also approved a Gross Budgetary Support (GBS) of ₹ 6,960 crore in the 12th FYP, implying a 108.5% increase compared to the 11th FYP. The 12th FYP envisages the total port capacity to reach 1,229.24 MT by 2017, nearly 1.7 times of the current capacity of 744.9 MT.

Total cargo demand is expected to increase at a CAGR of 10.9% to 943.1 MT by 2017.

According to India Brand Equity Foundation, the Indian port sector is poised to display strong growth in the coming years. It forecasts the total port traffic to reach 943.1 MT at major ports and 815.2 MT at non-major ports by the end of 2017.



The Ministry of Shipping through its Maritime Agenda 2010-20 has set a target to triple the total capacity of ports to 3,130 MT by the end of 2020. More than 50% of this capacity is to be created at non-major ports as the traffic handling by these ports is expected to increase to 1,280 MT. The proposed investment is expected to be around ₹ 2,96,000 crore, which would be majorly funded by the private sector, including FDI (100% FDI allowed in shipping & ports sector). The public funds will be used for provisioning of common user infrastructure facilities.

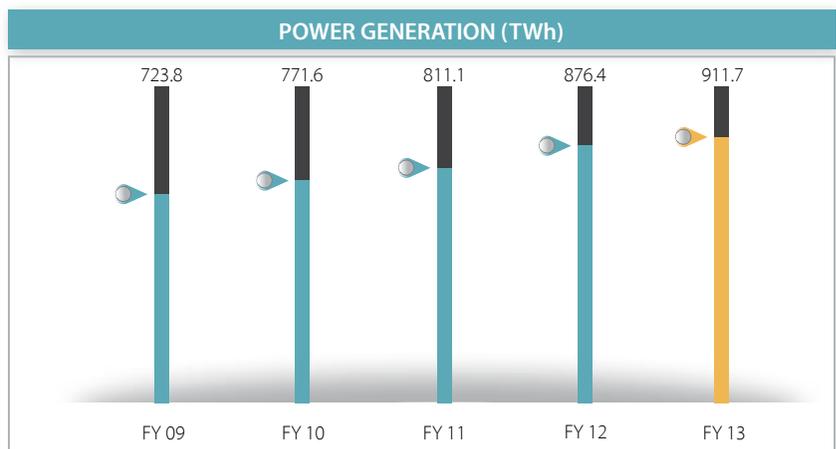
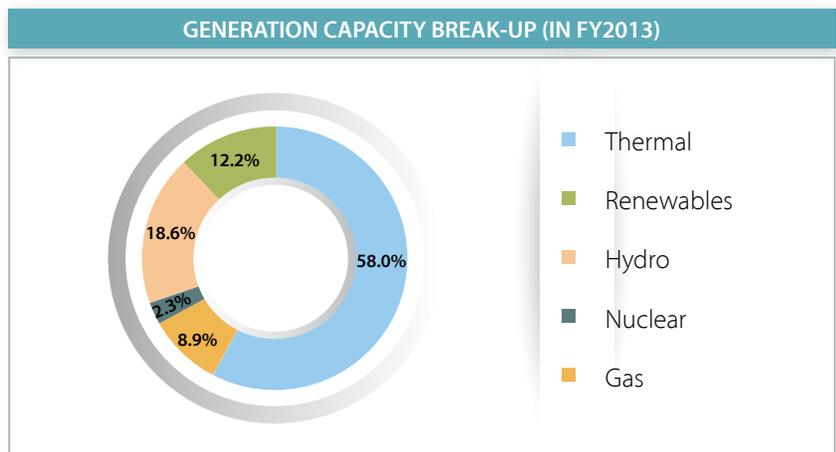
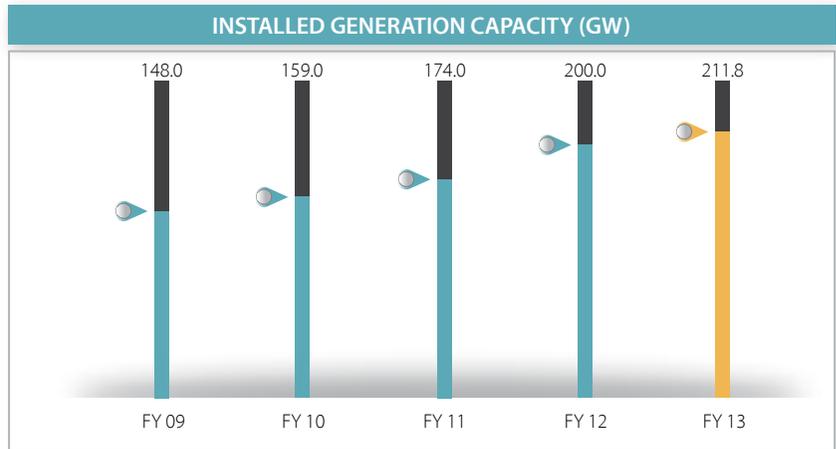
(Source: Ministry of Shipping, Government of India)



MANAGEMENT DISCUSSION AND ANALYSIS

POWER:

India today ranks the 5th largest in terms of power generation and consumption in the world after U.S., China, Japan and Russia. Total power generation in India increased by 4.0% to 911.7 TWh in FY2013, having grown at a CAGR of 4.7% during FY2009-FY2013. Total installed power generation capacity increased by 5.9% to 211.8 GW, having grown at a CAGR of 9.4% during FY2009-FY2013. Power generation in India majorly takes place in the form of thermal power, where coal-fired power constitutes 58.0% and gas-fired power is 8.9%. Other prominent and fast-growing sources of power are hydro power (18.6%), renewables (12.2%) and nuclear power (2.3%).



(Source: Ministry of Power, Ministry of New and Renewable Energy, Government of India)

The 11th FYP initially envisaged a capacity addition of 78,000 MW, but later revised the target to 62,374 MW. Around 54,964 MW of power was actually added during the 11th FYP. India still faces an overall shortage of power in terms of energy deficit and peak shortage. At present, the overall energy deficit is about 8.6%, while the peak shortage of power is about 9.0%. Capacity addition during the 12th FYP is estimated at 88,537 MW and in 13th FYP at 93,000 MW. The capacity addition target for FY2013 was set at 17,956 MW, against which around 11,770 MW was actually added till January 2013.

There has been an increased emphasis on renewable energy in the recent years. According to the Ministry of New and Renewable Energy (MNRE), wind energy is one of the fastest-growing renewable energy sectors in the country. During the 11th FYP period, there has been an addition of 14,660 MW of renewable generation capacity, taking the total renewable generation capacity to 24,915 MW. Of this, wind power stands at 17,352 MW, small hydro 3,395 MW, biomass 3,225 MW and solar at 941 MW. In its 12th FYP, MNRE has envisaged renewable generation capacity addition of 15,000 MW for wind power, 2,100 MW for small hydro power, 500 MW for biomass power, 1,400 MW for bagasse cogeneration and 4,000 MW for solar power. This is expected to result in the contribution of renewable power of 55,000 MW by the end of 12th FYP.



The Working Group on Power for formulation of the 12th FYP has estimated total fund requirement of ₹ 1,372,580 crore for the power sector. The industry attracted FDI worth ₹ 36,200.1 crore (USD 7,845.8 million) during April 2000 to April 2013, according to DIPP. In order to attract

foreign investments in the power sector, 100% FDI is permitted under the automatic route for projects of electricity generation (except atomic energy), transmission, distribution and power trading.

(Source: Ministry of Power, Ministry of New and Renewable Energy, Government of India)

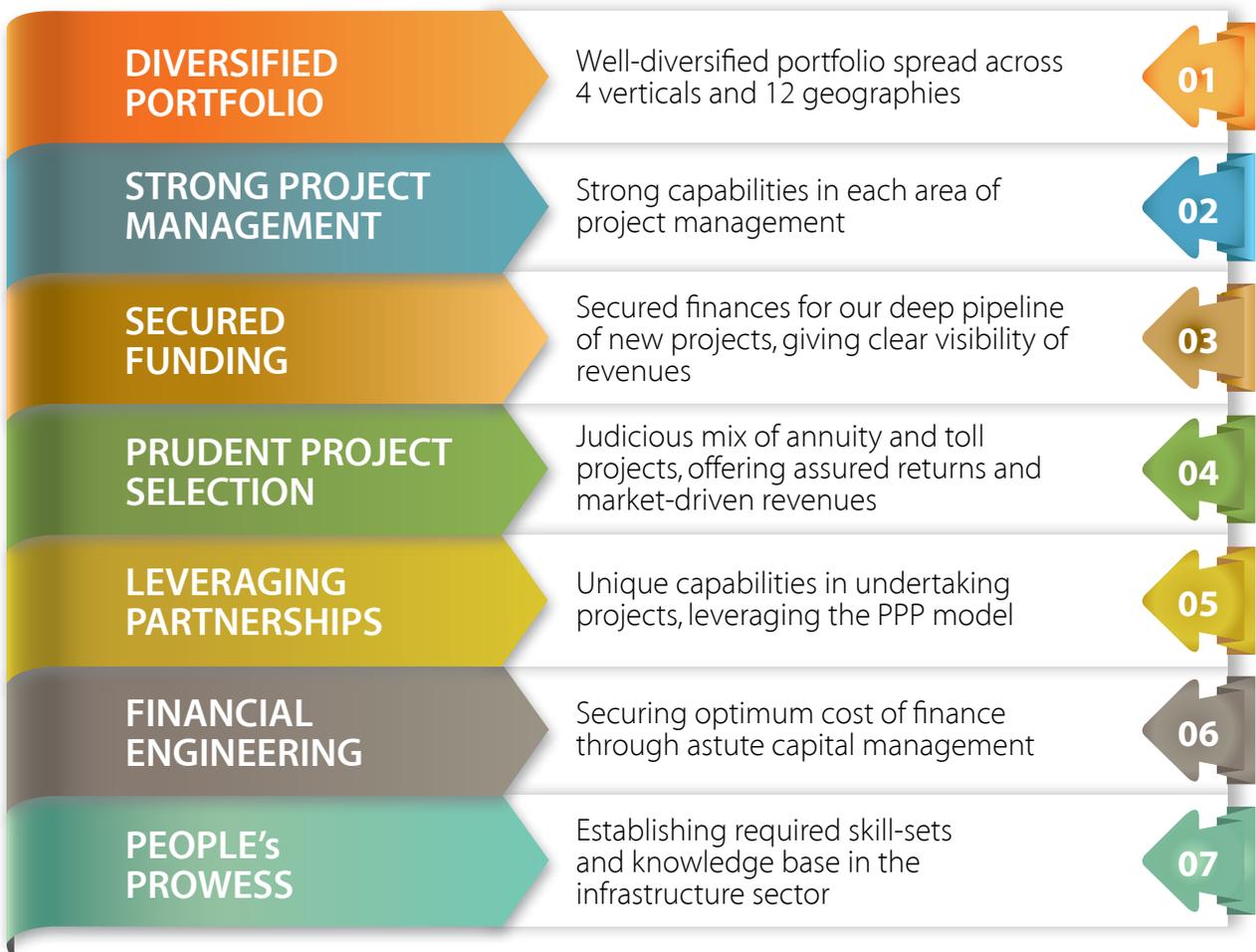
MANAGEMENT DISCUSSION AND ANALYSIS

ADVANTAGE GIPL

We are an infrastructure development company with end-to-end capabilities in design, construction, execution, commissioning and operations & maintenance of world-class projects. We seek to remain

focused on enterprise building and economic value creation in the infrastructure sector. We have established a strong track record in project execution through a well-diversified portfolio of value-accretive projects. With domain expertise and strong credentials, we drive

innovation across each aspect of our business. Our objective is to enhance value for our stakeholders through superior project management capabilities.



OPERATIONAL OVERVIEW

PROJECTS UNDER OPERATION

1. RAJAHMUNDRY EXPRESSWAY LIMITED (REL)

REL is the SPV created for the project of widening and strengthening of a 53 kms stretch between Rajahmundry and Dharmavaram in Andhra Pradesh on NH 5, connecting Chennai and Kolkata. The project achieved COD on 20th September, 2004, 70 days ahead of schedule. The project has a 17.5-year concession period, including a construction period of thirty months. The project has been capitalised at ₹ 25,642 Lakhs.

As of 31st March, 2013, REL has received 16 annuities from NHAI (each semi-annual annuity amounting to ₹ 2,961.9 Lakhs). Till date, 100% lane availability has been achieved by REL as demonstrated by receipt of full annuity from NHAI without any deduction.



Financial performance highlights of REL during the last two fiscals are as under: (₹ Lakhs)

	YEAR ENDED	
	31-MAR-13	31-MAR-12
Total Income	5,984.54	6,744.22
Profit After Tax	642.49	(2,728.89)*
Equity Share Capital	2,900.00	2,900.00
Reserves and Surplus	3,709.78	3,067.29

* REL incurred a loss during 2011-12 as hitherto, periodic maintenance cost including resurfacing expenditure required to be undertaken by the REL under its BOT contract at specified intervals was capitalised to the project asset. During the period, in line with industry practice, the SPV has recognised a provision for such expenditure on a systematic basis over the period for which such obligations are to be carried out. The un-amortised expenditure of the periodic maintenance undertaken in prior years aggregating ₹ 379,809,990 as at 31st March, 2011 has been expensed in the profit and loss account of 2011-12.

2. ANDHRA EXPRESSWAY LIMITED (AEL)

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

As of 31st March, 2013, AEL has received 16 annuities from NHAI (each semi-annual annuity amounting to ₹ 2791.2 Lakhs). Till date, 100% lane availability has been achieved by AEL as demonstrated by its receipt of full annuity from NHAI without any deduction.

Financial performance highlights of AEL during the last two fiscals are as under: (₹ Lakhs)

	YEAR ENDED	
	31-MAR-13	31-MAR-12
Total Revenue	5,663.71	6,028.11
Profit After Tax	709.97	(2,874.21)*
Equity Share Capital	2,900.00	2,900.00
Reserves and Surplus	31,00.51	2,390.53

* AEL incurred a loss during 2011-12 as hitherto, periodic maintenance cost including resurfacing expenditure required to be undertaken by the AEL under its BOT contract at specified intervals was capitalised to the project asset. During the period, in line with industry practice, the SPV has recognised a provision for such expenditure on a systematic basis over the period for which such obligations are to be carried out. The un-amortised expenditure of the periodic maintenance undertaken in prior years aggregating ₹ 365,595,220 as at 31st March, 2011 has been expensed in the profit and loss account of 2011-12.

MANAGEMENT DISCUSSION AND ANALYSIS



3. COCHIN BRIDGE INFRASTRUCTURE COMPANY LIMITED (CBICL)

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

The construction was completed 10 months ahead of schedule, which resulted in the early collection of toll revenues. At present, the bridge witnesses daily traffic of around 7,400 passenger car units. The project had been capitalised at ₹ 2,574 Lakhs.

Pursuant to the restructuring of the project concession by Government of Kerala (GOK) and the ensuing Government Order, the project has a concession period of 19 years and 9 months. CBICL is also entitled to receive a fixed annual annuity payment of ₹ 154 Lakhs from GOK.

Financial performance highlights of CBICL during the last two fiscals are as under:

(₹ Lakhs)

	YEAR ENDED	
	31-MAR-13	31-MAR-12
Total Revenue	526.66	520.93
Profit After Tax	1.39	(108.46)
Equity Share Capital	640.00	640.00
Reserves and Surplus	428.59	427.19

4. MUMBAI NASIK EXPRESSWAY LIMITED (MNEL)

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

Mumbai Nasik Expressway connects one of the most important gateways - Mumbai to Northern, Central and Eastern part of India. At the time when the BOT project was awarded, it was the largest BOT road project in India.

The Engineering, Procurement & Construction (EPC) contract of the project was awarded to Gammon India Limited (GIL). The Operation and Maintenance Contract of the project is with Gammon Infrastructure Projects Limited. MNEL commenced partial operation on May 2010, while tolling on the entire stretch started on September 2011.



Financial performance highlights of MNEL during the last two fiscals are as under:
(₹ Lakhs)

	YEAR ENDED	
	31-MAR-13	31-MAR-12
Total Revenue	15,126.79	11,513.35
Profit After Tax	4,098.42	615.92
Equity Share Capital	5,200.00	5,200.00
Reserves and Surplus	9,987.49	5,889.07



5. VIZAG SEAPORT PRIVATE LIMITED (VSPL)

VSPL is the SPV formed to develop, construct, operate and manage two multi-purpose berths in the northern arm of the inner harbour at Visakhapatnam Port on a BOT basis. VSPL is the only private operator for handling bulk cargo in India's largest seaport at Visakhapatnam. VSPL has developed the berths and terminal as a fully mechanised integrated handling system incorporating state-of-the-art technologies, capable of handling cargo up to 9 MTPA. The commercial operations began in July 2004 and the Company has handled 5.77 Million Tonne of cargo in the financial year ending March 2013. With the possession of an additional storage area of 30 acres and two more harbour mobile cranes, VSPL is expected to achieve 7 Million Tonne during the current financial year. The concession period is 30 years, including the construction period. As of 31st March, 2013, the project has been capitalised at ₹ 32,551.90 Lakhs.

The Company holds 73.76% stake in VSPL since FY2009.

Financial performance highlights of VSPL during the last two fiscals are as under:
(₹ Lakhs)

	YEAR ENDED	
	31-MAR-13	31-MAR-12
Total Revenue	14,973.49	12,446.67
Profit After Tax	1,243.77	850.49
Equity Share Capital	8,719.12	8,719.12
Reserves and Surplus	(118.70)	(342.38)



MANAGEMENT DISCUSSION AND ANALYSIS



6. KOSI BRIDGE INFRASTRUCTURE COMPANY LIMITED (KBICL)

KBICL is the SPV incorporated for design, construction, development, finance, operation and maintenance of a 1.8 kms long four-lane bridge across River Kosi with 8.2 kms of access roads and 21.2 kms of bunds for flood protection on NH 57 in the Supaul district of Bihar on BOT (Annuity) basis.

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

The original scheduled project completion date was 4th April, 2010. However, the project got delayed due to reasons beyond the control of the Company. The Independent Consultant appointed by NHAI has determined an extension of 725 days. On 8th February, 2012, the project was inaugurated and opened for Commercial Operations.

Financial performance of KBICL is as under:

(₹ Lakhs)

	YEAR ENDED	
	31-MAR-13	31-MAR-12
Total Revenue	9,061.89	906.44
Profit After Tax	(721.13)	(263.88)
Equity Share Capital	4,830.00	4,830.00
Reserves and Surplus	(1,034.36)	(313.22)

7. GORAKHPUR INFRASTRUCTURE COMPANY LIMITED (GICL)

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

The project achieved Provisional COD effective from 31st March 2012. The concession period is 20 years, including a construction period of 30 months.

The total project cost is ₹ 72,100 Lakhs. The EPC contract for the project was awarded to Gammon India Limited.

GICL annuity receivable from NHAI semi-annually is ₹ 4,860 Lakhs during the entire operations period. The COD of the project was expected to be in October 2009. However, the completion of construction work was delayed due to NHAI's failure to fulfill its obligation of enabling access to the project site by clearing encumbrances. Finally, the project got provisional COD effective 31st March, 2012. GICL received two annuity payments from NHAI till date.

Financial performance of GICL is as under:

	YEAR ENDED	
	31-MAR-13	31-MAR-12
Total Revenue	9,746.63	-
Profit After Tax	(3,789.17)	(82.02)
Equity Share Capital	5,428.70	5,428.70
Reserves and Surplus	(3,932.36)	(143.19)

(₹ Lakhs)

PROJECTS UNDER CONSTRUCTION

1. RAJAHMUNDRY GODAVARI BRIDGE LIMITED (RGBL)

RGBL is the SPV incorporated for design, construction, operation and maintenance of a 4.15 kms long four-lane bridge, which will connect Kovvur and Rajahmundry in Andhra Pradesh across the Godavari River, with 10.34 kms of approach roads. The concession period for the project is 25 years, including a construction period of three years. The total project cost is estimated to be ₹ 86,110 Lakhs. Scheduled Project Completion date was 25th May, 2012, which has been extended upto 27th August, 2013 by APRDC on account of non-fulfillment of obligations of APRDC.

Financial closure for the project has been achieved and presently the project is under its implementation phase with a total capitalisation of ₹ 81,177 Lakhs as of 31st March, 2013.

The EPC contract for the project was awarded to Gammon India Limited. The responsibilities for tolling (Tolling Services) and maintenance (Maintenance Services) of the project shall remain with your Company. The Tolling and Maintenance Services for the Project shall commence from the date of COD until the expiry of the entire concession period. Construction activity is in full swing at the project site.

2. PATNA HIGHWAY PROJECTS LIMITED (PHPL)

PHPL is the SPV incorporated for design, construction, finance and maintenance of a 63.17 kms long four-lane dual carriageway on NH 77, which includes new bypass of 16.87 kms connecting NH 28 in the State of Bihar on BOT (Annuity) basis. Your Company has an equity stake of 100% in PHPL. The concession period is 15 years, ending in February 2023, including a construction period of 30 months. PHPL will receive an annuity payment of ₹ 9,460 Lakhs from NHAI, semi-annually, in the entire operations period. The total project cost is estimated to be ₹ 94,005 Lakhs.

Financial closure for the project has been achieved and presently the project is under its implementation phase with a total capitalisation of ₹ 71,989 Lakhs as of 31st March, 2013. The EPC contract for the project has been awarded to Gammon India Limited (GIL). The responsibilities of maintenance (Maintenance Services) of the project have been vested with your Company. The Maintenance Services shall commence from the COD until the expiry of the entire concession period.

3. INDIRA CONTAINER TERMINAL PRIVATE LIMITED (ICTPL)

ICTPL (Licensee) and The Board of Trustees of the Port of Mumbai (Licensor) entered into a License Agreement dated 3rd December, 2007 (License Agreement) for the construction of offshore container berths and development of Offshore Container Terminal (OCT) on BOT basis in Mumbai Harbour and the Operation of Ballard Pier Station Container Terminal (BPS).



MANAGEMENT DISCUSSION AND ANALYSIS

The License was granted for the following:

- a) BPS Project for a period of five years commencing from the date of award of License; or two years from the commissioning of the OCT Project, whichever is earlier;
- b) OCT Project for a period of 30 years commencing from the Date of Award of License during which the Licensee is authorised to implement the project in accordance with the provisions of the License Agreement.

The OCT Project consists of an offshore jetty of 700 metre with alongside committed draft of 14.5

metre by the Mumbai Port Trust in Phase I and an exclusive option to extend it by another 350 metre in Phase II. Total back-up area envisaged for Phase I is around 38 hectares and an additional 7 hectares for Phase II.

Construction was scheduled to be completed in three years, with the commercial operations scheduled on 3rd December, 2010. There has been a delay in the handover of Project Assets by the Mumbai Port Trust and it has granted extension for the project completion and date of commissioning of Offshore Container Terminal to the extent of delay.

The EPC contract along with Electrical and Firefighting Contract for the project has been awarded to

Gammon India Limited. Equipment package for 6 Ship to Shore Cranes and 20 Rubber Tyred Gantry Cranes are being awarded.

The total envisaged project cost is ₹ 150,000 Lakhs with estimated COD of March 2014. The revenue share payable by ICTPL to MbPT is 35.064% of gross revenue for the year.

The financial closure for the project was achieved in November 2008. The total capitalisation of the project is ₹ 46,245 Lakhs as of 31st March, 2013.

4. PRAVARA RENEWABLE ENERGY LIMITED (PREL)

PREL is the SPV responsible for design, construction, finance and operation of a 30 MW co-generation power project on BOOT basis with Padmashri Dr. Vitthalrao Vikhe Patil Sahakari Karkhana Limited (Karkhana) in Pravara Nagar, Tal. Rahata, Dist. Ahmednagar in Maharashtra. The Karkhana is a co-operative sugar factory registered under the provisions of the Maharashtra Co-operative Societies Act, 1960.

As per the Project Development Agreement executed with Karkhana, PREL shall be responsible for designing, development, procurement, installation, erection commissioning, operation and maintenance of the co-generation facility for a period of 25 years after commercial operations date.





sale of power within and outside the State of Sikkim with the permission of GOS and also permits captive consumption.

The project has received all major clearances and approvals including environmental clearances from MoEF. All major contracts for the project have been awarded and the construction of various project components such as river diversion tunnel and surge shaft is underway.

The co-generation facility is designed as a multi-fuel power plant fired mainly by bagasse. The co-generation facility will use entire bagasse and biogas generated by the Karkhana and will supply the required process steam and power to support the sugar manufacturing operations of the Karkhana. The surplus power generated from the cogeneration power project, after meeting the requirement of the Karkhana, will be sold to third parties in Maharashtra State at market rates or at regulatory commission's approved rates.

The project has received all important clearances, including the environmental clearance from Ministry of Environment and Forest (MoEF). All major contracts have been awarded and construction is in full swing at the site. It is proposed to merge this SPV with the Company.

5. SIKKIM HYDRO POWER VENTURES LIMITED (SHPVL)

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

As per the conditions of the agreement executed between SHPVL and Government of Sikkim (GOS), SHPVL needs to provide free power to the GOS equivalent to 12% of the net energy generated for the first 15 years from COD and at 15% of the net energy generated thereafter. Apart from providing such free power, the agreement provides complete freedom to SHPVL for the



MANAGEMENT DISCUSSION AND ANALYSIS

PROJECTS UNDER DEVELOPMENT

1. PATNA BUXAR HIGHWAYS LIMITED (PBHL)

PBHL is the SPV incorporated for design, construction, finance and maintenance of a 125.44 kms long four-lane dual carriageway on NH 30 and NH 84, which includes construction of new bypasses of Patna, Ara and Shahpura / Rani Sagar and realignment of certain stretches. The Project Road is located in the State of Bihar and is to be developed on BOT (Toll) basis.

The Concession Period is 20 years, including the construction period of 30 months. PBHL will be entitled to collect toll in the entire operation period in lieu of its investment for development of the Project Highway. The total project cost is estimated to be ₹ 1,50,727 Lakhs. The Company will get a grant of ₹ 31,600 Lakhs from NHAI during the construction of the project.

Entire debt has been tied up and financing documents have been executed for the same.

The EPC contract for the project has been awarded to Gammon India Limited (GIL) and to your Company. The responsibilities for maintenance of the project during construction shall be in the scope of EPC contractor, and thereafter, PBHL shall maintain the Project Highway.



2. VIJAYAWADA GUNDUGOLANU ROAD PROJECT PRIVATE LIMITED (VGRPPL)

VGRPPL is the SPV incorporated for design, construction, finance and maintenance of six-laning of the Vijayawada-Gundugolanu section of NH 5 from KM 1,076.48 to KM 1,022.48, including 6-lane Hanuman Junction bypass (length 6.72 kms) and 4-lane Vijayawada bypass (length 47.88 kms) [Total Length: 103.59 kms] in Andhra Pradesh under the NHDP Phase V to be executed in BOT (Toll) mode on Design, Build, Finance, Operate and Transfer basis. Your Company holds 100% equity in VGRPPL. The Concession Agreement was signed on 21st March, 2012.

The Concession Period is 30 years from the Appointed Date which is

expected to start from September 2013, including a construction period of 2.5 years. VGRPPL will start toll collection from the Appointed Date and it has to pay a premium of ₹ 5,757 Lakhs annually to NHAI from the Appointed Date until the end of the Concession Period with an annual increase of 5% per annum. The total project cost is estimated at ₹ 208,750 Lakhs.

Entire debt for the project has been tied up and financing documents have been executed for the same.

The EPC contract for the project has been awarded to Simplex Infrastructures Limited and to your Company. The responsibilities for maintenance of the project during

construction period have been covered in the EPC contractor scope. The responsibilities of maintenance after the construction period will be with VGRPPL.

3. BIRMITRAPUR BARKOTE HIGHWAY PRIVATE LIMITED (BBHPL)

BBHPL is the SPV incorporated for the Rehabilitation and Upgradation of Bimitrapur to Barkote Section of NH 23 on Design, Build, Finance, Operate and Transfer on BOT (Toll) Basis. The project road is located in the State of Odisha.

The Concession Period is 23 years, including the construction period of 2.5 years. BBHPL will be entitled to collect toll from the date of completion of the project in lieu of its investment for development of the Project Highway. The total project cost is estimated to be ₹ 100,800 Lakhs. Your Company will get a grant of ₹ 31,100 Lakhs from NHAI during the construction of the project.

Entire debt for the project has been tied up and financing documents have been executed for the same. The EPC contract for the project is under finalisation.

4. YAMUNANAGAR PANCHKULA HIGHWAY PRIVATE LIMITED (YPHPL)

YPHPL is the SPV incorporated for design, construction, finance and maintenance of a 104.77 kms long four-lane dual carriageway on NH 73, which includes construction of new bypasses of Yamunanagar, Saha,

Sahazadpur, Dangri and Barwala and realignment of certain stretches.

The project is located in the State of Haryana and is to be developed on BOT (Toll) basis.

The Concession Period is 22 years, including the construction period of 2.5 years. YPHPL will be entitled to collect toll in the entire operation period from the date of completion of the project in lieu of its investment for development of the Project Highway. The total project cost is estimated to be ₹ 137,670 Lakhs.

Entire debt for the project has been tied up and financing documents have been executed for the same. YPHPL has been awarded the project at a grant of ₹ 27,900 Lakhs.

The EPC contract for the project has been awarded to Varha Infra Limited and to your Company.

5. SIDHI SINGRAULI ROAD PROJECT LIMITED (SSRPL)

SSRPL is the SPV incorporated for design, construction, finance and maintenance of a 102.6 kms long four-lane dual carriageway on NH 75E, which includes the construction of new bypasses of Kauchwahi, Behri, Karthua, Bargawa and Gorbi and realignment of certain stretches. The project is located in Madhya Pradesh and is to be developed on BOT (Toll) basis.

The Concession Period is 30 years, including the construction period

of 2 years. SSRPL will be entitled to collect toll in the entire operation period in lieu of its investment for development of the Project Highway. The total project cost estimated to be ₹ 1,09,416 Lakhs.

Entire debt for the project has been tied up and financing documents have been executed for the same.

The EPC contract for the project has been awarded to your Company. The responsibilities of maintenance of the project during construction shall be in the scope of EPC contractor and thereafter SSRPL shall maintain the Project Highway.



MANAGEMENT DISCUSSION AND ANALYSIS

6. 250 MW THERMAL POWER PROJECT

Located in the Chandrapur District of Maharashtra, this project is currently under the pre-development stage, wherein the necessary land required for the project has already been purchased. Currently various statutory clearances and approvals are being obtained.

7. YOUNGTHANG POWER VENTURES LIMITED (YPVL)

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

Presently, the activities related to the preparation of Detailed Project Report are being carried out.

8. TIDONG HYDRO POWER LIMITED (THPL)

THPL, a Special Purpose Vehicle, has signed an agreement with GoHP for developing a 60 MW Tidong – II hydro-electric project in Himachal Pradesh. The pre-feasibility report for the project has been prepared and submitted to GoHP, which has since been approved. The consultants for carrying out the Detailed Project Report and for preparation of Environmental Impact Assessment report will be finalised soon.





9. MORMUGAO TERMINAL LIMITED (MTL)

MTL is the SPV promoted for providing mechanised handling facilities for handling coal at Berth No. 11 on Design, Build, Finance, Operation and Transfer basis at Mormugao Port Trust. The facility will be capable of handling a minimum of 2.33 MTPA with an estimated project cost of ₹ 37,500 Lakhs.

The concession agreement was signed in January 2013 with a concession period of 30 years, including 2 years of construction.

10. SEZ ADITYAPUR LIMITED (SEZAL)

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

MANAGEMENT DISCUSSION AND ANALYSIS

RISK MANAGEMENT

GIPL is in the complex business of infrastructure development. PPP projects generally are capital intensive and have long gestation periods between 3 years to 5 years, coupled with longer ownership periods of 15 years to 35 years. With presence in various infrastructure segments, your Company is exposed to various sector specific and generic risks.

Several new initiatives have been taken by your Company to strengthen our risk management processes for sustainable business performance. Your Company is working on an enterprise wide comprehensive risk management policy, including risk appetite, tolerance and risk limits for more effective, informed and measurable risk management. It has initiated a risk profile study and internal risk rating of potential geographies, sectors and clients to improve opportunity identification and evaluation. Your Company has started engaging outside EPC contractors apart from its parent company as a part of its risk diversification process. Your Company remains focused on the risk profiles of potential vendors and contractors, with an internal vendor risk rating mechanism. This is to ensure smooth construction of projects and avoid risks due to any third party dependence. Your Company is also evaluating various qualitative/quantitative risk management tools, so that technology can be used for better risk management

decisions at various stages of projects from bidding to operations and maintenance. The process of reviews of project construction and implementation is also being strengthened.

Your Company understands the risk environment encompassing its business and has an enterprise risk management framework in place for identification, assessment, mitigation and monitoring of various risks. These risks are classified broadly into three major categories which are given below with some illustrations to indicate / describe the risks.

(I) OPERATIONAL RISKS: RISKS ARISING OUT OF INEFFICIENCIES, INTERNAL FAILURES OR COLLUSION FROM REGULAR OPERATIONS, SUCH AS:

1. Project Opportunity Risk through erroneous omission and inadequate or inappropriate assessment of a project opportunity available for development
2. Bidding Risk on account of inadequate or erroneous assumptions made while arriving at the Financial Bid Variable
3. Financing Risk on account of not achieving a financial closure or achieving a financial closure at a cost higher than assumptions
4. Ownership & Maintenance Risk on account of several risks faced during the operations and maintenance phase of a project

MITIGATION EFFORTS

A careful selection and a thorough evaluation of the projects will minimise the chances of getting into 'Non Bankable – Non Profitable' projects. Your Company follows a robust 'Two Tier' approach of Project Feasibility (Technical Review) and Project Financial Viability (Financial Review). Further, your Company follows a risk specific bid / project risk assessment framework to identify key risks associated with various opportunities and projects, along with their mitigation planning and continuous monitoring.

Further it has 'Zero' tolerance in any defaults in 'Debt' and 'Principle' servicing on ongoing projects. This in turn has built lenders' confidence for funding forthcoming projects at competitive rates. As a result, your Company has managed to attain financial closures even during difficult times for the industry and the economy.





Your Company has laid down standard operating procedures at the sector, function and department levels to ensure business process productivity, responsibility and accountability at various levels. The standard operating procedures are further being strengthened and supported by adequate checks and balances, including risk-based internal audit, documentation management systems and the introduction of delegation of financial and non-financial powers on an integrated basis. This will ensure that a culture of proactive risk management is imbibed at all levels of the organisation with required support systems in place.

Your Company is constantly strengthening its internal checks and controls to identify and reduce / mitigate operational risks. It is also enhancing its system of reviews & reporting to ensure that risks are spotted early and steps are taken to control losses, if any.

Your Company understands the importance of strong cash flow management and treasury management from seamless business continuity perspective, being an infrastructure developer. Considering this, risk review and reporting also intends to focus on cash flow and treasury-based risks on project, sector and company level through an integrated risk assessment technique.

(II) EXTERNAL RISKS - RISKS ARISING OUT OF CHANGES IN THE EXTERNAL ENVIRONMENT, SUCH AS:

1. Regulatory Risk on account of changes in the Regulatory Framework
2. Interest Risk on account of volatility experienced in the Interest Rates in Capital Markets on outstanding project debts
3. Competition Risk on account of strategies applied by existing and new entrants in the infrastructure development business
4. Political Risk on account of lack of stable governance and frequent changes to the Development Plans and projects with a corresponding change in the Government.
5. Natural Calamities (Act of God), civil disturbance etc.

MITIGATION EFFORTS

Your Company pro-actively identifies each significant 'change' and adapts to it with foresight. Your Company has a keen understanding of the regulatory environment enveloping its business. It continues to build strategies not only to sustain, but thrive owing to its 'Early Warning Systems' and meticulous processes. Your Company understands its competition and keeps an update of its contemporaries to stay a notch above them. Your Company has a robust and focused strategy for

MANAGEMENT DISCUSSION AND ANALYSIS



Committee provides a separate internal audit report on processes and SPVs to the Management. Thus, the Board, Management and SPVs are regularly updated on key risks and mitigation measures. All decision making within the organisation, whatever the level of importance and significance, involves the explicit consideration of risks and the application of risk management to an appropriate degree. Further, policies approved from time to time by the Board of Directors / Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.

client, partner, vendor and contract management to avoid various possible external risks. Though your Company cannot avoid a natural calamity, it is adequately geared up with appropriate insurance covers and its Disaster Management and Recovery Plans to minimise losses and restore normalcy within a short time.

(III) STRATEGIC RISKS – RISKS ARISING OUT OF STRATEGIC DECISIONS TAKEN BY THE COMPANY, SUCH AS:

1. Market Risk (Sector, Geography) arising due to inadequate assessment of a sector or geography.
2. Ventures and Alliances (Partnering) Risk on account of inappropriate selection of joint ventures, offshore agents, etc.

3. Capital Risk on account of improper allocation or utilisation of capital.

MITIGATION EFFORTS

Before attempting a secondary acquisition or entering into a new geographical market, infrastructure sector, your Company mandates a thorough research and analysis. These result in an in-depth understanding of the business potential and the prevailing socio-political, regulatory and economic set-up. These go through several rigorous layers of discussions, reviews, sensitivity analysis etc. before decisions are taken for implementation.

The Risk Management Team reviews systems, processes and projects on a regular basis and provides an independent view to the management. Further, the Audit

The Management is in constant pursuit of evolving the Risk Management framework. In this regard, your Company is dedicated to review and strengthen its bid risk management framework, business continuity planning and disaster recovery planning framework, enterprise risk policy and other policies on an ongoing basis. Your Company plans to strengthen the culture of risk awareness among its employees through Risk Newsletters, regular updates on risks, Case Studies and Training Programs. Your Company believes that these measures will prepare your Company to take on the challenges to be confronted at the 'Next Level' of Growth.

INTERNAL CONTROL SYSTEMS

The Company's internal control system is commensurate to the nature and size of its business. It is adequate to safeguard and protect from loss, unauthorised use or disposition of its assets. All transactions are properly authorised, recorded and reported to the management. Your Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has engaged an external auditing firm to conduct periodical audit of various areas of operations from time to time. The Company has also created an in-house internal audit team to strengthen the internal control systems. The audit reports are reviewed by the Management and the Audit Committee of the Board periodically.

FINANCIAL OVERVIEW

TOTAL INCOME:

On a standalone basis, Total Income has increased by 26% on a year-on-year (YoY) basis to ₹ 14,020 Lakhs. Total Income is primarily propelled by Income from Operations, which has increased by 21% to ₹ 12,434 Lakhs in FY2013, up from ₹ 10,298 Lakhs in FY2012. Primary sources of revenue consist of Developers fee of ₹ 7,767 Lakhs, Advisory fee of ₹ 1,148 Lakhs and Operating & Maintenance Income of ₹ 3,518 Lakhs. To add, the Total Income also comprises Other Income of ₹ 1,586 Lakhs in FY2013, compared to ₹ 829 Lakhs in FY2012.

Consolidated Total Income has substantially increased by 63% Y-o-Y to ₹ 69,813 Lakhs. The major drivers of revenue growth are Income from Annuity Projects which has increased by 139%, compared to last year, on

account of income from Gorakhpur Infrastructure Company Limited (GICL) and Kosi Bridge Infrastructure Company Limited (KBICL). Toll income has also increased by 33% as we recognised full year of revenue from the Mumbai-Nasik Expressway Limited (MNEL). Developer Income and Income from Vizag Seaport Private Limited (VSPL) has also contributed positively.

EARNINGS BEFORE INTEREST, DEPRECIATION AND TAXES (EBITDA):

Standalone EBITDA increased by 51% YoY to ₹ 9,729 Lakhs in FY2013 from ₹ 6,440 Lakhs in FY2012. This is led by better operational efficiency which has also improved EBITDA margins to 69% in FY2013, from 58% in FY2012.

Consolidated EBITDA has increased by 113% to ₹ 47,512 Lakhs from ₹ 22,277 Lakhs. Margins have also increased to 68% in FY2013 from 52% in FY2012. During FY2012, the operational expenditure has recognised a one-time expenditure of unabsorbed periodic maintenance, which is an exceptional item and has reduced EBITDA accordingly.

INTEREST AND DEPRECIATION:

While Standalone Depreciation remained largely unchanged, Consolidated Depreciation increased by 107% Y-o-Y to ₹ 16,085 Lakhs in FY2013 from ₹ 7,789 lakhs in FY2012 on account of GICL and KBICL getting operational and charge of



MANAGEMENT DISCUSSION AND ANALYSIS

depreciation in MNEL on a full year basis.

The Standalone Interest Expense increased by 91% to ₹ 4,245 Lakhs in FY2013 from ₹ 2,226 Lakhs in FY2012 on account of higher level of debt of ₹ 53,350 Lakhs in FY2013, as compared to ₹ 17,649 Lakhs in FY2012. Consolidated interest expense too increased by 91% YoY to ₹ 29,683 Lakhs from ₹ 15,565 Lakhs. This is since interest cost pertaining to GICL and KBICL, which were earlier getting capitalised during the construction phase, have now been expensed with these projects getting operational. Also, MNEL achieved full commissioning in September 2011 and thus has recognised interest cost on a full year basis in FY2013. Higher level of debt and its consequential interest cost in standalone books has also impacted the consolidated numbers.

PROFIT AFTER TAX AND MINORITY INTEREST:

Standalone Profit after Tax and Minority Interest declined 8% YoY to ₹ 3,042 Lakhs in FY2013 from ₹ 3,294 Lakhs in FY2012. However, Consolidated Profit Tax and Minority Interest increased by 158% YoY as in FY2013. We have achieved a Profit of ₹ 1,472 Lakhs in FY2013, compared to a loss of ₹ 2,541 Lakhs in FY2012.

SHARE CAPITAL:

During FY2013, the company issued bonus shares of ₹ 105 Lakhs which increased the total Share Capital to ₹ 14,761 Lakhs. Networth of the Company is now ₹ 64,588 Lakhs on a Standalone basis and ₹ 71,271 Lakhs on a Consolidated basis.

NON – CURRENT & CURRENT LIABILITIES:

Standalone Non-Current (long-term) Liability has increased to ₹ 42,969 Lakhs in FY2013 from ₹ 449 Lakhs in FY2012 on account of fresh borrowing. Consolidated Non-Current (long-term) Borrowings increased to ₹ 368,971 Lakhs in FY2013 from ₹ 307,222 Lakhs in FY2012, mainly on account of drawdown for projects which are under the construction phase.

Standalone Current (short-term) Liability has increased by 21% to ₹ 24,799 Lakhs in FY2013 from ₹ 20,559 Lakhs in FY2012 on account of fresh borrowings. Consolidated Current (short-term) Borrowings decreased by 20% to ₹ 67,003 Lakhs in FY2013 from ₹ 84,177 Lakhs in FY2012.

NON – CURRENT & CURRENT ASSETS:

Standalone Non-Current (long-term) Assets have increased by 60% to ₹ 128,211 Lakhs in FY2013 from ₹ 80,213 Lakhs in FY2012 on account of fresh investment and advances in the SPVs. Consolidated Non-Current (long-term) Assets increased by 12%

to ₹ 494,033 Lakhs in FY2013 from ₹ 442,370 Lakhs in FY2012 mainly on account of an increase in intangible assets of ₹ 58,111 Lakhs.

Standalone Current (short-term) Assets of the Company has increased by 74% to ₹ 4,145 Lakhs in FY2013 from ₹ 2,389 Lakhs in FY2012. The Consolidated Current (short-term) Assets decreased by 13% to ₹ 31,232 Lakhs in FY2013 from ₹ 35,724 Lakhs in FY2012.

HUMAN RESOURCES CREATING A NURTURING ENVIRONMENT

Human capital forms one of the core strengths of GIPL. We, at Gammon Infrastructure Projects Limited, realise that the future of an infrastructure company in a knowledge-based economy is largely dependent on building of competencies and harnessing diverse talents. We seek to unleash the talent potential by setting goals, challenging tasks, focussing on meaningful social impacts and fostering a learning environment. Our core values of knowledge base, innovation and sustainability offers novel ways of doing business and attaining resilience in challenging situations.

Our HR practices have been formulated strategically to provide qualified manpower for deployment at our project sites. We ensure optimum utilisation of our human capital. Our comprehensive manpower optimisation models

have been formulated meticulously and staffing is done strictly in accordance with these models. We have developed excellent human resource and specialised skill-sets required for the infrastructure sector. In addition to attracting and retaining fresh talent, we constantly focus on potential management to provide greater depth and width to our organisation.

CORPORATE SOCIAL RESPONSIBILITY

TOGETHER, WE GROW

We are committed towards India's economic and social development. We create inherent value by contributing to the society. As the end-users of our assets are the common man, we realise that any lapse in quality can risk lives. Hence, we remain committed to project quality. Our CSR policy is to function as a responsible corporate citizen, while discharging our social responsibilities towards our stakeholders. We are determined to positively impact the lives of our stakeholders and the public at large through our initiatives and focus areas on safety and clean energy.

SAFETY

Safety is a matter of continuous evaluation and utmost priority at GIPL. Assurance and management of safety is essentially aimed towards protecting our operating staff, general public and the environment. Our HR strives to provide a safe working environment not only to our

corporate staff, but also the workers at each project site. We ensure that safety is maintained across all the stages of project development – design, construction, commissioning and operations & maintenance.

To give an example, the flood-prone Kosi River is one of the largest tributaries of the Ganges which flows from Nepal to Bihar. Known as the Sorrow of Bihar due to its unstable nature, Kosi River changes course frequently causing widespread human suffering. Our 1.8 kms bridge, Kosi Mahasetu, is a lifeline to millions. It will help promote commerce by cutting down the distance between Saharsa, Purnia and Madhepura districts with Darbhanga and Madhubani districts.

SOUND VISION

Focusing strongly on vigilance for each project, our senior management's thought-process transcends boundaries. Their prime focus and commitment is to implement adequate safety mechanisms at project sites to avoid mishaps during and post-construction. Sitting on a responsible chair, we never compromise on the safety aspect. We remain committed to identify each black spot in the designing stage and rectify it before construction begins.

CLEAN ENERGY

Due to the inadequate availability of other energy sources in India, renewable energy is not only a sustainable option, but also a viable

alternative. Renewable energy is envisaged to play a greater role in India's electricity portfolio due to its undeniable merits and cost effectiveness. Being a socially responsible company, we focus on increasing the supply of clean energy. We believe in deployment of environment-friendly and sustainable technologies for power generation.

CAUTIONARY STATEMENTS

Statements in this Management Discussion & Analysis may be deemed to be 'forward looking statements' within the meaning applicable securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the Company exercises no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realised by the Company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the Company's operations including domestic and international economic conditions affecting demand, supply and price conditions, changes in government regulations, tax regimes and other statutes etc.

DIRECTORS' REPORT

To
The Shareholders of
Gammon Infrastructure Projects Limited

Your Directors have pleasure in submitting their twelfth Annual Report together with the Audited Accounts of the Company, for the period 1st April, 2012 to 31st March, 2013 (the "Period").

FINANCIAL HIGHLIGHTS

For a true assessment of your Company's strength, you are requested to refer to the 'consolidated accounts' of the Company as well as the 'stand-alone accounts'.

As per Consolidated Accounts:

Particulars	(₹ in Lakhs)	
	March 31, 2013	March 31, 2012
Income	69,813.92	42,937.53
Earnings before interest, tax, depreciation and amortisation	47,512.13	22,277.32
Financial costs	29,683.38	15,565.94
Depreciation and amortisation	16,085.22	7,789.92
Tax expenses	(739.11)	1,152.56
Minority interest & share of profit of associates	1,010.01	310.71
Net profit	1,472.63	(2,541.81)

As per Standalone Accounts:

Particulars	(₹ in Lakhs)	
	March 31, 2013	March 31, 2012
Income	14,020.44	11,127.97
Earnings before interest, tax, depreciation and amortisation	9,729.77	6,440.29
Financial costs	4,245.90	2,226.51
Depreciation and amortisation	199.27	199.71
Tax expenses	2,241.93	720.06
Net profit	3,042.67	3,294.01

DIVIDEND

With a view to conserve resources for funding the ongoing projects, the Board has not recommended any dividend on equity shares for the Period.

COMPANY'S BUSINESS

Your Company has a basket of thirteen projects in the Road Sector, three in the Port Sector and five in the Energy Sector, which are at various stages of construction and/or operation and management through various SPVs.

The SPVs in the Road Sector are:

(a) Toll based projects:

- (1) Cochin Bridge Infrastructure Company Ltd., the SPV which constructed and has been operating and managing the New Mattancherry Bridge connecting Fort Kochi with Willingdon Island in the Cochin Port Trust Area in the State of Kerala since September, 2001.
- (2) Mumbai Nasik Expressway Ltd., which four laned and has been operating and managing the Vadape to Gonde stretch of National Highway 3 connecting Mumbai and Nashik in the State of Maharashtra since May, 2010.
- (3) Rajahmundry Godavari Bridge Ltd., which is constructing a four lane bridge across the Godavari River, together with the approach roads on both sides, linking Rajahmundry to Kovvur in the State of Andhra Pradesh. Construction is in an advanced stage.
- (4) Patna Buxar Highways Ltd., which has signed the concession agreement with the National Highways Authority of India ("NHAI") for four laning the Patna to Buxar stretch of National Highway 30 in the State of Bihar. The debt portion of the project cost has been tied up and resource mobilization at the site has been initiated.
- (5) Vijayawada Gundugolanu Road Project Pvt. Ltd., which has signed the concession agreement with NHAI for six laning the Vijayawada to Gundugolanu stretch of National Highway 5, including a four lane bypass to Vijayawada town, in the State of Andhra Pradesh. The debt portion of the project cost has been tied up. However, construction at the site has not commenced as the client has not handed over the project site to the SPV.
- (6) Yamunanagar Panchkula Highway Pvt. Ltd., which has signed the concession agreement with NHAI for four laning the Uttar Pradesh/Haryana border to Panchkula stretch of National Highway 73 in the State of Haryana. The debt portion of the project cost has been tied up. However, construction at the site has not commenced as the client has not handed over the project site to the SPV.
- (7) Birmitrapur Barkote Highway Pvt. Ltd., which has signed the concession agreement with NHAI for undertaking the rehabilitation and upgradation of the Birmitrapur to Barkote section of National Highway 23 in the State of Orissa. The debt portion of the project cost has been tied up. However, construction at the site has not commenced as the client has not handed over the project site to the SPV.
- (8) Sidhi Singrauli Road Project Ltd., which has signed the concession agreement with Madhya Pradesh Road Development Corporation for four laning the Sidhi to Singrauli section of the National Highway 75E in the State of Madhya Pradesh. The debt portion of the project cost has been tied up. However, construction at the site has not commenced as the client has not handed over the project site to the SPV.

(b) Annuity based projects:

- (1) Rajahmundry Expressway Ltd., which four laned and has been operating and managing the Rajahmundry to Dharmavaram stretch of National Highway 5 in the State of Andhra Pradesh since September, 2004.
- (2) Andhra Expressway Ltd., which four laned and has been operating and managing the Dharmavaram to Tuni stretch of National Highway 5 in the State of Andhra Pradesh since October, 2004.

DIRECTORS' REPORT

- (3) Kosi Bridge Infrastructure Company Ltd., which has constructed a four lane bridge across the Kosi River on National Highway 57 in the State of Bihar, which received the provisional completion certificate on 8th February, 2012. The project has been in operation since then.
- (4) Gorakhpur Infrastructure Company Ltd., which has constructed a four lane bypass to Gorakhpur Town on National Highway 28 in the State of Uttar Pradesh. The project received the provisional completion certificate on 31st March, 2012.
- (5) Patna Highway Projects Ltd., which has signed the concession agreement with NHAI for four laning the Patna to Muzafarpur stretch of the National Highway 77 together with a bypass to the Muzafarpur town in the State of Bihar. Construction is in an advanced stage.

The three SPVs in the Port Sector are:

- (1) Vizag Seaport Pvt. Ltd., which constructed two multipurpose berths in the inner harbor of the Visakhapatnam Port, capable of handling upto 9 MTPA, of which the first berth became operational in July, 2004 and the second in September, 2005.
- (2) Indira Container Terminal Pvt. Ltd, which is constructing two offshore container berths at the Mumbai harbor. Construction is in an advanced stage.
- (3) Mormugao Terminal Ltd., which signed a Concession Agreement with the Mormugao Port Trust for providing mechanized handling facilities for handling coal at one of the berths in the Mormugao Port.

Further, the Company has decided not to pursue the project to construct an iron ore berth at Paradip Port on account of the Port Trust's inability to obtain timely environmental and forest clearances.

The five SPVs in the Energy Sector are:

- (1) Sikkim Hydro Power Ventures Ltd., which has started construction activities for the 66 MW hydro-electric power project in West Sikkim on the river Rimbhi, a tributary of river Rangit.
- (2) Pravara Renewable Energy Ltd., which has started construction activities for a 30 MW cogeneration power project at Pravaranagar in Ahmednagar District of Maharashtra. The financial closure of the project has been achieved. It is proposed to merge this SPV with the Company.
- (3) Youngthang Power Ventures Ltd., which has the license to set up a 261 MW power project on the river Spiti in the State of Himachal Pradesh.
- (4) Tidong Hydro Power Ltd., which has the license to set up a 60 MW hydro-electric project on the Tidong River (tributary of Satluj) in the Kinnaur district of Himachal Pradesh.
- (5) Aparna Infraenergy India Pvt. Ltd. which is in the process of completing the preliminary requirements for setting up a 250 MW thermal power project in Chandrapur district of Maharashtra.

Other Sectors

Special Economic Zones

No progress has been achieved in the project to develop the auto-component SEZ over 90 acres of land at Adityapur in the State of Jharkhand. The project has been delayed for want of forest clearance. Your Company is a minority partner in the project.

The Company has also decided to go slow on the project to set up a multi-purpose 'special economic zone' at Tada in Andhra Pradesh in view of the unfavorable business climate for projects of this nature.

Other Business

In addition to undertaking infrastructure development through SPVs, the Company also undertakes operation & maintenance of the five road projects developed by Andhra Expressway Ltd., Rajahmundry Expressway Ltd., Mumbai Nasik Expressway Ltd., Kosi Bridge Infrastructure Company Ltd. and Gorakhpur Infrastructure Company Ltd.

The Company is also undertaking construction work at the Patna-Buxar and Sidhi-Singrauli projects.

THE FUTURE

The Company and its 100% subsidiary Gammon Road Infrastructure Ltd. ("GRIL"), have been shortlisted to bid for 32 projects across sectors such as roads, ports, power including transmission and urban infra collectively having an estimated project cost of over ₹ 31,663.66 Crores.

Further, the Company and GRIL have submitted pre-qualification applications for 49 projects across various sectors, which have an estimated aggregate project cost of over ₹ 51,281.88 Crores. Results are awaited for these pre-qualification applications.

Going forward the Company will focus on selective opportunities which have lower risk, lower investment and which will supplement our existing portfolio.

EQUITY CAPITAL

The paid up capital of the Company has increased from ₹ 1,465,629,736 to ₹ 1,476,155,376 during the Period, mainly on account of allotment of bonus shares in the ratio of 1:34 to the existing shareholders of the Company other than the Promoters. The bonus issue was made to comply with SEBI's stipulation that public holding in listed companies should be at least 25%.

The Company has not been able to make the rights issue of shares in view of the unfavorable investment climate for infrastructure securities.

EMPLOYEE STOCK OPTION SCHEME

Details of the 'employee stock options' already issued by the Company, required to be stated in this Report as per SEBI Guidelines is annexed to this Report as Annexure 1. A certificate from the Auditors that the Employee Stock Options Scheme has been implemented by the Company in accordance with the SEBI Guidelines is annexed to this Report as Annexure 2.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

The requirements of Section 217 (1) (e) of the Companies Act, 1956, read with Rule 2(A) & 2(B) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

The Company did not earn any foreign exchange during the Period. The Company expended foreign exchange equivalent to just over ₹ 10.87 lakhs during the Period.

SUBSIDIARIES

During the Period, the Company incorporated four subsidiaries, namely, Birmiritrapur Barkote Highway Pvt. Ltd., Yamunanagar Panchkula Highway Pvt. Ltd., Sidhi Singrauli Road Project Ltd., and Mormugao Terminal Ltd.

DIRECTORS' REPORT

A statement u/s 212 of the Companies Act, 1956 relating to the subsidiaries is attached to the Balance Sheet of the Company. The Company has not attached the audited accounts of the subsidiaries to the Audited Accounts of the Company. However, the effect of the same has been brought out in the consolidated Audited Accounts of the Company. The annual accounts of the subsidiaries and the related information will be made available to the Company's and subsidiaries' investors as and when required by them. These have also been kept for inspection of the investors at the Registered Office of the Company and of the concerned subsidiaries.

PARTICULARS OF EMPLOYEES

Particulars of employees required under Section 217(2A) of the Companies Act, 1956 is annexed to this Report as Annexure 3.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- a. the applicable accounting Standards along with proper explanation relating to material departures have been followed by the Company in preparation of the Annual Accounts for the Period;
- b. 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 at the end of the Period and of the profits of the Company for the Period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the annual accounts are prepared on a going concern basis.

BOARD OF DIRECTORS

As per Article 169 of the Articles of Association of your Company, Mr. Himanshu Parikh and Mr. Parag Parikh are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Sanjay Sachdev, Mr. Kunal Shroff and Mr. Rajeevkumar Malhotra have resigned from the Board since the last Annual General Meeting.

BOARD COMMITTEES

The Board has presently the following committees to assist it in its work:

- (i) Audit Committee to, inter-alia, oversee and review the financial reporting system and disclosures made in its financial results;
- (ii) Shareholders/Investors Grievance Committee to, inter-alia, redress investor complaints;
- (iii) Remuneration Committee to approve appointments and remuneration of executive directors;
- (iv) Compensation Committee to administer the 'Employee Stock Option Scheme';
- (v) Project Committee to, inter-alia, advice the Company on the business opportunities that arise from time to time; and
- (vi) Projects Review Committee to review implementation and working of projects under development and operation.

The constitution of the various committees, its powers and duties have been elaborated in greater detail in the 'Corporate Governance Report', which is annexed to the Annual Accounts.

REPORT ON CORPORATE GOVERNANCE

Attention of the Shareholders is invited to a separate section titled 'Report on Corporate Governance' which is annexed to the Annual Accounts. A certificate of compliance issued by Mr. N. Veeraraghavan, a 'practicing company secretary' on compliance with corporate governance requirements of the Listing Agreement is annexed to this Report as Annexure 4.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Attention of the Shareholders is also invited to a separate section titled 'Management Discussion and Analysis Report' which is annexed to the Annual Accounts.

PUBLIC DEPOSITS

Your Company has not accepted deposits under Section 58A of the Companies Act, 1956.

AUDITORS

The Company's auditors, M/s. Natvarlal Vepari & Co. and M/s. S. R. Batliboi & Co. LLP retire at the Annual General Meeting and being eligible and willing to be re-appointed as Auditors of the Company, have submitted their certificates to the effect that their re-appointments, if made, will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The Board recommends their reappointment.

AUDITORS' REPORT

The Auditors have in their CARO Report pointed out that the Company has used short term funds to the tune of ₹ 203 crores approx. for investment in long term assets. This was purely an interim measure as the Company is actively pursuing measures to raise long term resources by way of securitization of cash flows of some of the SPVs and sale, part sale of some of the completed projects.

ACKNOWLEDGEMENTS

The Board wishes to place on record their appreciation of the support received by the Company from its shareholders and employees. The Directors also wish to acknowledge the co-operation and assistance received by the Company from its business partners, bankers, financial institutions and various Government, Semi Government and Local Authorities.

For and on behalf of the Board of,

Gammon Infrastructure Projects Limited

Abhijit Rajan
Chairman & Managing Director

Himanshu Parikh
Vice Chairman

K.K. Mohanty
Managing Director

Place: Mumbai
Date: August 09, 2013

DIRECTORS' REPORT

ANNEXURE 1

EMPLOYEES STOCK OPTIONS (OPTIONS)

(A) ESOP Scheme 2007 :

Financial Year Grant Date	2012-13			2011-12		
	July 1, 2007	October 1, 2007	October 1, 2008	July 1, 2007	October 1, 2007	October 1, 2008
Options granted / subsisting	305,750	-	180,000	420,250	25,000	270,000
Pricing Formula	Fixed Price	Fixed Price	Market Price as on grant date	Fixed Price	Fixed Price	Market Price as on grant date
Options vested during the year-	-	-	-	161,000	10,000	90,000
Options exercised during the year	-	-	-	-	-	-
Total number of Equity Shares arising as a result of exercise of Options	-	-	-	-	-	-
Options lapsed /forfeited during the year	144,750	-	180,000	114,500	25,000	90,000
Variation of terms of Options	None	None	None	None	None	None
Money realized by exercise of Options	NA	NA	NA	NA	NA	NA
Total number of options in force	161,000**	-	-	305,750	-	180,000
Weighted average exercise price (₹)	*16/-	*16/-	*12.79/-	*16/-	*16/-	*12.79/-

* following sub-division of face value of shares from ₹ 10/- to ₹ 2/-

** these Options have lapsed on 1st July, 2013.

(B) ESOP Scheme 2008:

Financial Year Grant Date	2012-13		2011-12	
	October 1, 2008	May 8, 2009	October 1, 2008	May 8, 2009
Options granted / subsisting	93,334	100,000	126,668	125,000
Pricing Formula	Market Price as on grant date	Fixed Price	Market Price as on grant date	Fixed Price
Options vested during the year	-	38,334	76,668	38,333
Options exercised during the year	-	-	-	4,692
Total number of Equity Shares arising as a result of exercise of Options	-	-	-	23,460
Options lapsed /forfeited during the year	25,000	100,000	33,334	20,308
Variation of terms of Options	None	None	None	None
Money realized by exercise of Options	-	-	-	300,002.24
Total number of options in force	68,334	-	93,334	100,000
Weighted average exercise price (₹)	*12.79/-	*12.79/-	*12.79/-	*12.79/-

* following sub-division of face value of shares from ₹ 10/- to ₹ 2/-

(C) WEIGHTED AVERAGE FAIR VALUE OF 16,40,000 PRE-IPO OPTIONS*:

On 352,250 Options with Exercise Period of 01.07.08 to 30.06.10	₹41.54
On 421,750 Options with Exercise Period of 01.07.09 to 30.06.11	₹48.68
On 5,000 Options with Exercise Period of 01.07.09 to 30.06.11	₹67.12
On 410,250 Options with Exercise Period of 01.07.10 to 30.06.12	₹54.59
On 10,000 Options with Exercise Period of 01.07.10 to 30.06.12	₹73.58
On 430,750 Options with Exercise Period of 01.07.11 to 30.06.13	₹59.62
On 10,000 Options with Exercise Period of 01.07.11 to 30.06.13	₹79.24
Description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	Black-Scholes Option Pricing Model
(1) (a) risk-free interest rate on 1,615,000 Options granted on 01.07.07;	7.49%
(b) risk-free interest rate on 25,000 Options granted on 01.10.07	7.77% (for 3 years maturity) 7.71% (for 4 years maturity) 7.81% (for 5 years maturity)
(2) (a) expected life of 1,615,000 Options granted on 01.07.07;	2 to 5 years
(b) expected life of 25,000 Options granted on 01.10.07	2.75 to 4.75 years
(3) expected volatility;	51%
(4) expected dividends; and	-
(5) the price of the underlying share in market at the time of option grant.	-

*each Option entitles the holder to apply for 5 equity shares of the Company following the sub-division of the face value of the shares from ₹10/- to ₹2/-.

(D) WEIGHTED AVERAGE FAIR VALUE OF OPTIONS GRANTED POST IPO (₹)

Scheme	Under ESOPs Scheme, 2007	Under ESOPs Scheme, 2008 (October, 08 grant)	Under ESOPs Scheme, 2008 (May, 09 grant)
Number of Options*	270,000	490,000	210,000
Weighted average fair value of Options granted during the year (₹)	40.46	40.46	36.12
Option pricing model used and underlying assumptions	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model
Equity Share Price (₹)	74.30	74.30	70.85
Exercise Price (₹)	63.95	63.95	63.95
Expected Volatility	0.5169	0.5169	0.7508
Weighted average on unexpired life of Options (in years)	2.51	2.51	0.76
Expected dividend	Nil	Nil	Nil
Risk Free Interest Rate	8.61%	8.61%	5.03%
Basis of determination of volatility	Average of GIPL (from date of listing) and four previous years of IVRCL and Nagarjuna Construction Company)	Average of GIPL (from date of listing) and four previous years of IVRCL and Nagarjuna Construction Company)	Average of GIPL (from date of listing) and two previous years of GVK and GMR)

*each Option entitles the holder to apply for 5 equity shares of the Company following the sub-division of the face value of the shares from ₹10/- to ₹2/-.

DIRECTORS' REPORT

(E) EMPLOYEE-WISE DETAILS OF OPTIONS GRANTED TO SENIOR MANAGERIAL PERSONNEL / EXCEEDING 5% OF OPTIONS GRANTED DURING THE YEAR.

Scheme	Under ESOPs Scheme, 2007 (pre-IPO grant) (July, 07 grant)	Under ESOPs Scheme, 2007 (October, 08 grant)	Under ESOPs Scheme, 2008 (October,08 grant)	Under ESOPs Scheme, 2008 (May, 09 grant)
Employee-wise details of Options granted to Directors and senior managerial personnel.	Mr. Parag Parikh – 240,000 (14.63% of Options issued in the year 2007); Mr. Kshitiz Bhasker – 150,000 (9.15% of Options issued in the year 2007); Mr. G.Sathis Chandran – 70,000 (4.27% of Options issued in the year 2007).	Mr. Parag Parikh – 120,000 (6.28% of Options issued in the year 2008); Mr. Kshitiz Bhasker– 120,000 (6.28% of Options issued in the year 2008).	Mr. G. Sathis Chandran – 100,000 (5.24% of Options issued in the year 2008).	Mr. Kalpesh Pathak – 75,000 (35.71% of Options issued in the year 2009); *Mr. Kavin Mirchandani – 25,000 (11.90% of Options issued in the year 2009)

No other employee has been granted Options exceeding 5% or more of the Options granted in any calendar year under any of the Schemes. Further, no employee has been granted Options exceeding 1% of issued capital of the Company in any calendar year (at the time of grant) under any of the Schemes.

*No longer in the service of the Company.

(F) DILUTED EARNINGS PER SHARE (AT THE FACE VALUE OF ₹ 2/-)

Financial Year	2012-13	2011-12
Diluted earnings per share pursuant to issue of Equity Shares on exercise of option calculated in accordance with Accounting Standard (AS – 20)	0.41	0.45

(G) DETAILS OF IMPACT ON EARNINGS PER SHARE IF THE COMPANY HAD FOLLOWED FAIR VALUE METHOD OF VALUATION FOR OPTIONS GRANTED

	March 31, 2013	March 31, 2012
Difference between the employee compensation cost calculated by the Company at intrinsic value and fair value of Options and its impact on profits and earnings per share	₹ 186,948	₹ 6,801,739*
	Net profit would come down from ₹ 3,043 lakhs to ₹ 3,041 lakhs. EPS would come down from 0.4144 to 0.4142.	Net profit would come down from ₹ 3,294 lakhs to ₹ 3,226 lakhs*. EPS would come down from 0.45 to 0.44.

*During the current year, while calculating the charge at intrinsic value for the above purpose, gross charge is taken without considering the reduction in expenses on account of reversal of ESOP liability due to lapse / forfeiture of options. Due to this the comparative figures also have been re-worked as ₹ 6,801,739/- instead of ₹ 7,818,187/- as reported in the previous year. Similarly the net profit would come down to ₹ 3,226 lakhs instead of ₹ 3,216 lakhs as reported in the previous year.

ANNEXURE 2

CERTIFICATE FROM THE AUDITORS REGARDING COMPLIANCE OF SEBI (ESOS AND ESPS) GUIDELINES, 1999

The Board of Directors
Gammon Infrastructure Projects Limited
Gammon House
Veer Savarkar Marg
Prabhadevi
Mumbai 400 025

Dear Sirs,

In accordance with your intimation dated 2nd August 2013, we have examined management's assertion, that Gammon Infrastructure Projects Limited ('the Company') has implemented its Employee Stock Option Schemes ('the Schemes') in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 [Revised] ('the guidelines') during the year ended March 31, 2013. The implementation of the Schemes in accordance with the guidelines and the resolution is the responsibility of the Company's management. Our responsibility is to express an opinion on this implementation of the Schemes by the Company in accordance with the guidelines and the resolution.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included examining, on a test basis, evidence about the Company's implementation of the Scheme in accordance with the guidelines and the resolution and performing such other procedures as we considered necessary in the circumstances. Our examination was neither an audit nor was it conducted to express an opinion on the statement or the Scheme. Further, our examination does not provide a legal determination on the Company's implementation of the Scheme in accordance with the guidelines and the resolution.

Based on our examination, nothing came to our attention that caused us to believe that the Company has not implemented the Scheme during the year ended March 31, 2013, in all material respects, in accordance with the aforementioned guidelines and the resolution.

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

(sd)
Rajesh N.
Partner
M. No. 109528
Mumbai, Dated: 9th August 2013
Ref-A/0301/RN/13-14/271

DIRECTORS' REPORT

ANNEXURE 3

STATEMENT OF PARTICULARS U/S 217 (2A) OF THE COMPANIES ACT, 1956

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2013.

Sr. No	Name of Employee	Age (Yrs/ Months)	Designation/ Nature of Duties	Gross Remuneration* (in ₹)	Qualification & Experience (Yrs/ Months)	Date of Employment	Last Employment Held
1	Mr. Parag Parikh	36/ 6	Executive Director & CFO	15,034,828	PGMBA (Fin), M.Com, B.Com. 13/5	14-Oct-99	--
2	Mr. Kshitiz R Bhasker	37/ 7	Head – Business Development	12,394,148	MBA (Fin) , B.E. (Civil), 13/6	1-Sep-04	Self Employed
3	Mr. Kalpesh Pathak	40/10	Head- Energy & Urban Infra	10,295,006	B.E., M.B.A., Dip. in Rail Transport, 17	4-May-2009	Lehman Brothers Advisers Pvt. Ltd.
4	Mr. Kishor Kumar Mohanty	55/ 9	Managing Director	22,872,200	MBA, B. Tech 34	24-Mar-11	SREI Infrastructure Finance Ltd.
5	Mr. Rajeev Kumar Malhotra	60/ 7	Executive Director	7,718,112	M.Tech (Civil) , B.E. (Civil) 34	1-Apr-11	Gammon India Limited
6	Mr. Vishwanath Seshadri	51/ 6	Chief Risk Officer	6,525,287	ICWA, CA, B.Com 29	1-Apr-11	Consultant on Banking (Self Employed)
7	Mr. Shrikant Santhanam	46/ 6	Vice President - Finance	6,912,883	Master in Management, MMS (Finance), B.E. (Mech.) 11/6	2-Sep-11	GMR Infra
8	Mr. Kaushik Chaudhuri	45/ 5	Chief Internal Auditor	6,085,000	C.A, ICWA, B.Com 22/2	12-Jan-12	SREI Infrastructure Finance Ltd.
9	Mr. Neeraj Vijay	45/10	Head – Road Projects	6,070,063	M.Com (Economics) 22/2	16-Feb-12	Madhya Pradesh Road Development Corporation

* Does not include employers' contribution to provident fund, gratuity fund, personal accident premium and unclaimed leave travel allowance.

Notes:

Nature of employment of the Managing Director is contractual.

None of the above employees is a relative of any Director of the Company.

No employee of the Company, other than Mr. Abhijit Rajan, the Chairman and Managing Director (who is not drawing any remuneration from the Company) holds 2% or more of the equity shares of the Company.

ANNEXURE 4

CERTIFICATE FROM THE PRACTISING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Gammon Infrastructure Projects Limited

I have examined the compliance of conditions of Corporate Governance by Gammon Infrastructure Projects Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the officers and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

I state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders / investors grievance committee.

I 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.

(sd)

Veeraraghavan. N
Practising Company Secretary
C.P.No. 4334

Place: Mumbai
Date: 7th August, 2013

REPORT ON CORPORATE GOVERNANCE

1.0 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Introduction

The Company's commitment for effective Corporate Governance continues and the Company has always been at the forefront of benchmarking its internal systems and policies within accepted standards so as to facilitate the creation of long term value for its shareholders.

2.0 BOARD OF DIRECTORS

Composition of the Board of Directors and attendance at the Board Meetings

The Board of Directors consists of eight Directors of which five are Non-Executive and three are Executive Directors. The Chairman is an Executive Director; apart from him there are two Executive Directors one being the Managing Director and other being the Chief Financial Officer. Out of the five Non-Executive Directors four are Independent Directors.

The three Executive Directors of the Company are Mr. Abhijit Rajan – Chairman & Managing Director, Mr. Kishor Kumar Mohanty – Managing Director and Mr. Parag Parikh - Whole Time Director & Chief Financial Officer.

The policy of the Board is to have an appropriate mix of executive and independent directors to maintain independence of the Board and to separate governance from management. Care has also been taken to ensure that the Board is broad based with various skill sets. The Board structure is in compliance with Clause 49 of the Listing Agreement.

During the financial year ended 31st March, 2013 the Board met five times on 9th May, 2012, 10th August, 2012, 8th November, 2012, 13th February, 2013 and 1st March, 2013.

The composition of the Board of Directors as at 31st March, 2013 and details of Directors' attendance at Board Meetings and Annual General Meeting, the other directorships and Committee Chairmanships/ Memberships held by the Directors are as follows:

Name of Director	Out of five Board Meetings held during the year the Director attended	Attendance at Last AGM	No. of Directorships in other public companies\$	No. of Committee Positions held in public companies including the Company*.	
				Chairman	Memberships including chairmanships
Mr. Abhijit Rajan Chairman & Managing Director	4	Yes	4	-	-
Mr. Himanshu Parikh Vice Chairman	4	Yes	4	1	1
Mr. Kishor Kumar Mohanty Managing Director	5	Yes	4	-	1

Name of Director	Out of five Board Meetings held during the year the Director attended	Attendance at Last AGM	No. of Directorships in other public companies\$	No. of Committee Positions held in public companies including the Company*.	
				Chairman	Memberships including chairmanships
Mr. Rajeevkumar Malhotra Whole Time Director**	5	Yes	10	-	6
Mr. Parag Parikh Whole Time Director	5	Yes	11	5	6
Mr. C. C. Dayal Independent Director	4	Yes	10	3	8
Mr. Sanjay Sachdev Independent Director#	2	No	-	-	-
Mr. Naresh Chandra Independent Director	4	Yes	11	1	10
Mr. S. C. Tripathi Independent Director	4	No	8	-	6
Mr. Kunal Shroff Independent Director##	2	No	-	-	-
Ms. Homai A. Daruwalla Independent Director	4	Yes	4	1	4

\$ excludes private, foreign, unlimited liability companies and companies registered under section 25 of the Companies Act, 1956

* indicates membership of Audit & Shareholders'/Investors' Grievances Committees across all public limited companies.

** Resigned w.e.f. 7th May, 2013.

Resigned w.e.f. 30th September, 2012.

Resigned w.e.f. 8th November, 2012.

Remuneration of Directors

Executive Directors

Mr. Abhijit Rajan, Chairman & Managing Director, was re-appointed as the Chairman & Managing Director of the Company for a period of three years with effect from 23rd January, 2012. He does not draw any remuneration from the Company.

Mr. Kishor Kumar Mohanty was appointed as the Managing Director of the Company for a period of three years with effect from 12th April, 2011. Mr. Mohanty's remuneration payable for 2012-13 is as follows:

	(In ₹)
Salary	22,857,200
Benefits	2,988,178
Total	25,845,378

REPORT ON CORPORATE GOVERNANCE

Mr. Rajeevkumar Malhotra was appointed as the 'Director in whole time Employment' of the Company for a period of three years with effect from 1st April, 2011. Mr. Malhotra resigned w.e.f. 7th May, 2013. Mr. Malhotra's remuneration payable for 2012-13 is as follows:

	(In ₹)
Salary	6,812,520
Benefits	1,488,212
Total	8,300,732

Mr. Parag Parikh was appointed as the 'Director in whole time Employment' of the Company for a period of three years with effect from 25th August, 2011. Mr. Parikh's remuneration payable for 2012-13 is as follows:

	(In ₹)
Salary	7,237,300
Benefits	2,562,544
Retention Bonus	7,200,000
Total	16,999,844

Non Executive Directors

As approved by the members, the Company pays commission to the Non-Executive Independent Directors. Apart from commission, the Non-Executive Directors are also paid sitting fees of ₹ 20,000/- (Rupees Twenty Thousand Only) per meeting, for attending the meeting(s) of the Board of Directors and the Audit Committee. The details of commission payable /sitting fees paid for the period under report are as under:

Name	Sitting Fees (₹)	Commission (₹)
Mr. Naresh Chandra	160,000	300,000
Mr. Sanjay Sachdev*	80,000	-
Mr. C. C. Dayal	160,000	300,000
Mr. S. C. Tripathi	160,000	300,000
Mr. Himanshu Parikh	80,000	-
Mr. Kunal Shroff**	40,000	-
Ms. Homai A. Daruwalla	100,000	300,000

*resigned w.e.f. 30th September, 2012

** resigned w.e.f. 8th November, 2012

There were no other pecuniary relationships or transactions between the Non- executive Directors and the Company.

Shareholdings of Directors

The Shareholdings of the Directors as on 31st March, 2013 are as under:

Name	No. of Equity Shares held
Mr. Abhijit Rajan	29,281,047
Mr. Himanshu Parikh	3,814,517
Mr. Parag Parikh	252,206
Mr. Kishor Kumar Mohanty	103,456
Mr. R. K. Malhotra*	92,648
Mr. C. C. Dayal	25,736
Ms. Homai A. Daruwalla	541

* resigned w.e.f. May 7, 2013

Code of Conduct

The Company has put in place a Code of Conduct for the Directors and the senior management. The Code of Conduct is posted on the website of the Company (www.gammoninfra.com).

All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct, which has been taken on record by the Board. A certificate signed by the Chairman & Managing Director is annexed to this report.

Insider Trading Code

As per SEBI (Prevention of Insider Trading) Regulations, 1992, the Company has adopted a Code of Conduct for prevention of Insider Trading. This code is applicable to all the Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

MD / CFO Certificate

The Managing Director and the Chief Financial Officer have certified to the Board about the correctness of the annual financial statements and cash flow statements as required by Clause 49 of the Listing Agreement.

3.0 AUDIT COMMITTEE

The members of the Audit Committee are:

Mr. C.C. Dayal (Chairman),
 Mr. Kishor Kumar Mohanty
 Mr. Naresh Chandra
 Mr. Sushil Chandra Tripathi and
 Ms. H.A. Daruwalla (w.e.f. 08.11.12)

During the period under report, the Audit Committee conducted its business at four meetings held on 9th May, 2012; 10th August, 2012; 8th November, 2012; and 13th February, 2013. Attendance of the Audit Committee members at such meetings is as follows:

Name	No. of Meetings attended by the current members during the year
Mr. C. C. Dayal	4
Mr. Kishor Kumar Mohanty	4
Mr. Sanjay Sachdev*	2
Mr. Naresh Chandra	4
Mr. Sushil C. Tripathi	4
Ms. H.A. Daruwalla	1

* resigned w.e.f. 30.09.12

The terms of reference stipulated by the Board to the Audit Committee, as per Section 292A of the Companies Act, 1956 include:

1. Discussions with the Auditors periodically about internal control systems and the scope of audit including observations of the Auditors;
2. Review of the quarterly, half yearly and annual financial statements and analyzing the performance of the Company, along with the management, before the same are forwarded to the Board with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements having financial statement implications;
3. Recommending the appointment and removal of statutory and internal auditors, fixing the audit fees and approving payment of other services;

REPORT ON CORPORATE GOVERNANCE

4. Discussions with the internal auditors regarding any significant findings and follow up thereon;
5. Monitoring the adequacy of the internal control environment including computerized information control system and security and management information systems;
6. To provide directions and oversee the operation of the total audit function in the Company (internal as well as external).

4.0 SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The members of the Shareholders'/ Investors' Grievance Committee are:

- Mr. Himanshu Parikh (Chairman); and
- Mr. C. C. Dayal

The Shareholders'/Investors' Grievance Committee has been set up for the following purposes:

- redressing complaints from shareholders such as non-receipt of dividend, annual report, transfer of shares and issue of duplicate share certificates;
- monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares issued by the Company.
- issues relating to the relationship of the Company with its Share Transfer Agents, including appointment of, termination of and agreement with Share Transfer Agents.

During the year company has received 3 complaints which were resolved on time and no complaint has remained pending at the year end. The status of complaints is periodically reported to the Committee and Board of Directors in their meetings.

Mr. G. Sathis Chandran, Company Secretary, is the Compliance Officer of the Company.

During the period under report, the Committee met only once on 2nd February, 2013.

5.0 REMUNERATION COMMITTEE

The Remuneration Committee comprises of three non-executive Directors viz Mr. C.C. Dayal (Chairman), Mr. S. C. Tripathi and Ms. H. A. Daruwalla (w.e.f. 13.02.13). The Committee has been constituted to oversee the appointment and terms of remuneration of Executive Directors.

The Committee has not met during the period under review.

6.0 COMPENSATION COMMITTEE

The Compensation Committee comprises of Mr. C.C. Dayal (Chairman), Mr. Kishor Kumar Mohanty and Ms. H. A. Daruwalla (w.e.f.13.02.13). The Committee has been constituted to administer the 'Employee Stock Options Scheme' and related issues.

During the period under report, the Committee conducted its business by resolutions by circulation dated 18th July, 2012 and 13th February, 2013.

7.0 PROJECT COMMITTEE

The Project Committee comprises of Mr. Abhijit Rajan, Mr. Himanshu Parikh and Mr. Kishor Kumar Mohanty. The Committee has been constituted to evaluate and decide the business opportunities that the Company might want to take up, with emphasis on infrastructure related BOT/BOOT and allied projects from the point of:

- (a) assessment and minimization of legal and business risk;
- (b) business / consortium partners;
- (c) terms of engagement with consortium partners, technology providers and other service providers, including the costs thereof;
- (d) economic benefits and business positioning of the Company.

During the period under report, the Committee conducted its business by nine meetings held on 21st April, 2012, 14th May, 2012, 25th June, 2012, 21st August, 2012, 5th October, 2012, 1st November, 2012, 15th November, 2012, 14th January, 2013 and 18th February, 2013 and by resolutions by circulation dated 5th April, 2012, 24th April, 2012, 5th June, 2012, 13th August, 2012, 29th August, 2012, 9th November, 2012 and 23rd November, 2012.

8.0 RIGHTS ISSUE COMMITTEE

The Rights Issue Committee was constituted to oversee the rights issue of the Company.

The Board of Directors has at its meeting on May 24, 2013 dissolved the Rights Issue Committee.

9.0 PROJECTS REVIEW COMMITTEE

The Board has on 24th May, 2013 constituted a Projects Review Committee to review implementation and working of projects under development and operation.

The Committee comprises of two independent Directors viz: Mr. C. C. Dayal and Mr. S.C. Tripathi.

10.0 GENERAL BODY MEETING

10.1 Location, Date and Time of the Annual General Meetings ("AGM") held during the last 3 years

AGM	Year	Date	Time	Venue
9th	1st April, 2009 to 31st March, 2010	27th September, 2010	3.00 p.m.	Kohinoor Hall, 3rd Floor, Opp. Siddhivinayak Mandir, Veer Savarkar Marg, Prabhadevi, Mumbai 400025
10th	1st April, 2010 to 31st March, 2011	26th September, 2011	11.00 a.m.	Ravindra Natya Mandir, Ground Floor, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400025
11th	1st April, 2011 to 31st March, 2012	25th September, 2012	11.00 a.m.	Ravindra Natya Mandir, Ground Floor, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400025

10.2 Special Resolutions passed in the previous three Annual General Meetings:

AGM	Particulars of Special Resolutions passed
9th AGM	(a) raising of additional long term funds through further issuance of securities to qualified institutional buyers. (b) raising of additional long term funds through further issuance of securities. (c) appointment of Mr. Himanshu Parikh as Executive Vice Chairman of the company.
10th AGM	(a) appointment of Mr. Rajeevkumar Malhotra as a Director in Whole Time Employment of the Company. (b) appointment of Mr. Kishor Kumar Mohanty as a Managing Director of the Company. (c) appointment of Mr. Parag Parikh as a Director in Whole Time Employment of the Company.
11th AGM	(a) commencement of business specified in sub – clause 113 of Clause III C of the Memorandum of Association.

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10.3 Extra-ordinary General Meeting held during 2012-13

Date	Time	Venue	Particulars of Special Resolutions passed
14th January, 2013	11.00 a.m.	Kohinoor Hall, 3rd Floor, Opp. Siddhivinayak Mandir, Veer Savarkar Marg, Prabhadevi, Mumbai 400025	(a) issue of Bonus Shares to non - promoter shareholders (b) to amend Articles 206 and 221(2) of the Articles of Association of the Company

10.4 Approval by Members through Postal Ballot

The following resolution was passed by Postal Ballot on 24th July, 2012:

Special Resolution: To grant inter-corporate deposits / loans, investments, guarantees and securities

Particulars	Number of shares	%
Votes in favour	607,385,738	99.99
Votes against	80,086	0.01

The votes cast FOR the resolution was three times more than the votes cast AGAINST the resolution.

Special Resolution: To approve the re-appointment of Mr. Abhijit Rajan as the Chairman & Managing Director of the Company

Particulars	Number of shares	%
Votes in favour	607,360,283	99.99
Votes against	90,251	0.01

The votes cast FOR the resolution was three times more than the votes cast AGAINST the resolution.

Ordinary Resolution: To approve increase in the Borrowing Powers of the Board.

Particulars	Number of shares	%
Votes in favour	606,746,166	99.88
Votes against	700,368	0.12

The votes cast FOR the resolution was more than the votes cast AGAINST the resolution.

Special Resolution: To increase the remuneration of Mr. Parag Parikh, Whole Time Director and Chief Financial Officer for the financial year 2012-13.

Particulars	Number of shares	%
Votes in favour	607,216,109	99.96
Votes against	232,775	0.04

The votes cast FOR the resolution was three times more than the votes cast AGAINST the resolution.

The resolutions were passed with the requisite majority.

Mr. N. Veeraraghavan, a practicing Company Secretary, was appointed as the Scrutinizer for conducting the Postal Ballot process.

11.0 DISCLOSURES

- (i) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives conflicting with the Company's interest. Suitable disclosures as required by the Accounting Standard (AS18) has been made in the Annual Report.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- (iii) The Company has fulfilled the following non mandatory requirement:
 - The Company has constituted a Remuneration Committee.

12.0 MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are published in the newspapers. During the period under Report, the Company had published the results in Business Standard and Free Press Journal (English) and Navshakti Times (Marathi). The said results are also displayed on Company's website. Press releases made by the Company are informed to the Stock Exchanges and are also uploaded on the website of the Company.

13.0 GENERAL SHAREHOLDER INFORMATION

13.1 Annual General Meeting

Day and Date	Friday, 20th September, 2013
Time	11.00 a.m.
Venue	Ravindra Natya Mandir, Ground Floor, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400025.

13.2 Financial Calendar

First quarterly results	:	on August 09, 2013
Second quarterly results	:	on or before November 14, 2013
Third quarterly results	:	on or before February 14, 2014
Financial Year 2013-14 (audited)	:	on or before May 30, 2014

13.3 Date of Book Closure

The Company will close its share transfer books on the date of the Annual General Meeting, namely Friday, 20th September, 2013.

13.4 Dividend Payment Date

The Company has not declared any dividend for the year.

REPORT ON CORPORATE GOVERNANCE

13.5 Listing on the Stock Exchanges

The Equity Shares of the Company are listed at the following Stock Exchanges:

Name of Stock Exchange	Stock Code/Symbol
1) Bombay Stock Exchange Limited	532959
2) The National Stock Exchange of India Limited	GAMMNINFRA

ISIN: INE181G01025 (Fully Paid)

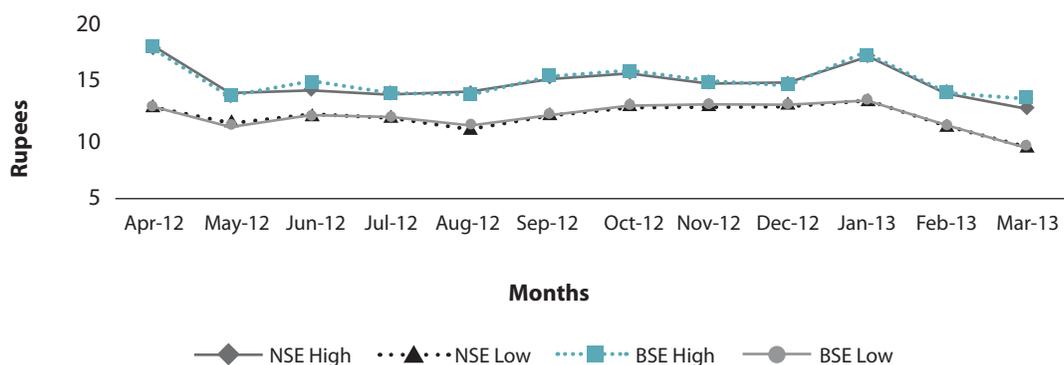
13.6 Listing fees for the year 2013-14

The Annual listing fees have been paid to both the Stock Exchanges.

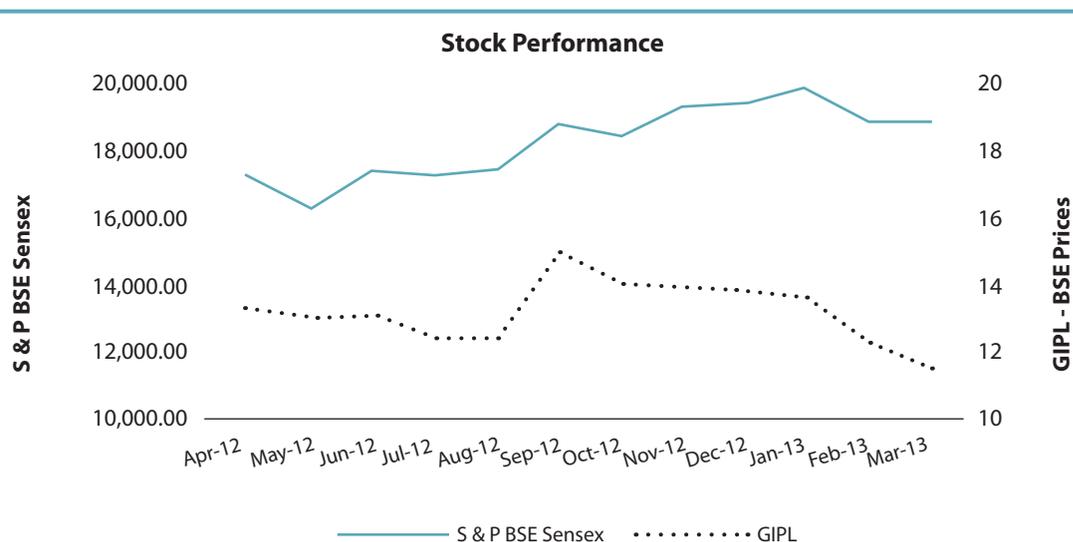
13.7 Stock market price data for the year 2012-2013:

Month	National Stock Exchange of India Limited		Bombay Stock Exchange Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April'12	17.85	12.85	18.00	12.88
May'12	13.80	11.55	13.75	11.20
June'12	14.25	12.10	14.90	12.11
July'12	13.95	12.00	14.00	12.00
August'12	14.00	11.00	13.85	11.35
September'12	15.30	12.15	15.56	12.20
October'12	15.80	12.95	15.80	13.00
November'12	14.90	13.00	14.95	13.13
December'12	14.80	13.10	14.70	13.10
January'13	17.20	13.40	17.20	13.49
February'13	14.10	11.30	14.00	11.30
March'13	12.70	9.40	13.50	9.40

GIPL Comparative High Low Price on NSE & BSE



13.8 Share Price Performance in comparison to S&P BSE Sensex



13.9 Registrar and Share Transfer Agents

Link Intime India Private Limited
 C – 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (west), Mumbai – 400 078
 Tel: 022- 25963838, Fax: 022- 25946969

13.10 Share Transfer System

The Shareholders' & Investors' Grievance Committee looks after the share transfer system and other related issues in tandem with the Registrar and Share Transfer Agents.

13.11 Distribution of Shareholding as on 30th June, 2013

No. of Equity Shares	Shareholders		No. of Shares	% of Total
	Number	% to Total		
1- 500	21,967	57.253	3,815,377	0.520
501 – 1000	7,220	18.818	4,489,146	0.612
1001 – 2000	5,005	13.045	6,196,799	0.844
2001 – 3000	2,442	6.365	5,832,558	0.795
3001 – 4000	432	1.126	1,429,147	0.195
4001 – 5000	223	0.581	982,079	0.134
5001 – 10000	602	1.569	3,801,591	0.517
10001 and above	477	1.243	707,479,741	96.383
Total	38,368	100.00	734,026,438	100.00

REPORT ON CORPORATE GOVERNANCE

13.12 Shareholding Pattern as on 30th June, 2013

Category	Number of Shares Held	% of capital
A) PROMOTER'S HOLDING		
1. Indian		
Individual/HUF	Nil	Nil
Central/State Government	Nil	Nil
Bodies Corporate	528,000,000	71.93
Financial Institutions/Banks	Nil	Nil
Any Other		
Promoter Group	22,400,000	3.05
2. Foreign Promoters		
Individual	Nil	Nil
Bodies Corporate	Nil	Nil
Institutions	Nil	Nil
Any Other	Nil	Nil
SUB – TOTAL (A) (1+2)	550,400,000	74.98
(B) PUBLIC SHAREHOLDING		
1. Institutions		
Mutual Funds and UTI	31,309,804	4.27
Banks/ Financial Institutions	7,138,294	0.97
Insurance Companies (Central / State Government Institutions / Non Government Institutions)	Nil	Nil
FIs	58,230,177	7.93
Venture Capital Funds	238,536	0.03
SUB – TOTAL (B)(1)	96,916,811	13.20
2. Non Institutions		
Bodies Corporate	22,931,053	3.12
Individuals		
(i) Individual Shareholders holding nominal share capital up to ₹ 1 Lakh	29,559,496	4.03
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh	5,830,267	0.79
Any other		
(i) NRIs / OCBs	2,114,895	0.29
(ii) Directors & Relatives	24,577,702	3.35
(iii) Clearing Member	356,245	0.05
(iv) Office Bearers	1,336,931	0.18
(v) Trusts	3,038	0.00
SUB – TOTAL (B) (2)	86,709,627	11.81
Shares held by Custodians and against which Depository Receipts have been received	-	-
GRAND TOTAL	734,026,438	100

13.13 Dematerialization of Shares

The break- up of Company's shares in physical / dematerialized form as on 30th June, 2013 are as under:

Particulars	No. of Equity Shares	% to Share Capital
Electronic	734,024,657	99.99975
Physical	1,781	0.00025
Total	734,026,438	100

The free float of the Company's as on 30th June, 2013 is 25.02%

13.14 Details of unclaimed shares as on financial year ended 31 March, 2013 issued pursuant to the Initial Public Offer (IPO) are as follows (Pursuant to clause 5A of the Listing Agreement):

Sr. No	Particulars	Cases	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year i.e. 01.04.2012	23	22,400
2	Number of shareholders who approached for transfer of shares from unclaimed suspense account during 01.04.2012 to 31.03.2013	-	-
3	Number of shareholders to whom shares were transferred from Unclaimed suspense account during 01.04.2012 to 31.03.2013	-	-
4	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year i.e. 01.04.2012 to 31.03.2013	23	*23,058

*658 additional shares on account of Bonus Issue

13.15 Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on the equity

None

13.16 Plant Location

None

13.17 Address for Correspondence

All inquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:

Mr. G. Sathis Chandran
 Company Secretary & Compliance Officer
 Gammon Infrastructure Projects Ltd.
 Orbit Plaza, 5th Floor, Plot No. 952/954, New Prabhadevi Road, Prabhadevi, Mumbai - 400025
 Telephone : 022 – 67487260 email: compliances@gammoninfra.com

Mumbai
 August 9, 2013

REPORT ON CORPORATE GOVERNANCE

MANAGEMENT CERTIFICATE UNDER CLAUSE 49 (1D) OF THE LISTING AGREEMENT

To,

The Members

Gammon Infrastructure Projects Limited

This is to affirm that the Board of Directors of Gammon Infrastructure Projects Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (1D) of the Listing Agreement with the Stock Exchanges and the Board of Directors and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said Code for the financial year ended 31st March, 2013.

Abhijit Rajan

Chairman & Managing Director

Mumbai: August 9, 2013

Independent Auditor's Report

The Board of Directors

Gammon Infrastructure Projects Limited

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Gammon Infrastructure Projects Limited ('GIPL' or 'the Company') and its subsidiaries, Jointly Controlled Entities and Associates (GIPL Group), which comprise the consolidated Balance Sheet as at 31st March 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the GIPL Group as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the GIPL Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the GIPL Group for the year ended on that date.

Other Matter

- a. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of ₹ 16,111,566,964 as at March 31, 2013, total income of ₹ 1,572,435,188 and cash flows of ₹ -1,859,503,707 for the year ended;
- b. certain joint venture companies whose financial statements reflect total assets of ₹ 242,603,012 as at March 31, 2013 and cash flows amounting to ₹ -16,786 for the year then ended, the Company's share of such assets and total cash flows being ₹ 118,850,985 and ₹ -2,045, respectively; and
- c. certain associates whose financial statements reflect a total profit of ₹ 323,876 for the year ended March 31, 2013, the Company's share in the profit of such associates being ₹ 94,091.

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 except for the financial statements of joint ventures and associates referred to in point 3 (b) and (c) above, which are based on unaudited financial statements certified by the respective managements of the said joint ventures whose financial statements reflect total assets of ₹ 242,603,012 as at March 31, 2013 and cash flows of ₹ -16,786 for the year then ended, the Company's share of such assets and cash flows being ₹ 118,850,985 and ₹ -2,045 respectively and the said associates whose financial statements reflect a total profit of ₹ 323,876 for the year ended March 31, 2013, the Company's share in the loss of such associates being ₹ 94,091.

In respect of the other subsidiaries and Joint Ventures, the audit has been conducted by either of us and the audit of GIPL has been conducted by us jointly.

For Natvarlal Vepari & Co.

ICAI Firm Registration Number:106971W
Chartered Accountants

N Jayendran

M. No. 40441
Partner
Mumbai, Dated : May 24, 2013

For S.R. Batliboi & Co. LLP

ICAI Firm Registration Number : 301003E
Chartered Accountants

per Hemal Shah

M. No. 42650
Partner
Mumbai, Dated : May 24, 2013

Consolidated Balance Sheet

as at March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	As at	
		March 31, 2013	March 31, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	4	1,476,155,376	1,465,629,736
Reserves and surplus	5	5,650,993,240	5,984,247,424
		7,127,148,616	7,449,877,160
Minority interest	6	1,801,958,234	1,219,772,941
Non-current liabilities			
Long-term borrowings	7	36,117,195,795	30,388,521,028
Deferred tax liabilities (net)	8	20,837,532	25,644,794
Other long-term liabilities	9	8,850,000	8,850,000
Long-term provisions	10	750,244,309	299,201,125
		36,897,127,636	30,722,216,947
Current liabilities			
Short-term borrowings	11	787,812,481	1,936,200,000
Trade payables, current	12	242,379,703	112,339,462
Other current liabilities	12	5,426,881,971	6,240,012,715
Short-term provisions	10	243,301,926	129,170,460
		6,700,376,081	8,417,722,637
		52,526,610,567	47,809,589,685
Assets			
Non-current assets			
Fixed assets :			
Tangible assets (net)	13	1,202,912,236	1,237,112,205
Intangible assets (net)	14	24,377,473,644	18,566,351,086
Capital work in progress	15	106,855,898	63,569,606
Intangible assets under development	16	20,467,065,343	21,565,246,782
Goodwill on consolidation	17	452,995,586	486,385,178
Deferred tax asset (net)	8	325,383,156	-
Non-current investments	18	9,102,903	6,430,926
Long-term loans and advances	19	2,307,718,653	2,298,114,194
Non-current trade receivables	20	558,704	-
Other non-current assets	21	153,271,997	13,886,105
		49,403,338,120	44,237,096,082
Current assets			
Current investments	22	27,184,279	-
Inventories	23	63,124,288	35,071,346
Trade receivables	20	378,448,939	335,533,159
Cash and cash equivalents	24	692,496,270	2,321,179,857
Short-term loans and advances	19	335,492,759	150,871,030
Other current assets	21	1,626,525,912	729,838,211
		3,123,272,447	3,572,493,603
		52,526,610,567	47,809,589,685
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

Place : Mumbai
Date : May 24, 2013

For S. R. Batliboi & Co. LLP
ICAI Firm Regn. No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No. : 42650

For and behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

Abhijit Rajan
Chairman and
Managing Director

Kishor Kumar Mohanty
Managing Director

C. C. Dayal
Director

S. C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Himanshu Parikh
Vice Chairman

Parag Parikh
Whole-time Director and CFO

Naresh Chandra
Director

Homai A. Daruwalla
Director

Place : Mumbai
Date : May 24, 2013

Consolidated Statement of Profit and Loss

for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenue from operations:			
Revenue from projects	25	6,621,935,116	3,991,709,878
Other operating revenues	26	281,832,258	237,674,950
Other income	27	77,624,988	64,368,399
Total Income		6,981,392,362	4,293,753,227
Expenses			
Project expenses	28	1,661,946,293	1,371,637,928
Employee benefits expenses	29	289,254,079	256,755,816
Other expenses	30	278,978,668	340,579,170
Exceptional items	31	-	97,048,057
Total Expenses		2,230,179,040	2,066,020,971
Earnings before interest, tax, depreciation and amortisation (EBITDA)		4,751,213,322	2,227,732,256
Finance costs	32	2,968,337,583	1,556,593,974
Depreciation/amortisation	13 and 14	1,608,521,955	778,992,304
Share of (profit)/loss from investment in associates		(371,976)	(2,662,280)
Profit/(Loss) before tax		174,725,760	(105,191,742)
Less: Tax expenses			
Current tax		303,296,990	133,389,441
Deferred tax (credit)/charge		(330,190,418)	993,913
MAT credit entitlement		(48,696,179)	(17,140,000)
Short provision for earlier years		1,678,786	-
Net tax expense		(73,910,821)	115,255,528
Profit/(Loss) after tax		248,636,581	(220,447,270)
Less : Profit after tax attributable to minority interest		101,373,328	33,733,875
Profit / (Loss) attributable to group shareholders		147,263,253	(254,181,145)
Earnings per share ('EPS')	35		
Basic		0.20	(0.35)
Diluted		0.20	(0.35)
Nominal value of equity share		2.00	2.00
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

For S. R. Batliboi & Co. LLP
ICAI Firm Regn. No. : 301003E
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per Hemal Shah
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Naresh Chandra
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Director

Place : Mumbai
Date : May 24, 2013

Place : Mumbai
Date : May 24, 2013

Consolidated Cash Flow Statement

for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	174,725,760	(105,191,742)
Adjustments for :		
Employees stock options	(3,519,002)	(57,642)
Cash alternative settlement for ESOP scheme	4,285,167	3,537,253
Depreciation and amortisation	1,608,521,955	778,992,304
Gratuity and leave encashment	8,515,166	7,142,309
Dividend income	-	(23,870,027)
Interest (net)	2,921,668,415	1,531,386,093
(Profit)/Loss on sale of investments	(25,012,560)	(7,826,973)
Share of (profit) / loss from investment in associates	(371,976)	(2,662,280)
Loss on sale of assets	5,860,832	3,376,070
Assets written off	9,914,535	10,104,861
Provision for periodic maintenance expenses	441,869,728	282,103,000
Provision for loans and advances/other assets	458,495	15,457,915
Provision for diminution in value of investment	(2,300,000)	21,987,235
Exceptional items	-	97,048,057
Preliminary and share issue expenses written off	30,339	22,157,363
	4,969,921,094	2,738,875,538
Operating profit before working capital changes	5,144,646,854	2,633,683,796
Adjustments for :		
Trade and other receivables	(1,171,513,711)	(355,449,844)
Trade payables and working capital finance	(31,915,665)	246,669,546
Inventories	(28,052,942)	42,634,411
	(1,231,482,318)	(66,145,887)
Cash generated from the operations	3,913,164,536	2,567,537,909
Cash Compensation paid	(22,050,000)	-
Direct taxes paid	(281,365,030)	(171,703,881)
Net cash from operating activities	3,609,749,506	2,395,834,028
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Capital purchases after adjusting capital creditors	(5,985,747,046)	(9,822,775,344)
Proceeds on sale of fixed assets	15,342,800	186,000
Purchase of investments :		
- Mutual funds	(2,979,328,997)	(5,239,927,251)
Sale of investments :		
- Mutual funds	2,977,157,278	5,263,797,278
- Market investments	-	37,826,973
Intercorporate deposits given:		
- Granted during the year	(493,490,746)	(25,100,000)
- Refund of intercorporate deposit	448,926,534	15,000,000
Advances from/(to) joint venture companies	(62,508,350)	79,790,625
Advance paid for acquisition of stake in a subsidiary	(134,793,534)	-
Amount received from minority shareholders	49,000,000	(370,030,000)
Disposal /(acquisition) of stake in joint venture companies	42,578,538	865,131
Interest received	37,207,166	33,549,967
Dividend received	-	-
Net cash used in investment activities	(6,085,656,357)	(10,026,816,621)

Consolidated Cash Flow Statement

for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from equity share capital	-	300,002
Capital grant received	182,500,000	876,990,000
Proceeds from borrowings	12,170,527,917	17,525,056,594
Repayment of loans	(8,268,014,401)	(8,795,480,794)
Disposal/(Acquisition) of equity stake to minority share holder	(171,637,077)	349,273,560
Interest paid	(3,064,716,117)	(1,473,478,130)
Preliminary and share issue expenses	(1,437,059)	(22,157,363)
Net cash from financing activities	847,223,263	8,460,503,869
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,628,683,587)	829,521,276
Cash and cash equivalents, end of the year	692,496,270	2,321,179,857
Cash and cash equivalents, beginning of the year	2,321,179,857	1,491,658,581
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,628,683,587)	829,521,276
COMPONENTS OF CASH AND CASH EQUIVALENTS :		
Cash and cheques on hand	10,687,136	7,193,919
Funds in transit	-	-
With banks :		
On current accounts	568,659,619	2,313,985,938
On deposit accounts	113,149,515	-
Cash and cash equivalents, end of the year	692,496,270	2,321,179,857
Refer note 2.1 for summary of significant accounting policies		
The accompanying notes are an integral part of the financial statements.		

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

Place : Mumbai
Date : May 24, 2013

For S. R. Batliboi & Co. LLP
ICAI Firm Regn. No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No. : 42650

For and behalf of the Board of Directors of
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Chairman and
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Director

Homai A. Daruwalla
Director

Place : Mumbai
Date : May 24, 2013

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

1 Background

Gammon Infrastructure Projects Limited a listed company and its subsidiaries, joint ventures and associates, are engaged in the development of various infrastructure projects under the Public Private Partnership ('PPP') model in sectors like transportation, energy and urban infrastructure through several special purpose vehicles ("SPVs"). Each project is governed by a separate concession agreement ('the Contract') signed between the client ('grantor') and the SPV. Majority of the projects secured are from the Government, (Central or State) or an organisation or body floated by the Government.

2 Accounting policies

a. Basis of preparation

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 (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies are consistent with those used in the previous year, except for the changes in the accounting policies explained below in note 2.1 (a).

b. Principles of consolidation

i) Holding company and subsidiaries :

The Consolidated Financial Statements comprise the financial statements of GAMMON INFRASTRUCTURE PROJECTS LTD. ("the Company") and its Subsidiary companies (the Company and its subsidiaries are hereinafter referred to as 'the Group'). The Consolidated Financial Statement has been prepared on the following basis:

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, intra-group transactions and unrealized profits or losses as per Accounting Standard - 21 ('AS-21') "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.

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 financial statements of the entities used for consolidation are drawn upto the same reporting date as that of the Company ie. March 31, 2013.

The excess of cost of investments of the Group 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.

ii) Interest in joint venture companies :

The Group's interest in the 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 ('AS-27') "Financial Reporting of Interests in Joint Ventures" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). 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.

iii) Investments in associate companies :

Investments in associate companies are accounted under the equity method as per the Accounting Standard - 23 ('AS-23') "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

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 statement of profit and loss reflects the Group's share of the results of operations of the associates.

The excess of the Group's cost of investment over its share of net assets in the associate on the date of acquisition of investment is disclosed as goodwill. The excess of the Group's share of net assets in the associate over the cost of its investment is disclosed as capital reserve. Goodwill / Capital Reserve is included/adjusted in the carrying amount of the investment.

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

- iv) The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year except as under:

Hitherto the amortisation of intangible assets arising out of service concession agreements was based on units of usage method i.e. on the number of vehicles expected to use the project facility over the concession period as estimated by the management. During the year, based on notification dated April 17, 2012 issued by the Ministry of Corporate Affairs, the Company has changed the method of amortisation of intangible assets arising out of service concession agreement prospectively. Effective April 1, 2012 the amortisation is in proportion to the revenue earned for the period to the total estimated toll and annuity revenue i.e. expected to be collected over the balance concession period. Had the Company followed the earlier method, the amortisation would have been higher by ₹185.09 lakhs.

2.1 Summary of other significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Revenue recognition

Revenue is recognised to the extent, that it is probable that the economics benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

i) Infrastructure development business :

Toll revenue from operations of tollable roads is recognised on usage and recovery of the usage charge thereon.

The cash compensation due 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 Group company).

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

Revenue by way of berth hire charges, dust suppression charges, cargo handling charges, plot rent, wharfage, 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.

ii) Operations and maintenance revenues :

Revenue on Operations & Maintenance (O & M) contracts are recognised over the period of the contract as per the terms of the contract.

iii) Construction contract revenues :

Revenue from construction contracts is recognised on the basis of percentage completion method. The percentage of work completed is determined by the expenditure incurred on the job till date to the total expected expenditure of the contract.

Construction contracts 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. Foreseeable losses on contract are fully provided for in the respective accounting period.

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

iv) Interest income :

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

v) Dividend income :

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

c. Tangible assets

Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible asset. Any subsequent expenses related to a tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation on tangible fixed assets is provided on the Straight Line Method ('SLM') at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956 or the rates based on the estimated useful lives of the fixed assets, whichever is higher. Depreciation on tangible fixed assets purchased / installed during the year/ period is calculated on a pro-rata basis from the date of such purchase / installation.

	Rates (SLM)
Permanent buildings	1.33%
Temporary buildings	33.33%
Computers	16.21%
Earth moving machinery	11.31%
Electrical equipments	4.75%
Furniture and fixtures	6.33%
Motor vehicles	9.50%
Office equipments	4.75%
Plant and machinery	4.75%

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

d. Intangible assets and intangible assets under development

Intangible assets are stated at cost of construction less accumulated amortised amount and accumulated impairment losses, if any. Costs include direct costs of construction of the project and costs incidental and related to the construction activity. Costs incidental to the construction activity, including financing costs on borrowings attributable to construction of the project road, have been capitalised to the project road till the date of completion of construction. Such assets include self constructed assets under the BOT (Annuity) scheme, concession rights in respect of tollable roads, etc.

Intangible assets comprising project road, project port and project bridge are amortised on a straight line basis, from the date they are put to use, over the balance period of the Contract. The amortisation period and the amortisation method are reviewed at each financial year end. Concession rights are amortised on the pro-rata basis of actual tollable traffic volume for the period over the total projected tollable traffic volume over the toll periods granted for the project. The projections for the total traffic volume are based on the report of independent professionals for this purpose. The volume of the traffic is reviewed on periodic intervals for its consistency and appropriateness. If the right to collect toll being amortised is revised on account of the material change in the projected traffic volume arising out of the periodic review, the amortisation would be revised accordingly.

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

In accordance with circular dated 17th April, 2012, issued by the Ministry of Corporate Affairs, for fixing the amortisation rates for Intangible Assets being BOT tolling assets, the Group has during the year recomputed amortisation in accordance with the new Schedule XIV order.

Intangible assets also comprise of rights of Operations and Maintenance ('O&M') and an amount paid to Mumbai Port Trust towards upfront fees for construction and operation of an offshore terminal (License Fees Intangible). The O&M intangible results in income stream for the Group for a period of 14 years. The rights are therefore amortised over the period of 14 years on straight line basis. The license fees intangible asset being rights of O&M are amortised over the period of the subsistence of its rights commencing from the date the project becomes operational.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible asset under development is stated at cost of development less accumulated impairment losses, if any. Costs include direct costs of development of the project road and costs incidental and related to the development activity. Costs incidental to the development activity, including financing costs on borrowings attributable to development of the project road, are capitalised to the project road till the date of completion of development.

e. Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group comprises of companies which are each engaged in developing a project facility. On creating these facilities the said companies establish a right to charge the users of the project development facility. The project development costs are recovered by these companies from the users of the project facilities through toll or are compensated by the grantor through annuities. For testing the impairment of the project facility developed, these companies conduct impairment tests based on detailed discounted cash flows annually. The period of the cash flow are from the date, the project was awarded to the date, the project has to be handed over to the grantor.

Impairment losses of operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f. 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements 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.

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is charged to the statement of profit and loss.

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

g. Inventories

Stores and consumables are valued at lower of cost and net realisable value and is determined using the weighted average method. Net realisable value is the estimated selling price less estimated cost necessary to make the sale.

h. Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalised. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

i. Provision for taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

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 and to the same taxable entity. 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 Group 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.

In the situations where any company within the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the said company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the said company restricts recognition of 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. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

j. Foreign currency translation

Initial recognition :

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences :

Exchange differences arising on the settlement of monetary items or on reporting the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

k. Preliminary and share issue expenses

Preliminary and share issue expenses (net of taxes) incurred are charged to the security premium account, if available, or to the statement of profit and loss.

l. 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 recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

m. Earnings per share

Basic and diluted earnings per share are 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. Partly paid shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted number of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

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

n. Employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates only one defined benefit plan for its employees i.e. gratuity liability. The costs of providing this benefit are determined on the basis of actuarial valuation at the each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss and are not deferred.

o. Employee share based payments ('ESOP')

The Group uses the intrinsic value (excess of the share price on the date of grant over the exercise price) method of accounting prescribed by the Guidance Note ('GN') on 'Accounting for employee share-based payments' issued by the Institute of Chartered Accountants of India ('ICAI') ('the guidance note') to account for its Employee Stock

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to the Consolidated financial statements for the year ended March 31, 2013

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Option Scheme (the 'ESOP' Scheme) read with SEBI (Employees stock option scheme or Employees Stock Purchase) Guidelines, 1999. Compensation expense is amortised over the vesting period of the option on SLM basis.

p. Grants received

The Group on receipt of construction grant, received as equity support from grantors, accounts the same as capital reserves. The grant related to operations not forming part of equity support is credited to the statement of the Profit and Loss on a pro-rata basis in the year when the same is due and receivable and when the related costs are incurred.

q. Deferred payment liability

The deferred payment liability represents the cash payout (Negative grant) payable to the grantor as per the terms of the Contract at the end of the concession period is added to the cost of respective asset. The said deferred payment liability does not carry any interest thereon.

r. Minority interest

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

s. Segment reporting

Identification of segments :

Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organisational structure and the internal reporting system of the Group.

t. Provisions

A provision is recognised when the Group 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 of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

u. Cash and cash equivalents

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

v. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

w. Measurement of EBITDA

The Group measures EBITDA on the basis of profit/(loss) from continuing operations. In the measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

- 3** The consolidated financial statements comprise the financial statements of Gammon Infrastructure Projects Limited (GIPL) (the holding company), its subsidiary companies, joint ventures and associates consolidated on the basis of the relevant accounting standards as discussed in note 2b.

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

a. Subsidiaries :

Following subsidiary companies (incorporated in India) have been consolidated in these financial statement as per AS-21 as on March 31, 2013:

Particulars	Voting power & beneficial interest	
	As at March 31, 2013	As at March 31, 2012
Andhra Expressway Limited ('AEL')	100.00%	100.00%
Aparna Infraenergy India Private Limited ('AIPL')	100.00%	100.00%
Birmitrapur Barkote Highway Private Limited ('BBHPL') [refer note 3 (a)(i)]	100.00%	N.A.
Cochin Bridge Infrastructure Company Limited ('CBICL')	97.66%	97.66%
Chittoor Infrastructure Company Private Limited ('CICPL')	100.00%	100.00%
Dohan Renewable Energy Private Limited ('DREPL')	100.00%	100.00%
Earthlink Infrastructure Projects Private Limited ('EIPPL')	100.00%	100.00%
Gammon Logistics Limited ('GLL')	100.00%	100.00%
Gammon Projects Developers Limited (GPDL)	100.00%	100.00%
Gammon Renewable Energy Infrastructure Limited ('GREIL')	100.00%	100.00%
Gammon Road Infrastructure Limited ('GRIL')	100.00%	100.00%
Gammon Seaport Infrastructure Limited ('GSIL')	100.00%	100.00%
Gammon Renewable Energy Private Limited ('GREPL')	100.00%	100.00%
Gorakhpur Infrastructure Company Limited ('GICL')	96.53%	96.53%
Haryana Biomass Power Limited ('HBPL')	100.00%	100.00%
Indori Renewable Energy Private Limited ('IREPL')	100.00%	100.00%
Jaguar Projects Developers Limited ('JPDL')	100.00%	100.00%
Kasavati Renewable Energy Private Limited ('KREPL')	100.00%	100.00%
Kosi Bridge Infrastructure Company Limited ('KBICL')	100.00%	100.00%
Lilac Infraprojects Developers Limited ('LIDL')	100.00%	100.00%
Markanda Renewable Energy Private Limited ('MREPL')	100.00%	100.00%
Marine Project Services Limited ('MPSL')	100.00%	100.00%
Mormugao Terminal Limited ('MTL') [refer note 3 (a)(i)]	100.00%	N.A.
Mumbai Nasik Expressway Limited ('MNEL')	79.99%	79.99%
Patna Buxar Highways Limited ('PBHL')	100.00%	100.00%
Pataliputra Highways Limited ('PHL')	100.00%	100.00%
Patna Highway Projects Limited ('PHPL')	100.00%	100.00%
Pravara Renewable Energy Limited ('PREL')	100.00%	100.00%
Ras Cities and Townships Private Limited ('RCTPL')	100.00%	100.00%
Rajahmundry Expressway Limited ('REL')	100.00%	100.00%
Rajahmundry Godavari Bridge Limited ('RGBL')	55.65%	51.00%
Satluj Renewable Energy Private Limited ('SREPL')	100.00%	100.00%
Sidhi Singrauli Road Project Limited ('SSRPL') [refer note 3 (a)(i)]	100.00%	N.A.
Sikkim Hydro Power Ventures Limited ('SHPVL')	100.00%	100.00%
Segue Infrastructure Projects Private Limited ('SIPPL')	100.00%	100.00%
Sirsa Renewable Energy Private Limited ('Sirsa REPL')	100.00%	100.00%
Tada Infrastructure Development Company Limited ('TIDCL')	100.00%	100.00%
Tangri Renewable Energy Private Limited ('TREPL')	100.00%	100.00%
Tidong Hydro Power Limited ('THPL')	51.00%	51.00%
Vijaywada Gundugolanu Road Project Private Limited ('VGRPPL')	100.00%	100.00%
Vizag Seaport Private Limited ('VSPL')	73.76%	73.76%
Yamuna Minor Minerals Private Limited ('YMMPL') [refer note 3 (a)(i)]	100.00%	100.00%
Yamunanagar Panchkula Highway Private Limited ('YPHPL') [refer note 3 (a)(i)]	100.00%	N.A.
Youngthang Power Ventures Limited ('YPVL')	100.00%	100.00%

During the current year, Birmitrapur Barkote Highway Private Limited ('BBHPL'), Sidhi Singrauli Road Project Limited (SSRPL), Yamunanagar Panchkula Highway Private Limited ('YPHPL') and Mormugao Seaport Limited were incorporated as a subsidiaries of the Group. The name of Yamuna Renewable Energy Private Limited was changed to Yamuna Minor Minerals Private Limited and Mormugao Seaport Limited was changed to Mormugao Terminal Limited ('MTL').

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to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

As part of its overall business plans, the Group has been acquiring beneficial interest and voting rights. This beneficial interest along with the Group's legal shareholdings has resulted in the Group having control over 51% in various SPVs as listed above. The details of the amounts paid and resultant beneficial interest and voting rights acquired are as follows:

Particulars	As at March 31, 2013			As at March 31, 2012		
	Equity shares Nos.	Value ₹	Beneficial interest %	Equity shares Nos.	Value ₹	Beneficial interest %
AEL	7,540,050	126,651,866	26.00%	7,540,050	126,651,866	26.00%
CICPL	10,000	100,000	100.00%	10,000	100,000	100.00%
EIPPL	10,000	100,000	100.00%	10,000	100,000	100.00%
GICL	14,947,238	149,472,380	27.53%	14,947,238	149,472,380	27.53%
KBICL	12,562,831	125,628,310	26.01%	12,562,831	125,628,310	26.01%
REL	7,540,050	119,575,780	26.00%	7,540,050	119,575,780	26.00%
SIPPL	10,000	100,000	100.00%	10,000	100,000	100.00%
THPL	25,500	255,000	51.00%	25,500	255,000	51.00%

b. Joint venture entities :

The following jointly controlled entities have been considered applying AS-27 on the basis of audited accounts (except stated otherwise) for the year ended March 31, 2013.

i) Details of joint ventures entered into by the Group :

Particulars	% of Interest As at March 31, 2013	% of Interest As at March 31, 2012
Joint venture companies		
Blue Water Iron Ore Terminal Private Limited ('BWIOTPL') *	10.12%	31.00%
Indira Container Terminal Private Limited ('ICTPL')	50.00%	50.00%
Maa Durga Expressway Pvt Ltd ('MDEPL')	49.00%	NA
SEZ Adityapur Limited ('SEZAL')	38.00%	38.00%

* GIPL had entered into a Joint Venture agreement for a 31% equity stake in BWIOTPL. However, GIPL had contributed only 10.12% in the equity capital of BWIOTPL. During the current year, BWIOTPL has initiated the process of liquidation and the group management believes that it does not have any obligation to further contribute in the equity capital of BWIOTPL. Accordingly the same has been consolidated considering the Company's 10.12% holding of the group as against 31% consolidated in the prior year. As the Company had contributed less than its share in the prior year an amount of ₹ 48,566,978 which was shown as payable has been written back during the year.

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(All amounts in Indian Rupees unless otherwise stated)

ii) **The proportionate share of assets, liabilities, income and expenditure of the Joint Ventures consolidated in the accounts is tabulated hereunder.**

Particulars	As at March 31, 2013	As at March 31, 2012
Assets		
Non-current assets		
Fixed assets :		
Tangible assets (net)	13,309,171	43,197,045
Intangible assets (net)	125,000,000	125,000,000
Capital work in progress	-	44,588,156
Intangible assets under development	2,281,750,418	1,673,191,783
Long-term loans and advances	79,491,729	75,443,507
Current assets		
Inventories	-	597,957
Trade receivables	3,922,489	753,427
Cash and cash equivalents	33,435,132	10,383,854
Short-term loans and advances	13,424,331	17,265,005
Other current assets	7,345,878	-
Total Assets	2,566,863,427	1,990,420,734
Liabilities		
Non-current liabilities		
Long-term borrowings	1,961,861,013	1,487,979,019
Long-term provisions	702,405	780,786
Current Liabilities		
Trade payables, current	67,360,477	816,925
Other current liabilities	157,433,393	147,844,844
Short-term provisions	68,009	221,684
Total liabilities	2,187,425,297	1,637,643,258
Reserves and surplus		
Deficit in the statement of profit and loss :		
Opening balance	(202,537,505)	(131,224,080)
Loss during the current year	(47,692,714)	(139,317,773)
Total reserves and surplus	(250,230,219)	(270,541,853)
Total reserves, surplus and liabilities	1,937,195,078	1,367,101,405
Income		
Revenue from projects	26,531,767	28,923,096
Other income	942,327	1,602,724
Total income	27,474,094	30,525,820
Expenses		
Project expenses	39,506,967	69,198,515
Employee benefit expenses	9,660,258	13,379,930
Other expenses	14,629,299	6,257,437
Finance cost	3,650,000	70,221,007
Depreciation and amortisation	7,650,461	10,592,881
Total expenses	75,096,986	169,649,770
Profit before tax	(47,622,892)	(139,123,950)
Provision for tax	-	193,823
Profit after tax	(47,622,892)	(139,317,773)
Capital commitments	1,332,012,768	714,741,238

The above figures pertaining to the joint venture companies are based on the audited accounts of ICTPL and BWIOTPL and unaudited management accounts of MDEPL and SEZAL for the year ended March 31, 2013. All the joint venture companies were incorporated in India.

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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”.

Particulars	% of Interest As at March 31, 2013	% of Interest As at March 31, 2012
ATSL Infrastructure Projects Limited ('AIPL')	49.00%	49.00%
Eversun Sparkle Maritime Services Private Limited ('ESMSPL')	30.90%	30.90%
Modern Tollroads Limited*	49.00%	49.00%
*Based on the un-audited management accounts for the year ended March 31, 2013.		

4 Share capital

Particulars	As at March 31, 2013	As at March 31, 2012
i) Authorised equity share capital :		
1,000,000,000 (Previous year : 1,000,000,000) equity shares of ₹ 2 each	2,000,000,000	2,000,000,000
Total authorised equity share capital	2,000,000,000	2,000,000,000
ii) Issued and subscribed equity share capital :		
734,836,688 (Previous year : 729,573,868) equity shares of ₹ 2 each	1,469,673,376	1,459,147,736
Total issued and subscribed equity share capital	1,469,673,376	1,459,147,736
iii) Paid-up equity shares :		
734,026,438 (Previous year : 728,763,618) equity shares of ₹ 2 each fully paid-up	1,468,052,876	1,457,527,236
Total paid-up equity shares	1,468,052,876	1,457,527,236
iv) Forfeiture of equity shares :		
Money received in respect of 162,050 (Previous year :162,050) equity shares forfeited of ₹ 10 each	8,102,500	8,102,500
Total money received of forfeited equity shares	8,102,500	8,102,500
Total net paid-up equity share capital	1,476,155,376	1,465,629,736

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year :

Particulars	As at March 31, 2013		As at March 31, 2012	
	Numbers	₹	Numbers	₹
Equity shares of ₹ 2 each fully paid-up				
Balance, beginning of the year	728,763,618	1,457,527,236	728,740,162	1,457,480,324
Issued during the year on exercise of Employee Stock Options ('ESOP')	-	-	23,456	46,912
Issued during the year as bonus shares	5,262,820	10,525,640	-	-
Balance, end of the year	734,026,438	1,468,052,876	728,763,618	1,457,527,236

b. Terms / rights attached to equity shares :

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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to the Consolidated financial statements for the year ended March 31, 2013

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- c. The Company has issued bonus shares during the year to the shareholders other than the promoter group in the ratio of 1:34 (with the fractions being rounded-off to the next higher whole number) aggregating to 5,262,820 equity shares of ₹ 2/- each as fully paid by utilising securities premium account aggregating to ₹ 10,525,640 /-

d. **Shares held by the holding company and /or their subsidiaries / associates :**

Out of equity shares issued by the Company, shares held by its holding and /or their subsidiaries / associates are as follows:

Registered shareholders	As at March 31, 2013		As at March 31, 2012	
	Numbers	₹	Numbers	₹
Equity shares of ₹ 2/- each fully paid-up Gammon India Limited ('GIL')	528,000,000	1,056,000,000	528,000,000	1,056,000,000
Gactel Turnkey Projects Limited ('GTPL'), subsidiary of the holding company	22,400,000	44,800,000	22,400,000	44,800,000
Total	550,400,000	1,100,800,000	550,400,000	1,100,800,000

e. **Details of registered shareholders holding more than 5% shares :**

Registered shareholders holding more than 5%	As at March 31, 2013		As at March 31, 2012	
	Numbers	% of holding	Numbers	% of holding
Equity shares of ₹ 2/- each fully paid-up GIL	528,000,000	71.93%	528,000,000	72.45%
Total	528,000,000	71.93%	528,000,000	72.45%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownership of the shares.

f. **Shares reserved under options to be given :**

1,146,670 (Previous year : 3,395,420) equity shares of ₹ 2 each of the Company has been reserved for issue as ESOPs [note 5(b)].

5 Reserves and surplus

Particulars		As at March 31, 2013	As at March 31, 2012
Capital reserve :			
Capital grant :			
Balance, beginning of the year		1,373,650,000	496,660,000
Add : Capital grant received during the year		182,500,000	876,990,000
Less : Capital grant transferred to minority share holders		609,870,504	-
Balance, end of the year	(A)	946,279,496	1,373,650,000
Securities premium account :			
Balance, beginning of the year		3,509,443,124	3,523,177,883
Add : On issue of shares on exercise of employee stock options		-	1,265,241
Less : Security premium on divestment of joint venture company		-	15,000,000
Less : Utilised on issuance of bonus shares		(10,525,640)	-
Less : Share issue expenses during the year		(1,406,720)	-
Balance, end of the year	(B)	3,497,510,764	3,509,443,124

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Particulars		As at March 31, 2013	As at March 31, 2012
Employee stock options :			
Employee stock options outstanding		6,578,002	9,676,544
Less : Employee stock options exercised		-	176,790
Less : Forfeiture of employee stock options offered		3,565,249	3,148,505
Add : Short accounting of ESOPs' in prior years		-	273,000
Less : Deferred employee compensation outstanding		(46,247)	46,247
Balance, end of the year	(C)	3,059,000	6,578,002
Other reserves :			
General Reserve			
Balance, beginning of the year		313,248,076	220,300,000
Add: Amounts transferred from surplus balance in the statement of profit and loss			90,552,576
Add: reversal of provision for employee stock options outstanding on forfeiture / lapse of options			2,395,500
Add: reversal of provision for Cash compensation scheme			-
Balance, end of the year	(D)	313,248,076	313,248,076
Surplus / (deficit) in the statement of profit and loss			
Balance, beginning of the year		781,328,222	1,198,982,083
Add : Profit /(Loss) for the year		147,263,254	(254,181,145)
Less: Proposed dividend for minority shareholders		22,877,417	-
Less: Tax on proposed dividend		14,818,155	-
Less: Tax on equity dividend		-	72,920,140
Less: Transfers to general reserve			90,552,576
Balance, end of the year	(E)	890,895,904	781,328,222
Total reserves and surplus	(A+B+C+D+E)	5,650,993,240	5,984,247,424

a. Capital grant :

Capital grant includes grant received by two SPVs of the Group, from NHAI and the Government of Andhra Pradesh in the nature of equity support of the grantor.

b. Employees stock options ('ESOP') :

The Company has instituted an ESOP Scheme "GIPL ESOP 2007" scheme during the year 2007-08, approved by the shareholders vide their resolution dated May 4, 2007, as per which the Board of Directors of the Company granted 1,640,000 equity-settled stock options to its employees pursuant to the ESOP Scheme on July 1, 2007 and October 1, 2007. Each options entitles an employee to subscribe to 1 equity share of ₹ 10 each of the Company at an exercise price of ₹ 80 per share. During the year 2008-09, the Compensation Committee of the Board of the Directors of the Company at its meeting held on October 1, 2008, has further granted 920,000 equity-settled options to eligible employees of the Company at the market price of ₹ 63.95 per equity share of ₹ 10 each, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 324,750 (Previous year 229,500) options were forfeited / lapsed. Out of the options granted, 161,000 (Previous year 485,750) are outstanding at the end of the year.

During the year 2008-09, the Compensation Committee of the Board of the Directors of the Company at its meeting held on October 1, 2008, instituted a new ESOP Scheme "GIPL ESOP 2008" scheme as per which the Company has further granted 490,000 equity-settled options to eligible employees of the Company at the market price of ₹ 63.95 per equity share of ₹ 10 each, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 25,000 (Previous year 33,334) options were forfeited / lapsed. Out of the options granted, 68,344 (Previous year 93,334) are outstanding at the end of the year.

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Further, during the year 2009-10, the Compensation Committee of the Board of the Directors of the Company, at its meeting held on May 8, 2009 further granted 210,000 equity-settled options to eligible employees of the Company, at the market price of ₹ 72.10 per equity share of ₹ 10 each (post sub-division of equity shares subscribed to five equity shares of ₹ 2 each), prevailing on that date upon expiry of the vesting period of three years. During the current year, 100,000 (Previous year : 20,308) options were forfeited / lapsed while None (Previous year : 4,692) options were exercised by the employees. Out of the options granted, None (Previous year : 100,000) are outstanding at the end of the year.

The details of the grants under the aforesaid ESOPs Schemes are summarised hereunder :

ESOP scheme 2007

Particulars	March 31, 2013			March 31, 2012		
	Jul/07	Oct/07	Oct/08	Jul/07	Oct/07	Oct/08
Date on which options were granted	Jul/08	Oct/08	Oct/09	Jul/08	Oct/08	Oct/09
Vesting from	Jul/08	Oct/08	Oct/09	Jul/08	Oct/08	Oct/09
Fair value of shares on grant date (₹)	99.00	124.00	63.95	99.00	124.00	63.95
Market value of shares on grant date (₹)	N.A.	N.A.	63.95	N.A.	N.A.	63.95
Exercise price of options granted (₹)	80.00	80.00	63.95	80.00	80.00	63.95
Outstanding options at the beginning of the year (Nos)	305,750	-	180,000	420,250	25,000	270,000
Options granted during the year (Nos)	-	-	-	-	-	-
Options lapsed during the year (Nos)	144,750	-	180,000	114,500	5,000	90,000
Options forfeited during the year (Nos)	-	-	-	-	20,000	-
Options exercised during the year (Nos)	-	-	-	-	-	-
Outstanding granted options at the end of the year (Nos)	161,000	-	-	305,750	-	180,000

ESOP scheme 2008

Particulars	March 31, 2013		March 31, 2012	
	October 1, 2008	May 8, 2009	October 1, 2008	May 8, 2009
Date on which options were granted	October 1, 2009	October 1, 2010	October 1, 2009	October 1, 2010
Vesting from	October 1, 2009	October 1, 2010	October 1, 2009	October 1, 2010
Market value of shares as on grant date (₹)	63.95	72.10	63.95	72.10
Exercise price of options granted (₹)	63.95	63.95	63.95	63.95
Outstanding options at the beginning of the year (Nos)	93,334	100,000	126,668	125,000
Options granted during the year (Nos)	-	-	-	-
Options lapsed / forfeited during the year (Nos)	25,000	100,000	33,334	20,308
Options exercised during the year (Nos)	-	-	-	4,692
Outstanding granted options at the end of the year (Nos)	68,334	-	93,334	100,000

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Other disclosures

Particulars	ESOP Scheme	ESOP Scheme	ESOP Scheme	ESOP Scheme
	2007	2008	2008	2008
Options (Numbers)	270,000	490,000	500,000	210,000
Weighted average fair value of options granted	40.46	40.46	39.40	36.12
Option pricing model used	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model
Equity share price	74.30	74.30	47.90	70.85
Exercise price	63.95	63.95	10.00	63.95
Expected volatility	0.5169	0.5169	0.6533	0.7508
Weighted average on unexpired life of the options (in years)	2.51	2.51	1.68	0.76
Expected dividend	Nil	Nil	Nil	Nil
Risk free interest rate	8.61%	8.61%	6.81%	5.03%
Basis of determination of volatility	Average of GIPL (from the date of listing) and 4 previous years average of IVRCL and Nagarjuna	Average of GIPL (from the date of listing) and 4 previous years average of IVRCL and Nagarjuna	Average of GIPL (from the date of listing) and 4 previous years average of IVRCL and Nagarjuna	Average of GIPL (from the date of listing) and 4 previous years average of GVK and GMR

The Company was an unlisted Company at the date when options were granted under GIPL ESOP 2007 scheme and therefore the intrinsic value was determined on the basis of an independent valuation by following the price to Net Asset Value (NAV) method.

If the compensation cost been determined in accordance with the fair value approach described in the guidance note, the Company's net profit for the year ended March 31, 2013 as reported would have changed to amounts indicated below:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Net Income as reported	304,267,845	329,401,467
Add: Stock based compensation expense included in the reported income	46,247	958,806
Less: Stock based compensation expenses determined using fair value of options	233,195	7,760,545
Net profit (adjusted)	304,080,897	322,599,728
Basic earnings per share as reported	0.41	0.45
Basic earnings per share (adjusted)	0.41	0.44
Diluted earnings per share as reported	0.41	0.45
Diluted earnings per share (adjusted)	0.41	0.44
Weighted average number of equity shares at the end of the year	734,026,438	728,755,992
Weighted average number of shares considered for diluted earnings per share (adjusted)	734,180,933	729,105,907

6 Minority interest

Particulars	As at March 31, 2013	As at March 31, 2012
Balance, beginning of the year	1,219,772,941	836,765,506
Add: Minority interest in equity : (Decrease) / Increase in minority's share in equity capital of subsidiaries in the current year	(129,058,538)	349,273,560
Capital grant transferred to minority share holders	609,870,504	-
	480,811,965	349,273,560
Add: Minority interest in profits/(losses) of subsidiaries : Minority interest in profits/(losses) of subsidiaries for the current year	101,373,328	33,733,875
	101,373,328	33,733,875
Balance, end of the year	1,801,958,234	1,219,772,941

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(All amounts in Indian Rupees unless otherwise stated)

7 Long-term borrowings

Particulars	March 31, 2013		March 31, 2012	
	Non-current portion	Current maturities	Non-current portion	Current maturities
I Term loans [refer below for details of security]				
Indian rupee loans from banks	22,215,844,008	1,917,333,716	20,892,611,616	3,033,136,860
From financial institutions	12,564,196,787	1,112,264,705	7,908,754,412	124,235,293
From others	-	250,000,000	250,000,000	800,000,000
	34,780,040,795	3,279,598,421	29,051,366,028	3,957,372,153
II 10.3% intercorporate loan, unsecured				
From a minority shareholder	137,155,000	-	137,155,000	-
III Deferred payment liability, unsecured				
Negative grant payable to NHAI	1,200,000,000	-	1,200,000,000	-
Amount disclosed under "Other Current Liabilities" (note 12)	-	(3,279,598,421)	-	(3,957,372,153)
Total long term borrowings	36,117,195,795	(3,279,598,421)	30,388,521,028	(3,957,372,153)
The above term loans includes :				
Secured borrowings	34,205,562,616	-	29,051,366,028	-
Unsecured borrowings	574,478,179	-	-	-
Total	34,780,040,795	-	29,051,366,028	-

- The above term loans from banks and financial institutions are primarily taken by various project executing entities of the Group for the execution of the projects. These loans are secured by a first mortgage and charge on all the movable properties, immovable properties, tangible assets, intangible assets and all bank accounts (including escrow bank accounts) save and except the project assets of each individual borrowing company in the Group.
- Loans from others are secured by first charge on proceeds/ receivables to be received from the National Highways Authority of India (NHAI) towards annuities to be received for the period between the Scheduled Commercial Operation Date and the actual Commercial Operations Date (COD). This loan carries interest rate in the range of 13% p.a. The loan is repayable on from March 1, 2014.
- One of the Group SPV had obtained a secured term loan from a financial institution for which charge is yet to be created as at March 31, 2013. The financial institution has levied a penal interest of ₹ 21,651,124 which has not been paid. Further the SPV had received during the year a letter from a bank towards charges for prepayment of loans which has been contested by the SPV and hence remained unpaid till year end.
- During the year, one of the SPV was under negotiation with one of the lender in determining the rate of interest on long term borrowings. The lender has charged an excess interest amounting to ₹ 6,219,129/- till March 31, 2013 including ₹ 4,835,129 as at March 2012. However, post year end, the lender has through a letter communicated the reversal of excess interest charged.
- During the year, the one of the SPV has been regularly paying interest to the secured lenders as the terms of the loan agreement. However, in respect of some of the lenders there was a difference between the amount of interest charged by the lenders and the amounts paid by the SPV resulting in an outstanding amount payable of ₹ 7,206,873 which is outstanding as on the balance sheet date. The Company is taking up the matter with the lenders for resolution. Pending the resolution the same is shown as continuing default as at the balance sheet date.
- 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 ₹ 2,194,500,000/-, b) a first and exclusive charge on the Designated account, Debt Service Reserve aggregating to ₹ 101,021,821/- as on March 31, 2013 Surplus Monies and the sale proceeds to be received by the Borrower due to Mumbai Nasik Expressway Limited 'MNEL' Stake sale and/or the Lender exercising

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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% pa. It's repayment is entirely due on September 15, 2014.

g. 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.

Particulars	Face value of equity shares ₹	Number of equity shares pledged	
		March 31, 2013 Numbers	March 31, 2012 Numbers
AEL	10.00	13,175,970	13,171,442
CBICL	10.00	1,664,019	1,664,019
GICL	10.00	27,686,396	37,279,629
KBICL	10.00	20,767,040	20,767,040
MNEL	10.00	38,942,800	16,120,000
PBHL	10.00	13,000	-
PHL	100.00	7,350	7,350
PHPL	10.00	750,000	750,000
REL	10.00	14,744,579	14,744,579
RGBL	10.00	89,573,750	89,573,750
VSPL	10.00	61,515,633	61,515,633
ICTPL	10.00	16,500,000	20,000,000
Total		285,340,537	275,593,442

The change in the balances between March 31, 2012 and March 31, 2013 represent additional /reduction of pledge during the current year.

h. Interest rates :

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 a consortium of lenders the rate applicable is the highest rate charged by any one member of the consortium thereof.

Loans from others, carries interest rate in the range of 11% to 14% p.a.

i. Schedule of repayments of the term loans :

	As at March 31, 2013	As at March 31, 2012
Installments payable within next one year	3,279,598,421	3,957,372,153
Installments payable between 2 to 5 years	15,541,645,535	12,965,139,380
Installments payable beyond 5 years	19,238,395,261	16,086,226,648
Total	38,059,639,216	33,008,738,181

j. Unsecured intercorporate loan :

This has been availed by one of the SPV of the Group from its minority shareholder. The repayment of the same is due on March 31, 2015.

k. Unsecured, deferred payment liability :

As per the terms of the concession agreement between MNEL and NHAI, MNEL is required to make a cash payout ('Negative Grant') of ₹ 1,200,000,000 in the last year of the concession period (i.e. March, 2026). The same is capitalised as toll concession rights and is represented as deferred payment liability in the financial statements.

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to the Consolidated financial statements for the year ended March 31, 2013

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8 Deferred tax liabilities (net)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred tax asset	325,383,156	-
Deferred tax liability	20,837,532	25,644,794
Net deferred tax asset/(liability)	304,545,625	(25,644,794)
Deferred tax asset		
On unabsorbed depreciation	604,603,209	269,620,950
On account of employee benefits	10,422,736	6,311,275
Deferred tax liability		
On account of depreciation/amortisation	310,480,320	301,577,019
Net deferred tax asset/(liability)	304,545,625	(25,644,794)

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 amounts to ₹ 330,266,288 on the unabsorbed depreciation as per the tax returns available for set off from future taxable income.

9 Other long-term liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Margin money deposit *	5,000,000	5,000,000
Performance deposit from vendor	3,850,000	3,850,000
Total other long-term liabilities	8,850,000	8,850,000

*Received from a joint venture against bank guarantee issued GIPL's limits.

10 Provisions

Particulars	March 31, 2013		March 31, 2012	
	Long-term	Short-term	-Long-term	Short-term
Provision for employee benefits				
Provision for cash compensation scheme	-	1,741,294	-	19,506,127
Provision for gratuity	7,415,139	306,093	5,231,157	457,832
Provision for leave encashment	18,856,442	4,003,951	11,866,968	2,304,075
	26,271,581	6,051,338	17,098,125	22,268,034
Other provisions				
Proposed dividend		22,877,417		
Dividend distribution tax on proposed dividend		14,818,155		
Provision for taxation	-	199,555,016	-	106,902,426
Provision for periodic maintenance	723,972,728	-	282,103,000	-
	723,972,728	237,250,588	282,103,000	106,902,426
Total provisions	750,244,309	243,301,926	299,201,125	129,170,460

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a. Cash Alternative Settlement of ESOP Scheme :

During the previous years, the Compensation Committee of the Board of Directors has implemented a scheme of Retention Bonus for its employees. Under this scheme, employees (excluding the Managing Director), to whom stock options were offered in the current year are entitled to a cash alternative to the options which would be payable in lieu of their not exercising the right to apply for the shares against the options granted under the ESOP schemes. During the year, a provision of ₹ 4,287,167 (Previous year ₹ 3,537,253) has been made for Cash Compensation in accordance with the Guidance Note on Accounting of Employees Share Based Payments issued by the Institute of Chartered Accountant of India and a payment of ₹ 22,050,000/- is made to employees.

b. A demand of ₹ 205,089,058 has been raised by the income-tax authorities for Assessment Years 2005-06 to 2011-12 pursuant to assessment proceedings conducted under Section 153A of the Income Tax Act, 1961. The Company has filed an appeal against the said demand. However, the provisions for tax made by the Company are adequate to meet the said demand.

c. Gratuity :

The revised AS -15 (Employee Benefits) is applicable to the Group.

Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The schemes of all the Group companies except for the one joint venture SPV is unfunded.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance sheet.

Particulars	March 31, 2013	March 31, 2012
Current service cost	2,284,418	1,629,104
Interest cost on benefit obligation	559,594	403,606
Expected return on plan asset	(71,823)	(56,635)
Actuarial (gain)/loss	(463,818)	(60,708)
Past service cost	-	156,057
	2,308,371	2,071,424
Less : Gratuity capitalised	361,454	151,411
Net benefit expense	1,946,917	1,920,013

The changes in the present value of the defined benefit obligation are as follows :

Particulars	March 31, 2013	March 31, 2012
Opening defined benefit obligation	6,533,966	4,497,122
Current service cost	2,983,681	1,629,104
Interest cost on benefit obligation	704,309	403,605
Actuarial (gain)/loss	(1,175,419)	(62,573)
Past service cost		131,564
Less : Benefit paid	561,390	64,856
Closing defined benefit obligation	8,485,148	6,533,966

The gratuity scheme of a joint venture SPV is funded with an insurance company in the form of a qualifying insurance policy. The details of fair value of the plan assets is as follows :

Particulars	March 31, 2013	March 31, 2012
Fair value of plan assets at the beginning of the year	844,977	-
Expected return on plan assets	71,823	56,635
Contributions	188,511	103,571
Actuarial gain/(loss) on plan assets	(179,438)	(1,716)
Prior year value of plan assets	(4,225)	686,487
Fair value of plan assets at the end of the year	921,648	844,977

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The actual return on plan assets of the SPVs is presently not available.

Particulars	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009
Actuarial (gain)/loss	(1,175,419)	264,881	1,076,164	(134,208)	(60,054)
Experience adjustment	(1,718,246)	392,746	745,251	(209,553)	277,528
Changes in actuarial assumptions	(542,827)	(127,865)	328,929	(78,767)	(337,582)

The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Discount rate	8.75%	8.75%
Expected rate of return on planned assets	Not applicable	Not applicable
Attrition rate	2%	2%
Retirement age	60 years	60 years

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

c Periodic maintenance :

Hitherto, periodic maintenance cost including resurfacing expenditure required to be undertaken by the operator under its BOT contracts at specified intervals were capitalised to the project asset. From the current year, in line with industry practice, the relevant SPVs have recognised a provision for such expenditure on a systematic basis over the period for which such obligations are to be carried out. During the current year ₹ 282,103,000 (Previous year : ₹ Nil) has been provided towards periodic maintenance activity.

The movement of provisions during the year as required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) is as under:

Particulars	Employee cash compensation scheme		Periodic maintenance expenses	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Opening balance	19,506,127	16,804,235	282,103,000	-
Add : Additions during the year	4,285,167	3,537,253	441,869,728	282,103,000
Less : Reversed during the year	-	835,361		
Less : adjusted to reserves	728,751	-		
Less : Utilised during the year	22,050,000	-		
Closing balance	1,012,543	19,506,127	723,972,728	282,103,000

11 Short-term borrowings

Particulars	As at March 31, 2013	As at March 31, 2012
Loans from banks, Unsecured		
Short-term loans from banks	-	1,200,000,000
Bank overdraft (Pledged on fixed deposit of ₹ 50,000,000)	787,812,481	-
Intercorporate loans received (repayable on demand, unsecured) :		
12% Inter-corporate deposit from GIL the holding company	-	736,200,000
Total short-term borrowings	787,812,481	1,936,200,000
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	787,812,481	1,936,200,000

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12 Other current liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables		
to micro and small enterprises	-	-
to others	242,379,703	112,339,462
Total trade payables (A)	242,379,703	112,339,462
Other liabilities		
Current maturities of long-term borrowings (note 7)	3,279,598,421	3,957,372,153
Interest accrued		
to related parties		
- ICTPL	1,000,966	708,139
- GIL		79,509,600
to others	49,550,337	66,712,098
Advances received from clients	26,597,631	33,712,180
Deferred income		
Dues against capital expenditure		
- to related party - GIL	1,123,839,198	1,162,016,701
- to others	208,475,849	31,606,140
Dues to related parties	198,689,909	257,908,634
Amount due to minority shareholders	219,001,000	170,001,000
Duties and taxes payable	55,593,256	106,518,381
Book overdraft*	-	154,390,627
Others	264,535,404	219,557,062
Total other liabilities (B)	5,426,881,971	6,240,012,715
Total other current liabilities (A + B)	5,669,261,674	6,352,352,177

*Book overdraft represents cheques issued in excess of balance in current account with bank.

- a. Amounts due to micro and small enterprises as defined under the MSMED Act, 2006 :
As per the information available with the Group, there are no Micro, Small, and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Group owes dues on account of principal or interest.
- The above information regarding Micro, Small, and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.
- b. Amount due to minority share holders includes share application money received from minority shareholders of VGRPPL ₹ 49,000,000 (Previous year : ₹ Nil), RCTPL ₹ 170,000,000 (Previous year : ₹ 170,000,000) and SREPL ₹ 1,000 (Previous year : ₹ 1,000).
- c. Details of dues to related parties :

Particulars	As at March 31, 2013	As at March 31, 2012
GIL, the holding company	1,142,785,359	1,257,182,836
BWIOTPL, joint venture entity	182,706	63,375,804
ICTPL, joint venture entity	4,042,008	3,064,434
Modern Tollroads Limited, an associate company	26,520,000	26,520,000
Ansaldocaldaie Boilers India Private Limited, a subsidiary of the holding company	150,000,000	150,000,000
	1,323,530,073	1,500,143,074

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13 Tangible assets

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Machinery	Earth Moving Machinery	Furniture and Fixtures	Electrical Equipments	Office Equipments	Computers	Motor Vehicles	Total
Cost or valuation											
As at April 1, 2011	265,884,338	147,050,377	99,726,397	1,155,535,734	120,797	12,703,657	37,736,380	10,458,023	33,067,316	27,810,101	1,790,093,120
Additions	-	4,290,332	2,229,972	50,662,908	-	17,631,471	-	8,549,942	8,725,867	10,173,229	102,263,721
Sales/disposals/adjustments	28,236,372	-	74,914,106	198,380,079	-	4,493,131	37,736,380	1,043,824	1,460,774	1,766,633	348,031,299
As at March 31, 2012	237,647,966	151,340,709	27,042,263	1,007,818,563	120,797	25,841,997	-	17,964,141	40,332,409	36,216,697	1,544,325,542
Additions	-	33,995,168	-	13,699,129	-	1,469,314	-	2,795,301	4,310,295	1,408,650	57,677,857
Sales/disposals/adjustments	-	-	-	49,230,132	-	511,018	-	340,144	724,308	2,629,113	53,434,715
As at March 31, 2013	237,647,966	185,335,877	27,042,263	972,287,560	120,797	26,800,293	-	20,419,298	43,918,396	34,996,234	1,548,568,684
Accumulated Depreciation											
As at April 1, 2011	-	-	10,085,171	221,144,530	37,543	3,222,424	638,418	1,589,859	10,042,382	5,764,920	252,525,248
Charge for the year	-	-	3,553,187	50,468,115	13,700	1,898,035	-	831,462	5,675,393	3,214,379	65,654,272
On sale/disposals/adjustments	-	-	801,437	7,118,790	-	1,406,947	638,418	173,308	222,098	605,183	10,966,181
As at March 31, 2012	-	-	12,836,921	264,493,855	51,243	3,713,513	-	2,248,013	15,495,678	8,374,116	307,213,339
Charge for the period	-	-	3,535,816	50,023,666	13,662	4,372,940	-	1,151,154	6,664,891	3,527,944	69,290,073
On sale/disposals/adjustments	-	-	-	29,372,181	-	49,302	-	54,155	540,125	831,200	30,846,963
As at March 31, 2013	-	-	16,372,737	285,145,340	64,905	8,037,151	-	3,345,012	21,620,444	11,070,860	345,656,448
Net Block											
As at March 31, 2012	237,647,966	151,340,709	14,205,342	743,324,708	69,554	22,128,484	-	15,716,128	24,836,731	27,842,581	1,237,112,203
As at March 31, 2013	237,647,966	185,335,877	10,669,526	687,142,220	55,892	18,763,142	-	17,074,286	22,297,952	23,925,374	1,202,912,236

Depreciation charge for the year includes an amount of ₹ 1,654,156 (previous year : ₹ 306,635) capitalised to intangible asset under development and an amount of ₹ 84,502 (previous year : ₹ 81,495) capitalised to capital work in progress

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Particulars	Project roads	Project bridges	Project berths	Toll concession rights	Operations & maintenance rights	License fees	Total
	Refer Note A	Refer Note B	Refer Note C	Refer Note D	Refer Note E	Refer Note F	
Cost or valuation							
As at April 1, 2011	6,031,158,296	257,438,683	2,240,749,416	5,758,186,986	250,000,000	125,000,000	14,662,533,381
Additions	-	5,135,461,762	-	3,442,483,399	-	-	8,577,945,161
Sales/disposals/adjustments	986,175,984	-	-	-	-	-	986,175,984
As at March 31, 2012	5,044,982,312	5,392,900,445	2,240,749,416	9,200,670,385	250,000,000	125,000,000	22,254,302,558
Additions	7,212,878,487	50,000,000	18,314,851	71,091,570	-	-	7,352,284,908
Sales/disposals/adjustments	-	-	-	-	-	-	-
As at March 31, 2013	12,257,860,799	5,442,900,445	2,259,064,267	9,271,761,955	250,000,000	125,000,000	29,606,587,466
Amortisation							
As at April 1, 2011	2,397,957,389	130,900,170	465,618,526	126,606,329	91,464,636	-	3,212,547,050
Charge for the year	333,944,147	56,808,434	86,333,573	218,567,767	18,332,999	-	713,986,920
On sale/disposals/adjustments	240,770,774	-	-	(2,188,276)	-	-	238,582,498
As at March 31, 2012	2,491,130,762	187,708,604	551,952,099	347,362,372	109,797,635	-	3,687,951,472
Charge for the period	746,050,901	421,675,712	87,201,771	268,942,786	18,282,910	-	1,542,154,080
On sale/disposals/adjustments	-	-	991,730	-	-	-	991,730
As at March 31, 2013	3,237,181,663	609,384,316	638,162,140	616,305,158	128,080,545	-	5,229,113,822
Net Block							
As at March 31, 2012	2,553,851,550	5,205,191,841	1,688,797,317	8,853,308,013	140,202,365	125,000,000	18,566,351,086
As at March 31, 2013	9,020,679,136	4,833,516,129	1,620,902,127	8,655,456,797	121,919,455	125,000,000	24,377,473,644

Notes:

- A. Project roads pertains to all the costs incurred by three SPVs of the Company, AEL, REL and GICL for the construction of two separate road highways under separate concession agreements entered into between the said companies and the NHAI. These agreements encompass the construction, operation and maintenance of the highway on a Build, Operate, Transfer (Annuity) basis. The ownership of the said highway roads is with the Government of India and the said companies have an intangible right to receive half yearly annuities from NHAI upto November 29, 2019 from the date of commencement of the commercial operations. The respective highway roads developed by AEL and REL on certification by NHAI, began commercial operations from October, 2004 and September 2004 respectively.
- B. Project berths pertains to the costs for construction of separate bridge projects by the two SPVs of the Company CBIL and KBIL. The details are as under:
- It includes costs incurred by CBIL for construction of a road bridge across the Mattancherry river in Cochin in the state of Kerala as per the concession agreement entered into between the said SPV and Greater Cochin Development Authority (GCDA). This agreement encompasses the construction, operation and maintenance of the said bridge on a Build, Operate and Transfer (Toll) basis. The ownership of the bridge is with the Government of Kerala and the SPV has an intangible right to collect toll from the users of the said bridge upto June 6, 2020 from the date of commencement of the commercial operations. The SPV on certification from GCDA commenced the commercial operations from September 26, 2001.
 - It includes costs incurred by KBIL for construction of a road bridge across the Kosi river in the state of Bihar as the concession agreement entered into between the said SPV and NHAI. This agreement encompasses the construction, operation and maintenance of the said bridge on a Build, Operate and Transfer (Annuity) basis. The ownership of the bridge is with the Government of India and the SPV has an intangible right to receive half yearly annuities from NHAI upto April 4, 2027 from the date of commencement of the commercial operations. The SPV on certification from NHAI commenced the commercial operations from February 8, 2012.
- C. Project berths pertains to all the cost incurred by the SPV of the Company, VSPL for the construction of two berths at Vishakhapatnam port, as per the concession agreement signed by the SPV with Vizag Port Trust ("VPT") a statutory body governing the entire Vishakhapatnam port. These agreements encompass the construction, operation and maintenance of the two berths on a Build, Operate, Transfer basis. The SPV is allowed to levy charges from the users of the berth and other facilities of the VSPL from the date of commencement of the commercial operations on certification by VPT commenced in two phases; Phase 1 from July, 2004 and the second phase from September, 2005.
- D. Toll concession rights pertains to the costs incurred by a SPV of the Company, MNEL for construction of a highway road as per the concession agreement signed between them for Operations and Maintenance of the road operation and maintenance of highway on a Build, Operate and Maintenance (Toll) basis. The ownership of the said highway road is with the Government of India and the said SPV has an intangible right to collect toll from the users of the road upto the year 2028 from the date of the commercial operations. As the construction of the road highway was completed in two phases; Phase 1 in May 2010 and Phase 2 in August, 2011, the SPV began commercial operations of the road highway in two phases from the said date.
- E. Operations & maintenance rights includes upfront amount paid by the Company to its holding company, GIL, for revision of the terms of the sub-contract agreement signed between them for Operations and Maintenance of the road project in the state of Andhra Pradesh. The said upfront fees has been capitalised as an intangible asset which will be amortised over the life of the said agreement upto November 2019.
- F. License fees pertains to the fees paid by a SPV of the Company, ICTPL to Mumbai Port Trust ("MbpPT") as per the concession agreement signed between them for providing the license to construct, operate and maintain a offshore container terminal in the Mumbai Port. The said intangible will provide the right to the SPV to charge the users of the offshore container terminal when it commences operations. The intangible will be amortised from the date the commercial operations commences.

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

15 Capital work-in-progress

Particulars	As at March 31, 2013	As at March 31, 2012
Expenses incurred on construction, acquisition of self owned asset :		
Borrowing costs	53,255,902	30,900,000
Employee benefit expenses	15,007,057	2,870,685
Other expenses	6,643,967	3,779,896
Depreciation	32,855,934	27,010,489
	167,551	83,049
	107,930,411	64,644,119
Less : Capital work-in-progress written off	1,074,513	1,074,513
Total capital work-in-progress	106,855,898	63,569,606

16 Intangible assets under development

Particulars	As at March 31, 2013	As at March 31, 2012
Contract expenditure	21,007,854,599	27,899,613,429
Developer fees	1,406,629,964	995,535,996
Concession fees	53,617,905	6,000,022
Borrowing costs	4,641,295,795	5,373,442,089
Negative grant	-	1,200,000,000
Employee benefit expenses	104,295,516	56,046,670
Other expenses	549,615,611	380,300,321
Depreciation	2,446,766	792,610
	27,765,756,156	35,911,731,136
Less :		
Miscellaneous income	7,551,717	4,715,030
	27,758,204,439	35,907,016,106
Less : Capitalised during the year	7,291,139,096	14,336,176,588
Less : Intangible asset under development written off	-	5,592,736
Total intangible assets under development	20,467,065,343	21,565,246,782

17 Goodwill on consolidation

Particulars	As at March 31, 2013	As at March 31, 2012
Goodwill on consolidation	620,620,849	620,620,849
Less : Capital reserve on consolidation	163,895,788	130,506,196
Net of goodwill over capital reserve	456,725,061	490,114,653
Goodwill amortised upto September 30, 2007	3,729,475	3,729,475
Total goodwill on consolidation	452,995,586	486,385,178

Goodwill which was amortised upto September 30, 2007 is now tested for impairment at the end of every reporting period.

18 Non-current investments

Particulars	As at March 31, 2013 Nos	As at March 31, 2012 Nos	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Trade investments in associates (Unquoted ordinary equity shares of ₹ 10 each, unless otherwise stated)				
ESMSPL	2,143,950	2,143,950	14,284,420	13,896,234
Mordern Tollroads Limited	24,470	24,470	192,248	203,612
AIPL	24,450	24,450	178,601	183,446
			14,655,269	14,283,292
Less : Provision for diminution in value of investment			5,552,366	7,852,366
Total non-current investments			9,102,903	6,430,926

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(All amounts in Indian Rupees unless otherwise stated)

Carrying amount of investments in associate companies :

Particulars	ESMSPL		Modern Tollroads Limited*		AIPL	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Original cost of investment	21,439,500	21,439,500	244,700	244,700	244,500	244,500
Add :						
Opening balance of accumulated losses	(7,543,266)	(10,269,213)	(41,088)	-	(61,054)	(38,475)
Add : Profit/(Losses) during the year	110,300	2,725,947	(11,364)	(41,088)	(4,845)	(22,579)
Add : Adjustments during the year	277,886	-	-	-	-	-
Closing balance of accumulated losses	(7,155,080)	(7,543,266)	(52,452)	(41,088)	(65,899)	(61,054)
Carrying amount of investment	14,284,420	13,896,234	192,248	203,612	178,601	183,446

* Based on the un-audited management accounts for the year ended March 31, 2013.

19 Loans and advances

Unsecured, considered good unless stated otherwise

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-current	Current	Non-current	Current
Capital advances				
Related parties - GIL	470,143,009	-	871,227,667	-
Others	964,547,244	-	790,776,364	-
(A)	1,434,690,253	-	1,662,004,031	-
Deposits				
Security deposits	15,433,493	1,234,399	13,447,607	3,409,354
Other deposits	10,227,729	127,500	10,912,426	242,500
(B)	25,661,222	1,361,899	24,360,033	3,651,854
Advance recoverable in cash or in kind				
Related parties	-	33,507,286	1,191,119	29,413,771
Others	91,503,662	187,940,694	203,507,375	38,132,352
Considered doubtful	3,626,704	-	2,631,756	-
	95,130,366	221,447,980	207,330,250	67,546,123
Less : Provision made	(3,626,704)	-	(2,631,756)	-
(C)	91,503,662	221,447,980	204,698,494	67,546,123
Intercorporate loans given to related parties				
- ICTPL	30,513,248	-	5,100,000	-
- GIL	1,073,466	-	-	-
Others	63,077,498	-	45,000,000	-
Considered doubtful	3,892,000	-	3,892,000	-
	98,556,212	-	53,992,000	-
Provision for doubtful deposits	(3,892,000)	-	(3,892,000)	-
(D)	94,664,212	-	50,100,000	-
Advance income-tax, net of tax provision	(E)	266,434,011	-	179,233,373
MAT credit entitlement	(F)	195,235,847	-	164,698,463

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-current	Current	Non-current	Current
Advance towards equity commitment				
Related parties - Mordern Toll roads	12,994,800	-	12,994,800	-
Others	168,183,126	-	-	-
(G)	181,177,926	-	12,994,800	-
Other loans and advances				
Cenvat/VAT/Service tax recoverable	25,000	47,702,411	25,000	14,788,470
Prepaid expenses	18,326,520	64,980,469	-	64,884,583
(H)	18,351,520	112,682,880	25,000	79,673,053
Total Loans and Advances (A + B + C + D + E + F + G + H)	2,307,718,653	335,492,759	2,298,114,194	150,871,030

a. Dues from related parties :

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-current	Current	Non-current	Current
GIL	451,216,475	30,288,938	852,418,786	27,043,827
Gammon Power Limited (GPL), a subsidiary of the holding company	20,000,000	-	20,000,000	-
ICTPL	30,513,248	3,155,077	5,100,000	2,321,673
MDEPL	-	15,000	-	-
Modern Tollroads Limited	12,994,800	48,271	12,994,800	48,271
	514,724,523	33,507,286	890,513,586	29,413,771

- b. Some of the eligible SPVs' of the Group have availed the tax holiday period under section 80 IA of the Income-tax Act, 1962. As such the eligible SPVs' Group during this period of tax holiday have to pay the Minimum Alternate Tax ('MAT') based on the profits as per their profits in the financial statements during the tax holiday period. The MAT paid by these SPVs during the said tax holiday period is available for adjustment against the normal tax payable by the said SPVs after the tax holiday period. The total amount of MAT credit entitlement to these SPVs is ₹ 195,235,847 (Previous year : ₹ 164,698,463).

20 Trade receivables

Unsecured, considered good unless stated otherwise

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-current	Current	Non-current	Current
Outstanding for a period exceeding six months from the date they are due for payment				
From related party - GIL	-	8,261,111	-	8,275,398
From others				
- considered good	558,704	185,051,167	-	251,624,991
- considered doubtful	21,013,096	1,834,688	-	92,174
	21,571,800	195,146,966	-	259,992,563
Less : Provision for doubtful debts	(21,013,096)	(1,834,688)	-	(92,174)
	558,704	193,312,278	-	259,900,389
Other receivables				
From related parties				
- GIL	-	41,556,772	-	61,299,991
- MDEPL	-	14,938,360	-	-
From others	-	128,641,529	-	14,332,779
	-	185,136,661	-	75,632,770
Total trade receivables	558,704	378,448,939	-	335,533,159

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to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

21 Other assets

Unsecured, considered good unless stated otherwise

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-current	Current	Non-current	Current
Accrued income	-	1,409,425,533	-	494,736,704
Balances in escrow bank accounts (Refer note 24)	151,055,327	151,677,578	33,505	190,776,638
	151,055,327	1,561,103,111	33,505	685,513,342
Interest accrued receivable				
Considered good :				
Related parties	2,216,670	-	18,724	-
Others	-	65,422,801	13,833,876	44,324,869
Considered doubtful	-	692,183	-	692,183
	2,216,670	66,114,984	13,852,600	45,017,052
Less : Provision made	-	(692,183)	-	(692,183)
	2,216,670	65,422,801	13,852,600	44,324,869
Total other assets	153,271,997	1,626,525,912	13,886,105	729,838,211

- a. Accrued income includes amounts of ₹ 1,174,884,534 (Previous year : ₹ 468,579,225) receivable from NHAI against the annuities, ₹ 219,460,403 (Previous year : ₹ 13,258,750) towards grant from NHAI, ₹ 11,409,681 (Previous year : ₹ 12,898,729) from a client and balance from others. These are unbilled revenues accrued as on March 31, 2013 to the SPVs of the Group.
- b. Balances in escrow bank accounts includes an amount of ₹ 33,505 (Previous year : ₹ 33,505) of the Initial Public Offer, made by the holding company of the Group, pertains to the refund orders not encashed by the investors. This amount is transferrable to Investors Protection Fund in the year 2015.

22 Current investments

Particulars	As at	As at	As at	As at
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Nos	Nos	₹	₹
Non-trade investments (valued at cost unless stated otherwise)				
Investment in mutual fund				
Birla Mutual Fund - Growth schemes	40,834,464	-	8,500,000	-
Birla Mutual Fund - Growth schemes	45,638,519	-	9,500,000	-
Axis Liquid Fund - Daily Dividend Reinvestment	18,741	-	9,184,279	-
Total current investments	105,214	-	27,184,279	-
Market value as on March 31, 2013			28,514,778	-

23 Inventories

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Stores and consumables (at lower of cost computed at weighted average rate and net realisable value)	43,382,026	35,071,346
Scrap steel	7,107,060	-
Construction Work in progress (EPC) (refer note below)	12,635,202	-
Total inventories	63,124,288	35,071,346

The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard - 7 'Construction Contracts' notified by the Companies (Accounting Standards) Rules' 2006, (as amended) are as under:

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Turnover for the year	-	-
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	12,635,202	-
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	-	-
Contract Advances (Net)	-	-
Gross Amount due from Customers for contract work	-	-
Gross Amount due to customers for contract work	-	-

24 Cash and cash equivalents

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
Balances with Scheduled Banks :				
in Current Accounts		568,659,619		2,308,482,949
In Bank O/D Account - Debit Balance		-		5,502,989
Cash on hand		10,593,736		6,606,119
Cheques on hand		93,400		-
Funds in transit		-		587,800
Fixed Deposit with banks for a period less than three months		113,149,515		-
	-	692,496,270	-	2,321,179,857
Other bank balances				
Balances in escrow account	33,505	-	33,505	-
Debt service reserve account	101,021,822	-	-	-
Fixed Deposit with banks for a period exceeding three months	-	151,677,578	-	190,776,638
Fixed Deposit under lien	50,000,000	-	-	-
Amounts disclosed under Other assets (Refer note 21)	(151,055,327)	(151,677,578)	(33,505)	(190,776,638)
	-	-	-	-
Total cash and cash equivalents	-	692,496,270	-	2,321,179,857

25 Revenue from projects

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Annuity income	3,001,808,697	1,256,664,809
Toll revenue	1,339,611,301	1,011,026,054
Revenue from advisory activities	59,271,844	-
Revenue from port operations	1,350,898,363	1,249,025,570
Revenue from road maintenance	193,567,860	228,755,909
Revenue from developer activities	676,777,051	246,237,536
Total revenue from projects	6,621,935,116	3,991,709,878

During the year, one of the SPV has received bunched up annuity amounting to ₹ 223,125,683 (previous year : Nil) 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.

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The Group undertakes various projects on build-operate-transfer basis as per the service concession agreements with the government authorities. During the current year, the 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 during the current year from such contracts are not eliminated to the extent of ₹ 676,777,051 (previous year : ₹ 246,237,536).

26 Other operating revenue

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest on early completion bonus	-	40,257,867
Operating grant received	206,201,653	171,532,565
Income from change of scope	38,528,735	-
Others	37,101,870	25,884,518
Total other operating revenue	281,832,258	237,674,950

27 Other income

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest income on :		
Intercompany deposits	7,160,901	7,192,722
Bank deposits	33,104,480	5,358,627
Others	6,403,787	12,656,532
	46,669,168	25,207,881
Dividend income on current investments	-	23,870,027
Miscellaneous income :		
Net gain on sale of current investments	25,012,560	7,826,973
Others	5,943,260	7,463,518
	30,955,820	15,290,491
Total other income	77,624,988	64,368,399

28 Project expenses

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Changes in inventory of materials used in maintenance activities :		
Opening stock of materials	4,440,914	5,425,066
Less : Closing stock of materials	4,208,978	4,440,914
	231,936	984,152
Sub-contracting expenses	352,814,240	338,318,247
Expenses towards change of scope	38,528,735	-
Material handling system's maintenance expenses	117,098,647	112,504,813
Port cargo handling expenses	471,088,122	388,371,520
Power and fuel expenses	50,589,268	47,943,194
Royalty on revenue	65,385,870	39,161,063
Penalty on shortfall of minimum guarantee throughput	11,295,732	52,826,005
Other project expenses	113,044,015	109,425,935
Periodic maintenance expenses	441,869,728	282,103,000
	1,661,714,357	1,370,653,776
Total project expenses	1,661,946,293	1,371,637,928

Notes

to the Consolidated financial statements for the year ended March 31, 2013

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29 Employee benefits expense

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages and bonus	209,859,947	181,364,964
Contributions to provident fund	8,626,209	7,380,824
Directors' remuneration including contributions to provident fund	51,145,954	46,249,330
Staff welfare expenses	10,340,638	11,138,778
Provision for leave encashment	6,568,249	5,222,296
Provision for gratuity	1,946,917	1,920,013
Employees 'ESOP' compensation cost	(3,519,002)	(57,642)
Cash alternative settlement of ESOP scheme	4,285,167	3,537,253
Total employee benefits expense	289,254,079	256,755,816

30 Other expenses

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Professional and consultancy fees	89,732,227	79,192,486
Insurance charges	5,290,311	6,146,099
Directors' fees and commission	830,000	2,300,000
Office rent	13,784,347	14,556,649
Hire of equipments	3,971,430	3,259,142
Fuel charges	2,799,461	3,899,383
Travelling and motor car expenses	24,287,028	17,600,235
Tender document expenses	15,525,626	25,302,705
Payment to auditors	8,402,608	8,859,047
Preliminary and share issue expenses	30,339	22,157,363
Guarantee bond commission	4,412,226	19,602,988
Miscellaneous expenses	46,355,716	39,677,270
Assets written off	9,914,535	10,104,861
Loss on sale of assets	5,860,832	3,376,070
Loss on divestment of joint venture	-	35,412,632
Loss from joint venture *	39,945,070	11,687,090
Loss on foreign currency fluctuation	1,802,716	-
Intangible asset written off	5,575,701	-
Provision for diminution in value of investments (including goodwill written off)	-	21,987,235
Provision for doubtful debts, advances & bad debts	458,495	15,457,915
	278,978,668	340,579,170
Less : Transfer to intangible asset under development	-	-
Total other expenses	278,978,668	340,579,170

*Persuant to supplementary agreement dated December 23, 2011 with Noatum Ports S.L., co-venturer in ICTPL, the group is liable to bear and discharge all financial obligation and contribution in relation to ICTPL. Hence the entire loss of ICTPL has been absorbed by the Group.

31 Exceptional items

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Unamortised portion of periodic maintenance written off	-	745,405,210
Depreciation for prior years	-	1,901,748
Prior period expenses capitalised written back	-	-
	-	747,306,958
Less :		
Developer fees eliminated earlier, now reversed	-	650,258,901
	-	650,258,901
Total exceptional items	-	97,048,057

- a. The Group undertakes various projects on build-operate-transfer basis as per the service concession agreements with the government authorities. During the previous year, the 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

Notes

to the Consolidated financial statements for the year ended March 31, 2013

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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 during the previous year from such contracts were not eliminated to the extent of ₹ 246,237,536. Further, the Group has reflected the credit of the developer fees of ₹ 650,258,901 upto March 31, 2011 as an exceptional item.

- b. Upto March 31, 2011, periodic maintenance cost including resurfacing expenditure required to be undertaken by the operator under its BOT contracts at specified intervals were capitalised to the project asset. During the previous year, in line with industry practice, the relevant SPVs have recognised a provision for such expenditure on a systematic basis over the period for which such obligations are to be carried out. Further, these SPVs have debited such un-amortised expenditure of ₹745,405,210 as at March 31, 2011 to the statement of profit and loss as an exceptional item in the previous year.
- c. Exceptional items are therefore the net of the unamortised periodic maintenance expenditure written off, ₹ 745,405,210, depreciation for prior years ₹ 1,901,748 and reversal of elimination of developer fees of ₹ 650,258,901 resulting in a net debit of ₹ 97,048,057.

32 Finance costs

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest expense		
- to banks, financial institution and others	2,877,147,413	1,371,571,157
- to related parties		
- GIL on intercorporate loans	37,050,612	88,344,000
- ICTPL on margin money	300,000	300,000
- to joint venture partners	14,126,965	-
Other finance costs	39,712,593	96,378,817
Total finance cost	2,968,337,583	1,556,593,974

- 33 Significant accounting policies and notes to this consolidated financial statement are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognising this purpose, the Group has disclosed only such policies and notes from the individual financial statements, which fairly presents the needed disclosures.

34 Annuity receivable by CBICL

Under the Concession Agreement dated 27th October, 1999, executed between CBICL, GIL the holding company of the Group, Government of Kerala (GOK) and Greater Cochin Development Authority (GCDA) dated January 6th, 2001; the entire project has been assigned to CBICL as a Concessionaire for the purpose of developing, operating and maintaining the infrastructure facility on BOT basis for 13 years and nine months.

Subsequently, a Supplementary Concession Agreement is to be executed as per the Government of Kerala's Order Nos. G.O. (M.S.) No. 11/2005/PWD dated 24th January, 2005 and G.O. (M.S) No. 16/2005/PWD dated 1st March, 2005 between the Government of Kerala, Greater Cochin Development Authority and CBICL. In terms of the order, the period of concession has been increased by 6 years and CBICL is entitled to yearly annuity receipts which it is accounting as Trade receivables. The annuities have not been collected till date. CBICL has not made any provision against the said receivables. As the annuities has not been received till date, CBICL has initiated arbitration procedures.

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

35 Earnings per share (EPS)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit/(loss) after tax	147,263,253	(254,181,145)
Outstanding equity shares at the end of the year	734,026,438	728,763,618
Weighted average number of equity shares outstanding during the year - Basic	734,026,438	728,755,992
Weighted average number of equity shares outstanding during the year - Diluted	734,180,933	729,105,907
Earnings Per Share - Basic (₹)	0.20	(0.35)
Earnings Per Share - Diluted (₹)	0.20	(0.35)
Particulars	As at March 31, 2013	As at March 31, 2012
Nominal value of equity shares (₹ per share)	2	2
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the year	728,763,618	728,740,162
Add : Issue of equity shares against options granted to employees	-	23,456
Add : Issue of Bonus Shares during the year	5,262,820	-
Total number of equity shares outstanding at the end of year	734,026,438	728,763,618
Weighted average number of equity shares at the end of the year	734,026,438	728,755,992
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	734,026,438	728,755,992
Add : Equity shares for no consideration arising on grant of stock options under ESOP	3,565,448	3,565,448
Less : Equity shares for no consideration arising on grant of stock options under ESOP forfeited / lapsed (included above)	3,410,953	3,215,533
Weighted average number of equity shares used in calculating diluted EPS	734,180,933	729,105,907

The weighted average number of shares of the previous year includes 5,262,820 bonus shares issued during the year for the purpose of computing EPS in accordance with AS-20 Earnings per Share.

GIPL, the holding company was an unlisted company at the date when options were granted under GIPL ESOP 2007 scheme and therefore the intrinsic value was determined on the basis of an independent valuation by following the price to Net Asset Value (NAV) method. If the employees stock based compensation cost been determined in accordance with the fair value approach described in the guidance note, the Group's net profit for the year ended March 31, 2013 as reported would have changed to amounts indicated below:

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax as reported	147,263,253	(254,181,145)
Add: Stock based compensation expense included in the reported income	46,247	(57,642)
Less: Stock based compensation expenses determined using fair value of options	233,195	7,760,545
Net Profit (adjusted)	147,076,305	(261,999,332)
Earnings Per Share :		
Basic earnings per share as reported	0.20	(0.35)
Basic earnings per share (adjusted)	0.20	(0.36)
Diluted earnings per share as reported	0.20	(0.35)
Diluted earnings per share (adjusted)	0.20	(0.36)
Weighted average number of equity shares at the end of the year	734,026,438	728,755,992
Weighted average number of shares considered for diluted earnings per share (adjusted)	734,180,933	729,105,907

36 Lease

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 ₹ 9,210,235 (Previous year: ₹ 5,938,636) and under cancellable operating leases was ₹ 818,810 (Previous year: ₹ 661,604) 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 ₹ 950,000 (Previous year : ₹ 950,000). The disclosures as per Accounting Standard 19 'Leases' notified under the Companies (Accounting Standards) Rules, 2006 are as under:

Particulars	March 31, 2013	March 31, 2012
Minimum lease payments :		
Payable not later than 1 year	12,084,000	12,084,000
Payable later than 1 year and not later than 5 years	22,686,000	34,086,000
Payable later than 5 years	-	-
Lease payment recognised in the statement of profit and loss	1,299,713	6,911,469

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

37 Related party transactions

- a. Names of the related parties and related party relationships
- i) **Entities where control exists :**
GIL the holding company
 - ii) **Fellow subsidiary :**
GPL subsidiary of the holding company, GIL
ACBIPL subsidiary of the holding company, GIL
 - iii) **Associates :**
AIPL
ESMSPL
Modern Tollroads Limited
 - iv) **Key management personnel :**
Abhijit Rajan
Kishor Kumar Mohanty
Parag Parikh
Rajeevkumar Malhotra

b. Related party transactions

Transactions	Entities where control exists	Associates	Fellow subsidiary	Key management personnel	Total
Operations and maintenance income from :					
GIL	192,104,620				192,104,620
	(181,382,669)				(181,382,669)
Operations & maintenance expenses :					
GIL	192,068,481				192,068,481
	(181,382,669)				(181,382,669)
Intangible asset development (materials supply) :					
GIL	105,298,277				105,298,277
	(491,756,326)				(491,756,326)
Intangible asset development (contract expenditure) :					
GIL	2,936,192,456				2,936,192,456
	(6,704,333,405)				(6,704,333,405)
Advances given against EPC contracts to :					
GIL	112,311,912				112,311,912
	(254,173,425)				(254,173,425)
Advances recovered against EPC contracts from :					
GIL	204,859,918				204,859,918
	(152,603,934)				(152,603,934)
Advance against material supply liquidated :					
GIL	-				-
	(135,000,000)				(135,000,000)
Advance against labour recovered :					
GIL	135,000,000				135,000,000
	-				-
Advance against material supply recovered :					
GIL	124,915,434				124,915,434
	-				-
Rent paid to :					
GIL	-				-
	(700,000)				(700,000)

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Transactions	Entities where control exists	Associates	Fellow subsidiary	Key management personnel	Total
Insurance claims received from :					
GIL	-				-
Insurance claims transferred to :					
GIL	1,626,398 (712,654)				1,626,398 (712,654)
Managerial remuneration :					
Mr. Kishor Kumar Mohanty				25,845,378 (22,173,328)	25,845,378 (22,173,328)
Mr. Parag Parikh				16,999,844 (6,708,482)	16,999,844 (6,708,482)
Mr. R.K. Malhotra				8,300,732 (11,367,520)	8,300,732 (11,367,520)
Bonus shares issued (no. of shares):					
- Mr. Abhijit Rajan				836,602	836,602
- Mr. K. K. Mohanty				-	-
- Mr. R. K. Malhotra				2,956	2,956
- Mr. Parag Parikh				-	-
Finance provided (incl. Loans and equity contribution in cash or in kind) :					
GIL	750,000,000				750,000,000
Finance provided for expenses and on account payments :					
GIL	7,696,902 (1,026,119)				7,696,902 (1,026,119)
Amount liquidated towards the above finance :					
GIL	748,926,534 (836,284)				748,926,534 (836,284)
Intercompany borrowings from :					
GIL	190,000,000				190,000,000
Finance received for expenses & on account payments :					
GIL	1,022,507 (275,894)				1,022,507 (275,894)
Refund of intercompany borrowings to :					
GIL	926,404,066 (2,042,237)				926,404,066 (2,042,237)
Interest income during the period :					
GIL	936,986				936,986
Interest paid during the year to :					
GIL	37,050,612 (88,344,000)				37,050,612 (88,344,000)
Retention money recovered :					
GIL	7,421,777 (152,392,455)				7,421,777 (152,392,455)
Retention money refunded :					
GIL	7,421,777 (155,905,258)				7,421,777 (155,905,258)
Outstanding balances receivable :					
Modern Tollroads Limited		13,043,071 (13,043,071)			13,043,071 (13,043,071)
Gammon Power Ltd			20,000,000 (20,000,000)		20,000,000 (20,000,000)
Outstanding balances payable :					
GIL	671,356,789 (1,654,998,546)				671,356,789 (1,654,998,546)
Modern Tollroads Limited		26,520,000 (26,520,000)			26,520,000 (26,520,000)
ACBIPL			150,000,000 (150,000,000)		150,000,000 (150,000,000)

(Previous year's figures in brackets)

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

38 Contingent liabilities

Group's share in contingent liability not provided for in the books of accounts.

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Claims against Company not acknowledged as debt	1,017,672,971	308,162,328
Total	1,017,672,971	308,162,328

- a. The contingent liability, detailed hereinabove includes the Group's share of contingent liability in the joint venture companies amounting to ₹ Nil (Previous year : ₹ Nil).
- b. Claims against the SPVs of a Group not acknowledged as debt includes
 - i) During the year, some of the subsidiaries of the Group has received block assessment orders raising demand u/s 143(3) read with section 153(A) of the Income Tax Act, 1961 for assessment years from 2005-06 to 2011-12 totalling to ₹ 756,113,922. 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 ₹ 177,699,900 claimed by the collector and district registrar, Rajahmundry, pursuant to and Order dated March 15, 2005, as deficit stamp duty payable on the concession agreement entered into between a subsidiary of the Group and NHAI, classifying the concession agreement as a 'lease' under Article 31(d) of the Indian Stamp Act. The subsidiary has impugned the Order by way of a writ petition before the High Court of Andhra Pradesh at Hyderabad. No provision is considered necessary in respect of the said demand, as the management of the subsidiary believes that there is no contravention of the Indian Stamp Act.
- c. A winding up petition against a subsidiary of the Group, has been filed by a creditor for recovery of ₹14,140,343. The subsidiary is disputing the said amount and has recognised ₹1,685,168 payable as there are claims and counter claims by both parties. Pending the final outcome of such proceeding, the claim from the trade payable is disclosed as a contingent liability. The management of the said is of the view that the same would be settled and does not expect any additional liabilities towards the same.

39 Commitments

a. Capital commitments

The total capital commitment as on March 31, 2013 is ₹ 76,437,229,519 (Previous year : ₹ 9,018,442,874). 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.

b. Export obligations

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Under EPCG Scheme	228,966,912	228,966,912
Total	228,966,912	228,966,912

c. Other commitments

- i) In terms of the individual Contracts signed by SPVs they are required to carry major periodic maintenance of the roads they are operating as a part of commitment against receipt of Tolling Rights and / or Annuities. The said SPVs have made provisions towards the same in their respective financial statements.
- ii) One of the SPV's engaged in generating power from a bagasse power plant has committed to purchase bagasse when the power plant becomes operational. The total commitment to purchase the bagasse, upto March 31, 2013, is ₹ 65,000,000 (Previous year : ₹ 60,000,000).

Notes

to the Consolidated financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

40 Segment reporting

The Group's operations constitutes a single business segment namely "Infrastructure Development" as per Accounting Standard (AS) - 17 "Segment Reporting". Further the Group's operations are within single geographical segment which is India.

Infrastructure activities comprise of all the activities of investing in infrastructure projects, providing advisory services and operating and maintaining of Public Private Partnership Infrastructure Projects.

41 Remuneration to auditors of the subsidiaries and joint ventures not audited by any of the joint auditors of the Company is grouped with professional fees.

42 Derivative Instruments and Unhedged Foreign Currency Exposure

One SPV of the Group has the following unhedged exposure in foreign currency representing Buyers credit as at March 31, 2013 and March 31, 2012.

Particulars	As at March 31, 2013	As at March 31, 2012
Currency		EURO
Foreign Currency	-	1,491,450
Indian ₹	-	101,241,073

43 Previous years figures have been regrouped/reclassified wherever necessary.

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

For S. R. Batliboi & Co. LLP
ICAI Firm Regn. No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No. : 42650

For and behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

Abhijit Rajan
Chairman and
Managing Director

Kishor Kumar Mohanty
Managing Director

C. C. Dayal
Director

S. C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Himanshu Parikh
Vice Chairman

Parag Parikh
Whole-time Director and CFO

Naresh Chandra
Director

Homai A. Daruwalla
Director

Place : Mumbai
Date : May 24, 2013

Place : Mumbai
Date : May 24, 2013

Independent Auditors' Report

To
The members of
Gammon Infrastructure Projects Limited

Report on Financial Statements

We have audited the accompanying Financial Statements of Gammon Infrastructure Projects Limited ("the Company"), which comprises the Balance sheet as at 31st March, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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.
 - iii) The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - iv) 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.
 - v) On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of Clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956 on the said date.

For **Natvarlal Vepari & Co.**
ICAI Firm Registration Number: 106971W
Chartered Accountants

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : May 24, 2013

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

per **Hemal Shah**
Partner
M.No. 42650
Mumbai, Dated : May 24, 2013

Annexure to the Auditors' Report (Referred to in our report of even date)

Re: Gammon Infrastructure Projects Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification
(c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and as per the report of the site auditors provided to us, no material discrepancies were noticed on such verification.
- (iii) (a) The Company has granted loans to 11 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 5,033,493,446/-, and the year-end balance of loans granted to such parties was ₹ 4,926,264,896/-.
(b) 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.
(c) In respect of the loans granted, repayment of the principal amount and interest is as stipulated.
(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(e) The Company has taken loan from 4 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 2,442,945,291/- and the year-end balance of loans taken from such parties was ₹ 1,677,245,291/-
(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) The payment of the principal and interest is as stipulated. Where the loans taken are re-payable on demand, as informed to us, the lenders have not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the rendering of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(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.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty which were outstanding, at the year end, for a period of more than six months from the date they became payable.

Annexure to the Auditors' Report (Referred to in our report of even date)

Re: **Gammon Infrastructure Projects Limited**

- (c) According to the information and explanation given to us, the following Tax / duty etc has not been deposited on account of dispute.

Name of the Statute	Nature of the dues	Amount	Period to which it relates	Forum where Dispute is pending
Income Tax Act, 1961	Demand u/s 153 A	205,089,058	A.Y. 2005-06 to A.Y. 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand of Penalty u/s 271 1(c)	13,440,400	A.Y. 2007-08	Commissioner of Income Tax (Appeals)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding dues in respect of debenture holders during the year.
- (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 loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, 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 and the information given to us, 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 given to us, the Company has given guarantee for loans taken by its subsidiary companies from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to ₹ 2,029,998,908 raised on short term basis in the form of unsecured loans and other current liabilities have been used for long-term investments.*
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 and therefore 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 did not issue any debentures during the year and therefore 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 and accordingly clause (xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **Natvarlal Vepari & Co.**
ICAI Firm Registration Number: 106971W
Chartered Accountants

N Jayendran
Partner
M.No. 40441
Mumbai, Dated : May 24, 2013

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

per **Hemal Shah**
Partner
M.No. 42650
Mumbai, Dated : May 24, 2013

Balance Sheet

as at March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	As at	As at
		March 31, 2013	March 31, 2012
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,476,155,376	1,465,629,736
Reserves and surplus	4	4,982,649,828	4,693,833,345
		6,458,805,204	6,159,463,081
Non-current liabilities			
Long-term borrowings	5	3,985,100,000	-
Deferred tax liability, net	6	20,176,400	24,983,662
Trade payables		-	-
Other long-term liabilities	10	276,000,000	10,000,000
Long-term provisions	7	15,657,291	9,962,077
		4,296,933,691	44,945,739
Current liabilities			
Short-term borrowings	8	1,314,557,772	1,764,945,291
Trade payables	9	41,823,350	26,226,221
Other current liabilities	10	924,890,331	139,300,833
Short-term provisions	7	198,687,982	125,468,067
		2,479,959,435	2,055,940,412
TOTAL		13,235,698,330	8,260,349,232
Assets			
Non-current assets			
Fixed assets :			
Tangible assets	11	10,505,436	11,143,013
Intangible assets	12	121,919,455	140,202,365
Capital work-in-progress		-	-
Intangible assets under development		-	-
Non current investments	13	5,637,087,739	4,770,171,763
Long-term loans and advances	14	6,810,951,837	3,072,062,275
Trade receivables		-	-
Other non-current assets	15	240,673,336	27,802,913
		12,821,137,803	8,021,382,329
Current assets			
Current investments		-	-
Inventories	16	14,232,210	1,790,791
Trade receivables	17	288,614,817	166,339,974
Cash and cash equivalents	18	40,848,713	39,004,490
Short-term loans and advances	14	67,193,872	31,831,648
Other current assets	15	3,670,915	-
		414,560,527	238,966,903
TOTAL		13,235,698,330	8,260,349,232
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

For S. R. Batliboi & Co. LLP
ICAI Firm Regn. No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No. : 42650

For and behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

Abhijit Rajan
Chairman and
Managing Director

Kishor Kumar Mohanty
Managing Director

C. C. Dayal
Director

S. C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Himanshu Parikh
Vice Chairman

Parag Parikh
Whole-time Director and CFO

Naresh Chandra
Director

Homai A. Daruwalla
Director

Place : Mumbai
Date : May 24, 2013

Place : Mumbai
Date : May 24, 2013

Statement of Profit and Loss

for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenue from operations			
Revenue	19	1,243,406,537	580,390,205
Other operating income	20	-	449,500,000
		1,243,406,537	1,029,890,205
Other income	21	158,637,936	82,906,743
Total Income (I)		1,402,044,473	1,112,796,948
Expenditure			
Sub-contract expenses	22	75,402,594	31,553,385
Employee benefit expenses	23	196,465,529	171,711,651
Other expenses	24	157,199,376	265,502,447
Total Expenditure (II)		429,067,499	468,767,483
Earnings before interest, tax, depreciation and amortization (I) - (II)		972,976,974	644,029,465
Depreciation and amortization expenses	11 & 12	19,926,608	19,970,934
Finance Costs	25	424,589,783	222,650,977
Profit before tax		528,460,583	401,407,554
Tax expenses			
Current Tax		229,000,000	73,000,000
Deferred Tax		(4,807,262)	(993,913)
Total tax expenses		224,192,738	72,006,087
Profit for the year from operations		304,267,845	329,401,467
Earnings per equity share [nominal value of share ₹ 2/-]	26		
Basic		0.41	0.45
Diluted		0.41	0.45
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

For S. R. Batliboi & Co. LLP
ICAI Firm Regn. No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No. : 42650

For and behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

Abhijit Rajan
Chairman and
Managing Director

Kishor Kumar Mohanty
Managing Director

C. C. Dayal
Director

S. C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Himanshu Parikh
Vice Chairman

Parag Parikh
Whole-time Director and CFO

Naresh Chandra
Director

Homai A. Daruwalla
Director

Place : Mumbai
Date : May 24, 2013

Place : Mumbai
Date : May 24, 2013

Cash Flow Statement

for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	528,460,583	401,407,554
Adjustments for :		
Depreciation & Amortisation	19,926,608	19,970,934
Dividend Income	-	(1,262,374)
(Profit) / loss on sale of Investments	(8,984,492)	54,550,000
Interest expense & other finance costs	424,589,783	221,135,144
Interest income	(140,093,903)	(68,619,151)
Employee Stock Options	(3,519,002)	(57,642)
Cash Alternative Settlement for ESOP Scheme	4,285,167	3,537,253
Write back of provision towards advances given	-	(13,000,000)
Sundry balances written off	93,527	1,491,447
Provisions against Current Assets, Loans & Advances	1,409,916	12,279,061
Provision for gratuity and leave encashment	6,804,870	4,654,625
Loss on sale of assets	1,346	3,157,468
Provision for Diminution in the Value of Investment	30,000,000	27,900,000
	<u>334,513,820</u>	<u>265,736,765</u>
Operating Profit before Working Capital Changes	862,974,403	667,144,319
Movement in working capital :		
(Increase) / Decrease in Trade and Other receivables	(170,144,989)	38,469,117
(Increase) / Decrease in Inventories	(12,441,419)	1,008,591
Increase / (Decrease) in Trade payables and Other liabilities	1,090,829,577	21,164,674
	<u>908,243,169</u>	<u>60,642,382</u>
Cash Generated from the Operations	1,771,217,572	727,786,701
Cash compensation expenses paid	(22,050,000)	
Direct Taxes paid	(161,706,266)	(11,266,448)
Net Cash from Operating Activities	1,587,461,306	716,520,253
B. NET CASH FROM INVESTMENT ACTIVITIES:		
Purchase of Fixed Assets	(1,027,467)	(3,319,930)
Proceeds from sale of Fixed Assets	20,000	33,000
Investments :		
Subscription towards share capital:		
Subsidiaries	(847,915,976)	(14,850,000)
Joint Ventures	(49,000,000)	-
Proceeds from sale of Investments :		
Subsidiaries	-	-
Joint Ventures	-	50,450,000
Purchase of Other Investments :		
Mutual Fund Units	(1,810,000,000)	(1,060,000,000)
Fixed Deposit	(50,000,000)	-
Payment towards debt service reserve	(101,021,822)	-
Sale of Other Investments :		
Mutual Fund Units	1,818,984,492	1,060,000,000
Payment towards equity commitment	(219,033,126)	(1,922,510,000)
Refund of share application money	-	3,279,816,440
Intercompany Deposits :		
Granted	(5,155,144,855)	(3,158,484,850)
Refunds received	1,668,897,334	913,817,367
Interest received	74,574,387	61,103,649
Dividend received	-	1,262,374
Net Cash (used in) Investing Activities	(4,670,667,033)	(792,681,950)

Cash Flow Statement

for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue/allotment of equity shares	-	300,002
Proceeds from long term borrowings	4,050,000,000	-
Proceeds from short term borrowings	1,648,545,543	2,137,300,000
Repayment of long term borrowings	(29,500,000)	-
Repayment of short term borrowings	(2,098,933,062)	(2,108,554,709)
Interest paid	(483,655,811)	(176,312,347)
Share issue expenses	(1,406,720)	(6,528,590)
Net Cash from / (used in) Financing Activities	3,085,049,950	(153,795,644)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,844,223	(229,957,341)
Closing Balances	40,848,713	39,004,490
Opening Balances	39,004,490	268,961,831
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,844,223	(229,957,341)
Note : Figures in brackets denote outflows.		
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	239,904	877,518
Cheques on hand	-	500,000
With Banks :		
On Current Account	40,608,809	32,123,983
On Bank Overdraft (debit balance)	-	5,502,989
	40,848,713	39,004,490
Refer Note 2.1 for summary of significant accounting policies.		

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

Place : Mumbai
Date : May 24, 2013

For S. R. Batliboi & Co. LLP
ICAI Firm Regn. No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No. : 42650

For and behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

Abhijit Rajan
Chairman and
Managing Director

Kishor Kumar Mohanty
Managing Director

C. C. Dayal
Director

S. C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Himanshu Parikh
Vice Chairman

Parag Parikh
Whole-time Director and CFO

Naresh Chandra
Director

Homai A. Daruwalla
Director

Place : Mumbai
Date : May 24, 2013

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

1. Corporate Information

The Company is an infrastructure development company formed primarily to develop, invest in and manage various initiatives in the infrastructure sector. It is presently engaged in the development of various infrastructure projects in sectors like transportation, energy and urban infrastructure through several special purpose vehicles ("SPVs"). It is also engaged in carrying out operation and maintenance ("O&M") activities for the transportation sector projects.

2. Basis of Preparation

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

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.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

b. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Operation and Maintenance income:

Revenue on Operation and Maintenance contracts are recognized over the period of the contract as per the terms of the contract.

Developer fees & other advisory services:

Revenue on Developer Fees is recognized on an accrual basis.

Construction contract revenues :

Revenue from construction contracts is recognised on the basis of percentage completion method. The percentage of work completed is determined by the expenditure incurred on the job till date to the total expected expenditure of the contract.

Construction contracts 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. Foreseeable losses are fully provided for in the respective accounting period.

Interest income:

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income:

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

c. Fixed Assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. 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.

Depreciation on Fixed Assets is provided on the Straight Line Method ("SLM") using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV of the Companies Act, 1956

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

whichever is higher. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase / installation.

Intangible assets are rights of Operations and Maintenance ('O&M') which results in an O&M income stream for the Company for a period of 14 years. The rights are therefore amortised over the period of 14 years on SLM basis.

d. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The test for impairment is done on an annual basis on the intangible asset, irrespective of the indicators for impairment.

e. Investments

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made, 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.

f. Inventories

- a) Stores and materials are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price less estimated cost necessary to make the sale. The weighted average method of inventory valuation is used to determine the cost.
- b) Work in progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.

g. Provision for Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

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

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

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

h. 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 statement of Profit and Loss on a straight line basis over the lease term.

i. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the year attributed to equity shareholders by the weighted average number of equity shares outstanding during the year.

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

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

j. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company 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 recognised but disclosed in notes to accounts. Contingent assets are neither recognised nor disclosed in financial statements.

k. Share Issue Expenses

Share Issue Expenses (net of tax benefits) are charged to the Securities Premium Account, if available, or to the Statement of Profit and Loss.

l. Employee Benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme and contributions are charged to the Statement of Profit and Loss for the year when the contributions are due.

Gratuity liability, a defined benefit obligation, is provided for on the basis of, an actuarial valuation on projected unit credit method, made at the end of each financial year.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation on projected unit credit method made at the end of each financial year.

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

m. Employee Share – based payment plans ('ESOP')

The Company uses the intrinsic value (excess of the share price on the date of grant over the exercise price) method of accounting prescribed by the Guidance Note ('GN') on 'Accounting for employee share-based payments' issued by the Institute of Chartered Accountants of India ('ICAI') ('the guidance note') to account for its Employee Stock Option Scheme (the 'ESOP' Scheme) read with SEBI (Employees stock option scheme or Employees Stock Purchase) Guidelines, 1999. Compensation expense is amortised over the vesting period of the option on SLM basis.

n. Foreign currency translation

Initial recognition :

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion :

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences :

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

o. Cash and cash equivalents

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

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

p. Measurement of Earnings before interest, tax, depreciation and amortization (EBITDA)

The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

3. Share Capital

Particulars	As at	As at
	March 31, 2013	March 31, 2012
i) Authorised shares :		
1,000,000,000 (previous year: 1,000,000,000) Equity shares of ₹ 2/- each	2,000,000,000	2,000,000,000
Total	2,000,000,000	2,000,000,000
ii) Issued and subscribed shares :		
734,836,688 (previous year : 729,573,868) Equity Shares of ₹ 2/- each	1,469,673,376	1,459,147,736
Total	1,469,673,376	1,459,147,736
iii) Paid-up shares :		
734,026,438 (previous year : 728,763,618) Equity Shares of ₹ 2/- each	1,468,052,876	1,457,527,236
Total	1,468,052,876	1,457,527,236
iv) Shares forfeited :		
Amount received in respect of 162,050 (previous year : 1,62,050) equity shares of ₹ 10/- each forfeited	8,102,500	8,102,500
Total	8,102,500	8,102,500
Total paid-up share capital (iii + iv)	1,476,155,376	1,465,629,736

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Equity share of ₹ 2/- each fully paid-up				
Balance, beginning of the year	728,763,618	1,457,527,236	728,740,162	1,457,480,324
Issued during the year on exercise of				
- Employee stock options ('ESOP')	-	-	23,456	46,912
- Bonus issue	5,262,820	10,525,640	-	-
Balance, end of the year	734,026,438	1,468,052,876	728,763,618	1,457,527,236

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) The Company has issued bonus shares during the year to the shareholders other than the promoter group in the ratio of 1:34 (with the fractions being rounded-off to the next higher whole number) aggregating to 5,262,820 equity shares of ₹ 2 each as fully paid by utilising securities premium account aggregating to ₹ 10,525,640 /-

d) Shares held by holding / ultimate holding company and /or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its holding / ultimate holding Company and /or their subsidiaries / associates are as follows:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Equity shares of ₹ 2/- each fully paid up				
Gammon India Limited, Holding Company	528,000,000	1,056,000,000	528,000,000	1,056,000,000
Gactel Turnkey Projects Limited, Fellow Subsidiary	22,400,000	44,800,000	22,400,000	44,800,000
	550,400,000	1,100,800,000	550,400,000	1,100,800,000

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

e) Details of shareholders holding more than 5% shares in the Company

Shareholders holding more than 5% shares in the Company	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Equity shares of ₹ 2/- each fully paid up				
Gammon India Limited, Holding Company	528,000,000	71.93%	528,000,000	72.45%
	528,000,000	71.93%	528,000,000	72.45%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

f) Shares reserved under options to be given.

1,146,670 (previous year : 3,395,420) equity shares have been reserved for issue as ESOP. For further details Refer Note 4.1.

4. Reserves and Surplus

Particulars	As at March 31, 2013	As at March 31, 2012
Securities premium account:		
Balance, beginning of the year	3,509,443,124	3,508,177,883
Add : Security Premium on issue of shares on exercise of Employee Stock Options	-	1,265,241
Less : Bonus shares issued	10,525,640	
Less : Bonus Share issue expenses	1,406,720	-
	3,497,510,764	3,509,443,124
Employee stock options outstanding:		
Balance, beginning of the year	6,578,002	9,676,544
Less : Employee Stock Options Exercised	-	176,790
Less : Employee stock options forfeited / lapsed	3,565,249	3,148,505
	3,012,753	6,351,249
Add : Short accounting of ESOP's in prior year	-	273,000
Less : Deferred Employee compensation outstanding	(46,247)	46,247
	3,059,000	6,578,002
Other Reserves:		
General Reserve		
Balance, beginning of the year	2,395,500	-
Add: reversal of provision for employee stock options outstanding on lapse of options	-	2,395,500
	2,395,500	2,395,500
Surplus in the statement of profit and loss		
Balance as per the last financial statements	1,175,416,719	846,015,252
Add : Profit for the year	304,267,845	329,401,467
Net surplus in the statement of profit and loss	1,479,684,564	1,175,416,719
Total Reserves and Surplus	4,982,649,828	4,693,833,345

4.1 Employees Stock Options Scheme ('ESOP')

The Company has instituted an ESOP Scheme "GIPL ESOP 2007" scheme during the year 2007-08, approved by the shareholders vide their resolution dated May 4, 2007, as per which the Board of Directors of the Company granted 1,640,000 equity-settled stock options to its employees pursuant to the ESOP Scheme on July 1, 2007 and October 1, 2007. Each options entitles an employee to subscribe to 1 equity share of ₹ 10 each of the Company at an exercise price of ₹ 80 per share. During the year 2008-09, the Compensation Committee of the Board of Directors of the Company at its meeting held on October 1, 2008, has further granted 920,000 equity-settled options to eligible employees of the Company at the market price of ₹ 63.95 per equity share of ₹ 10 each, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 324,750 (Previous year 229,500) options were forfeited / lapsed. Out of the options granted, 161,000 (Previous year 485,750) are outstanding at the end of the year.

During the year 2008-09, the Compensation Committee of the Board of the Directors of the Company at its meeting held on October 1, 2008, instituted a new ESOP Scheme "GIPL ESOP 2008" scheme as per which the Company has

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

further granted 490,000 equity-settled options to eligible employees of the Company at the market price of ₹ 63.95 per equity share of ₹ 10 each, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 25,000 (Previous year 33,334) options were forfeited / lapsed. Out of the options granted, 68,344 (Previous year 93,334) are outstanding at the end of the year.

Further, during the year 2009-10, the Compensation Committee of the Board of the Directors of the Company at its meeting held on May 8, 2009 has further granted 210,000 equity-settled options to eligible employees of the Company at the market price of ₹ 72.10 per equity share of ₹ 10 each, prevailing on that date upon expiry of the vesting period of three years. During the current year, 100,000 (Previous year 20,308) options were forfeited / lapsed while None (previous year : 4,692) options were exercised by the employees. Out of the options granted, None (Previous year 100,000) are outstanding at the end of the year.

The details of the grants under the aforesaid ESOPs Schemes are summarized herein under :

ESOP Scheme 2007 :

	2012-13			2011-12		
Fair Value (as on grant date) of equity shares (Rupees)	99.00	124.00	63.95	99.00	124.00	63.95
Market Price (as on grant date) of equity shares granted during the year (Rupees)	N.A.	N.A.	63.95	N.A.	N.A.	63.95
Exercise Price of Options granted during the year (Rupees)	80.00	80.00	63.95	80.00	80.00	63.95
Grant Dates	1-Jul-07	1-Oct-07	1-Oct-08	1-Jul-07	1-Oct-07	1-Oct-08
Vesting commences from	1-Jul-08	1-Oct-08	1-Oct-09	1-Jul-08	1-Oct-08	1-Oct-09
Options outstanding at the beginning of the year	305,750	-	180,000	420,250	25,000	270,000
Options granted during the year	-	-	-	-	-	-
Options lapsed /forfeited during the year	144,750	-	180,000	114,500	25,000	90,000
Options exercised during the year	-	-	-	-	-	-
Options granted and outstanding at the end of the year	161,000	-	-	305,750	-	180,000

ESOP Scheme 2008 :

	2012-13			2011-12		
Fair Value (as on grant date) of equity shares (Rupees)	63.95	43.45	63.95	63.95	43.45	63.95
Market Price (as on grant date) of equity shares granted during the year (Rupees)	63.95	43.45	72.1	63.95	43.45	72.1
Exercise Price of Options granted during the year (Rupees)	63.95	10	63.95	63.95	10	63.95
Grant Dates	1-Oct-08	5-Dec-08	8-May-09	1-Oct-08	5-Dec-08	8-May-09
Vesting commences from	1-Oct-09	5-Dec-09	1-Oct-10	1-Oct-09	5-Dec-09	1-Oct-10
Options outstanding at the beginning of the year	93,334	-	100,000	126,668	-	125,000
Options granted during the year	-	-	-	-	-	-
Options lapsed /forfeited during the year	25,000	-	100,000	33,334	-	20,308
Options exercised during the year	-	-	-	-	-	4,692
Options granted and outstanding at the end of the year	68,334	-	-	93,334	-	100,000

Notes

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(All amounts in Indian Rupees unless otherwise stated)

Particulars	ESOP Scheme 2007	ESOP Scheme 2008	ESOP Scheme 2008	ESOP Scheme 2008
Options (Numbers)	270,000	490,000	500,000	210,000
Weighted Average Fair Value of options granted during the year	40.46	40.46	39.40	36.12
Option Pricing Model used	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model
Equity Share Price	74.30	74.30	47.90	70.85
Exercise Price	63.95	63.95	10	63.95
Expected Volatility	0.5169	0.5169	0.6533	0.7508
Weighted Average on unexpired life of the options (in years)	2.51	2.51	1.68	0.76
Expected dividend	Nil	Nil	Nil	Nil
Risk Free Interest Rate	8.61%	8.61%	6.81%	5.03%
Basis of determination of volatility	Average of GIPL(from the date of listing) and 4 previous yrs average of IVRCL and Nagarjuna	Average of GIPL(from the date of listing) and 4 previous yrs average of IVRCL and Nagarjuna	Average of GIPL(from the date of listing) and 2 previous yrs average of IVRCL and Nagarjuna	Average of GIPL(from the date of listing) and 2 previous yrs average of GVK & GMR

The Company was an unlisted Company at the date when options were granted under GIPL ESOP 2007 scheme and therefore the intrinsic value was determined on the basis of an independent valuation by following the price to Net Asset Value (NAV) method.

If the compensation cost been determined in accordance with the fair value approach described in the guidance note, the Company's net profit for the year ended March 31, 2013 as reported would have changed to amounts indicated below:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Net Income as reported	304,267,845	329,401,467
Add: Stock based compensation expense included in the reported income	46,247	958,806
Less: Stock based compensation expenses determined using fair value of options	233,195	7,760,545
Net profit (adjusted)	304,080,897	322,599,728
Basic earnings per share as reported	0.41	0.45
Basic earnings per share (adjusted)	0.41	0.44
Diluted earnings per share as reported	0.41	0.45
Diluted earnings per share (adjusted)	0.41	0.44
Weighted average number of equity shares at the end of the year	734,026,438	728,755,992
Weighted average number of shares considered for diluted earnings per share (adjusted)	734,180,933	729,105,907

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to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

5. Long Term Borrowings

Particulars	Non-current portion		Current maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Term loans				
Inter-corporate deposit from subsidiary	1,115,100,000	-	35,400,000	-
Term loan from Financial institution	2,870,000,000	-	-	-
(disclosed as Other Current liabilities -See Note 10)	-	-	(35,400,000)	-
	<u>3,985,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

I Details of Inter-corporate deposit 'ICD' from VSPL :

This unsecured ICD currently carries an interest rate of 12.75% pa. It's repayment is in 13 structured quarterly instalments commencing from July 2012 upto July 2015.

Schedule of repayment of ICD

	As at March 31, 2013
Installments payable within one year i.e. upto March 31, 2014	35,400,000
Installments payable between April 01, 2014 to March 31, 2015	62,687,500
Installments payable beyond March 31, 2015	1,052,412,500
Total	1,150,500,000

II Details of Term loan from Financial Institution :

Schedule of repayment of ICD

	As at March 31, 2013
Secured portion	2,295,521,821
Unsecured portion	574,478,179
Total Loan balance	2,870,000,000

- a) The above term loan from financial Institution is secured by:
- 1) Pledge of equity shares of Subsidiary for an aggregate value of ₹ 2,194,500,000/-
 - 2) A first and exclusive charge on the:
 - (i) Designated account
 - (ii) Debt Service Reserve aggregating to ₹ 101,021,821/- as on March 31, 2013.
 - (iii) Surplus Monies and
 - (iv) the sale proceeds to be received by the Company upon 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 pledged by the promoter Company, hence is shown as unsecured portion.
- b) This term loan carries an interest rate of 14.00% pa. It's repayment is due on September 15, 2014.

6. Deferred Tax Liability

The major components of deferred tax assets and liabilities are as given below:

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liability on account of :		
- Depreciation	30,374,405	31,190,189
Deferred Tax Asset on account of :		
- Employee benefits	10,198,005	6,206,527
Deferred Tax Liability, net	20,176,400	24,983,662

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to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

7. Provisions

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employee benefits :				
- Cash Compensatory Scheme (refer note 7.1 & 7.2)	-	-	1,741,294	19,506,127
- Leave Encashment	12,130,273	7,524,383	2,524,507	1,330,559
- Gratuity	3,527,018	2,437,694	79,865	155,427
	15,657,291	9,962,077	4,345,666	20,992,113
Provision for taxation, net of advance tax	-	-	194,342,316	104,475,954
	-	-	194,342,316	104,475,954
Total Provisions	15,657,291	9,962,077	198,687,982	125,468,067

- a A demand of ₹ 205,089,058 has been raised by the income-tax authorities for Assessment Years 2005-06 to 2011-12 pursuant to assessment proceedings conducted under Section 153A of the Income Tax Act, 1961. The Company has filed an appeal against the said demand. However, the provisions for tax made by the Company are adequate to meet the said demand.

7.1 Employees 'ESOP' compensation cost :

During the previous years, the Compensation Committee of the Board of Directors has implemented a scheme of Retention Bonus for its employees. Under this scheme, employees (excluding the managing Director), to whom stock options were offered in the current year are entitled to a cash alternative to the options which would be payable in lieu of their not exercising the right to apply for the shares against the options granted under the ESOP schemes. During the year, a provision of ₹ 4,287,167 (Previous year ₹ 3,537,253) has been made for Cash Compensation in accordance with the Guidance Note on Accounting of Employees Share Based Payments issued by the Institute of Chartered Accountant of India and a payment of ₹ 22,050,000/- is made to employees.

7.2 Movement in Cash Compensatory Scheme balance :

	March 31, 2013	March 31, 2012
Balance, beginning of the year	19,506,127	16,804,235
Add: charge for the year	5,013,918	3,537,253
Less: adjustments in Statement of Profit & Loss Account	728,751	835,361
Less: paid during the year	22,050,000	-
Balance, end of the year	1,741,294	19,506,127

7.3 Gratuity

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is unfunded.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

Net employees benefit expense (recognized in Employee benefit cost)

	Year ended March 31, 2013	Year ended March 31, 2012
Current Service Cost	979,230	554,063
Interest Cost	226,898	129,684
Actuarial (Gain)/Loss	(201,096)	337,441
Total	1,005,032	1,021,188

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009
Actuarial (Gain)/Loss	(201,096)	337,441	715,877	(186,559)	(2,013)
Experience adjustment	(389,191)	493,895	767,540	(186,559)	(2,013)
Changes in Actuarial assumptions	188,095	(156,454)	(51,663)	-	-

The provision for gratuity as at March 31, 2013 is ₹ 3,606,883 (Previous year: ₹ 2,593,121).

The changes in the present value of the defined benefit obligation are as follows

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Defined benefit obligation as at March 31, 2012	2,593,121	1,571,933
Expense for the year	1,005,032	1,021,188
Net liability transfer in	31,807	-
Less : Benefit Paid	23,077	-
Defined Benefit Obligation as at March 31, 2013	3,606,883	2,593,121

As the Company's gratuity obligation is fully unfunded, the Company does not expect to contribute any amounts to its gratuity plan in the next annual period.

The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Discount rate	8.25%	8.75%
Expected rate of return on plan assets	Not applicable	Not applicable
Attrition rate	2.00%	2.00%
Retirement age	60 years	60 years
Salary Escalation	5.00%	5.00%

8. Short Term Borrowings

Particulars	As at March 31, 2013	As at March 31, 2012
Inter-corporate deposits (unsecured and repayable on demand)		
12.00% Inter-corporate deposit from holding Company	-	736,200,000
Interest free (PY : 9.50%) Inter-corporate deposit from Subsidiary Companies	526,745,291	328,745,291
11.90% Short Term Loan from bank (unsecured)	-	700,000,000
Bank overdraft (Unsecured, currently 13.25% with pledge on FD of ₹ 50,000,000)	787,812,481	-
Total Short Term Borrowings	1,314,557,772	1,764,945,291

9. Trade payables

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables - Micro, small and medium enterprises	-	-
Trade payables - Others	41,823,350	26,226,221
Total trade payables	41,823,350	26,226,221

Amounts due to Micro, Small and Medium Enterprises

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

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

10. Other liabilities

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(a) Current maturities of long-term borrowings (note 5)	-	-	35,400,000	-
(b) Interest accrued but not due	-	-	23,138,499	82,204,526
(c) Dues to related parties (refer details below)	-	-	49,992,780	13,181,599
(d) Mobilisation advance received	266,000,000	-	669,185,465	-
(e) Advance received for purchase of subsidiary's equity shares	-	-	26,520,000	26,520,000
(f) Deposit received towards Margin Money from Joint Venture Company	10,000,000	10,000,000	-	-
(g) Duties and Taxes payable	-	-	7,848,128	16,359,431
(h) Deferred income	-	-	90,286,199	-
(i) Other Liabilities	-	-	22,519,260	1,035,277
Total other current liabilities:	276,000,000	10,000,000	924,890,331	139,300,833
Details of dues to related parties:				
Subsidiaries:				
- Andhra Expressway Ltd	-	-	1,238,331	-
- Kosi Bridge Infrastructure Company Ltd	-	-	-	1,710
- Mumbai Nasik Expressway Limited	-	-	46,009,444	8,883,030
- Pravara Renewable Energy Ltd	-	-	388,798	9,301
- Sikkim Hydro Power Ventures Ltd	-	-	-	185,778
- Sutluj Renewable Energy Pvt Ltd	-	-	-	5,582
- Vijayawada Gundugolanu Road Projects Pvt Ltd	-	-	2,031,470	100,000
- Youngthang Power Ventures Ltd	-	-	121,464	3,807,669
Joint Ventures:				
- Blue Water Iron Ore Terminal Pvt Ltd	-	-	203,273	188,529
	-	-	49,992,780	13,181,599

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

11 TANGIBLE ASSETS

Particulars	Plant & Machinery	Earth Moving Machinery	Furniture & Fixtures	Office Equipments	Computers	Motor Vehicles	Total
Cost or valuation							
As at April 1, 2011	1,350,580	120,797	4,928,981	1,930,538	3,409,550	6,367,789	18,108,235
Additions	6,656	-	215,910	319,462	918,006	1,859,896	3,319,930
Sales/Disposals	-	-	4,182,036	482,146	32,750	-	4,696,932
As at March 31, 2012	1,357,236	120,797	962,855	1,767,854	4,294,806	8,227,685	16,731,233
Additions	-	-	313,574	349,543	364,350	-	1,027,467
Sales/Disposals	-	-	-	-	32,750	-	32,750
As at March 31, 2013	1,357,236	120,797	1,276,429	2,117,397	4,626,406	8,227,685	17,725,950
Amortization							
As at April 1, 2011	176,287	37,543	1,517,624	301,244	1,581,783	1,842,268	5,456,749
Charge for the year	64,587	13,700	195,056	85,959	584,412	694,221	1,637,935
On Sale/Disposals	-	-	1,374,999	122,738	8,727	-	1,506,464
As at March 31, 2012	240,874	51,243	337,681	264,465	2,157,468	2,536,489	5,588,220
Charge for the period	64,469	13,662	52,583	100,541	630,813	781,630	1,643,698
On Sale/Disposals	-	-	-	-	11,404	-	11,404
As at March 31, 2013	305,343	64,905	390,264	365,006	2,776,877	3,318,119	7,220,514
Net Block							
As at March 31, 2012	1,116,362	69,554	625,174	1,503,389	2,137,338	5,691,196	11,143,013
As at March 31, 2013	1,051,893	55,892	886,165	1,752,391	1,849,529	4,909,566	10,505,436

12 INTANGIBLE ASSETS

Particulars	O & M Rights
Cost or valuation	
As at April 1, 2011	250,000,000
Additions	-
Sales/Disposals	-
As at March 31, 2012	250,000,000
Additions	-
Sales/Disposals	-
As at March 31, 2013	250,000,000
Accumulated Depreciation	
As at April 1, 2011	91,464,636
Charge for the year	18,332,999
On Sale/Disposals	-
As at March 31, 2012	109,797,635
Charge for the period	18,282,910
On Sale/Disposals	-
As at March 31, 2013	128,080,545
Net Block	
As at March 31, 2012	140,202,365
As at March 31, 2013	121,919,455

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(All amounts in Indian Rupees unless otherwise stated)

13. Non-current investments

Particulars	Face Value Rupees	As at March 31, 2013		As at March 31, 2012	
		Nos.	Amount	Nos.	Amount
Trade Investments, in Subsidiary Companies:					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
Andhra Expressway Limited	10	21,459,950	256,969,000	21,459,950	256,969,000
Birmiltrapur Barkote Highway Pvt Ltd	10	10,000	100,000	-	-
Cochin Bridge Infrastructure Company Limited	10	6,250,070	62,500,700	6,250,070	62,500,700
Gammon Logistics Limited (fully provided)	10	2,550,000	25,500,000	2,550,000	25,500,000
Gammon Projects Developers Limited	10	250,000	2,500,000	250,000	2,500,000
Gammon Renewable Energy Infrastructure Limited	10	50,000	500,000	50,000	500,000
Gammon Road Infrastructure Limited	10	50,000	500,000	50,000	500,000
Gammon Seaport Infrastructure Limited	10	50,000	500,000	50,000	500,000
Gorakhpur Infrastructure Company Limited	10	37,458,063	374,580,630	37,458,063	374,580,630
Haryana Biomass Power Limited (fully provided)	10	50,000	14,600,000	50,000	14,600,000
Jaguar Projects Developers Limited	10	50,000	500,000	50,000	500,000
Kosi Bridge Infrastructure Company Limited	10	35,737,169	357,371,690	35,737,169	357,371,690
Lilac Infra Projects Developers Limited	10	50,000	500,000	50,000	500,000
Marine Project Services Limited	10	50,000	500,000	50,000	500,000
Marmugao Terminal Limited	10	50,000	500,000	-	-
Mumbai Nasik Expressway Limited	10	41,595,000	415,950,000	41,595,000	415,950,000
Pataliputra Highway Limited	100	15,000	1,033,850	15,000	1,033,850
Patna Buxar Highways Limited	10	56,114,703	561,147,030	50,000	500,000
Patna Highway Projects Limited	10	2,500,000	25,000,000	2,500,000	25,000,000
Pravara Renewable Energy Limited	10	17,400,000	174,000,000	17,400,000	174,000,000
Rajahmundry Expressway Limited	10	21,459,950	256,969,000	21,459,950	256,969,000
Rajahmundry Godavari Bridge Limited	10	98,226,750	991,456,446	89,578,750	895,787,500
Satluj Renewable Energy Private Limited	10	4,000	40,000	4,000	40,000
Sidhi Singrauli Road Projects Ltd	10	50,000	500,000	-	-
Sikkim Hydro Power Ventures Limited	10	3,173,900	31,739,000	3,173,900	31,739,000
Tada Infra Development Company Limited	10	50,000	500,000	50,000	500,000
Vijayawada Gundugolanu Road Project Pvt Ltd	10	10,000	100,000	10,000	100,000
Vizag Seaport Private Limited	10	64,313,847	698,080,277	64,313,847	698,080,277
Yamunanagar Panchkula Highway Pvt Ltd	10	19,050,000	190,500,000	-	-
Youngthang Power Ventures Limited	10	14,450,000	144,500,000	14,450,000	144,500,000
			4,589,137,623		3,741,221,647
Beneficial Interest in Equity Shares :					
Andhra Expressway Limited	10	7,540,050	126,651,866	7,540,050	126,651,866
Chitoor Infra Company Private Limited	10	10,000	100,000	10,000	100,000
Gorakhpur Infrastructure Company Limited	10	14,947,238	149,472,380	14,947,238	149,472,380
Kosi Bridge Infrastructure Company Limited	10	12,562,831	125,628,310	12,562,831	125,628,310
Rajahmundry Expressway Limited	10	7,540,050	119,575,780	7,540,050	119,575,780
Earthlink Infrastructure Projects Pvt Ltd (formerly known as Satyavedu Infra Company Private Limited)	10	10,000	100,000	10,000	100,000
Segue Infrastructure Projects Pvt Ltd (formerly known as Tada Sez Private Limited)	10	10,000	100,000	10,000	100,000
Tidong Hydro Power Limited	10	25,500	255,000	25,500	255,000
			521,883,336		521,883,336
Trade Investments in Joint venture entities :					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
Blue Water Iron Ore Terminal Private Limited	10	3,051,808	30,518,080	3,051,808	30,518,080
Indira Container Terminal Private Limited	10	24,375,840	243,758,400	24,375,840	243,758,400
Maa Durga Expressways Private Limited	10	4,900,000	49,000,000	-	-
SEZ Adityapur Limited	10	19,000	190,000	19,000	190,000
			323,466,480		274,466,480
Beneficial Interest in Equity Shares :					
Indira Container Terminal Private Limited	10	26,407,160	264,071,600	26,407,160	264,071,600
			264,071,600		264,071,600
Trade Investments in Associates :					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
ATSL Infrastructure Projects Limited	10	24,450	244,500	24,450	244,500
Eversun Sparkle Maritimes Services Private Limited	10	2,143,950	21,439,500	2,143,950	21,439,500
Modern Tollroads Limited	10	24,470	244,700	24,470	244,700
			21,928,700		21,928,700
Less: Provision for diminution in value of Investment in					
Gammon Logistics Limited			25,500,000		25,500,000
Eversun Sparkle Maritimes Services Private Limited			13,300,000		13,300,000
Haryana Biomass Power Limited			14,600,000		14,600,000
Blue Water Iron Ore Terminal Private Limited			30,000,000		-
			83,400,000		53,400,000
			5,637,087,739		4,770,171,763
Aggregate Book Value of Unquoted Investments			5,637,087,739		4,770,171,763

Notes

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(All amounts in Indian Rupees unless otherwise stated)

13.1 Pledge of Shares

The Company has pledged the following shares in favour of the lenders to the projects as part of the terms of financing agreements for facilities taken by GIPL or its project SPV's as indicated below:

Company Name	Face value Rupees	No. of Equity shares pledged as at	
		March 31, 2013	March 31, 2012
Andhra Expressway Limited	10/-	13,175,970	13,171,442
Cochin Bridge Infrastructure Company Limited	10/-	1,664,019	1,664,019
Rajahmundry Expressway Limited	10/-	14,744,579	14,744,579
Mumbai Nasik Expressway Limited	10/-	38,942,800	16,120,000
Gorakhpur Infrastructure Company Limited	10/-	27,686,396	37,279,629
Kosi Bridge Infrastructure Company Limited	10/-	20,767,040	20,767,040
Vizag Seaport Private Limited	10/-	61,515,633	61,515,633
Pataliputra Highway Limited	100/-	7,350	7,350
Patna Highway Projects Limited	10/-	750,000	750,000
Patna Buxar Highways Limited	10/-	13,000	-
Rajahmundry Godavari Bridge Limited	10/-	89,573,750	89,573,750
Indira Container Terminal Private Limited	10/-	16,500,000	20,000,000

The change in the balances between March 31, 2012 and March 31, 2013 represent additional / reduction of pledge during the year ended March 31, 2013.

14. Loans and Advances

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Security Deposit				
Unsecured, Considered good				
- Bid Security Deposit	-	-	-	2,250,000
- Accomodation	1,010,000	500,000	-	-
- O & M Contract Deposit	3,214,929	2,814,802	-	-
- Others	4,700	61,693	-	-
(A)	4,229,629	3,376,495	-	2,250,000
Intercorporate Deposits paid				
Related parties (refer note 14.1)				
- Unsecured, Considered good	6,526,663,869	3,041,578,450	-	-
- Unsecured, Considered doubtful	37,307,102	36,145,000	-	-
Others				
- Unsecured, Considered doubtful	3,892,000	3,892,000	-	-
	6,567,862,971	3,081,615,450	-	-
Less: Provision for doubtful ICD's	41,199,102	40,037,000	-	-
(B)	6,526,663,869	3,041,578,450	-	-
Advance recoverable in cash or in kind				
Related party :				
Unsecured, Considered good				
Dues from parent Company :	-	-	3,905,595	1,384,867
Dues from Subsidiary Companies :	-	-	28,900,718	1,828,204
Dues from Joint Ventures :	-	-	6,400,135	4,643,347
Dues from Associates :	-	-	48,271	48,271
Unsecured, Considered doubtful	-	-	-	-
Dues from Subsidiary Companies :	-	-	14,841,818	12,279,061
Others:				
Considered good	-	-	792,192	2,171,573
Considered doubtful	-	-	2,112,009	1,891,408
	-	-	57,000,738	24,246,731
Less: Provision for doubtful advance recoverable in cash or in kind	-	-	16,953,827	14,170,469
(C)	-	-	40,046,911	10,076,262

Notes

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(All amounts in Indian Rupees unless otherwise stated)

14. Loans and Advances (contd.)

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Other Loans and advances				
Advance Income Tax (Net of Provision for Taxation) [See Note 7 (a)]	36,685,158	14,112,530	-	-
Prepaid expenses	11,345,255	-	22,338,188	12,079,359
Service tax credit receivable / VAT deposited	-	-	4,808,773	897,437
Others	-	-	-	6,528,590
(D)	48,030,413	14,112,530	27,146,961	19,505,386
Advance towards equity commitment				
Related parties (refer note 14.2)	232,027,926	12,994,800	-	-
(E)	232,027,926	12,994,800	-	-
Total Loans and Advances (A + B + C + D + E)	6,810,951,837	3,072,062,275	67,193,872	31,831,648
Total of Loans and Advances with related parties	6,758,691,795	3,054,573,250	35,300,853	6,471,551

14.1 The break-up of Intercompany Loans granted by the Company to related parties is as under :

Company Name	March 31, 2013	March 31, 2012
Interest bearing considered good		
Aparna Infraenergy India Pvt Ltd	-	27,885,000
Cochin Bridge Infrastructure Company Limited	-	27,500,000
Gammon Projects Developers Limited	-	970,000
Gammon Renewable Energy Infrastructure Limited	-	462,000
Gammon Road Infrastructure Limited	1,054,943	73,325,000
Ghaggar Renewable Energy Private Limited	-	11,710,000
Gorakhpur Infrastructure Company Limited	-	639,200,000
Indira Container Terminal Pvt Limited	61,026,496	10,200,000
Kosi Bridge Infrastructure Company Ltd	-	46,000,000
Mumbai Nasik Expressway Ltd	630,620,000	593,620,000
Pataliputra Highway Limited	-	35,400,000
Patna Buxar Highways Ltd	-	64,866,500
Patna Highway Projects Ltd	-	445,250,000
Pravara Renewable Energy Infrastructure Limited	-	65,040,000
Sikkim Hydro Power Ventures Limited	-	141,248,120
Sutluj Renewable Energy Private Limited	-	2,590,000
Tidong Hydro Power Limited	-	11,330,000
Youngthang Power Ventures Limited	-	506,304,150
Total (A)	692,701,439	2,702,900,770

Notes

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(All amounts in Indian Rupees unless otherwise stated)

14.1 The break-up of Intercorporate Loans granted by the Company to related parties is as under : (contd.)

Company Name	March 31, 2013	March 31, 2012
Interest free considered good		
Aparna Infraenergy India Pvt Ltd	300,517,309	-
Birmitrapur Barkote Highway Pvt Ltd	51,824,515	-
Chitoor Infra Company Private Limited	100,000	-
Cochin Bridge Infrastructure Company Limited	40,700,000	-
Earthlink Infrastructure Projects Pvt Ltd	650,000	-
Gammon Projects Developers Limited	6,046,000	5,076,000
Gammon Renewable Energy Infrastructure Limited	51,120,000	50,658,000
Ghaggar Renewable Energy Private Limited	200,000	-
Gammon Road Infrastructure Limited	17,510,000	-
Gammon Seaport Infrastructure Limited	4,300	-
Gorakhpur Infrastructure Company Limited	1,469,700,000	-
Kosi Bridge Infrastructure Company Ltd	315,661,273	-
Pataliputra Highway Limited	638,450,000	132,100,000
Patna Buxar Highways Ltd	200,000	-
Patna Highway Projects Ltd	693,250,000	-
Pravara Renewable Energy Limited	145,670,680	53,508,680
Rajahmundry Godavari Bridge Limited	155,500,000	-
Sikkim Hydro Power Ventures Limited	943,679,246	49,100,000
Segue Infrastructure Projects Pvt Ltd	250,000	-
Sutluj Renewable Energy Private Limited	2,490,000	-
Sidhi Singrauli Road Projects Ltd	65,500,125	-
Tidong Hydro Power Limited	11,813,000	-
Vijayawada Gundugolanu Road Project Pvt Ltd	243,856,763	-
Youngthang Power Ventures Limited	574,147,150	48,235,000
Yamunanagar Panchkula Highway Pvt Ltd	104,772,069	-
Yamunanagar Minor Mineral Pvt Ltd	350,000	-
Total (B)	5,833,962,430	338,677,680
Total (A + B)	6,526,663,869	3,041,578,450
Interest free considered doubtful		
Gammon Logistics Limited	37,307,102	36,145,000
Total	37,307,102	36,145,000

14.2 The break-up of advance towards equity commitment made by the Company to related parties is as under :

Company Name	March 31, 2013	March 31, 2012
Modern Toll Roads Ltd	12,994,800	12,994,800
Vijayawada Gundugolanu Road Project Pvt Ltd	50,900,000	-
Rajahmundry Godavari Bridge Limited	168,133,126	-
Total	232,027,926	12,994,800

15. Other current assets

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Interest accrued receivable				
From related parties, considered good (refer note 15.1)	89,618,009	27,769,408	-	-
From Banks, considered good	-	-	3,670,915	-
From others, considered doubtful	-	-	692,183	692,183
	89,618,009	27,769,408	4,363,098	692,183
Less: Provision for doubtful Interest accrued receivable	-	-	692,183	692,183
Non-current bank balances (Refer note 18)	151,055,327	33,505	-	-
Total Other current assets	240,673,336	27,802,913	3,670,915	-

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to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

15.1 Break-up of interest accrued receivable from related parties is as follows:

Company Name	March 31, 2013	March 31, 2012
Cochin Bridge Infrastructure Company Limited	1,746,501	1,746,501
Gammon Projects Developers Limited	104,760	104,760
Ghaggar Renewable Energy Private Limited	697,558	389,956
Gammon Road Infrastructure Limited	159,718	
Gorakhpur Infrastructure Company Limited	11,270,388	9,855,986
Indira Container Terminal Private Limited	3,243,564	37,448
Kosi Bridge Infrastructure Company Limited	789,325	105,934
Mumbai Nasik Expressway Ltd	57,441,314	150,351
Patna Buxor Highways Limited	-	93,106
Patna Highway Projects Limited	1,933,028	1,933,028
Pravara Renewable Energy Limited	2,546,537	2,546,537
Sikkim Hydro Power Ventures Limited	2,651,638	2,651,638
Tidong Hydro Power Limited	162,850	162,850
Youngthang Power Ventures Limited	6,870,828	7,991,313
Total	89,618,009	27,769,408

16. Inventories

Particulars	As at March 31, 2013	As at March 31, 2012
Stores and Materials at site (at lower of cost computed at weighted average rate and net realisable value)	1,597,008	1,790,791
Construction Work in progress (EPC)	12,635,202	-
Total Inventories	14,232,210	1,790,791
The disclosures as per provisions of clauses 38, 39 and 41 of Accounting Standard 7 (Construction Contracts) notified by the Companies (Accounting Standard) Rules' 2006, as ammended are as under:		
Turnover for the year	-	-
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	12,635,202	-
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	-	-
Contract Advances (Net)	822,550,263	-
Gross Amount due from Customers for contract work	-	-
Gross Amount due to customers for contract work	-	-

17. Trade Receivables

Unsecured, considered good unless stated otherwise

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment	-	-	23,766,825	8,275,398
Other receivables	-	-	264,847,992	158,064,576
Total trade receivables	-	-	288,614,817	166,339,974
Note: Entire receivables are from related parties the break-up of which is as follows:				
Holding Company:				
Gammon India Limited			49,817,883	69,575,389
Subsidiaries:				
Mumbai Nasik Expressway Ltd			71,388,385	53,102,385
Gorakhpur Infrastructure Company Ltd.			23,520,000	-
Kosi Bridge Infrastructure Company Ltd.			6,332,960	1,362,200
Patna Highway Projects Ltd				42,300,000
Bimitrapur Barkote Highway Pvt Ltd			46,517,142	-
Sidhi Singrauli Road Projects Ltd			40,747,974	-
Patna Buxar Highways Limited			134,999	-
Yamunanagar Panchkula Highway Pvt Ltd			1,000,000	-
Viyayawada Gundugolanu Road Project Pvt Ltd			19,865,160	-
Joint Venture:				
Maa Durga Expressways Private Limited			29,290,314	-
Total			288,614,817	166,339,974

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

18. Cash and bank balances

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Cash and cash equivalents				
Balances with Scheduled Banks : in Current Accounts	-	-	40,608,809	32,123,983
In Bank O/D Account - Debit Balance	-	-	-	5,502,989
Cash on hand	-	-	239,904	877,518
Cheques on hand	-	-	-	500,000
	-	-	40,848,713	39,004,490
Other bank balances				
Balances in escrow account	33,505	33,505	-	-
Debt service reserve account	101,021,822	-	-	-
Fixed Deposit under lien towards OD facility	50,000,000	-	-	-
	151,055,327	33,505	-	-
Amounts disclosed under Other non-current assets (Refer note 15)	(151,055,327)	(33,505)	-	-
Total Cash and bank balances	-	-	40,848,713	39,004,490

19. Revenue from operations

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Developer's Fees	776,777,051	246,237,536
Advisory Fees	114,824,866	-
Operating & Maintenance Income	351,804,620	334,152,669
Total Revenue from operations	1,243,406,537	580,390,205

20. Other operating income

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Dividend from Subsidiary Companies	-	449,500,000
Total Other operating income	-	449,500,000

21. Other income

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income :		
On Intercompany Deposits placed	134,486,781	68,560,915
On Loans given to staff	5,082	58,236
On Fixed Deposits with Banks	5,602,040	-
Others	6,394,701	-
Dividend Income (comprises entirely dividend from current, non-trade investments)	-	1,262,374
Other Income :		
Profit on Sale of current Investments	8,984,492	-
Write back of provision for advances	-	13,000,000
Foreign currency translation gain	1,240	6,022
Miscellaneous Income	3,163,600	19,196
Total Other income	158,637,936	82,906,743

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

22. Sub-contract expenses

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening Stock of Materials	1,790,791	2,799,382
Sub contract expenses	75,208,811	30,544,794
	76,999,602	33,344,176
Less : Closing Stock of Materials	1,597,008	1,790,791
Total Sub-contract expenses	75,402,594	31,553,385

23. Employee benefits expenses

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries, wages and bonus	126,100,311	111,778,787
Directors Remuneration including contribution to Provident Fund	51,145,954	40,249,330
Contributions to Provident Fund	5,420,401	4,103,415
Provision for Leave Encashment	5,799,838	3,633,437
Provision for Gratuity	1,005,032	1,021,188
Staff Welfare Expenses	6,227,828	7,445,883
Cash Alternative Settlement of ESOP Scheme (refer note 7.1)	4,285,167	3,537,253
Employees 'ESOP' compensation cost	(3,519,002)	(57,642)
Total Employee benefits expenses	196,465,529	171,711,651

24. Other expenses

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Professional, Consultancy and Legal fees	40,498,253	51,654,504
Tender document expenses	6,676,081	25,302,705
Guarantee bond commission	2,778,127	19,602,988
Travelling expenses	11,990,014	7,668,728
Rent	8,282,871	4,522,000
Payment to auditors (Refer details below)	4,201,314	4,213,367
Fuel charges	2,799,461	3,899,383
Membership & Subscriptions	703,113	3,467,077
Loss on sale of Fixed Assets	1,346	3,157,468
Annual report expenses	1,896,559	3,119,476
Hire charges	3,959,685	3,259,142
Motor car expenses	1,496,785	2,039,623
Project electricity expenses	12,392,133	10,368,836
Security charges	1,678,367	1,684,052
Printing & Stationery	1,657,135	1,523,635
Sundry balances written off	93,527	1,491,447
Telephone expenses	1,580,463	1,137,835
Directors' sitting fees and commission	830,000	2,300,000
Computer expenses	2,757,445	670,140
Office upkeep expenses	1,399,954	669,925
Bank charges	297,388	539,095
Franking, Stamping and Notarisation expenses	113,335	98,153
Insurance charges	4,385,353	5,208,738
Service Tax input credit written off	4,253,732	6,066,283
Rates and Taxes	31,000	43,000
Miscellaneous expenses	9,036,019	7,065,786
Provisions against Current Assets, Loans & Advances	1,409,916	12,279,061
Loss on divestment of investment in Joint Venture Company	-	54,550,000
Provision for diminution in the value of Investment	30,000,000	27,900,000
Total Other expenses	157,199,376	265,502,447

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to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

24. Other expenses (contd.)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Payment to auditors		
As auditor:		
Audit fee including limited review fee	3,200,000	3,200,000
Tax audit fee	100,000	100,000
Certifications	533,500	558,000
In other capacity:		
Other services	282,500	233,000
Reimbursement of expenses	85,314	122,367
Total payments to auditors	4,201,314	4,213,367

25. Finance Costs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Paid On :		
Intercorporate Loans:		
from Holding Company : Gammon India Limited	37,050,612	88,344,000
from Subsidiaries / JV's	113,105,430	21,186,208
Banks Loans	259,861,244	8,215,891
Others	-	102,789,045
Margin Money Deposit	600,000	600,000
Other finance costs	13,972,497	1,515,833
Total Finance Costs	424,589,783	222,650,977

26. Earnings Per Share ('EPS')

Net Profit attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	March 31, 2013	March 31, 2012
Net Profit as per Statement of Profit and Loss	304,267,845	329,401,467
Outstanding equity shares at year end	734,026,438	728,763,618
Weighted average Number of Shares outstanding during the year – Basic	734,026,438	734,018,812
Weighted average Number of Shares outstanding during the year - Diluted	734,180,933	734,368,727
Earnings per Share - Basic (₹)	0.41	0.45
Earnings per Share - Diluted(₹)	0.41	0.45

Although there are some dilutive factors, basic and diluted EPS appear to be same because of rounding off.

Reconciliation of weighted average number of Equity Shares outstanding during the year

Particulars	March 31, 2013	March 31, 2012
Nominal Value of Equity Shares (₹ per share)	2	2
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the year	728,763,618	728,740,162
Add : Issue of Equity Shares against options granted to employees	-	23,456
Add : Issue of Bonus Shares during the year	5,262,820	-
Total number of equity shares outstanding at the end of year	734,026,438	728,763,618
Weighted average number of equity shares at the end of the year	734,026,438	734,018,812
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	734,026,438	734,018,812
Add : Equity shares arising on grant of stock options under ESOP	3,565,448	3,565,448
Less : Equity shares arising on grant of stock options under ESOP forfeited / lapsed (included above)	3,410,953	3,215,533
Weighted average number of equity shares used in calculating diluted EPS	734,180,933	734,368,727

The weighted average number of shares of the previous year includes 5,262,820 bonus shares issued during the year for the purpose of computing EPS in accordance with AS-20 Earnings per Share.

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

27. Expenses in Foreign Currency

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Travelling expenses	46,130	236,106
Professional fees (Net of TDS & Service Tax)	1,042,928	429,422
Seminar expenses	-	270,298
Total	1,089,058	935,826

28. Details of Loans and Advances in the nature of Loans

a) Disclosure of amounts outstanding at the period end as per Clause 32 of the Listing Agreement.

Particulars	Balance as on March 31, 2013	Maximum Amount Outstanding during the year
Subsidiaries :		
Aparna Infraenergy India Pvt Ltd	300,517,309	300,517,309
	(27,885,000)	(27,885,000)
Birmitrapur Barkote Highway Pvt Ltd	51,824,515	51,824,515
	(0)	(0)
Cochin Bridge Infrastructure Co Limited	42,446,501	42,446,501
	(27,500,000)	(27,500,000)
Chitoor Infrastructure Company Pvt Ltd	100,000	100,000
	(0)	(0)
Earthlink Infrastructure Projects Pvt Ltd	650,000	650,000
	(0)	(0)
Gammon Logistics Limited	37,307,102	37,307,102
	(36,145,000)	(36,145,000)
Gammon Project Developers Limited	6,150,760	6,150,760
	(6,046,000)	(6,046,000)
Gammon Renewable Energy Infrastructure Limited	51,120,000	51,120,000
	(51,120,000)	(51,120,000)
Ghaggar Renewable Energy Private Limited	897,558	12,607,558
	(11,710,000)	(31,610,000)
Gammon Road Infrastructure Limited	18,724,661	468,521,085
	(73,325,000)	(73,325,000)
Gammon Seaport Infrastructure Limited	4,300	300,828,493
	(0)	(0)
Gorakhpur Infrastructure Company Limited	1,480,970,388	1,480,970,388
	(639,200,000)	(639,200,000)
Kosi Bridge Infrastructure Company Limited	316,450,598	316,450,598
	(46,000,000)	(46,000,000)
Mumbai Nasik Expressway Limited # *	688,061,314	688,061,314
	(593,620,000)	(593,620,000)
Pataliputra Highway Limited	638,450,000	638,450,000
	(167,500,000)	(644,129,649)
Patna Buxor Highways Limited	200,000	79,928,550
	(64,866,500)	(64,866,500)
Patna Highway Projects Limited	695,183,028	695,183,028
	(445,250,000)	(445,250,000)
Pravara Renewable Energy Limited	148,217,217	202,217,217
	(118,548,680)	(118,548,680)
Rajahmundry Godavari Bridge Limited	155,500,000	183,000,000
	(0)	(0)
Satluj Renewable Energy Private Limited	2,490,000	2,590,000
	(2,590,000)	(2,590,000)
Segue Infrastructure Project Pvt Ltd	250,000	250,000
	(0)	(0)
Sidhi Singrauli Road Projects Ltd	65,500,125	65,500,125
	(0)	(0)
Sikkim Hydro Power Ventures Limited	946,330,884	946,330,884
	(190,348,120)	(190,348,120)
Tidong Hydro Power Limited	11,975,850	11,975,850
	(11,330,000)	(11,330,000)
Viyayawada Gundugolanu Road Project Pvt Ltd #	243,856,763	243,856,763
	(0)	(0)
Yamunanagar Minor Mineral Pvt Ltd	350,000	350,000
	(0)	(0)
Yamunanagar Panchkula Highway Pvt Ltd	104,772,069	104,772,069
	(0)	(0)
Youngthang Power Ventures Limited	581,017,978	582,138,463
	(554,539,150)	(554,539,150)

Notes

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(All amounts in Indian Rupees unless otherwise stated)

Particulars	Balance as on March 31, 2013	Maximum Amount Outstanding during the year
Associates and Joint Venture Companies :		
Indira Container Terminal Private Limited # *	64,270,060	64,270,060
	(10,200,000)	(10,200,000)
Punjab Biomass Power Limited	-	-
	-	(141,669,318)

(Previous year figures in brackets)

The repayment for all ICD's is due on March 31, 2015, except for the ones marked as # which are repayable on demand.

All ICD's are interest free, except for the ones marked as * which carry interest of 12% p.a.

- b) None of the loanees have invested in the equity capital of the Company or its subsidiaries.

29. Details of Joint Ventures

- a) Details of Joint Ventures entered into by the Company.

Sr. No.	Name of the Joint Venture	% of Interest as at	
		March 31, 2013	March 31, 2012
1	Blue Water Iron Ore Terminal Private Ltd (BWOTPL) *	10.12%	31.00%
2	Indira Container Terminal Private Ltd	50.00%	50.00%
3	SEZ Adityapur Ltd	38.00%	38.00%
4	Maa Durga Expressway Pvt Ltd	49.00%	NA
5	Haryana Biomass Projects Limited	NA	NA
6	Punjab Biomass Projects Limited	NA	NA

All the above joint ventures entities are incorporated in India.

* GIPL had entered into a Joint Venture agreement for 31% equity stake in BWOTPL. However, GIPL had contributed only 10.12% in the equity capital of BWOTPL. During the current year, BWOTPL has initiated the process of liquidation and the group management believes that it does not have any obligation to further contribute in the equity capital of BWOTPL. Accordingly the interest is restricted to 10.12%.

- b) Details of share of Assets, Liabilities, Income, Expenditure and Capital Commitments in the Joint Ventures.

Name of the Joint Venture	Share of Assets	Share of Liabilities	Share of Income	Share of Expenditure	Share of Commitments	Contingent Liabilities
Blue Water Iron Ore Terminal Private Ltd	553,569	516,536	30,202	914,212	-	-
	(23,327,181)	(35,752,995)	(627,259)	(65,984,883)	(0)	(0)
Indira Container Terminal Private Ltd	2,455,285,673	2,166,165,719	27,743,892	67,688,966	1,332,012,768	-
	(1,972,205,109)	(1,643,140,081)	(30,271,558)	(103,707,944)	(714,741,238)	(0)
Maa Durga Expressway Pvt Ltd	118,766,383	70,100,696	-	22,431	-	-
	(0)	(0)	(0)	(0)	(0)	(0)
Sez Adityapur Limited	84,602	170,301	-	34,913	-	-
	(105,951)	(156,737)	(0)	(29,939)	(0)	(0)
Haryana Biomass Power Ltd	-	-	-	-	-	-
	(0)	(0)	(0)	(828)	(0)	(0)
Punjab Biomass Power Ltd	-	-	-	-	-	-
	(0)	(0)	(0)	(11,958,577)	(0)	(0)

The above figures pertaining to the Joint Venture Companies are based on the audited accounts for the year ended March 31, 2013, except for Maa Durga Expressway Pvt Limited and Sez Adityapur Limited.

Haryana Biomass Power Ltd was converted into subsidiary and Punjab Biomass Power Ltd was sold during the previous year.

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

30. Related Party Disclosure

a. Relationships :

Entity where control exists :

- 1 Gammon India Limited - Holding Company

Subsidiaries:

- 1 Andhra Expressway Limited
- 2 Aparna Infraenergy India Pvt Ltd
- 3 Birmiritrapur Barkote Highway Pvt Ltd (From April 13, 2012)
- 4 Chitoor Infrastructure Company Private Limited
- 5 Cochin Bridge Infrastructure Company Limited
- 6 Dohan Renewable Energy Private Limited
- 7 Earthlink Infrastructure Projects Pvt Ltd
- 8 Gammon Logistics Limited
- 9 Gammon Projects Developers Limited
- 10 Gammon Renewable Energy Infrastructure Limited
- 11 Gammon Road Infrastructure Limited
- 12 Gammon Seaport Infrastructure Limited
- 13 Ghaggar Renewable Energy Private Limited
- 14 Gorakhpur Infrastructure Company Limited
- 15 Haryana Biomass Power Limited
- 16 Indori Renewable Energy Private Limited
- 17 Jaguar Projects Developers Limited
- 18 Kasavati Renewable Energy Private Limited
- 19 Kosi Bridge Infrastructure Company Limited
- 20 Lilac Infraprojects Developers Limited
- 21 Markanda Renewable Energy Private Limited
- 22 Marine Projects Services Limited
- 23 Mumbai Nasik Expressway Limited
- 24 Mormugao Terminal Limited (From December 26, 2012)
- 25 Pataliputra Highway Limited
- 26 Patna Buxar Highway Limited
- 27 Patna Highway Projects Limited
- 28 Pravara Renewable Energy Limited
- 29 Ras Cities and Townships Private Limited
- 30 Rajahmundry Expressway Limited
- 31 Rajahmundry Godavari Bridge Limited
- 32 Satluj Renewable Energy Private Limited
- 33 Segue Infrastructure Projects Pvt Ltd
- 34 Sidhi Singrauli Road Project Ltd (From April 24, 2012)
- 35 Sikkim Hydro Power Ventures Limited
- 36 Sirsa Renewable Energy Private Limited
- 37 Tada Infra Development Company Limited
- 38 Tangri Renewable Energy Private Limited
- 39 Tidong Hydro Power Limited
- 40 Vijaywada Gundugolanu Road Project Pvt Ltd
- 41 Vizag Seaport Private Limited
- 42 Yamuna Minor Minerals Private Limited
- 43 Yamunanagar Panchkula Highway Pvt Ltd (From April 13, 2012)
- 44 Youngthang Power Ventures Limited

Joint Ventures:

- 1 Blue Water Iron Ore Terminal Private Limited
- 2 Indra Container Terminal Private Limited
- 3 SEZ Adityapur Limited
- 4 Maa Durga Expressway Pvt Ltd

Associates:

- 1 Eversun Sparkle Maritime Services Limited
- 2 ATSL Infrastructure Projects Limited
- 3 Modern Tollroads Limited

Key Management Personnel:

- 1 Abhijit Rajan
- 2 Kishor Kumar Mohanty
- 3 R K Malhotra
- 4 Parag Parikh

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

b) Details of related parties transactions for the year ended on March 31, 2013.

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Operations & Maintenance Income :	192,104,620	159,700,000	-	-	351,804,620
	(181,382,669)	(152,770,000)	-	-	(334,152,669)
- Gammon India Ltd	192,104,620	-	-	-	
	(181,382,669)	(0)	(0)	(0)	
- Mumbai Nasik Expressway Ltd	-	120,700,000	-	-	
	(0)	(151,380,000)	(0)	(0)	
Developer's Fees :	-	776,777,051	-	-	776,777,051
	(-)	(246,237,536)	(-)	(-)	(246,237,536)
- Patna Highway Projects Ltd	-	83,659,666	-	-	
	(-)	(170,444,244)	(-)	(-)	
- Patna Buxar Highway Ltd	-	206,585,972	-	-	
	(-)	(-)	(-)	(-)	
- Pravara Renewable Energy Ltd	-	100,000,000	-	-	
	(-)	(-)	(-)	(-)	
- Rajahmundry Godavari Bridge Ltd	-	-	-	-	
	(-)	(75,793,292)	(-)	(-)	
- Vijaywada Gundugolanu Road Project Pvt Ltd	-	179,843,716	-	-	
	(-)	(-)	(-)	(-)	
- Yamunanagar Panchkula Highway Pvt Ltd	-	100,245,009	-	-	
	(-)	(-)	(-)	(-)	
Advisory Fees :	-	85,860,116	28,964,750	-	114,824,866
	(-)	(-)	(-)	(-)	-
- Maa Durga Expressway Pvt Ltd	-	-	28,964,750	-	
	(-)	(-)	(-)	(-)	
- Pravara Renewable Energy Ltd	-	41,360,294	-	-	
	(-)	(-)	(-)	(-)	
- Kosi Bridge Infrastructure Company Ltd	-	44,499,822	-	-	
	(-)	(-)	(-)	(-)	
Rent Paid :	-	7,644,000	-	-	7,644,000
	(700,000)	(3,822,000)	-	-	(4,522,000)
- Youngthang Power Ventures Ltd	-	7,644,000	-	-	
	(-)	(3,822,000)	(-)	(-)	
- Gammon India Ltd	-	-	-	-	
	(700,000)	(-)	(-)	(-)	
Dividend income from:	-	-	-	-	(449,500,000)
	(-)	(449,500,000)	(-)	(-)	
- Andhra Expressway Ltd	-	-	-	-	
	(-)	(224,750,000)	(-)	(-)	
- Rajahmundry Expressway Ltd	-	-	-	-	
	(-)	(224,750,000)	(-)	(-)	
Share application money paid :	-	801,547,030	49,000,000	-	850,547,030
	(-)	(1,915,110,000)	(7,400,000)	-	(1,922,510,000)
- Gorakhpur Infrastructure Co. Ltd	-	-	-	-	
	(-)	(440,700,000)	-	-	
- Kosi Bridge Infrastructure Company Ltd	-	-	-	-	
	(-)	(385,700,000)	-	-	
- Mumbai Nasik Expressway Ltd	-	-	-	-	
	(-)	(336,000,000)	-	-	
- Patna Buxar Highway Ltd	-	560,647,030	-	-	
	(-)	-	-	-	
- Rajahmundry Godavari Bridge Ltd	-	-	-	-	
	(-)	(515,900,000)	-	-	
- Yamunanagar Panchkula Highway Pvt Ltd	-	190,000,000	-	-	
	(-)	-	-	-	

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

b) Details of related parties transactions for the year ended on March 31, 2013.

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Refund of share application money given earlier:	-	-	-	-	-
- Gorakhpur Infrastructure Co. Ltd	(-)	(3,276,066,440)	(3,750,000)	-	(3,279,816,440)
- Kosi Bridge Infrastructure Company Ltd	(-)	(760,600,000)	(-)	(-)	-
- Mumbai Nasik Expressway Ltd	(-)	(496,000,000)	(-)	(-)	-
- Patna Highway Projects Ltd	(-)	(783,620,000.00)	(-)	(-)	-
- Rajahmundry Godavari Bridge Ltd	(-)	(445,250,000)	(-)	(-)	-
- Rajahmundry Godavari Bridge Ltd	(-)	(421,773,560)	(-)	(-)	-
Advance received for Client:	-	935,185,465	-	-	935,185,465
- Patna Buxar Highways Ltd	(-)	(-)	(-)	(-)	(-)
- Yamunanagar Panchkula Highway Pvt Ltd	-	786,000,000	-	-	-
- Vijaywada Gundugolanu Road Project Pvt Ltd	(-)	(-)	(-)	(-)	(-)
- Yamunanagar Panchkula Highway Pvt Ltd	(-)	100,000,000	-	-	-
- Vijaywada Gundugolanu Road Project Pvt Ltd	(-)	49,185,465	-	-	-
- Vijaywada Gundugolanu Road Project Pvt Ltd	(-)	(-)	(-)	(-)	(-)
Managerial Remuneration :	-	-	-	51,145,954	51,145,954
- Mr. K. K. Mohanty	(-)	(-)	(-)	(40,249,330)	(40,249,330)
- Mr. R. K. Malhotra	-	-	-	25,845,378	-
- Mr. Parag Parikh	(-)	(-)	(-)	(22,173,328)	-
- Mr. Parag Parikh	-	-	-	8,300,732	-
- Mr. Parag Parikh	(-)	(-)	(-)	(11,367,520)	-
- Mr. Parag Parikh	-	-	-	16,999,844	-
- Mr. Parag Parikh	(-)	(-)	(-)	(6,708,482)	-
Bonus shares issued (no. of shares):	-	-	-	849,412	849,412.00
- Mr. Abhijit Rajan	(-)	(-)	(-)	(-)	(-)
- Mr. Abhijit Rajan	-	-	-	836,602	-
- Mr. Abhijit Rajan	(-)	(-)	(-)	(-)	(-)
Investment in equity shares of:	-	847,915,976	49,000,000	-	896,915,976
- Patna Buxar Highways Ltd	(-)	(521,976,440)	(15,171,180)	(-)	(537,147,620)
- Pravara Renewable Energy Ltd	-	560,647,030	-	-	-
- Pravara Renewable Energy Ltd	(-)	(500,000)	(-)	(-)	(-)
- Pravara Renewable Energy Ltd	-	-	-	-	-
- Pravara Renewable Energy Ltd	(-)	(104,000,000)	(-)	(-)	(-)
- Rajahmundry Godavari Bridge Ltd	-	95,668,946	-	-	-
- Rajahmundry Godavari Bridge Ltd	(-)	(354,626,440)	(-)	(-)	(-)
- Yamunanagar Panchkula Highway Pvt Ltd	-	190,500,000	-	-	-
- Yamunanagar Panchkula Highway Pvt Ltd	(-)	-	(-)	(-)	(-)
Inter corporate loans given to:	-	5,104,318,359	50,826,496	-	5,155,144,855
- Gammon Road Infrastructure Ltd	(-)	(3,143,284,850)	(15,200,000)	-	(3,158,484,850)
- Gammon Road Infrastructure Ltd	-	657,510,000	-	-	-
- Gorakhpur Infrastructure Co. Ltd	(-)	(73,325,000)	(-)	(-)	(-)
- Gorakhpur Infrastructure Co. Ltd	-	830,500,000	-	-	-
- Mumbai Nasik Expressway Ltd	(-)	(639,200,000)	(-)	(-)	(-)
- Mumbai Nasik Expressway Ltd	-	37,000,000	-	-	-
- Pataliputra Highway Ltd	(-)	(593,620,000)	(-)	(-)	(-)
- Pataliputra Highway Ltd	-	672,700,000	-	-	-
- Patna Highway Projects Ltd	(-)	(196,770,000)	(-)	(-)	(-)
- Patna Highway Projects Ltd	-	248,000,000	-	-	-
- Sikkim Hydro Power Ventures Ltd	(-)	(445,250,000)	(-)	(-)	(-)
- Sikkim Hydro Power Ventures Ltd	-	753,331,126	-	-	-
- Youngthang Power Ventures Ltd	(-)	(260,466,520)	(-)	(-)	(-)
- Youngthang Power Ventures Ltd	-	19,608,000	-	-	-
- Youngthang Power Ventures Ltd	(-)	(554,339,150)	(-)	(-)	(-)

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

b) Details of related parties transactions for the year ended on March 31, 2013.

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Refund of inter corporate loans given:	-	1,668,897,334	-	-	1,668,897,334
	(-)	(767,148,049)	(146,669,318)	-	(913,817,367)
- Gammon Road Infrastructure Ltd	-	712,270,057	-	-	
	(-)	(-)	(-)	(-)	
- Gammon Road Infrastructure Ltd	-	300,000,000	-	-	
	(-)	(-)	-	(-)	
- Gammon Logistics Limited	-	-	-	-	
	(-)	(13,000,000)	-	(-)	
- Kosi Bridge Infrastructure Co. Ltd	-	178,738,727	-	-	
	(-)	-	-	(-)	
- Patliputra Highway Ltd	-	201,750,000	-	-	
	(-)	(664,129,649)	-	(-)	
- Punjab Biomass Power Ltd	-	-	-	-	
	(-)	(-)	(141,669,318)	(-)	
- Indira Container Terminal Ltd	-	-	-	-	
	(-)	(-)	(5,000,000)	(-)	
Expenses incurred/payments made on behalf of the Company by:	-	50,968,963	-	(-)	50,968,963
	(275,894)	(-)	(-)	-	(275,894)
- Gammon India Ltd	-	-	-	-	
	(275,894)	(-)	(-)	(-)	
- Mumbai Nasik Expressway Ltd	-	49,270,761	-	-	
	(-)	(-)	(-)	(-)	
Expenses incurred/payments made by the Company on behalf of:	424,059	478,111,831	8,914,429	-	487,450,319
	(2,042,237)	(280,762,363)	(30,925,339)	-	(313,729,939)
- Gorakhpur Infrastructure Co. Ltd	-	19,649,207	-	-	
	(-)	(35,190,507)	(-)	(-)	
- Mumbai Nasik Expressway Ltd	-	47,196,367	-	-	
	(-)	(40,523,680)	(-)	(-)	
- Patna Buxar Highway Ltd	-	69,091,801	-	-	
	(-)	(15,293,028)	(-)	(-)	
- Patna Highway Projects Ltd	-	65,559,062	-	-	
	(-)	(65,941,257)	(-)	(-)	
- Rajahmundry Godavari Bridge Ltd	-	15,541,685	-	-	
	(-)	(41,522,928)	(-)	(-)	
- Yamunanagar Panchkula Highway Pvt Ltd	-	71,383,071	-	-	
	(-)	(-)	(-)	(-)	
Interest income during the period :	-	130,924,429	3,562,351	-	134,486,780
	-	(68,554,358)	(5,580,432)	-	(74,134,790)
- Gammon Road Infrastructure Ltd	-	16,273,181	-	-	
	(-)	(24,041)	(-)	(-)	
- Gorakhpur Infrastructure Co. Ltd	-	46,016,002	-	-	
	(-)	(10,951,096)	(-)	(-)	
- Mumbai Nasik Expressway Ltd	-	63,656,625	-	-	
	(-)	(167,057)	(-)	(-)	
- Pataliputra Highway Ltd	-	-	-	-	
	(-)	(36,089,086)	(-)	(-)	
- Punjab Biomass Power Ltd	-	-	-	-	
	(-)	-	(5,573,875)	(-)	
- Youngthang Power Ventures Ltd	-	-	-	-	
	(-)	(8,879,237)	(-)	(-)	

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

b) Details of related parties transactions for the year ended on March 31, 2013.

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Provision for diminution in value of investments in:	-	-	30,000,000	-	30,000,000
- Blue Water Iron Ore Terminal Private Limited	(-)	(40,100,000)	(13,300,000)	(-)	(53,400,000)
- Eversun Sparkle Maritime Services Limited	-	-	30,000,000	-	-
- Haryana Biomass Power Limited	(-)	(-)	(0)	(-)	(-)
- Gammon Logistics Limited	(-)	(-)	(13,300,000)	(-)	(-)
- Haryana Biomass Power Limited	-	-	-	-	-
- Gammon Logistics Limited	(-)	(14,600,000)	(-)	(-)	(-)
- Gammon Logistics Limited	-	-	-	-	-
- Gammon Logistics Limited	(-)	(25,500,000)	(-)	(-)	(-)
Provision for dues receivable from:		1,189,315			1,189,315
- Haryana Biomass Power Limited	(-)	(48,424,061)	(-)	(-)	(48,424,061)
- Haryana Biomass Power Limited	-	27,213	-	-	-
- Gammon Logistics Limited	(-)	(12,279,061)	(-)	(-)	(-)
- Gammon Logistics Limited	-	1,162,102	-	-	-
- Gammon Logistics Limited	(-)	(36,145,000)	-	-	(-)
Write back of provision earlier made on recovery from :					
- Gammon Logistics Limited	(-)	(13,000,000)	(-)	(-)	(13,000,000)
- Gammon Logistics Limited	-	-	-	-	-
- Gammon Logistics Limited	(-)	(13,000,000)	(-)	(-)	(-)
Inter corporate borrowings taken from:	190,000,000	1,378,000,000			1,568,000,000
- Andhra Expressway Ltd	-	108,000,000	-	-	108,000,000
- Andhra Expressway Ltd	(-)	(205,000,000)	(-)	(-)	(197,000,000)
- Gammon India Limited	190,000,000	-	-	-	190,000,000
- Gammon India Limited	(-)	(-)	(-)	(-)	(-)
- Rajahmundry Expressway Ltd	-	90,000,000	-	-	90,000,000
- Rajahmundry Expressway Ltd	(-)	(1,232,300,000)	(-)	(-)	(1,232,300,000)
- Vizag Seaport Pvt Ltd	-	1,180,000,000	-	-	1,180,000,000
- Vizag Seaport Pvt Ltd	(-)	-	(-)	(-)	(-)
Refund of inter corporate borrowings taken earlier:	926,200,000	29,500,000			955,700,000
- Andhra Expressway Ltd	(-)	(1,108,554,709)	(-)	(-)	(1,108,554,709)
- Andhra Expressway Ltd	-	-	-	-	-
- Andhra Expressway Ltd	(-)	(177,410,534)	(-)	(-)	(177,410,534)
- Gammon India Limited	926,200,000	-	-	-	926,200,000
- Gammon India Limited	-	(0)	(-)	(-)	(-)
- Rajahmundry Expressway Ltd	-	-	-	-	-
- Rajahmundry Expressway Ltd	(-)	(931,144,175)	(-)	(-)	(931,144,175)
Interest expenses during the year:	37,050,612	113,105,430	600,000		150,756,042
- Andhra Expressway Ltd	(88,344,000)	(21,186,208)	(600,000)	-	(110,130,208)
- Andhra Expressway Ltd	-	-	-	-	-
- Andhra Expressway Ltd	(-)	(3,637,322)	(-)	(-)	(3,637,322)
- Gammon India Ltd	37,050,612	-	-	-	37,050,612
- Gammon India Ltd	(88,344,000)	(-)	(-)	(-)	(88,344,000)
- Rajahmundry Expressway Ltd	-	-	-	-	-
- Rajahmundry Expressway Ltd	(-)	(17,548,886)	(-)	(-)	(17,548,886)
- Vizag Seaport Pvt Ltd	-	113,105,430	-	-	113,105,430
- Vizag Seaport Pvt Ltd	(-)	(0)	(-)	(-)	(-)

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

b) Details of related parties transactions for the year ended on March 31, 2013.

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Bank/Corporate Guarantees issued by the Company :	-	3,411,596,400	382,626,000	-	3,794,222,400
	(-)	(3,378,296,000)	(25,000,000)	(-)	(3,403,296,000)
- Cochin Bridge Infrastructure Co Ltd	-	125,200,000	-	-	
	(-)	(160,000,000)	(-)	(-)	
- Gorakhpur Infrastructure Co. Ltd	-	1,000,072,000	-	-	
	(-)	(1,200,000,000)	(-)	(-)	
- Indira Container Terminal Pvt Ltd	-	-	382,626,000	-	
	(-)	(-)	(25,000,000)	(-)	
- Kosi Bridge Infrastructure Co. Ltd	-	375,412,000	-	-	
	(-)	(550,000,000)	(-)	(-)	
- Patna Buxar Highways Ltd	-	564,600,000	-	-	
	(-)	(112,900,000)	(-)	(-)	
- Patliputra Highway Ltd	-	-	-	-	
	(-)	(550,000,000)	(-)	(-)	
- Sikkim Hydro Power Ventures Limited	-	-	-	-	
	(-)	(500,000,000)	(-)	(-)	
- Sidhi Singrauli Road Project Ltd	-	435,600,000	-	-	
	(-)	(-)	(-)	(-)	
- Birmitrapur Barkote Highway Pvt Ltd	-	389,100,000	-	-	
	(-)	(-)	(-)	(-)	
Pledge of shares held in investee Companies with banks:					
Refer note 13.1 for details.					
Outstanding balances receivable :	53,723,478	6,736,992,688	87,958,577	-	6,878,674,743
	(-)	(3,180,938,166)	(3,464,516)	(-)	(3,184,402,682)
- Gammon India Limited	53,723,478	-	-	-	
	(-)	(-)	(-)	(-)	
- Gorakhpur Infrastructure Company Ltd	-	1,506,310,483	-	-	
	(-)	(649,304,968)	(-)	(-)	
- Mumbai Nasik Expressway Ltd	-	713,440,254	-	-	
	(-)	(637,989,706)	(-)	(-)	
- Pataliputra Highway Ltd	-	638,450,000	-	-	
	(-)	(167,500,000)	(-)	(-)	
- Patna Highway Projects Ltd	-	695,594,492	-	-	
	(-)	(489,483,064)	(-)	(-)	
- Sikkim Hydro Power Ventures Ltd	-	946,688,874	-	-	
	(-)	(192,813,980)	(-)	(-)	
- Youngthang Power Ventures Ltd	-	573,166,596	-	-	
	(-)	(558,722,794)	(-)	(-)	
Outstanding Balances Payable :	-	1,679,567,976	13,680,202	-	1,693,248,178
	744,749,344	(330,106,975)	(26,660,258)	(-)	(1,101,516,577)
- Gammon India Limited	-	-	-	-	
	(744,749,344)	(0)	(0)	(0)	
- Patna Buxar Highways Ltd	-	775,172,706	-	-	
	-	(0)	-	-	
- Rajahmundry Expressway Ltd	-	392,342,702	-	-	
	(-)	(302,383,300)	(-)	(-)	
- Vizag Seaport Pvt Ltd	-	1,150,346,305	-	-	
	(-)	(0)	(-)	(-)	

Notes

to the financial statements for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

31. Commitments

	March 31, 2013	March 31, 2012
Capital Commitments:	NA	NA
Other Commitments:		
- Share of equity commitment in SPV's	9,910,519,848	10,220,711,000
- Sub-contractors commitment	4,995,900,000	-
- Purchase of shares of ICTPL	362,082,790	362,082,790
	15,268,502,638	10,582,793,790

32. Contingent Liabilities

1) Guarantees:

- The Company has issued Corporate Guarantees as a security for loan availed by its subsidiaries, amounting to ₹ 1,185,200,000 (previous year ₹ 2,950,000,000)
- Guarantees given for equity share buy-back transaction; ₹ 925,965,501 as on March 31, 2013 and ₹ 1,186,657,102 as on March 31, 2012.
- Counter Guarantees given to the bankers for the guarantees given by them on our behalf ₹ 2,964,822,400 (Previous year ₹ 2,219,792,800).

- Disputed demand in respect of assessment year 2007-08 u/s 271(1)(c) amounting to ₹ 13,440,400 not provided for.

- In the opinion of the Board of Directors, all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

34. Lease

The Company has taken office premises on lease and license basis which are cancellable contracts.

35. Segment Reporting

The Company's operations constitutes a single business segment namely "Infrastructure Development" as per AS 17. Further, the Company's operations are within single geographical segment which is India.

36. Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2013 and as at March 31, 2012. The Company has no foreign currency exposure towards liability outstanding as at March 31, 2013 and March 31, 2012.

37. Prior Period comparatives

Previous year's figures have been regrouped and rearranged where necessary to conform to this year's classification.

As per our report of even date

For Natvarlal Vepari & Co.
ICAI Firm Regn. No.: 106971W
Chartered Accountants

N Jayendran
Partner
Membership No. : 40441

For S. R. Batliboi & Co. LLP
ICAI Firm Regn. No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No. : 42650

For and behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

Abhijit Rajan
Chairman and
Managing Director

Kishor Kumar Mohanty
Managing Director

C. C. Dayal
Director

S. C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Himanshu Parikh
Vice Chairman

Parag Parikh
Whole-time Director and CFO

Naresh Chandra
Director

Homai A. Daruwalla
Director

Place : Mumbai
Date : May 24, 2013

Place : Mumbai
Date : May 24, 2013

Statement pursuant to section 212 of the companies act, 1956, relating to the subsidiary companies

(All amounts in Indian Rupees unless otherwise stated)

Name of Subsidiaries	Andhra Expressway Limited	Aparna Infraenergy India Private Limited	Birmiritrapur Barkote Highway Private Limited **	Cochin Bridge Infrastructure Company Limited	Chittoor Infra Company Private Limited	Earthlink Infrastructure Projects Private Limited
	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
1 The Financial Year of the Subsidiaries ended						
2 Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
1) Numbers						
a) Legal ownership	21,459,950	-	10,000	6,250,070	-	-
b) Beneficial ownership (*)	7,540,050	-	-	-	10,000	10,000
c) Held by Subsidiaries of the Company	-	499,955	-	-	-	-
2) Extent of Holding (including beneficial ownership)	100.00%	99.99%	100.00%	97.66%	100.00%	100.00%
3 The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :						
i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :						
a) For subsidiaries' financial year ended on March 31, 2013	70,997,611	(60,906)	(226,583)	136,582	(10,089)	(9,395)
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	239,053,434	(82,690)	**	41,718,108	(41,625)	(53,763)
ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to :						
a) For subsidiaries' financial year ended on March 31, 2013	290,000,000	500,000	100,000	64,000,700	100,000	100,000
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	310,051,045	(143,609)	(226,583)	42,859,191	(51,714)	(63,158)
c) Total Assets	1,940,372,247	370,332,983	100,375,454	270,396,665	126,925,375	209,136,710
d) Total Liabilities	1,348,821,202	369,976,592	100,502,037	163,536,774	126,877,089	209,099,868
e) Investments (except in case of investment in subsidiaries)	8,500,000	-	-	-	-	-
f) Turnover	558,240,000	-	-	52,581,275	-	-
g) Profit/ (Loss) Before Taxation	73,583,166	(60,911)	(226,583)	173,860	(10,089)	(9,395)
h) Provision for Taxation including Deferred Tax	2,585,555	-	-	34,000	-	-
i) Profit / (Loss) After Taxation	70,997,611	(60,911)	(226,583)	139,860	(10,089)	(9,395)
j) Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

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Statement pursuant to section 212 of the companies act, 1956, relating to the subsidiary companies

(All amounts in Indian Rupees unless otherwise stated)

Name of Subsidiaries	Gammon Logistics Limited	Gammon Projects Developers Limited	Gammon Renewable Energy Infrastructure Limited	Gammon Road Infrastructure Limited	Gammon Seaport Infrastructure Limited	Gorakhpur Infrastructure Company Limited
	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
1 The Financial Year of the Subsidiaries ended						
2 Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
1) Numbers						
a) Legal ownership	2,550,000	250,000	50,000	50,000	50,000	37,458,063
b) Beneficial ownership (*)	-	-	-	-	-	14,947,238
c) Held by Subsidiaries of the Company	-	-	-	-	-	-
2) Extent of Holding (including beneficial ownership)	100.00%	100.00%	100.00%	100.00%	100.00%	96.53%
3 The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :						
i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :						
a) For subsidiaries' financial year ended on March 31, 2013	(1,429,796)	(37,121)	(56,801)	(10,448,102)	5,889	(365,778,276)
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(67,918,393)	(2,349,867)	(1,178,025)	(70,243)	(64,028)	(13,823,488)
ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to :						
a) For subsidiaries' financial year ended on March 31, 2013	25,500,000	2,500,000	500,000	500,000	500,000	542,870,500
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(69,348,189)	(2,386,988)	(1,234,826)	(10,518,345)	(58,139)	(393,232,355)
Total Assets	1,492,410	6,583,648	52,164,546	9,360,935	547,557	7,519,037,773
Total Liabilities	45,340,599	6,470,636	52,899,372	19,379,280	105,696	7,369,399,628
e) Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-
f) Turnover	-	-	-	-	-	974,663,014
g) Profit/ (Loss) Before Taxation	(1,429,796)	(37,121)	(56,801)	(10,448,102)	8,489	(378,886,678)
h) Provision for Taxation including Deferred Tax	-	-	-	-	2,600	25,821
i) Profit/ (Loss) After Taxation	(1,429,796)	(37,121)	(56,801)	(10,448,102)	5,889	(378,912,499)
j) Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

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Statement pursuant to section 212 of the companies act, 1956, relating to the subsidiary companies

(All amounts in Indian Rupees unless otherwise stated)

Name of Subsidiaries	Haryana Biomass Power Limited	Jaguar Projects Developers Limited	Kosi Bridge Infrastructure Company Limited	Lilac InfraProjects Developers Limited	Marine Projects Services Limited	Mumbai Nasik Expressway Limited
	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
1 The Financial Year of the Subsidiaries ended						
2 Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
1) Numbers						
a) Legal ownership	50,000	50,000	35,737,169	50,000	50,000	41,595,000
b) Beneficial ownership (*)	-	-	12,562,831	-	-	-
c) Held by Subsidiaries of the Company	-	-	-	-	-	-
2) Extent of Holding (including beneficial ownership)	100.00%	100.00%	100.00%	100.00%	100.00%	79.99%
3 The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were:						
i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to:						
a) For subsidiaries' financial year ended on March 31, 2013	(119,465)	(8,399)	(72,113,798)	(11,279)	(10,309)	327,834,711
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(13,168,742)	651,505	(31,322,965)	(77,559)	2,133,861	471,069,212
ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to:						
a) For subsidiaries' financial year ended on March 31, 2013						
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd						
a) Issued and Paid-up Equity Share Capital	500,000	500,000	483,000,000	500,000	500,000	520,000,000
b) Reserves	(13,356,290)	643,106	(103,436,763)	(88,838)	2,123,552	998,749,946
c) Total Assets	170,432	1,149,848	5,088,580,825	417,904	2,630,294	9,401,215,361
d) Total Liabilities	13,026,722	6,742	4,709,017,588	6,742	6,742	7,882,465,415
e) Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-
f) Turnover	-	-	899,654,418	-	-	1,512,493,443
g) Profit / (Loss) Before Taxation	(119,465)	(8,399)	(72,113,798)	(11,279)	(10,309)	107,672,848
h) Provision for Taxation including Deferred Tax	-	-	-	-	-	(302,169,801)
i) Profit / (Loss) After Taxation	(119,465)	(8,399)	(72,113,798)	(11,279)	(10,309)	409,842,649
j) Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

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Statement pursuant to section 212 of the companies act, 1956, relating to the subsidiary companies

(All amounts in Indian Rupees unless otherwise stated)

Name of Subsidiaries	Mormugao Terminal Limited**	Patna Buxar Highways Limited	Pataliputra Highway Limited	Patna Highway Projects Limited	Pravara Renewable Energy Limited	Ras Cities and Townships Private Limited
	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
1 The Financial Year of the Subsidiaries ended						
2 Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
1) Numbers						
a) Legal ownership	50,000	56,114,703	15,000	2,500,000	17,400,000	-
b) Beneficial ownership (*)	-	-	-	-	-	-
c) Held by Subsidiaries of the Company	-	-	-	-	-	10,000
2) Extent of Holding (including beneficial ownership)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3 The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were:						
i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to:						
a) For subsidiaries' financial year ended on March 31, 2013	(58,429)	(687,380)	(66,748,006)	(661,508)	(131,154)	(8,627)
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	**	(15,179,127)	(65,678,641)	(4,563,511)	(3,546,170)	658,254
ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to:						
a) For subsidiaries' financial year ended on March 31, 2013	500,000	561,147,030	1,500,000	25,000,000	174,000,000	100,000
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(58,429)	(15,866,507)	(132,426,647)	(5,225,019)	(3,677,324)	649,627
a) Issued and Paid-up Equity Share Capital	24,167,408	1,295,573,618	507,937,349	7,304,437,688	1,037,546,771	369,127,607
b) Reserves	23,725,837	750,293,095	638,863,996	7,284,662,707	867,224,095	368,377,980
c) Total Assets	-	-	-	-	-	-
d) Total Liabilities	-	-	-	-	-	-
e) Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-
f) Turnover	(58,429)	(687,380)	(66,748,006)	(661,508)	(131,154)	(8,627)
g) Profit/ (Loss) Before Taxation	-	-	-	-	-	-
h) Provision for Taxation including Deferred Tax	(58,429)	(687,380)	(66,748,006)	(661,508)	(131,154)	(8,627)
i) Profit / (Loss) After Taxation	-	-	-	-	-	-
j) Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

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Statement pursuant to section 212 of the companies act, 1956, relating to the subsidiary companies

(All amounts in Indian Rupees unless otherwise stated)

Name of Subsidiaries	Rajahmundry Expressway Limited	Rajahmundry Godavari Bridge Limited	Sikkim Hydro Power Ventures Limited	Segue Infrastructure Projects Private Limited	Sidhi Singrauli Road Project Limited **	Tada Infra Development Company Limited
	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
1	The Financial Year of the Subsidiaries ended					
2	Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd					
	Numbers					
a)	Legal ownership	21,459,950	3,173,900	-	50,000	50,000
b)	Beneficial ownership (*)	7,540,050	-	10,000	-	-
c)	Held by Subsidiaries of the Company	-	-	-	-	-
2)	Extent of Holding (including beneficial ownership)	100.00%	55.65%	100.00%	100.00%	100.00%
3	The net aggregate amount of Profit/ Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were:					
i)	Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to:					
a)	For subsidiaries' financial year ended on March 31, 2013	64,249,171	(167,745)	(9,537)	(48,924)	(8,287)
b)	For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	306,729,823	572,455,815	(52,580)	**	(1,800,212)
ii)	Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to:					
a)	For subsidiaries' financial year ended on March 31, 2013	290,000,000	1,765,000,000	100,000	500,000	500,000
b)	For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	370,978,994	1,028,323,185	(62,117)	(48,924)	(1,808,499)
c)	Total Assets	2,157,193,974	8,104,979,649	78,241,658	113,461,761	1,233,787
d)	Total Liabilities	1,505,714,980	5,311,656,464	78,203,775	113,010,685	2,542,286
e)	Investments (except in case of investment in subsidiaries)	9,500,000	-	-	-	-
f)	Turnover	593,843,240	-	-	-	-
g)	Profit/ (Loss) Before Taxation	65,667,437	(301,414)	(9,537)	(48,924)	(8,287)
h)	Provision for Taxation including Deferred Tax	1,418,266	-	-	-	-
i)	Profit / (Loss) After Taxation	64,249,171	(301,414)	(9,537)	(48,924)	(8,287)
j)	Proposed Dividend including Tax on Dividend	-	-	-	-	-

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Statement pursuant to section 212 of the companies act, 1956, relating to the subsidiary companies

(All amounts in Indian Rupees unless otherwise stated)

Name of Subsidiaries	Tidong Hydro Power Limited	Vijayawada Gundugolalu Road Project Private Limited	Vizag Seaport Private Limited	Yamanagar Panchkula Highway Private Limited**	Youngthang Power Ventures Limited
	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
1 The Financial Year of the Subsidiaries ended					
2 Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd					
1) Numbers					
a) Legal ownership	-	10,000	64,313,847	19,050,000	14,450,000
b) Beneficial ownership (*)	25,500	-	-	-	-
c) Held by Subsidiaries of the Company	-	-	-	-	-
2) Extent of Holding (including beneficial ownership)	51.00%	100.00%	73.76%	100.00%	100.00%
3 The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :					
i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :					
a) For subsidiaries' financial year ended on March 31, 2013	(4,487)	(132,439)	91,742,759	(2,510,796)	(11,583,710)
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(52,636)	(6,620,549)	(100,498,679)	**	(11,541,753)
ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to :					
a) For subsidiaries' financial year ended on March 31, 2013	500,000	100,000	871,912,640	190,500,000	144,500,000
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(112,006)	(6,752,988)	(11,870,534)	(2,510,796)	(23,125,463)
c) Total Assets	12,994,454	359,299,358	4,210,878,044	300,647,926	707,729,230
d) Total Liabilities	12,606,460	365,952,346	3,350,835,938	112,658,722	586,354,693
e) Investments (except in case of investment in subsidiaries)	-	-	-	-	-
f) Turnover	-	-	1,357,606,702	-	-
g) Profit/ (Loss) Before Taxation	(8,798)	(132,439)	124,377,059	(2,510,796)	(1,583,710)
h) Provision for Taxation including Deferred Tax	-	-	-	-	-
i) Profit / (Loss) After Taxation	(8,798)	(132,439)	124,377,059	(2,510,796)	(1,583,710)
j) Proposed Dividend including Tax on Dividend	-	-	102,009,419	-	-

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For and behalf of the Board of Directors of
Gammon Infrastructure Projects Limited

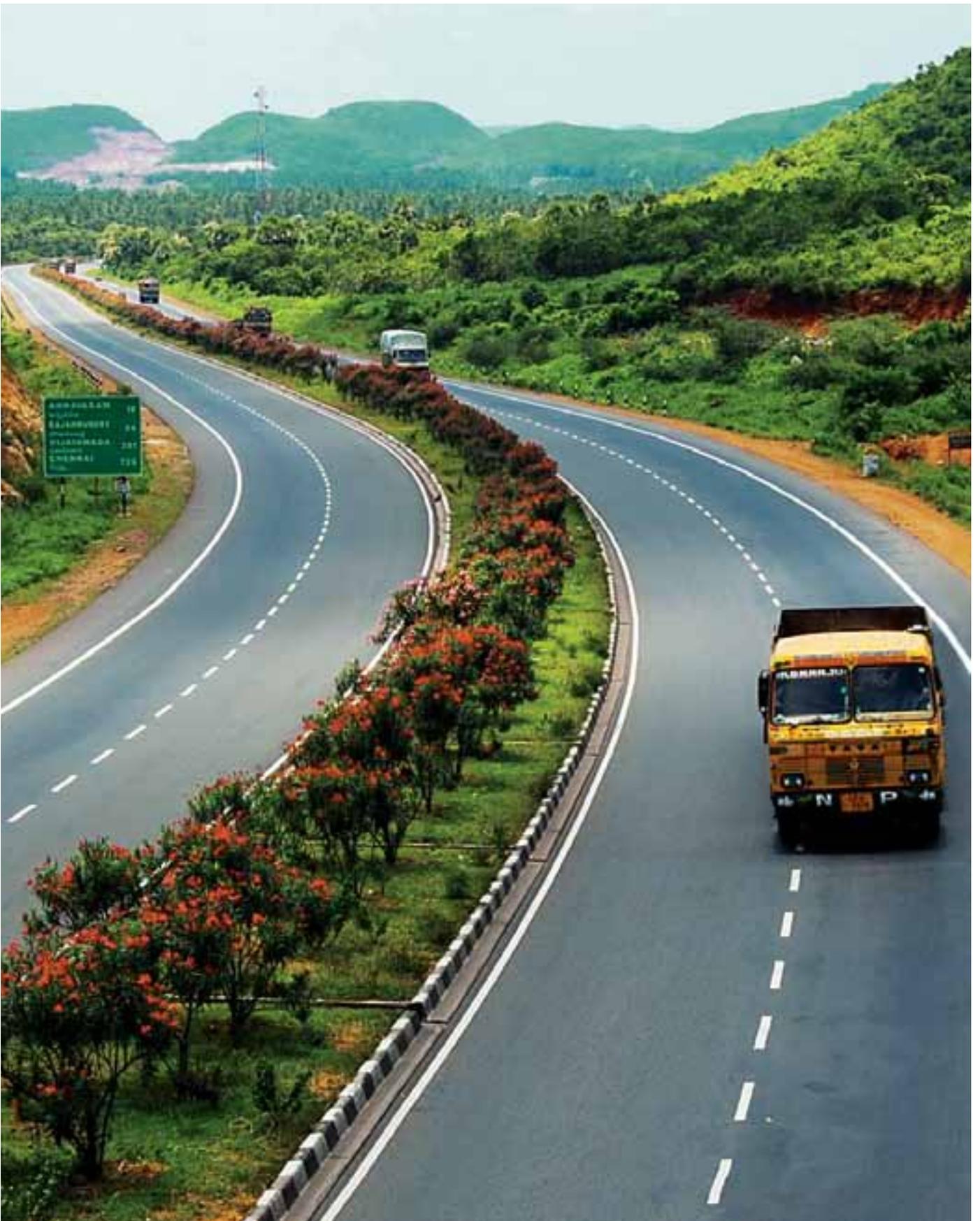
Kishor Kumar Mohanty
Managing Director

Parag Parikh
Whole-time Director and CFO

G. Sathish Chandran
Company Secretary

Place : Mumbai

Date : May 24, 2013



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