



FROM THOUGHT TO ACTION



GAMMON

Gammon Infrastructure Projects Limited

9th Annual Report 2009-10

FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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India today is witnessing an infrastructure Renaissance to leap forward into the league of advanced nations.

In order to be sustainable this transformation would, however, **require a tremendous amount of forethought, focus and firm action on ground.**

At Gammon Infrastructure Projects Limited (GIPL), we are translating our **'constructive' thoughts** into multiple avenues for rapid action by leveraging our strong pedigree and forging strategic partnerships.



G IPL's parent company, Gammon India Limited is one of the leading construction engineering companies in India since 1922, passing on a vast repository of industry experience and technical knowledge to G IPL.

G IPL has also formed partnerships, joint ventures and consortiums with the leading names in the infrastructure industry globally. Spanning multiple sectors, developers, operations, maintenance companies, technology providers, original equipment manufacturers, consultants and construction contractors.

To be a part of the grand infrastructure spectacle.

A national priority and a gateway to an enhanced quality of life.

the RESULT is this

59% increase in Turnover

to Rs. 33,950 lakhs in 2009-10 from
Rs. 21,339 lakhs in 2008-09

10% surge in EBIDTA

to Rs. 14,951 lakhs in 2009-10 from Rs. 13,617
lakhs in 2008-09

Present Asset Capitalisation of
Rs. 249,446 lakhs

Estimated Asset Capitalization of 20 BOT projects
is over **Rs. 1,000,000 lakhs**

57% growth in Income from
Port operations to Rs. 11,488 lakhs in
2009-10 from Rs. 7,333 lakhs in 2008-09

real action on the ground

TOLL ROAD COMMISSIONED

GIPL, through its SPV Mumbai Nasik Expressway Limited (MNEL), partially commenced commercial operations (tolling) at the much awaited 'Vadape to Gonde' section on the Mumbai – Nasik highway on NH - 3

BIOMASS POWER

GIPL commissioned its first project of 12 MW biomass power at Bhagaura village, Patiala district in June, 2010.

EQUITY ENHANCEMENT IN PORTS

Vizag Seaport Private Limited (VSPL) handled 6.43 million tons of cargo in the financial year ending March 2010, a massive 37.7% throughput increase, compared to the previous year. To consolidate and strengthen its investments in the port sector, GIPL enhanced its stake in VSPL by buying out the share holding of M/s Portia Management Services. The stake holding increased from 47.52% to 73.76%.





NEW IRON ORE PORT AT PARADIP

GIPL secured its entry into iron ore handling business at the Paradip port by winning a concession to develop a dedicated terminal, capable of handling a minimum 10 MMTPA at an estimated Rs. 51,800 lakh cost. The concession agreement was signed in July 2009 with a 30-year concession period including three years of construction.

NEW ROAD IN BIHAR

GIPL further augmented its 'Assured Return' asset portfolio by winning a road project concession, with an annuity stream of Rs. 9,460 lakhs (semi-annually) in Bihar, issued by the National Highways authority of India. The concession period is for fifteen (15) years, ensuring stable cash flows.

THERMAL POWER

GIPL is eyeing at opportunities in the thermal power generation segment through 'Primary Bidding' as well as the 'Secondary Acquisition' route.

AIRPORTS

The Indian Civil Aviation Sector is expected to witness a major overhaul over the next few years. The PPP success stories of Hyderabad (HIAL), Bangaluru (BIAL), Delhi (DIAL) and Mumbai (MIAL) have enhanced opportunities for privatization.

GIPL is suitably placed to tap any opportunity in India and abroad.



thoughts, actions and the story in between

GIPL was incorporated in 2001 as Gammon Group's arm to undertake infrastructure projects on Public Private Partnership (PPP) basis.

BUSINESS AS USUAL

- ▶ Undertake and develop infrastructure projects in sectors such as roads, bridges, ports, airports, urban infrastructure, mass rapid transit system, hydroelectric power, biomass power
- ▶ Provide services in other areas of project development such as operation and maintenance services and project advisory services
- ▶ Provide end-to-end supply chain solutions for the transportation of cargo through warehousing and distribution facilities

PORTFOLIO ON PRIORITY

Our total project portfolio comprises 20 projects:

- ▶ 5 operational projects
- ▶ 11 projects in the development phase
- ▶ 4 projects in the pre-development phase

PAN-INDIA PRESENCE

- ▶ GIPL's registered office is in Mumbai (Maharashtra)
- ▶ There are 20 project locations across India

SECTORAL ENGAGEMENT

- ▶ Roads, bridges and ports (bulk and container)
- ▶ Clean energy (hydro and biomass)

STOCK EXCHANGE LISTINGS

- ▶ Bombay Stock Exchange (BSE) – Stock code: 532959
- ▶ National Stock Exchange (NSE) – Stock code: GAMMNINFRA

PROJECT PARTICIPATION

- ▶ Participation in projects based on BOT, BOOT, BOO and other PPP models
- ▶ Long-term contractual relationships with government agencies and private players for the development and operation of infrastructure facilities

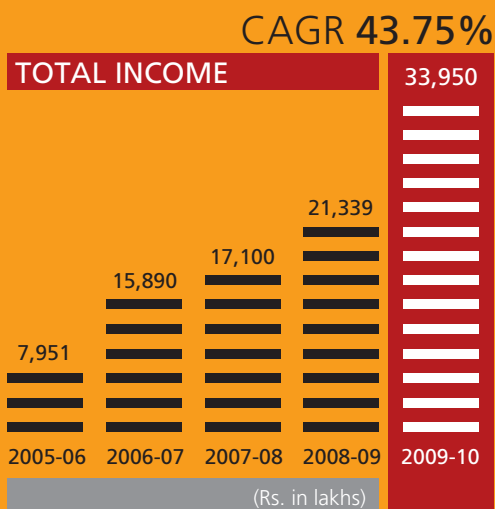
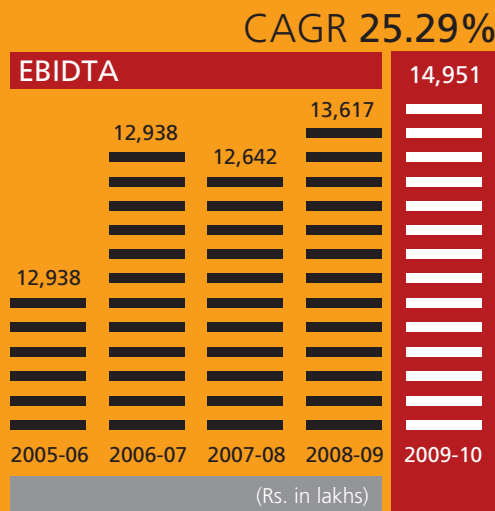
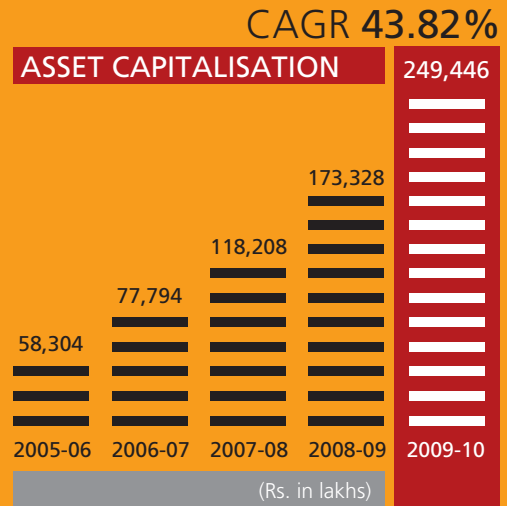
GEOGRAPHICAL DIVERSIFICATION



Map not to scale

* Pre-development Stage

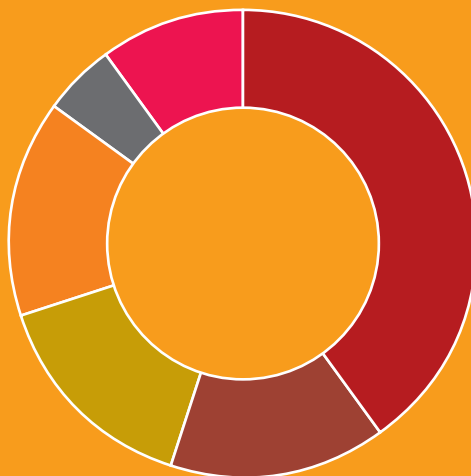
thoughts + actions = northbound



a fleeting thought on the year gone by 2009 in perspective

- ▶ Commenced operations and tolling for the first milestone of the 64 km Mumbai Nasik Expressway
- ▶ Biomass-based power plants of 12 MW each in Punjab, under development by an SPV, Punjab Biomass Power Ltd., of which the first Plant at Bhagaura in Patiala District commenced commercial operations
- ▶ Acquired a 250 MW coal based power project in India
- ▶ Enhanced its equity stake holding in one of its SPV, Vizag Seaport Private Limited (VSPL), now a subsidiary

DIVERSIFIED ASSETS ACROSS SECTORS



TOTAL NO. OF PROJECTS

20

chairman's message



Abhijit Rajan
Chairman & Managing Director

Dear Shareholders,

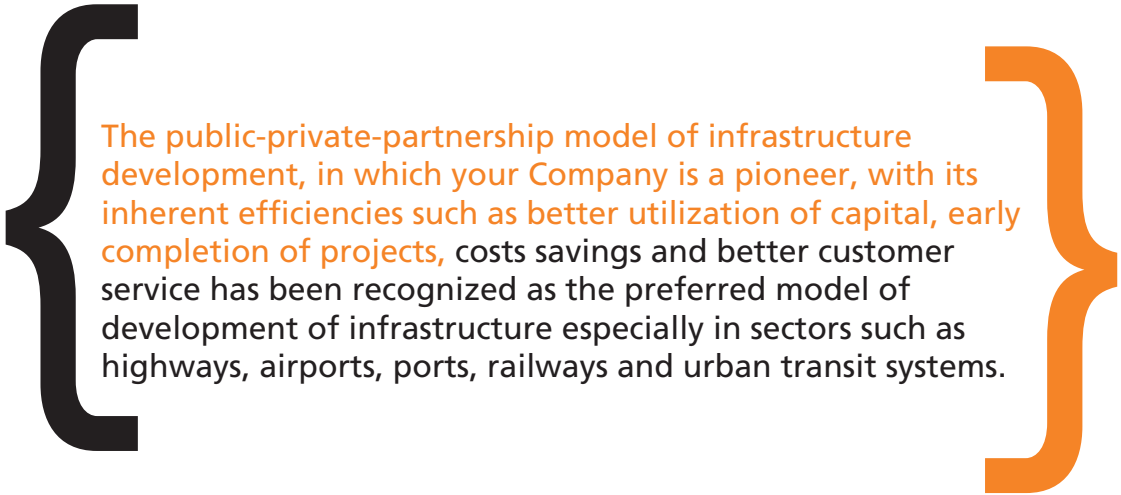
It feels great to address you in an atmosphere of renewed optimism. The gloom of last year has been replaced with a quite confidence that the world, and in any case India, will overcome the cascading impact of the financial meltdown in the western economies.

In the year under review, while your Company has performed marginally better on a standalone basis compared to the previous year, its performance at a consolidated basis reads lower than the last year mainly on account of the mandatory periodic maintenance undertaken by Andhra Expressway Ltd. and Rajahmundry Expressway Ltd. during the year and the reversal of deferred tax liability by Vizag Seaport Pvt. Ltd. during the previous year.

Looking ahead, one can be optimistic about the future. There is a realization that the near miraculous growth in the economies of the South East Asian nations, such as Japan, Hongkong, the Republic of Korea, Singapore, Thailand,

For India to achieve sustainable and inclusive growth in its economy there will have to be a robust increase in the planned development of infrastructure

Malaysia, Peoples Republic of China and Taipei were preceded and reinforced by quantum investments in physical and social infrastructure and that for India to achieve sustainable and inclusive growth in its economy there will have to be a robust increase in the planned development of infrastructure. It is also being recognized that poor and inadequate infrastructure is adding to production costs, denting productivity of capital and competitiveness of the productive sectors. It has further been recognized that in the years to



The public-private-partnership model of infrastructure development, in which your Company is a pioneer, with its inherent efficiencies such as better utilization of capital, early completion of projects, costs savings and better customer service has been recognized as the preferred model of development of infrastructure especially in sectors such as highways, airports, ports, railways and urban transit systems.

come, India will get more and more urbanized and that a substantial percentage of India's population would live in urban areas. This environment shall fuel the growth and business of your Company.

The revised 11th Plan estimates and the draft 12th Plan envisages substantial increase in allocation for infrastructure, especially in energy, roads, railways, seaports and airports. Nearly 30% of the planned expenditure is expected to come from the private sector during the 11th Plan period. The public-private partnership model of infrastructure development, in which your Company is a pioneer, with its inherent efficiencies such as better utilization of capital, early completion of projects, costs savings and better customer service has been recognized as the preferred model of development of infrastructure especially in sectors such as highways, airports, ports, railways and urban transit systems. With a view to attract investment in infrastructure from private sector, the Government has taken several measures, such as introduction viability gap funding programme, promotion of India Infrastructure Finance Company Limited, increased availability of bank finance and liberalization of 'foreign direct investment' norms. The Reserve Bank of India has also made significant policy changes to attract private investment in infrastructure. All this bodes well for the future of the Company and your investments in the Company.

Your Company now has a portfolio of twenty projects including a recent foray into thermal power generation. During the year, we achieved partial commissioning of the Vadape-Gonde project as well as the first unit of Punjab Biomass. The Company hopes to achieve the financial closure of Patna-Muzafarpur project and Paradip Iron Ore Berth project shortly. The financial closure of Ranjit II Hydro Electric Project and the Pravara Co-generation Power Project is also being planned in 2010-11.

On the immediate horizon, your Company has been shortlisted to bid for 26 projects across sectors like roads, ports, power, urban infra etc. collectively having an estimated project cost of Rs. 25,960 crores. In addition, your Company is evaluating certain projects in some emerging foreign economies as well which will enable your Company to establish itself overseas.

The Board thanks the shareholders for their cooperation and continued support and pledges itself to work towards enhancing the value of your investments in the Company by bringing in quality projects at the best price.

Regards,

Abhijit Rajan

Chairman & Managing Director

where thoughts end, action begins

OPERATIONAL PROJECTS



{ Rajahmundry Expressway Limited (REL) }

RAJAHMUNDRY EXPRESSWAY LIMITED (REL)

- ▶ 53 km stretch on the Chennai – Kolkata phase of the Golden Quadrilateral on an annuity basis



{ Andhra Expressway Limited (AEL) }

ANDHRA EXPRESSWAY LIMITED (AEL)

- ▶ 47 km stretch on the Chennai – Kolkata phase of the Golden Quadrilateral on an annuity basis



{ Cochin Bridge Infrastructure Company Limited (CBICL) }

COCHIN BRIDGE INFRASTRUCTURE COMPANY LIMITED (CBICL)

- ▶ 2 lane 750 m bridge across Mattanchery Channel, Kochi on an annuity basis



{ Mumbai Nasik Expressway Limited (MNEL) }

MUMBAI NASIK EXPRESSWAY LIMITED (MNEL)

- ▶ 99.5 km Vadape - Gonde (Mumbai - Nasik) section of NH-3 on a BOT basis



{ Vizag Seaport Private Limited (VSPL) }

VIZAG SEAPORT PRIVATE LIMITED (VSPL)

- ▶ 2 multi-purpose berths in the Northern arm of the inner harbour at Visakhapatnam Port on a BOT basis



{ Punjab Biomass Power Limited (PBPL) }

PUNJAB BIOMASS POWER LIMITED (PBPL)

- ▶ 9 biomass based power projects, each having power generation potential in the range of 10 MW to 15 MW, in Punjab, on BOO basis

where thoughts end, action begins

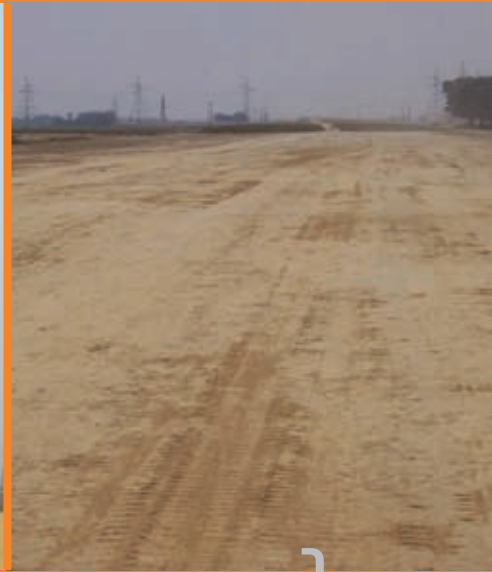
PROJECTS UNDER DEVELOPMENT



Rajahmundry Godavari Bridge Limited (RGBL)



Kosi Bridge Infrastructure Company Limited (KBICL)



Gorakhpur Infrastructure Company Limited (GICL)

RAJAHMUNDRY GODAVARI BRIDGE LIMITED (RGBL)

- Construction of 4.15 km long 4-lane bridge, connecting Kowur and Rajahmundry

KOSI BRIDGE INFRASTRUCTURE COMPANY LIMITED (KBICL)

- Design, construction, development, financing, operation and maintenance of 1.8 km 4-lane bridge across the Kosi River with 8.2 km of access roads and bunds for flood protection, along NH-57 in Bihar, Supaul district

GORAKHPUR INFRASTRUCTURE COMPANY LIMITED (GICL)

- Design, construction, development, financing, operation and maintenance of 32.27 km long 4-lane bypass to Gorakhpur town on NH 28 in Uttar Pradesh



Patna Highway Projects Limited (PHPL)



Indira Container Terminal Private Limited (ICTPL)



Blue Water Iron Ore Terminal Private Limited (BWITPL)

PATNA HIGHWAY PROJECTS LIMITED (PHPL)

- Design, construction, development, financing, operation and maintenance of 63.17 km long 4-lane dual carriageway on NH-77, which includes new bypass of 16.87 km, connecting NH-28 in Bihar on a BOT basis

INDIRA CONTAINER TERMINAL PRIVATE LIMITED (ICTPL)

- Construction of three offshore container berths, development of container terminal and management of the existing Ballard Pier Station Container Terminal

BLUE WATER IRON ORE TERMINAL PRIVATE LIMITED (BWITPL)

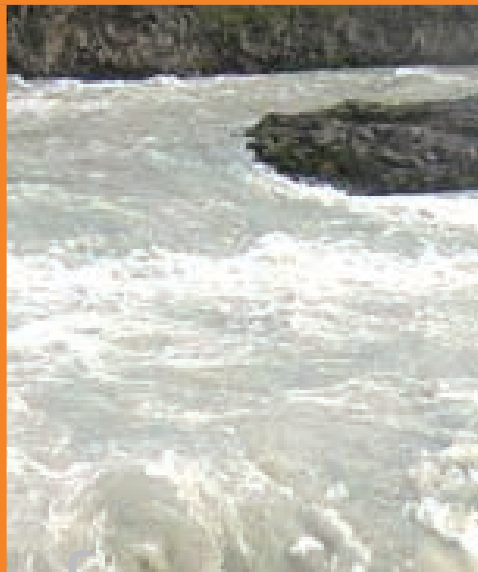
- Design, financing, construction, operation, maintenance and marketing of Paradip port, Orissa

where thoughts end, action begins

PROJECTS UNDER PRE-DEVELOPMENT STAGE



{ Pravara Renewable Energy Limited (PREL) }



{ Sikkim Hydro Power Ventures Limited (SHPVL) }



{ Youngthang Power Ventures Limited (YPVL) }

PRAVARA RENEWABLE ENERGY LIMITED (PREL)

- ▶ Design, construction, financing and operating a 30 MW cogeneration power project on BOOT basis

SIKKIM HYDRO POWER VENTURES LIMITED (SHPVL)

- ▶ Development of 66 MW Rangit II Hydroelectric Power Project in Sikkim on a BOOT basis

YOUNGTHANG POWER VENTURES LIMITED (YPVL)

- ▶ Development of a 261 MW run-of-the-river hydroelectric power project in Himachal Pradesh on a BOOT basis

The Company through its subsidiaries is in the process of acquiring a **250 MW** coal based power project in interior Maharashtra.



{ Tidong Hydro Power Limited (THPL) }

TIDONG HYDRO POWER LIMITED (THPL)

- ▶ Development of 60 MW hydro electric project in Himachal Pradesh



{ SEZ Adityapur Limited (SEZAL) }

SEZ ADITYAPUR LIMITED (SEZAL)

- ▶ Development of SEZ for automobile and auto components at Adityapur, in Jharkhand (Eastern India)



{ Haryana Biomass Power Limited (HBPL) }

HARYANA BIOMASS POWER LIMITED (HBPL)

- ▶ Setting up of six biomass-based power projects



{ TADA SEZ Project }

TADA SEZ PROJECT

- ▶ Identified approximately 1,150 acres at TADA in the Chittoor district of Andhra Pradesh; land acquisition is currently in progress

a flurry of thought and action

● **QUALITATIVE ASSETS**

We assess, identify and build a portfolio of select concessions, which are qualitative assets (in terms growth, stability, return on investment and risk exposure) as against quantitative accumulation of concessions with average fundamentals.

● **DIVERSE AND WELL-BALANCED REVENUE STRATEGY**

At GIPL, our well diversified portfolio comprises a rich mix of market-driven assets, which provide an upside potential. Concurrently we invest in annuity assets providing assured and stable cash flows. Our portfolio of five annuity projects with the National Highways Authority of India will ensure a sustainable cash flow.

UNLOCKING SHAREHOLDERS VALUE

- ▶ Resort to project Refinancing in case of Operational projects thereby moving closer to an Optimum level of capital 'Gearing'
- ▶ Sale of Equity stake in an Operational SPV to a strategic investor
- ▶ Equity 'Carve Out' of business segment with substantial number operational assets

FIXED REVENUE

Rajahmundry – Dharmavaram Expressway, Dharmavaram Tuni Expressway, Kosi Bridge, Gorakhpur Bypass, Punjab Biomass Power Plant, Patna Muzaffarpur and O&M contracts

FIXED/MARKET DRIVEN REVENUE

New Mattanchery Bridge in Cochin, Vizag Seaport Private Limited, Pravara co-generation – Sale of Power and Paradip Port

MARKET DRIVEN REVENUE

Vadape – Gonde Road, Mumbai Offshore Container Terminal, Rangit II Hydroelectric Project, Godavari Bridge and Youngthangkhab Hydroelectric

the minds that ignite our thought and action

A GENTLE KNOCK AT THE BOARD ROOM

1

ABHIJIT RAJAN, Chairman and Managing Director

Our CMD is a successful industrialist with over three decades of industry experience. He is our leader and it is his zeal and vision that has made us what we are today.

2

HIMANSHU PARIKH, Executive Vice Chairman

Our Executive Vice Chairman enjoys wide experience in diverse functional fields. He is an expert on procurement and general management and keeps a watchful eye into every aspect of the business.

3

PARVEZ UMRIGAR, Non Executive Director

Our Non Executive Director possesses two decades of industry experience. He is a chartered accountant and a cost accountant and has spearheaded the Group's infrastructure business. He is now focusing at widening our business.

4

C.C. DAYAL, Independent Director

Our Independent Director, Mr. Dayal, is a chartered accountant with vast experience and expertise in audit, internal audit, taxation and accounts. He heads the GIPL's Audit Committee.

5

SANJAY SACHDEV, Independent Director

Our Independent Director, Mr. Sachdev, is a certified financial planner and is credited for co-founding the CFP Program in India. He is a Fellow of the Life Management Institute and LIMRA Leadership Institute (LLIF), USA. He has over two decades of international experience, including 13 years with the pension and mutual fund operations of the Principal Financial Group. Mr Sachdev has a degree in law from Bombay University and a Masters Degree in International Management from USA.

6

NARESH CHANDRA, Independent Director

Our Independent Director, Mr. Chandra, is a retired member of the Indian Administrative Service. An M.Sc. in Mathematics, he has served in important government positions as a member of the Indo-US subcommittee on Economic Affairs & Commerce as well as the Co-Chairman of Indo-US working group on technology transfer. On retirement in 1992, he was appointed Senior Advisor to the Prime Minister of India. He has also served as Governor of Gujarat and as the Ambassador of India to the US. He chaired the Committee on Corporate Governance set up by the Union Ministry of Finance and Company Affairs in 2002.

7

S. C. TRIPATHI, Independent Director

Our Independent Director, Mr. Tripathi has two decades rich experience in finance and industry. He has served for over 20 years at senior levels in the State and Central Government and in a representative capacity at international levels. He has developed a rich insight into finance and industry. Mr Tripathi is an M.Sc., LLB and a retired IAS officer. He retired as Secretary, Ministry of Petroleum and Natural Gas, Government of India.

management and analysis

discussion



ABOUT GIPL

Gammon Infrastructure Projects Limited (GIPL) is an infrastructure project development company, promoted by Gammon India Limited to participate in the development of infrastructure projects on PPP basis. The Company is among the first companies in India to be modelled as an infrastructure developer holding company with multi-sectoral investments.

Today, GIPL leads Gammon's forays into the development of infrastructure projects on PPP basis across sectors such as Roads & Expressways, Ports, Power, Urban infrastructure, Airports, Special Economic Zones, Water and Wastewater management, Railways and Power Transmission lines.



ECONOMIC SCENARIO

Following a challenging and difficult 2008-09, fiscal 2009-10 was more reassuring. Concerns of a prolonged depression disappeared with the global economy showing signs of recovery, after a 0.8% decline in the global GDP. IMF economists predict a 3.9% growth in global GDP in 2010. However, European economies continue to languish. A contagion effect is unlikely as India and China, the world's primary growth drivers, performed robustly. India's GDP grew second fastest in the world at 7.2% in 2009-10, and is expected to grow at 9% within the next two years (Source: World Bank estimates). In fact, between January and March 2010, the economy grew 8.6% on the back of a strong performance by the manufacturing sector.

INDIAN INFRASTRUCTURE INDUSTRY OVERVIEW

Powered by a 'Reforms' driven Central Government, the Indian infrastructure industry is showing signs of

sustainable growth especially through the PPP mode. The Revised Policy Framework (in FY10) governing the BOT projects in the form of Model Concession Agreements has given a significant impetus to private partnership in the overall scheme of national infrastructure development. As per the revised estimates of the Planning Commission released in March 2010, India's infrastructure investment is likely to rise from Rs.9 trillion under the 10th Plan to Rs.20.5 trillion under the 11th Plan. The estimated spend over the 12th Plan period (FY13-FY17) in various segments will be around Rs.27 trillion. Power will lead the way with a 32% share in the total spend, followed by roads at 17% and railways at 16%. Power spend will rise on account of higher capital expenditure by the private sector in power generation plants. Investments in roads are based on an increased project award activity by NHAI. Railways are likely to witness investments in rolling stock, capacity augmentation (new lines, gauge conversion), station modernisation, and dedicated freight corridor, among others.

Planned allocations

(Rs. in billion)

	10th plan actual	Share (%)	11th plan Revised	Share (%)	12th plan estimates	Share (%)	% rise over 11th plan
Electricity (including Non conventional energy)	3,402	38	6,586	32	8,700	32	32.1
Roads & bridges	1,271	14	2,787	14	4,600	17	65.1
Railways (including Mass Rapid Transit System)	1,021	11	2,008	10	4,500	16	124.1
Irrigation (including water shed)	1,067	12	2,462	12	2,900	11	17.8
Ports (including inland waterways)	230	3	406	2	804	3	97.8
Airports	69	1	361	2	250	1	(30.8)
Water supply & sanitation	601	7	1,117	5	1,257	5	12.5
Telecommunications	1,019	11	3,451	17	2,589	9	(25.0)
Storage	56	1	90	0	90	0	-
Oil & gas pipeline	324	4	1,273	6	1,591	6	25.0
Total	9,061	100	20,542	100	27,280	100	32.8
Spend in US\$ billion*	201		457		606		

(Source: Planning Commission)

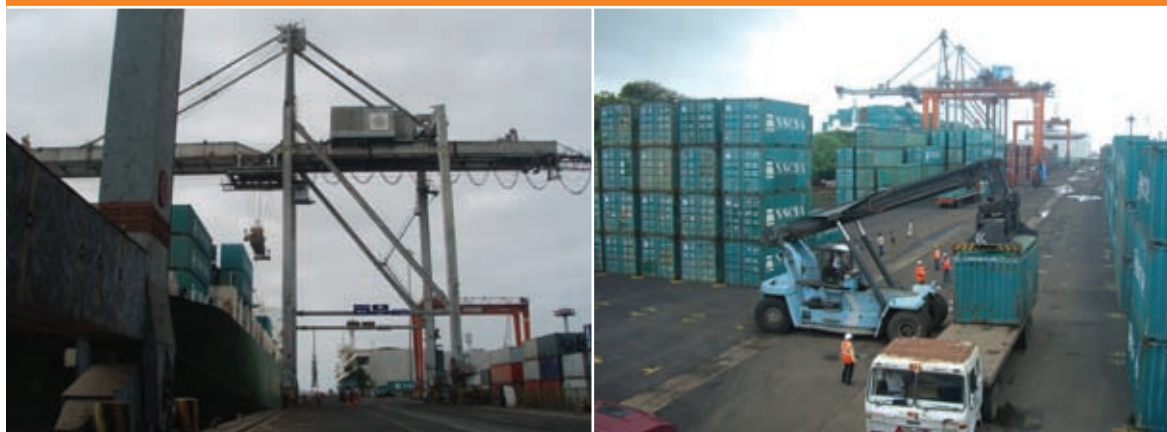
GIPL is in the business of infrastructure development mainly through public private partnership projects (PPP Projects). The guidelines for PPP Projects require the Company to undertake such projects through project specific 'special purpose vehicles' (SPV).



SECTORAL OPPORTUNITIES AND OUTLOOK

Roads and Highways

The Indian road network consists of 3.3 mn km. Of this, the network of NHs extends over 70,000 km. Despite accounting for only 2% of India's total road network, NHs handle around 40% of the total traffic. In comparison, state highways with double the network (1,40,000 km) account for 4% of the total network and handle 40% of the traffic. Thus 6% of the road network carries 80% of the total traffic in India. Roads handle 85% of the total passenger traffic and 60% of the total freight traffic. The southern and western states account for traffic bulk as against northern, eastern, and north-eastern states.



Revised 11th Plan spend

Roads and highways witnessed a planned spend of Rs.1.3 trillion during the 10th Five-Year Plan. In the original plan, the Planning Commission had envisaged Rs.3.1 trillion of investment during the 11th Plan with 52% of the outlay focusing on national highways. Of this, 45% was expected on national highways managed by NHAI, while the remaining 7% was expected on national highways maintained by state governments and Border Roads Organisation. In March '10, the Planning Commission revised down the 11th Plan spend estimate to Rs.2.8 trillion, owing to delays in project awards by NHAI.

Expected 12th Plan spend

A spend of Rs.4.6 trillion on roads and highways over the 12th Plan is estimated. An increase in spend on NHs and improvement in private sector participation has been envisaged in the Plan. The increase in spend on state highways is likely to be at a similar rate as seen in the past. However, private sector participation in state highways is likely to be limited as policy changes to make such investments attractive are still pending at the state government level.

The Company's perspective on the outlook and opportunities in roads and highways

The increased allocation for road sector under the 12th Plan presents a good opportunity to the Company to increase its foothold in the sector. The Company is constantly reviewing and evaluating the project opportunities in the road sector in the light of its strengths /synergies in the sector. It has been pre-qualified to place financial bids for road projects worth Rs. 195.5 billion as at the end of July 2010.

Risks and concerns

- Increased competition and aggressive project bidding on account of a plethora of construction companies wanting to enter the project development business.
- Land acquisition – delays and disputes.

Ports

India has 12 major and 187 non-major ports handling both domestic/internal/coastal as well as overseas trade. Port traffic has increased at a strong pace of 9.5% CAGR over 2005-2010; the growth momentum is expected to continue over the remaining part of the 11th Plan and during the 12th Plan period (2012-2017). Investment of Rs.804 billion in ports is expected over the 12th Plan period. The public sector is likely to contribute 70% of the total spend under the Plan with the private sector contributing the remaining.

NMDP programme

The National Maritime Development Programme (NMDP) has been formulated envisaging around Rs. 1,003 billion investment, with an objective to upgrade and modernise India's port infrastructure and bring it on par with global standards. The programme will be executed through a total of 387 projects; 276 projects covering all major ports and entailing activities like construction/berth upgrades, deepening of channels, rail/road connectivity projects, at a cost of Rs.558 billion and 111 other projects covering tonnage acquisition, maritime training, coastal shipping, aids to navigation, shipbuilding and building up of Inland Water Transport (IWT) infrastructure at a cost of Rs.445 billion. The estimated capacity addition across India's ports (major and non major) during the 12th Plan is 804 MMT.

The share of private sector investment in the Major ports would be about Rs. 345 billion, comprising

commercially viable projects like development and operation of berths and terminals. Public funded projects would cover activities like the creation of common user infrastructure facilities.

The Company's perspective on the outlook and opportunities on ports

The Company is carefully assessing the project opportunities in line with its business plans for the purpose of pre-qualification. It is pre-qualified to place financial bids for ports projects worth Rs. 10.6 billion as at the end of July 2010.

Risks and concerns

- Directive policy issued by the Central Government to all the major ports under Section 111 of the Major Port Trusts Act, 1963, with an objective of avoiding private sector monopoly in the major ports, while awarding projects to private parties through PPP route.
- Environmental clearance from the Ministry of Environment and Forests.

Power

The Indian power sector remains fundamentally strong, driven by significant amount of electricity generation deficit. Besides, healthy returns on the projects attract considerable investment. About 50% of India's electricity demand is from agriculture and residential segments. Power is clearly the government's focus area with 32% of the budgeted infrastructure spend under the 11th Plan been earmarked for the sector. The government is projecting Rs. 6,586 billion investment over the 11th Plan period; as per revised estimates, the private sector will contribute 43.7% of these investments.

The government, however, has lowered the capacity addition target under the 11th Plan to 62,374 MW versus the original target of 78,700 MW. Under the 12th Plan, around 100 GW of power capacity addition with a total spend of Rs.8.7 trillion in power generation, transmission and distribution are expected.

The Company's perspective on the outlook and opportunities in power (generation and transmission)

The Company is carefully assessing project opportunities suiting its business plans for the purpose of pre-qualification. The Company is pre-qualified to place financial bids for power projects worth Rs. 48.5 billion as at the end of July 2010.

Risk and concerns

- Ensuring efficient fuel procurement for bio mass power generation projects
- Land Acquisition, fuel linkage and environmental clearance in case of thermal power generation projects
- Land acquisition and environmental clearance in case of thermal and hydro power generation projects

Railways

Railways represent the most economical mode of transport. However, investment in infrastructure development of the railways network lagged the country's economic growth. As a result, the railways share of the country's total freight transport declined from 88% in 1951 to 30% now. The railway spend has been enhanced in the past few years. Railways witnessed Rs. 847 billion of spend in the 10th



Nearly all of the infrastructure sub sectors present excellent opportunities, with Roads and Highways, Ports and Airports, Railways and Power standing out as particularly attractive spots, with staggering sums of investment planned.



Plan. The Planning Commission had estimated an investment of Rs.2.5 trillion in the 11th Plan. However, this has been revised down to Rs.2 trillion, due to lower public sector and private sector investment (station modernisation, metro rail projects etc). During the 12th Plan, the Indian Railways is expected to attract an investment of around Rs.4.5 trillion, with the public sector expected to provide 86% of the total spend. The Railways business is not likely to yield enough cash to support such a plan spend, and hence central government support will be essential to carry out such an investment.

The Company's perspective on the outlook and opportunities in railways

The Company is viewing this sector favorably and is assessing opportunities to make a suitable entry into the sector.

Risk and concerns

- Highly capital intensive with special reference to the Mass Rapid Transport System (MRTS).
- Impact of the demand and supply for commercial 'Real Estate' in case of station modernisation projects

Airports

India's air passenger growth has been one of the highest in the world and is expected to surpass China, France and Australia in the coming years. The government has roped in the private sector to improve the capacity and quality of airports across the country. This has resulted in the privatisation of the Hyderabad, Bangalore, Delhi and Mumbai airports. Other two major airports Chennai and Kolkata are being developed by the Airports Authority of India, the regulatory authority governing the development of airports in India. The Government is planning to develop 35 non-metro airports with a large proportion of the spend expected in 12th Plan period.

The Company's perspective on the outlook and opportunities in airports

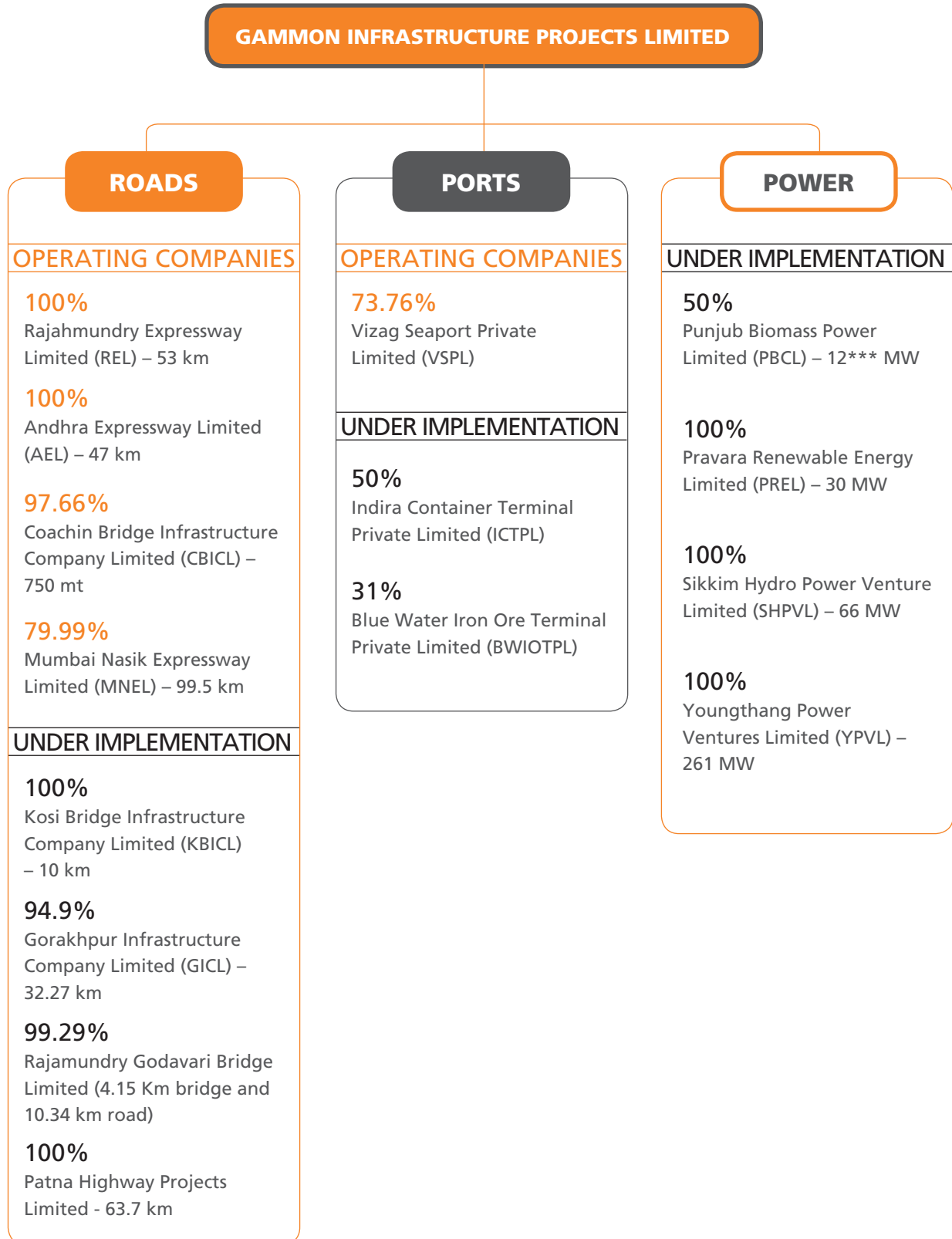
The Company has been looking at opportunities in the sector and has been pre-qualified to place financial bids for airport projects worth Rs. 5 billion as at the end of July 2010.

Risk and concerns

- Land acquisition in case of Green field airports
- Commercial viability of non metro airport projects proposed through PPP route
- Environmental clearance

GIPL'S PROJECT PERFORMANCE

Our present ownership in each of the 15 project SPVs, which are operating or in active development phase is as follows:



OPERATIONAL PROJECTS

1. Rajahmundry Expressway Limited (REL)

REL is an SPV created for the project for widening and strengthening of a 53 km stretch between Rajahmundry and Dharmavaram in Andhra Pradesh on NH 5, connecting Chennai and Kolkata.

The project achieved COD on September 20, 2004, 70 days ahead of schedule. The project has a 17.5-year concession period, including a 2.5-year construction period. The project has been capitalised at Rs. 25,600 lakhs.

As of March 31, 2010, REL has received 10 annuities from NHAI (each semi-annual annuity amounting to Rs. 2961.9 lakhs). Till date, 100% lane availability has been achieved by REL and has not recorded any deduction in the receipt of annuity payments from NHAI.

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

	(Rs. Lakhs)	
	Year ended	
	31-Mar-10	31-Mar-09
Income	6,222.36	6,701.86
Profit after tax	1,297.05	1,847.65
Equity Share Capital	2,900.00	2,900.00
Reserve and Surplus	8,731.90	7,434.85

2. Andhra Expressway Limited (AEL)

AEL is an SPV created for the project for widening and strengthening of the 47 km stretch between Dharmavaram and Tuni in Andhra Pradesh on NH 5, connecting Chennai and Kolkata.

The project has achieved COD on October 30, 2004, 30 days ahead of schedule. The project has a 17.5-year concession period, including 2.5 year construction period. The project has been capitalised at Rs. 24,800 lakhs.

As of March 31, 2010, AEL has received 10 annuities from NHAI (each semi-annual annuity amounting to Rs. 2791.2 lakhs). Till date, 100% lane availability has been achieved by AEL and has not recorded any deduction in the receipt of annuity payments from NHAI.

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

	(Rs. Lakhs)	
	Year ended	
	31-Mar-10	31-Mar-09
Income	5,890.14	6,182.35
Profit after tax	1,334.83	1,689.41
Equity Share Capital	2,900.00	2,900.00
Reserve and Surplus	8,593.07	7,258.25

3. Cochin Bridge Infrastructure Company Limited (CBICL)

CBICL is an SPV promoted for developing the New Mattancherry Bridge Project, in Cochin, Kerala on BOT (toll) basis. The 750 m long bridge connects Fort Kochi (a heritage town and a famous tourist site) to Willingdon Island in the Cochin Port Trust area and is operational since the preceding 8.5 years.

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 18,000 passenger car units. The project had been capitalised at Rs. 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 Rs. 154 lakhs from GOK.

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

	(Rs. Lakhs)	
	Year ended	
	31-Mar-10	31-Mar-09
Income	582.50	546.97
Profit after tax	108.71	85.20
Equity Share Capital	640.00	640.00
Reserve and Surplus	491.33	384.27

4. Mumbai Nasik Expressway Limited (MNEL)

MNEL is the SPV created for widening, strengthening and operating the 99.5 km Vadape-Gonde (Mumbai-Nasik) section of NH-3 on BOT basis. The project is part of the NHDP Phase III.

The concession period for the project is 20 years, including a 3 year construction period. The total project cost is estimated to be Rs. 75,300 lakhs.

Financial closure for the project has been achieved and presently the project is under its implementation phase, with a total capitalisation of Rs. 73,118 lakhs as of March 31, 2010.

The EPC Contract for the project has been awarded to GIL. The responsibilities of Operations (Toll collection and Maintenance) of the project have been awarded to GIPL. The project achieved partial completion for a stretch of 64 km in May, 2010 and has commenced operations (Toll Collections). MNEL is aiming at achieving the COD for the entire section of the project highway by December, 2010.

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 BOT basis. 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 MMTPA.

VSPL commenced commercial operations in July, 2004 and the Company has handled 6.43 million tons of cargo in the financial year ending March 2010, a significant 37.7% increase in throughput compared to that of last year. The 30-year concession period is including the construction period. As of March 31, 2010, the project has been capitalised at Rs. 30,850.12 lakhs. VSPL has the rights to operate the project for another 21 years.

The Company's stake in VSPL has increased from 47.52% to 73.76% during the year, consequent to the purchase of VSPL shares held by the foreign partner M/s Portia Management Services

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

(Rs. Lakhs)		
	Year ended	
	31-Mar-10	31-Mar-09
Income	11,487.78	7,333.16
Profit After Tax	1,413.92	829.45
Equity Share Capital	8,719.12	8,719.12
Reserve and Surplus	(2,796.69)	(4,210.61)

In addition to this, the Company has also

expressed its plan to further expand its capacity by deploying an additional crane & developing additional stacking area outside the port premise.

6. Punjab Biomass Power Limited (PBPL)

PBPL is the SPV formed to develop up to nine biomass based power projects, each having power generation potential in the range of 10 MW to 15 MW, in the State of Punjab. Rice straw, available abundantly in Punjab, will be the chief fuel for these projects. In addition, the projects will also use other biomass such as rice husk.

The first project of 12 MW at Bhagaura village, Patiala district is commissioned in June, 2010 and the land for the second project is already acquired.

PROJECTS UNDER ACTIVE DEVELOPMENT

1. Rajahmundry Godavari Bridge Limited (RGBL)

RGBL is the SPV incorporated for design, construction, operation and maintenance of a 4.15 km long four-lane bridge, which will connect Kowur and Rajahmundry in Andhra Pradesh across the Godavari River, with a 10.34 km of approach roads. The concession period for the project is 25 years, including a construction period of 3 years. The total project cost is estimated to be Rs. 86,110 Lakhs.

Financial closure for the project has been achieved and presently the project is under its implementation phase with a total capitalisation of Rs. 22795 Lakhs as of March 31, 2010. The EPC Contract for the project has been awarded to GIL.

2. Kosi Bridge Infrastructure Company Limited (KBICL)

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

The concession period is 20 years, ending in April 2027, of which 17years is for operations and 3 years is for construction. KBICL will receive an annuity payment of Rs. 3,190 lakhs from NHAI, semi-annually, in the entire operations period. The COD of the project was expected to be achieved in April, 2010. However, the completion of construction work has been delayed due to NHAI's failure to fulfill its obligation of enabling access to the project site by clearing encumbrances. The

total project cost is estimated to be Rs. 44,842 Lakhs.

Financial closure for the project has been achieved. Presently the project is under implementation with a total capitalisation of Rs. 26,787 Lakhs as of March 31, 2010.

Owing to the delays not attributable to your company, Independent Engineer has recommended the extension of Construction period by 15 months and Concession period till June 2028.

The EPC Contract for the project has been awarded to GIL.

3. Gorakhpur Infrastructure Company Limited (GICL)

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

The concession period is 20 years, ending in April, 2027, of which 17.5 years is for operations and 2.5 years is for construction. GICL will receive an annuity payment of Rs. 4,860 lakhs from NHAI, semi-annually, during the entire operations period. The COD of the project was expected to be in October, 2009. However, the completion of construction work has been delayed due to NHAI's failure to fulfill its obligation of enabling access to the project site by clearing encumbrances. The total project cost is estimated to be Rs. 68,601 lakhs.

Financial closure for the project has been achieved. At present, the project is under implementation with a total capitalisation of Rs. 34,496 lakhs as of March 31, 2010. The EPC Contract for the project has been awarded to GIL.

4. Patna Highway Projects Limited (PHPL)

PHPL is the SPV incorporated for design, construction, finance and maintenance of a 63.17 km long four-lane dual carriageway on NH-77, which includes new bypass of 16.87 km connecting NH-28 in the State of Bihar on BOT (Annuity) basis.

The concession period is 15 years, ending in August, 2025, of which 12.5 years is for operations and 2.5 years is for construction. PHPL will receive an annuity payment of Rs. 9,460 lakhs from NHAI, semi-annually, during the

entire operations period. The total project cost is estimated to be Rs. 94,005 lakhs.

Financial closure for the project is under process. The EPC Contract for the project has been awarded to GIL.

5. Indira Container Terminal Private Limited (ICTPL)

ICTPL is the SPV incorporated in September 2007 to undertake the implementation, development, operation and maintenance of two Offshore Container Terminal berths at Mumbai harbor (OCT Project), operation and maintenance of existing container operation of Mumbai Port Trust (MbPT) at its Ballard Pier Station (BPS), off the coast of Mumbai on BOT basis.

ICTPL also has the right to develop a third berth in addition to the two berths on achieving certain throughput conditions as per the License Agreement. The license period for the project is 30 years, including 3 years of construction and equipping. The expected COD for the project is December, 2010. However, the construction of the OCT Project has been delayed due to a slowdown in the dredging work required to be carried by MbPT. The revenue share payable by ICTPL to MbPT is 35.064% of gross revenue for the year. When fully developed the first phase of the project would have a design capacity to handle 1.4 million TEUs. The total project cost for the first phase is estimated to be Rs. 1,01,566 lakhs.

The financial closure for the project was achieved in November 2008. ICTPL has taken over operations of BPS in June 2008 for a period of five years and has recently initiated construction of the offshore container berths. The EPC contract of the project has been awarded to GIL. The total capitalisation of the project is Rs. 14,455.16 Lakhs as of March 31, 2010.

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

BWOTPL is the SPV for design, finance, construction, operation, maintenance and marketing of an iron ore handling facility in Paradip port, Orissa and the provision of related services. The terminal is being designed to handle a minimum of 10 million tons of iron ore annually at an estimated project cost of Rs. 51,800 lakhs.

The concession agreement was signed in July 2009 with a concession period of 30 years, including

3 years of construction. The Company is on the verge of achieving the Financial Closure. The designs and drawings have already been approved and the construction will commence subject to certain conditions to be fulfilled by Paradip Port Trust.

7. Pravara Renewable Energy Limited (PREL)

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

The co-generation facility will be designed as a multi-fuel power plant fired by mainly by bagasse backed by other biomass (cane trash). The co-generation facility will use the 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 approved rates.

The cogeneration plant will be set up within the premises of the Karkhana and a land lease agreement is already signed.

8. Sikkim Hydro Power Ventures Limited (SHPVL)

SHPVL is the SPV floated to develop 66 MW 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 the Rimbi River, a tributary of Rangit river.

The project has received all major clearances and approvals such as Environmental Clearance from MoEF, Stage I Forest Clearance from MoEF and Techno Economic Clearance from Government of Sikkim. The Company has paid 80% of the

cost of land acquisition to Revenue Department, Government of Sikkim for the acquisition of Project Land and the same has been distributed to the land owners.

9. Youngthang Power Ventures Limited (YPVL)

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

OTHER PROJECTS IN PRE-DEVELOPMENT PHASE

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

1. SEZ Adityapur Limited (SEZAL)

SEZAL was incorporated to implement the project of development of an SEZ for 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 ninety (90) acres for a period of 90 years.

Adityapur Industrial Area Development Authority ("AIADA") is the nodal agency for the project. Your Company owns 38% equity stake in SEZAL.

2. Haryana Biomass Power Limited (HBPL)

HBPL is the SPV incorporated to implement six biomass-based power projects in Haryana in consortium with another private sector developer. The capacity of each project is likely to be in the range of 10 MW to 12 MW. These projects will primarily use rice straw as the feedstock for power generation. Your Company owns 50% equity stake in HBPL.

3. Tidong Hydro Power Limited (THPL)

THPL was incorporated by the Company for developing a 60 MW hydro-electric project in Himachal Pradesh for which it had received a letter of intent (LOI) from the Government of Himachal Pradesh (GoHP). The Company owns 50% equity stake in THPL.

However, the GoHP has (pending the execution of the Memorandum of Understanding) canceled the LOI and awarded the project to Himachal Pradesh

Power Development Corporation (HPPDC). A writ petition was filed by THPL against the GoHP and others against the cancellation of the LOI and allotment of the project to HPPDC. The Company won the case in the High Court of Himachal Pradesh, and GoHP has been directed to sign the MoU with the THPL. GoHP has appealed against the order of the High Court and the matter is pending.

4. TADA SEZ Project

RAS Cities and Townships Private Limited ("RAS"), an indirect subsidiary of our Company, has identified approximately 1,150 acres of land at

TADA in the Chittoor District of Andhra Pradesh. Land acquisition is currently in progress.

5. 250 MW Thermal Power Project

The Company through its subsidiaries is in the process of acquiring a 250 MW coal based power project in interior Maharashtra.

During the year 2009-10 your company secured 2 projects namely a 10 million tons capacity handling facility for Iron Ore at Paradip port in the state of Orissa and a 67 km road project (Annuity) in the state of Bihar.



Risk management



BUSINESS RISK

Infrastructure development is a complex business requiring a diverse skill set combining financial acumen with core engineering, construction management and operational knowledge. PPP projects are capital intensive projects of long tenures, having a 3-6 year gestation period. Any delay in completing projects means that the total cost could exceed the original estimates. Further, the lenders of SPVs may impose additional restrictive covenants or other less favourable terms where existing financing arrangements have to be rescheduled or restructured. We may experience a reduced profit or a loss on such contracts due to these reasons. These projects also require continual operation and maintenance following commissioning.

Mitigation factors

- In the nine years since commencing operations, the Company has 20 infrastructure assets that are operating, under development or in the pre-development phase. As an early entrant in the infrastructure development business, the Company has familiarised itself with the risks associated with the development, operations and maintenance of road, bridge and port projects in India and this experience will help the Company to ensure the continued growth of our business operations through participation in PPP infrastructure projects.
- The Company has a track record in the successful development and execution of infrastructure projects and therefore has access to financing sources, potential partners. The industry expertise enables us to evaluate new projects effectively and

properly assess project risks. The management team is well qualified and experienced in the industry and is responsible for growth in business operations.

FUNDING RISK

The Company is into a highly capital intensive industry segment. Non-availability of funds or increased cost of funding will result in pressurised margins.

Mitigation factors

The Company has ensured strong valuation parameters to assess, participate and invest in quality assets. As a result, the Company has managed to attain financial closures even during difficult times, reflecting upon its ability to identify and create fundamentally strong assets.

REGULATORY RISK

The Company's business is highly dependent on government regulations and policies. Any adverse change or regulation can adversely impact the Company's plans.

Mitigation factors

While this risk applies to all industry players, the mitigation lies in India's economic progress. Infrastructure development will catalyse India's growth story in the coming years. The ongoing thrust on infrastructure investment would attract greater confidence from global players and as a result, the regulations are bound to be more liberal and in the interest of the Indian economy.

COMPETITION RISK

The Company's core geographic focus, which is India, is being seen more and more as an attractive destination for global infrastructure players. With increased competition, financial bids for the projects will be aggressive and therefore may impact overall returns.

Mitigation factors

This risk is also applicable to all industry players. The Company shall endeavour to utilise its prior experience in bidding for projects and also leverage its network and market intelligence to hunt for lucrative opportunities via secondary acquisition.

HUMAN RESOURCE RISK

Quality of manpower decides the quality of the services. Higher attrition would dent the Company's prospects.

Mitigation factors

The Company's HR department ensures identification, development and retention of talented professionals. The Company has also introduced a stock options scheme to retain and nurture its employees to ensure lower attrition and overall employee development.

INTERNAL CONTROL SYSTEM

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. The 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 audit reports are reviewed by the management and the Audit Committee of the Board periodically.

HUMAN RESOURCE

The Company's growth and sustained leadership is largely a function of the competence and quality of human resource. It has always aimed to create a workplace, where every person can achieve his optimum potential. The Company's performance-rewarding culture enables it to create leaders out of its own employees. GIPL has put in place various schemes to ensure that talent is recognised and rewarded.

List of Abbreviations used

PPP - Public Private Partnership
IMF – International Monetary Fund
CAGR – Compounded Annual Growth Rate
MCA – Model Concession Agreement
NHAI – National Highways Authority of India
BOT – Built Operate Transfer
COD – Commercial Operations Date
MMT – Million Metric Tonnes
NMDP - National Maritime Development Programme
MoEF - Ministry of Environment and Forests
MRTS - Mass Rapid Transport System
MW – Mega Watt
TEU – Twenty Foot Equivalent Unit
EPC – Engineering Procurement Construction
SPV – Special Purpose Vehicle
NHDP – National Highways Development Programme
GW – Giga Watt

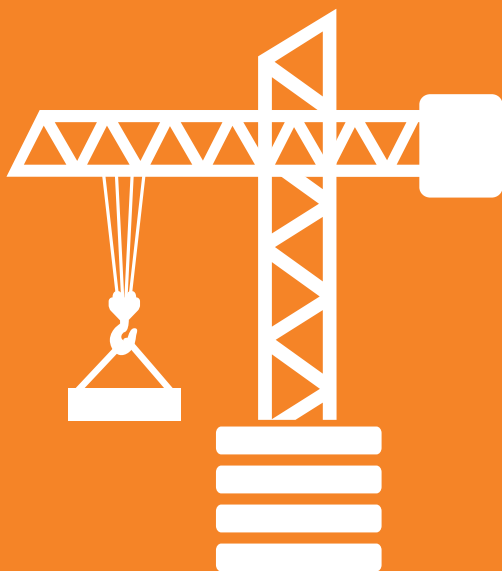
CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections estimates and expectations may 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.



Mumbai Nasik Expressway Ltd., Ghat Section

directors' report



To
The Shareholders of

Gammon Infrastructure Projects Limited

Your Directors have pleasure in submitting their Ninth Annual Report together with the Audited Accounts of the Company, for the period 1st April, 2009 to 31st March, 2010 (the "Period").

FINANCIAL HIGHLIGHTS

As has been stressed even in earlier years, your Company's strength lies in the investments it holds in the special purpose vehicles (SPV) promoted by it for implementing 'public private partnership' (PPP) infrastructure projects. Consequently, to get

a full insight into the financial position of the Company you are advised to refer to the consolidated accounts of the Company rather than the 'stand alone accounts'; both of which are contained in this Annual Report.

As per Consolidated Accounts:

(Rupees in Lacs)

Particulars	March 31, 2010	March 31, 2009
Income	33,949.78	21,338.54
Profit before Interest , Depreciation / amortisation and Taxation	15017.53	13623.50
Financial Costs	5745.42	5120.01
Depreciation and Amortisation	5063.50	4341.21
Tax Expense	1,050.63	548.67
Prior Period	166.54	60.21
Minority Interest & share of (profit)/loss from associates	429.18	287.82
Net Profit	2,562.27	3,265.57
Cash Profit (Net Profit+ Depreciation)	7625.77	7606.78

As per Standalone Accounts:

(Rupees in Lacs)

Particulars	March 31, 2010	March 31, 2009
Income	12291.68	4,796.37
Profit before Interest, Depreciation/ amortisation and Taxation	2357.69	2,282.89
Financial Costs	112.64	93.28
Depreciation and Amortisation	198.91	195.08
Tax Expense	645.73	632.53
Net Profit	1400.41	1,361.98
Cash Profit (Net Profit+ Depreciation)	1599.32	1557.06

DIVIDEND

In view of the continuous requirement for funds for investment in projects under implementation, the Directors have decided not to recommend any Dividend for the Period.

Your Directors believe that the value of your investment in the Company can be enhanced better by investing the Company's available funds in the Company's projects, rather than by declaring dividends.

COMPANY'S PROJECTS

The Company has a basket of eight projects in the Road Sector, three in the Port Sector and four in the Energy Sector, which are under operation/active development.

Of the eight projects in the Road Sector:

(a) Three are toll based projects, namely:

- (1) New Mattancherry Bridge project, developed by an SPV, Cochin Bridge Infrastructure Company Ltd., which has been in operation since September, 2001.
- (2) Vadape-Gonde project, under development by an SPV, Mumbai Nasik Expressway Ltd., which commenced commercial operations

on a 64 km stretch of the National Highway 3 in May, 2010.

- (3) Godavari Bridge project, under development by an SPV, Rajahmundry Godavari Bridge Ltd.

(b) Five are annuity based projects, namely:

- (1) Rajahmundry-Dharmavaram road project, developed by an SPV, Rajahmundry Expressway Ltd., which achieved its commercial operations date in September, 2004.
- (2) Dharmavaram-Tuni road project, developed by an SPV, Andhra Expressway Ltd., which achieved its commercial operations date in October, 2004.
- (3) Kosi Bridge project, under development by an SPV, Kosi Bridge Infrastructure Company Ltd.
- (4) Gorakhpur Bypass project, under development by an SPV, Gorakhpur Infrastructure Company Ltd.
- (5) Patna-Muzafarpur project, under development by an SPV, Patna Highway Projects Ltd.

The Company has a basket of eight projects in the Road Sector, three in the Port Sector and four in the Energy Sector, which are under operation/active development.



The three projects in the Port Sector are:

- (1) Visakhapatnam Port project, a project to develop two berths at Visakhapatnam Port, implemented

by an SPV, Vizag Seaport Pvt. Ltd., of which the first berth became operational in July, 2004 and the second in September, 2005.

- (2) Mumbai Offshore Container Terminal, under development by an SPV, Indira Container Terminal Pvt. Ltd.
- (3) Paradip Iron Ore Berth project, under development by an SPV, Blue Water Iron Ore Terminal Pvt. Ltd.

The four projects in the Energy Sector are:

- (1) 66 MW Rangit II hydroelectric project, under development by an SPV, Sikkim Hydro Power Ventures Limited.
- (2) Biomass-based power plants of 12 MW each in Punjab, under development by an SPV, Punjab Biomass Power Ltd., of which the first Plant at Bhagaura in Patiala District commenced commercial operation in June, 2010.
- (3) 30 MW Pravara Co-generation power project, under development by an SPV, Pravara Renewable Energy Ltd.
- (4) 261 MW Youngthangkhhab hydroelectric project, under development by an SPV, Youngthang Power Ventures Ltd.

Besides the above named projects under operation/ active development, the Company also has three other power projects under development; (i) the Tidong – II hydroelectric power project in Himachal Pradesh, which is under litigation; (ii) six biomass-based power projects of 12 MW each in Haryana and (iii) thermal power generation project in interior Maharashtra.

The Company is also participating in the development of two special economic zones (SEZ) in India; (i) an auto-component SEZ over 90 acres of land at Adityapur, Jharkhand, for which forest clearance is pending and (ii) a multi-purpose SEZ at Tada in Andhra Pradesh for which necessary land is being acquired.

Besides the twenty projects outlined above, the Company is also undertaking operation & maintenance of the Rajahmundry-Dharmavaram road project, the Dharmavaram-Tuni road project and the Vadape-Gonde road project.

In view of the low margins in the air cargo business, Gammon Logistics Limited will focus its energies on asset based business like cold chains, warehousing, custom clearance centers etc.

We request you to refer to the 'Management Discussion and Analysis Report' annexed to this Report for details of the operational performance of the Company and the SPVs.

WHAT LIES AHEAD

The Company is hopeful of achieving commercial operation of the entire stretch of the Vadape-Gonde project by December, 2010.

The Company hopes to announce the financial closure of Patna-Muzafarpur project and Paradip Iron Ore Berth project shortly. The Pravara Co-generation power project and Rangit II Hydro Power Project are also expected to achieve financial closure during the year 2010-11.

The Company has been qualified to submit financial bid for 19 projects with an aggregate capitalization of Rs.18,000 crores in various sectors.

EQUITY CAPITAL

During the Period, the Company forfeited 1,62,050 equity shares (of Rs.10/- each) for non-payment of calls in arrears.

The Company also sub-divided the face value of its equity shares from Rs.10/- to Rs.2/- during the Period. Further, the Company allotted 25,00,000 equity shares of the Company of the face value of Rs.2/- each to employees who exercised their rights attached to stock options.

EMPLOYEE STOCK OPTION SCHEME

The Company has not issued any fresh 'employee stock options' during the year, though, during the Period, the Company had taken the shareholders approval for the issue of upto 1,40,00,000 (One Crore Forty Lacs) stock options of the Company carrying a right to apply for one share each of the face value of Rs.2/- (Rupees Two only).

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.

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

(A) Conservation of Energy

The disclosure required under the said heading is not applicable to your Company.

(B) Technology Absorption

The disclosure required under the said heading is not applicable to your Company.

(C) Foreign Exchange Earnings & Outgo

The Company did not earn any foreign exchange during the Period. The Company expended foreign exchange equivalent to Rs.31.30 lacs during the Period.

SUBSIDIARIES

Andhra Expressway Ltd., Cochin Bridge Infrastructure Company Ltd., Gammon Logistics Ltd., Gammon Projects Developers Ltd., Gorakhpur Infrastructure Company Ltd., Jaguar Projects Developers Ltd., Kosi Bridge Infrastructure Company Ltd., Marine Projects Services Ltd, Mumbai Nasik Expressway Ltd., Pataliputra Highway Ltd. (erstwhile Gammon Metro Transport Ltd.), Pravara Renewable Energy Ltd. Rajahmundry Expressway Ltd., Rajahmundry Godavari Bridge Ltd., Ras Cities and Townships Pvt. Ltd., Sikkim Hydro Power Ventures Ltd., Tada Infra Development Company Ltd. (erstwhile Gammon Hospitality Ltd.), Tidong Hydro Power Ltd. and Youngthang Power Ventures Ltd. remain subsidiaries of the Company.

Blue Water Iron Ore Terminal Private Ltd. has ceased to be a subsidiary of the Company during the year. Vizag Seaport Pvt. Ltd. became a subsidiary of the Company during the year. Patna Highway Projects Ltd., Gammon Seaport Infrastructure Ltd., Gammon Renewable Energy Infrastructure Ltd., Gammon Road Infrastructure Ltd. were incorporated during the year as hundred percent subsidiaries of the Company.

Pursuant to the approval of the Central Government, the Company has not attached the audited accounts of the subsidiaries to the Audited Accounts of the Company for the Period. 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 at any point of time. 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 forms a part of this Report. However, as per Section 219(1)(b)(iv) of the Companies Act, 1956 read with Circular No. SEBI/CFD/DIL/LA/2/2007/26/4 dated 26th April, 2007 issued by the Securities and Exchange Board of India, the report and accounts are being sent to the shareholders of the Company without the particulars of employees

under Section 217 (2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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. that 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. that 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. that 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. Parvez Umrigar and Mr. S.C.Tripathi are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Your Directors recommend their re-appointment.

Mr.Parvez Umrigar resigned his position as the Managing Director of the Company with effect from July 3, 2010. The Board appointed Mr.Himanshu Parikh as the Executive Vice Chairman of the Company with effect from the same date.

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) Accounts Committee for review and approval of quarterly financial results;
- (iii) Shareholders/Investors Grievance Committee to, inter-alia, redress investor complaints;
- (iv) Remuneration Committee to approve appointments and remuneration of executive directors;
- (v) Compensation Committee to administer the 'Employee Stock Option Scheme';
- (vi) Project Committee to, inter-alia, advise the Company on the business opportunities that arise from time to time.

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.

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. retire at the Annual General Meeting and being willing and eligible to be re-appointed as Auditors of the Company, have submitted their certificates to the effect that their re-appointments, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The Board recommends their reappointment.

AUDITORS' REPORT

Observations made by the Auditors in their Audit Report have been duly clarified and explained in the relevant Notes forming part of the Annual Accounts, which are self explanatory and do not need any further clarifications.

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
 Director Executive Vice Chairman

Place: Mumbai

Date: 06.08.10

ANNEXURE

Employees Stock Options (Options)

(A) Esop Scheme, 2007:

Financial Year	2009-10			2008-09		
	01.07.07 (pre-IPO Scheme)	01.10.07 (pre-IPO Scheme)	01.10.08 (pre-IPO Scheme)	01.07.07 (pre-IPO Scheme)	01.10.07 (pre-IPO Scheme)	01.10.08
Grant Date						
Options granted / subsisting	1,440,000	25,000	270,000	1,540,000	25,000	920,000
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	386,750	5,000	90,000	348,500	-	-
Options exercised	-	-	-	-	NA	NA
Total number of Equity Shares arising as a result of exercise of Options	NA	NA	NA	NA	NA	NA
Options lapsed	180,000	-	-	100,000	-	650,000
Variation of terms of Options	None	None	None	None	None	None
Money realised by exercise of Options	NA	NA	NA	NA	NA	NA
Total number of options in force	1,260,000	25,000	270,000	1,440,000	25,000	270,000
Weighted average exercise price (Rs.)	16/-*	16/-*	12.79*	16/-*	16/-*	12.79*

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

(B) ESOP SCHEME, 2008:

Financial Year	2009-10			2008-09	
	01.10.08	05.12.08	08.05.09	01.10.08	05.12.08
Grant Date					
Options granted / subsisting	490,000	500,000	210,000	490,000	500,000
Pricing Formula	Market Price as on grant date	Face Value	Fixed Price of Rs.63.95	Market Price as on grant date	Face Value
Options vested	163,332	500,000	-	-	-
Options exercised	-	500,000	NA	NA	NA
Total number of Equity Shares arising as a result of exercise of Options	NA	2,500,000*	NA	NA	NA
Options lapsed /cancelled	185,000	NA	NA	NA	NA
Variation of terms of Options	None	None	None	None	None
Money realised by exercise of Options (Rs.)	NA	5,000,000	NA	NA	NA
Total number of options in force	305,000	NA	210,000	490,000	500,000
Weighted average exercise price (Rs.)	12.79*	10.00	12.79*	12.79*	10.00

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

(C) Weighted Average Fair Value Of 16,40,000 Pre-Ipo Options*:

On 3,52,250 Options with Exercise Period of 01.07.08 to 30.06.10	Rs.41.54
On 4,21,750 Options with Exercise Period of 01.07.09 to 30.06.11	Rs.48.68
On 5,000 Options with Exercise Period of 01.07.09 to 30.06.11	Rs.67.12
On 4,10,250 Options with Exercise Period of 01.07.10 to 30.06.12	Rs.54.59
On 10,000 Options with Exercise Period of 01.07.10 to 30.06.12	Rs.73.58
On 4,30,750 Options with Exercise Period of 01.07.11 to 30.06.13	Rs.59.62
On 10,000 Options with Exercise Period of 01.07.11 to 30.06.13	Rs.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 16,15,000 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 16,15,000 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 Rs.10/- to Rs.2/-.

(D) Weighted Average Fair Value Of Options Granted During The Year (Rs.)

Scheme	Under ESOPs Scheme, 2007	Under ESOPs Scheme, 2008 (October, 08 grant)	Under ESOPs Scheme, 2008 (December, 08 grant)	Under ESOPs Scheme, 2008 (May, 09 grant)
Number of Options*	920000	490000	500000	210000
Weighted average fair value of Options granted during the year (Rs.)	40.46	40.46	39.40	36.12
Option pricing model used and underlying assumptions	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model
Equity Share Price (Rs.)	74.30	74.30	47.90	70.85
Exercise Price (Rs.)	63.95	63.95	10.00	63.95
Expected Volatility	0.5169	0.5169	0.6533	0.7508
Weighted average of unexpired life of Options (in years)	2.51	2.51	1.68	1.66
Expected dividend	Nil	Nil		Nil
Risk Free Interest Rate	8.61%	8.61%	6.81%	5.05%
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 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)

*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 Rs.10/- to Rs.2/-.

(E) Employee-Wise Details Of Options Granted To Senior Managerial Personnel During The Year.

Scheme	Under ESOPs Scheme, 2007 (pre-IPO grant)	Under ESOPs Scheme, 2007 (October, 08 grant)	Under ESOPs Scheme, 2008 (October,08 grant)	Under ESOPs Scheme, 2008 (December,08 grant)	Under ESOPs Scheme, 2008 (May, 09 grant)
Employee-wise details of Options granted post-IPO to Directors and senior managerial personnel.	Mr.Parvez Umrigar - 6,00,000 (36.59% of Options issued in the year);	Mr. Parag Parikh – 1,20,000 (6.28% of Options issued in the year);	Mr. G.Sathis Chandran – 1,00,000 (5.24% of Options issued in the year).	Mr. Parvez Umrigar – 5,00,000 (26.18% of Options issued in the year).	Mr.Sanjeev Modi – 85,000 (40.48% of Options issued in the year); Mr. Kalpesh Pathak – 75000 (35.71% of Options issued in the year);
	Mr. Parag Parikh – 2,40,000 (36.59% of Options issued in the year);	Mr. Kshitiz Bhasker – 1,20,000 (6.28% of Options issued in the year).			Ms. Aanchal Chaturvedi – 25000 (11.90% of Options issued in the year);
	Mr. Kshitiz Bhasker – 1,50,000 (9.15% of Options issued in the year);				Mr. Kavin Mirchandni – 25000 (11.90% of Options issued in the year).
	Mr. G.Sathis Chandran – 70,000				
	(4.27% of Options issued in the year).				

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

(F) Diluted Earnings Per Share (At The Face Value Of Rs.2/-)

Financial Year	2009-10	2008-09
Diluted earnings per share pursuant to issue of Equity Shares on exercise of option calculated in accordance with Accounting Standard (AS – 20)	0.19	0.19

(G) Details of Impact on Earnings Per Share If The Company Had Followed Fair Value Method of Valuation For Options Granted.

	March 31, 2010	March 31, 2009
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	Rs.2,17,85,005 Net profit would come down from Rs.1400 lakhs to Rs.1182 lakhs. EPS would come down from 0.19 to 0.16.	Rs.2,60,62,370/- Net profit would come down from Rs.1,362 lakhs to Rs. 1,101 lakhs. EPS would come down from 0.19 to 0.15.

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, 2010 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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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)

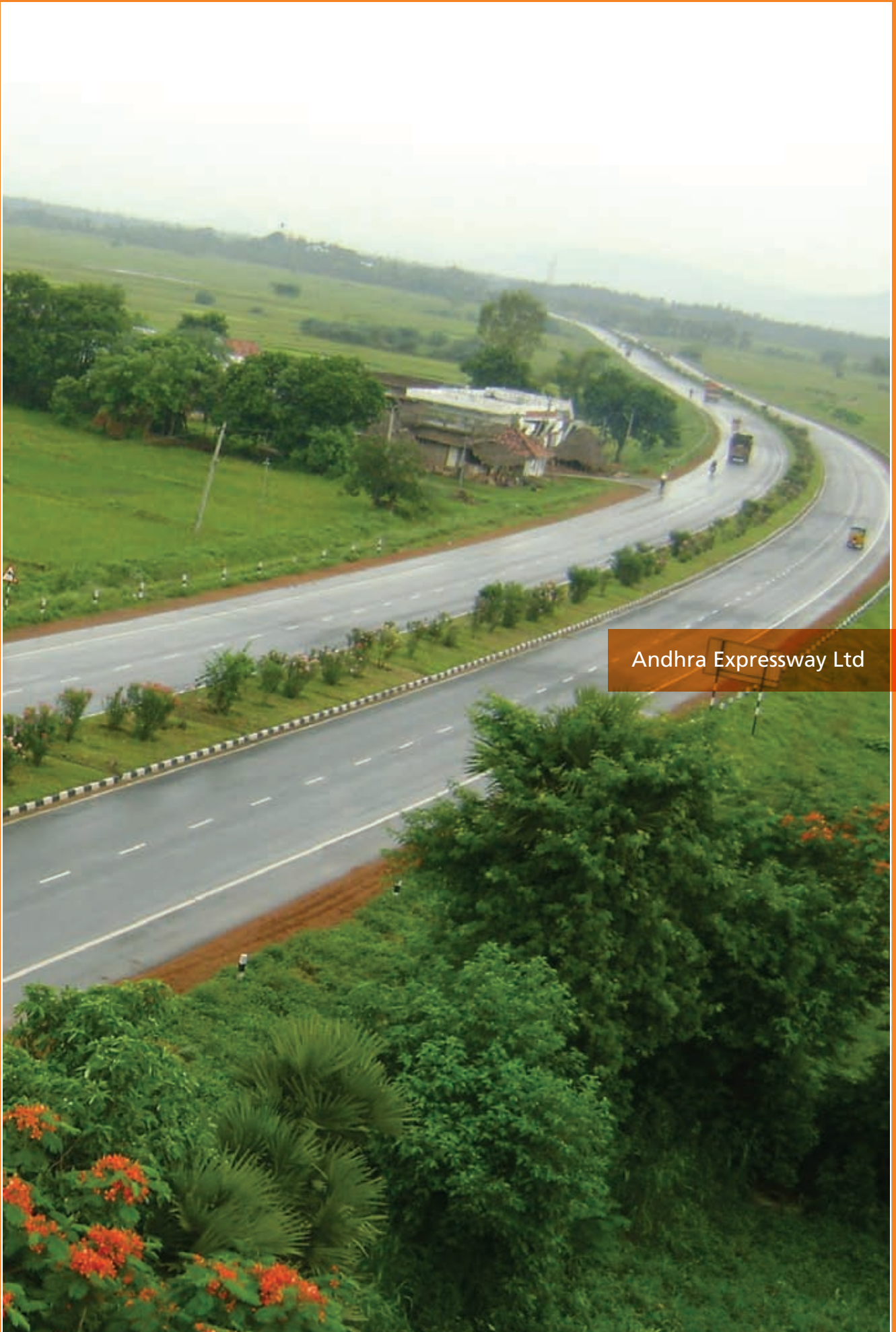
Veeraraghavan. N

Practising Company Secretary

C.P.No. 4334

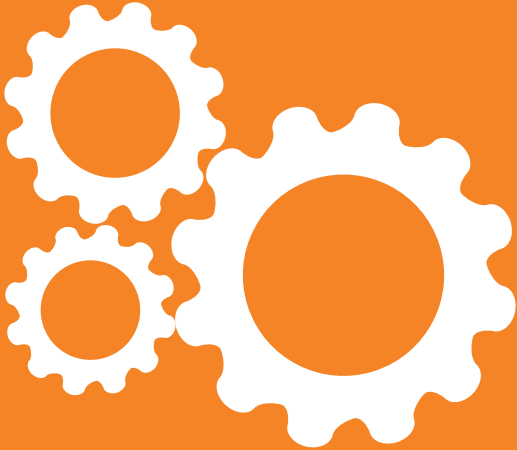
Place: Mumbai

Date: 06.08.10



Andhra Expressway Ltd

report on corporate governance



1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Introduction

The Company's philosophy on Corporate Governance is to attain the highest levels of transparency, accountability and integrity in all facets of its operations, and in all interactions with stakeholders, including shareholders, employees, government, lenders, customers, suppliers and other constituents. This objective extends, not merely to meet with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with best practices for governance.

The Board of Directors supports the broad principles of Corporate Governance and lays strong emphasis on its trusteeship role to align and direct the actions of the organisation to achieve its avowed objectives of transparency, accountability and integrity. The Company is committed to achieve the good standards of Corporate Governance on continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

The Company believes that all its operations and actions must result in enhancement of the overall shareholder value in terms of maximisation of shareholder's benefits over a sustained period of time.

2. BOARD OF DIRECTORS

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

The Board of Directors consists of seven Directors of which five are Non-Executive and two are Executive Directors. The Executive Directors are

the Chairman who is also the Managing Director and the Executive Vice Chairman. Out of the five Non-Executive Directors four are Independent Directors. The Board structure is in compliance with Clause 49 of the Listing Agreement.

During the financial year ended 31st March, 2010 the Board met six times on 21st May, 2009, 27th May, 2009, 13th July, 2009, 31st July, 2009, 28th October, 2009 and 30th January, 2010.

The composition of the Board of Directors as at 31st March, 2010 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 six 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					
	5	No	3	-	-
#Mr. Parvez Umrigar					
Managing Director	6	Yes	9	4	5
**Mr. Himanshu Parikh					
Non – Executive Director	6	Yes	4	1	3
Mr. C. C. Dayal					
Independent Director	6	Yes	9	3	9
Mr. Sanjay Sachdev					
Independent Director	6	No	nil	-	1
Mr. Naresh Chandra					
Independent Director	3	No	11	1	10
Mr. S. C. Tripathi					
Independent Director	5	No	7	-	6

\$ 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 as Managing Director w.e.f. July 3, 2010

** appointed as an Executive Vice Chairman w.e.f. July 3, 2010

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, 2009. He does not draw any remuneration from the Company.

Mr. Parvez Umrigar resigned as the Managing Director of the Company with effect from 3rd July, 2010.

The particulars of Mr. Umrigar's remuneration for the period under review was as follows:

	(Rs.)
Salary	Rs. 12,777,600/-
Benefits	Rs. 23,65,440/-
Total	Rs. 1,51,43,040 /-

The Company had granted Mr. Umrigar 6,00,000 ESOPs of the Company, which would vest on him a right to apply (exercisable over a period of twenty four months after vesting) for 30,00,000 equity shares of the face value of Rs.2/- each of the Company at a price of Rs.16/-- per share in four installments over a period of four years from 1st July, 2008. Of these Mr. Umrigar had applied for and been allotted 24,00,000 equity shares of Rs.2/- each till July 3, 2010.

The Company had further granted 500,000 options, which entitled Mr. Umrigar to apply for 25,00,000 equity shares of the Company of the face value of Rs.2/- each at par which has also been applied for and allotted to Mr. Umrigar during the year.

Non Executive Directors

The Company pays to the Non-Executive Independent Directors commission on the basis of their

commitment towards attending the meetings of the Board and devoting time and attention to the affairs of the Company. The commission paid to the Non-Executive Independent Directors of the Company is within the limits set under Section 309 of the Companies Act, 1956 and the limits approved by the shareholders. The commission payable is determined as a percentage to the profits (as determined under Section 349 and 350 of the Companies Act, 1956) of the Company. Apart from commission, the Non-Executive Directors are also paid sitting fees of Rs. 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/sitting fees paid during the period under report are as under:

(Rs.)		
Name	Sitting Fees	Commission
Mr. Himanshu Parikh	Rs. 120,000/-	-
Mr. Naresh Chandra	Rs. 120,000/-	Rs. 294,861/-
Mr. Sanjay Sachdev	Rs. 240,000/-	Rs. 294,861/-
Mr. C. C. Dayal	Rs. 240,000/-	Rs. 294,861/-
Mr. S. C. Tripathi	Rs. 120,000/-	Rs. 294,861/-

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, 2010 are as under:

Name	No. of Equity Shares held
Mr. Abhijit Rajan	2,84,44,445
Mr. Himanshu Parikh	37,05,530
Mr. Parvez Umrigar	26,99,975
Mr. C.C. Dayal	25,000

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 and a declaration to this effect signed by the Chairman & Managing director has been obtained.

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. AUDIT COMMITTEE

The members of the Audit Committee as at 31st March, 2010 were:

Mr. C.C. Dayal (Chairman),

Mr. Parvez Umrigar

Mr. Sanjay Sachdev

Mr. Naresh Chandra and

Mr. Sushil Chandra Tripathi*

During the period under review, the Audit Committee met six times on 21st May, 2009; 13th July, 2009; 31st July, 2009; 31st August, 2009; 28th October, 2009; and 30th January 2010. Attendance of the Audit Committee members at such meetings is as follows:

Name	No. of Meetings attended during the year
Mr. C. C. Dayal	6
Mr. Parvez Umrigar	6
Mr. Sanjay Sachdev	6
Mr. Naresh Chandra	3
Mr. Sushil Chandra Tripathi*	1

* appointed as a member of the Committee w.e.f. 28th October, 2009 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 analysing 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;
4. Discussions with the internal auditors regarding any significant findings and follow up thereon;
5. Monitoring the adequacy of the internal control environment including computerised 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. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The members of the Shareholders' / Investors' Grievance Committee as at 31st March, 2010 were :

- 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, dematerialisation, rematerialisation, 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 period under review, the Committee met four times during the year on 14th May, 2009, 14th December, 2009, 14th January, 2010 and 30th January, 2010 at which both the member Directors were present.

During the year company has received 12 complaints which were resolved on time and no complaint except a complaint wherein the complainant has approached the consumer court 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.

5. IPO COMMITTEE

The IPO Committee was constituted by the Board to oversee the 'Initial Public Offer' of equity shares of the Company.

The members of the IPO Committee were:

Mr. Parvez Umrigar (Chairman); and

Mr. Himanshu Parikh

During the period under review, the Committee met once on 14th November, 2009 during which both the member Directors were present.

The Board of Directors vide resolution passed in their meeting held on October 28, 2009 has dissolved the IPO Committee as the purpose for which it was constituted had been achieved.

6. REMUNERATION COMMITTEE

The Remuneration Committee as at 31st March, 2010 comprised three non-executive Directors viz. Mr. C.C. Dayal (Chairman), Mr. S. C. Tripathi and Mr. Sanjay Sachdev. The Committee has been constituted to oversee the appointment and terms of remuneration of Executive Directors.

No meetings of the Committee were convened during the period under review.

7. COMPENSATION COMMITTEE

The Compensation Committee as at 31st March, 2010 comprised two independent Directors and the Managing Director, viz. Mr. C.C. Dayal (Chairman), Mr. Sanjay Sachdev and Mr. Parvez Umrigar. The Committee has been constituted to administer the 'Employee Stock Options Scheme' and related issues.

During the period under review, the Committee met thrice on 8th May, 2009; 2nd November, 2009; and 16th December, 2009 at which all the member Directors were present.

8. PROJECT COMMITTEE

The Project Committee as at 31st March, 2010 comprised of Mr. Abhijit Rajan, Mr. Himanshu Parikh and Mr. Parvez Umrigar. The Committee was 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 minimisation 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 review, the Committee met eight times in 2009 on 7th April, 5th May, 26th June, 13th August, 14th September, 1st October, 9th November and 14th December and five times in 2010 on 7th January, 30th January, 4th February, 2nd March and 20th March.

9.0 ACCOUNTS COMMITTEE

The Accounts Committee was constituted by the Board on 21st May, 2009 to review and approve the quarterly financial results of the Company.

The members of the Accounts Committee are:

Mr. C. C. Dayal (Chairman)

Mr. Parvez Umrigar; and

Mr. Himanshu Parikh

During the period under review, the Committee met 2 times on 30th June and 31st August 2009 during which all the three member Directors were present.

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
6th	1st April, 2006 to 31st March, 2007	27th August, 2007	11.00 a.m.	Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400025
7th	1st April, 2007 to 31st March, 2008	15th September, 2008	11.00 a.m.	Patkar Convocation Hall, 1, Nathibhai Thackersey Road, Queens Road, Fort, Mumbai – 400020
8th	1st April, 2008 to 31st March, 2009	23rd September, 2009	3.00 p.m.	Kohinoor Hall, 3rd Floor, Opp. Siddhivinayak Mandir, Veer Savarkar Marg, Prabhadevi, Mumbai 400025

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

AGM	Particulars of Special Resolutions passed
6th AGM	(a) resolution u/s 81(1A) relating to IPO; (b) resolution u/s 372A for inter-corporate loans, investments etc.;
7th AGM	(a) ratification of the resolution passed by the shareholders on 4th May, 2007 relating to 'GIPL Employee Stock Options Scheme' (Pre-IPO scheme); (b) resolution u/s 81 for approving 'GIPL Employee Stock Options Scheme – 2008'; (c) resolution u/s 309 for payment of commission to non-whole time directors; and (d) resolution u/s 269 for re-appointment of Mr. Parvez Umrigar as Managing Director of the Company.
8th AGM	(a) resolution u/s 269 for re-appointment of Mr. Abhijit Rajan as Chairman & Managing Director of the Company.

10.3 Location, Date and Time of the Extra - Ordinary General Meetings ("EGM") held during the year and Special Resolution passed there at

Year	Date	Time	Venue	
1st April, 2009 to 31st March, 2010	30th June, 2009	3.00 p.m	Kohinoor Hall, 3rd Floor, Opp. Siddhivinayak Mandir, Veer Savarkar Marg, Prabhadevi, Mumbai 400025	(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

10.4 Approval by Members through Postal Ballot

Procedure for Postal Ballot:

After receiving the approval of the Board of Directors, notice of the Postal Ballot, text of the resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage pre-paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. After the last date for receipt of ballots, the scrutinizer, after due verification, submits the results to the Chairman of the Company. Thereafter, the Chairman declares the result of the Postal Ballot. The same is informed to the Stock Exchange.

The following resolutions were passed by Postal Ballot during the year 2009 -10:

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

(a) On 23rd September, 2009:

- (i) **Ordinary Resolution:** Approval of the members obtained under section 16 and 94 of the Companies Act, 1956 for sub-division of shares and to amend the Memorandum of Association to that extent. The details of voting pattern are as under:

Particulars	No. of Votes cast	% of total votes cast
In favour of the resolution	11,67,19,179	99.993%
Against the resolution	8,135	0.007%
Total	11,67,27,314	100

The resolution was passed by requisite majority.

- (ii) **Special Resolution:** Approval of the members obtained under section 372A of the Companies Act, 1956 for making investments, giving loans/ guarantees/ securities etc to various bodies corporate. The details of voting pattern are as under:

Particulars	No. of Votes cast	% of total votes cast
In favour of the resolution	11,67,05,565	99.99%
Against the resolution	12,900	0.01%
Total	11,67,18,465	100

The resolution was passed by requisite majority.

(b) On 22nd January, 2010:

- (i) **Special Resolution:** Approval of the members obtained under section 372A of the Companies Act, 1956 for making investments, giving loans/ guarantees/ securities etc to various bodies corporate. The details of voting pattern are as under:

Particulars	No. of Votes cast	% of total votes cast
In favour of the resolution	55,52,25,777	99.99%
Against the resolution	60,354	0.01%
Total	55,52,86,131	100

The resolution was passed by requisite majority.

- (ii) **Special Resolution:** Approval of the members obtained under section 81 of the Companies Act, 1956 for issue upto 1,40,00,000 stock options under the Employee Stock Option Scheme - 2009:

Particulars	No. of Votes cast	% of total votes cast
In favour of the resolution	55,51,27,002	99.98%
Against the resolution	1,22,464	0.02%
Total	55,52,49,466	100

- (iii) **Special Resolution:** Approval of the members obtained for ratification of the fair value method employed for valuation of the stock options granted under the 'GIPL Employee Stock Option Scheme – 2008':

Particulars	No. of Votes cast	% of total votes cast
In favour of the resolution	55,51,24,957	99.98%
Against the resolution	1,21,839	0.02%
Total	55,52,46,796	100

11. 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. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are published in the news papers. 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	September 27, 2010
Time	3.00 p.m.
Venue	Kohinoor Hall 3rd Floor, Opp. Siddhivinayak Mandir, Veer Savarkar Marg, Prabhadevi, Mumbai 400025

13.2 Financial Calendar

First quarterly results	: on or before August 14, 2010
Second quarterly results	: on or before November 15, 2010
Third quarterly results	: on or before February 15, 2011
Fourth quarterly results	: on or before May 15, 2011
Financial Year 2010-11 (audited)	: on or before June 15, 2011

13.3 Date of Book Closure

On 27th September, 2010 for the purpose of the Annual General Meeting.

13.4 Dividend Payment Date

The Company has not declared any dividend for the year.

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 2009-10

The Company has not declared any dividend for the year.

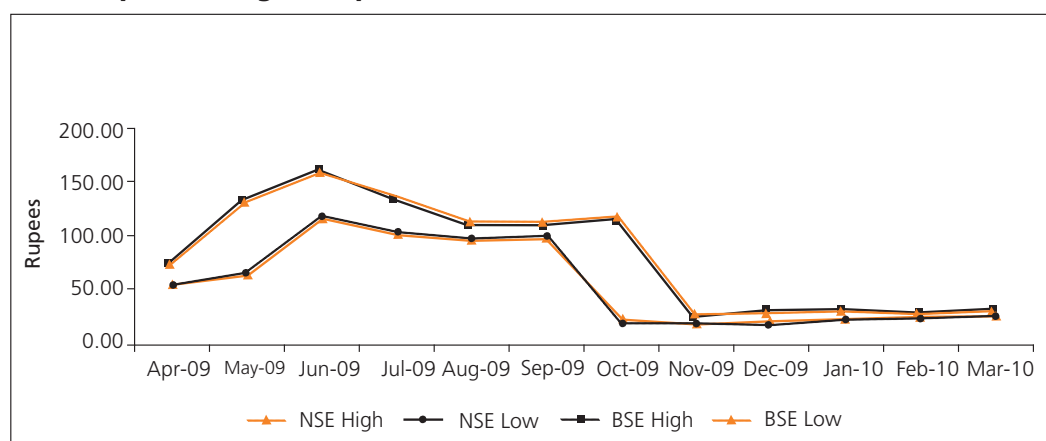
13.7 Stock market price data for the year 2009-2010:

(Rs.)

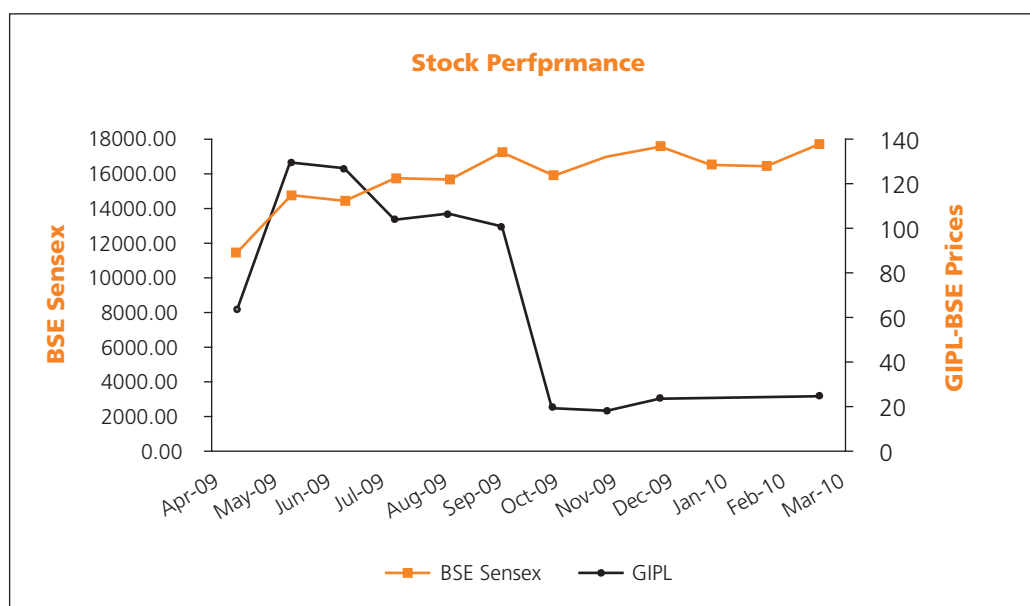
Month	National Stock Exchange of India Limited		Bombay Stock Exchange Limited	
	High	Low	High	Low
April'09	71.00	51.00	71.75	52.05
May'09	129.20	63.55	129.50	62.40
June'09	157.15	115.90	157.25	115.05
July'09	135.45	100.00	133.00	100.55
August'09	111.00	95.20	109.00	94.15
September'09	111.00	98.20	110.00	96.15
October'09	116.00	19.10	116.10	18.55
November'09	21.85	17.10	21.20	17.20
December'09	25.85	17.90	25.85	17.70
January'10	27.25	21.60	27.20	21.60
February'10	26.00	22.00	25.80	22.00
March'10	26.75	20.80	26.65	24.20

The equity shares of Rs.10/- each have been split into Rs. 2/- each on October 27, 2009 being the record date for sub-division.

GIPL Comparative High Low price on NSE & BSE



13.8 Share Price performance in comparison to BSE Sensex



The equity shares of Rs.10/- each have been split into Rs. 2/- each on October 27, 2009 being the record date for sub-division.

13.9 Registrar and Share Transfer Agents

Link Intime India Private Limited
(erstwhile Intime Spectrum Registry 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, 2010

No. of Equity Shares	Shareholders		No. of Shares	% of Total
	Number	% to Total		
1- 500	25,103	64.8656	55,04,002	0.7572
501 – 1000	6,503	16.8036	51,08,198	0.7028
1001 – 2000	3,420	8.8372	50,50,155	0.6948
2001 – 3000	2,256	5.8295	56,12,714	0.7722
3001 – 4000	263	0.6796	9,58,938	0.1319
4001 – 5000	364	0.9406	17,63,197	0.2426
5001 – 10000	411	1.0620	32,14,523	0.4422
10001 and above	380	0.9819	69,96,51,773	96.2563
Total		100.00	72,68,63,500	100.00

13.12 Shareholding Pattern as on 30th June, 2010

Category	Number of Shares Held	% of capital
(A) Promoter's Holding		
1. Indian		
Individual/HUF	Nil	
Central/State Government	Nil	
Bodies Corporate	52,80,00,000	72.64
Financial Institutions/Banks	Nil	Nil
Any Other		
Promoter Group	2,24,00,000	3.08
2. Foreign Promoters		
Individual	Nil	Nil
Bodies Corporate	Nil	Nil
Institutions	Nil	Nil
Any Other	Nil	Nil
Sub – Total (A) (1+2)	55,04,00,000	75.72
(B) Public Shareholding		
1. Institutions		
Mutual Funds and UTI	2,27,81,953	3.13
Banks/ Financial Institutions	69,71,955	0.96
Insurance Companies (Central / State Government Institutions / Non – Government Institutions)	Nil	Nil
FIs	5,70,80,985	7.86
Venture Capital Funds	231720	0.03
Sub – Total (B)(1)	8,70,66,613	11.98
2. Non Institutions		
Bodies Corporate	1,56,21,647	2.15
Individuals		
(i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	2,80,26,054	3.86
(ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	51,34,343	0.71
Any other		
(i) NRIs / OCBs	16,00,942	0.22
(ii) Directors & Relatives	3,60,87,468	4.96
(iii) Clearing Member	11,75,413	0.16
(iv) Office Bearers	1748570	0.24
(v) Trusts	2,450	0.00
Sub – Total (B) (2)	8,93,96,887	12.30
Shares held by Custodians and against which Depository Receipts have been received	-	-
GRAND TOTAL	72,68,63,500	100

13.13 Dematerialisation of Shares

The break- up of Company's shares in physical / dematerialised form as on 30th June, 2010 are as under:

Particulars	No. of Equity Shares	% to Share Capital
Electronic	70,37,11,990	96.81
Physical	2,31,51,510	3.19
Total	72,68,63,500	100

The free float of the Company's as on 30th June, 2010 is 20.36%

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

None

13.15 Plant Location

None

13.16 Address for Correspondence

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

Compliance Officer

Gammon Infrastructure Projects Ltd.

Gammon House,

Veer Savarkar Marg,

Prabhadevi, Mumbai – 400 025.

Telephone : 022 – 67444000

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 on 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, 2010.

Abhijit Rajan
Chairman & Managing Director

Mumbai: 21st May, 2010

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Balance Sheet Abstract

Auditors' Report

To

The Board of Directors

Gammon Infrastructure Projects Limited

1. We have audited the attached Consolidated Balance Sheet of Gammon Infrastructure Projects Limited ('GIPL' or 'the Company') Group ('the Group' or 'GIPL Group'), as at March 31, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These Consolidated Financial Statements are the responsibility of GIPL's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
 - a. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - b. We did not audit the financial statements of
 - a. certain subsidiaries whose financial statements reflect total assets of Rs. 4,223,235,116 as at March 31, 2010 and total income of Rs. 1,209,378,163 and cash flows of Rs. 41,732,311 for the year then ended;
 - b. certain joint venture Companies whose financial statements reflect total assets of Rs. 2,264,645,944 as at March 31, 2010, the total income of Rs. 70,533,500 and cash flows amounting to Rs. 10,935,020 for the year then ended, the Company's share of such assets, total income and cash flows being Rs. 1,127,402,394, Rs. 35,266,750 and Rs. 2,934,883 respectively and
 - c. certain associates whose financial statements reflect a total loss Rs. 10,028,959 for the year ended March 31, 2010, the Group's share in the losses of such associates being Rs. 3,342,488.

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 certain joint ventures whose financial statements reflect total assets of Rs. 1,464,903,745 as at March 31, 2010, total income of Rs. 70,533,500 and cash flows of Rs. (11,316,333) for the year then ended, the Group's share of such assets, total income and cash flows being Rs. 732,451,873, Rs. 35,266,750 and Rs. (5,658,167) respectively, which are based on unaudited financial statements certified by the respective managements of the said joint ventures.

In respect of the other subsidiaries, the audit has been conducted by either of us and the audit of GIPL has been conducted by us jointly.
2. We report that the Consolidated Financial Statements have been prepared by GIPL's management in accordance with the

requirements of Accounting Standard (AS) 21, Consolidated financial statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006.

5. Without qualifying our opinion, we draw attention to Note B 4(b)(i) of Schedule 19 of the Consolidated Financial Statements regarding the Early Completion Bonus accrued by two subsidiary Companies in earlier years and included in sundry debtors at March 31, 2010. The outcome of the matter cannot be presently determined and hence no provision for any liability has been made in the financial statements.

6. Based on our audit and on consideration of reports of other auditors on the financial statements and of the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached 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 March 31, 2010;
 - b. in the case of the consolidated Profit and Loss Account, 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.

For Natvarlal Vepari & Co.	For S.R. Batliboi & Co.
Firm Registration Number 109671W	Firm Registration Number 301003E
Chartered Accountants	Chartered Accountants

N Jayendran	per Hemal Shah
Partner	Partner
M.No. 40441	M.No. 42650
Mumbai,	Mumbai,
Dated : May 21, 2010	Dated : May 21, 2010

Consolidated Balance Sheet

As At March 31, 2010
(All amounts in Indian Rupees)

	Schedule No	AS AT MARCH 31, 2010		As At March 31, 2009	
SOURCES OF FUNDS :					
Shareholders' Funds :					
Share Capital	1	1,456,982,000		1,444,130,163	
Employees Stock Options outstanding	2	22,540,082		25,824,892	
Reserves & Surplus	3	5,078,743,406		4,811,233,144	
			6,558,265,488		6,281,188,199
Minority Interest			282,863,413		258,718,244
Loan Funds :					
Secured Loans	4	18,648,169,961		13,357,836,068	
[refer note no B (9) of Schedule 19]					
Unsecured Loans	5	582,062,500		2,376,175	
			19,230,232,461		13,360,212,243
Deferred Tax Liability (Net)			26,525,958		34,880,989
[refer note no B (6) of Schedule 19]					
TOTAL			26,097,887,320		19,934,999,675
APPLICATION OF FUNDS :					
Fixed Assets (Net) :					
Gross Block	6	10,016,676,471		7,190,785,761	
Less : Accumulated depreciation & amortisation		2,615,315,425		1,862,668,101	
Net Block		7,401,361,046		5,328,117,660	
Add : Capital Work-in-progress		17,543,281,112		12,004,671,999	
			24,944,642,158		17,332,789,659
Goodwill on Consolidation			115,665,488		38,061,739
[refer Note No. B (7) of Schedule 19]					
Investments	7		73,910,414		64,826,417
Current Assets, Loans and Advances :					
Inventories		68,840,292		26,698,689	
Accrued Income		378,349,137		377,094,405	
Sundry Debtors	8	503,968,788		438,192,203	
Cash & Bank Balances	9	1,209,428,399		2,313,971,562	
Loans & Advances	10	455,368,046		395,408,425	
	(A)	2,615,954,662		3,551,365,284	
Less: Current Liabilities and Provisions :	11				
Current Liabilities		1,625,897,777		1,059,075,422	
Provisions		26,387,625		12,650,025	
	(B)	1,652,285,402		1,071,725,447	
Net Current Assets	(A-B)		963,669,260		2,479,639,837
Miscellaneous Expenses to the extent not written off or adjusted	12		-		19,682,023
TOTAL			26,097,887,320		19,934,999,675
Notes to the Consolidated Financial Statements	19				

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date.

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

N. Jayendran
Partner
Membership No : 40441

For S.R. Batliboi & Co.
Firm Registration No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No: 42650

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

Abhijit Rajan
Chairman and Managing Director

Himanshu Parikh
Director

Naresh Chandra
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Parvez Umrigar
Managing Director

C.C. Dayal
Director

Sanjay Sachdev
Director

Place : Mumbai
Date : May 21, 2010

Place : Mumbai
Date : May 21, 2010

Consolidated Profit and Loss Account

For the year ended March 31, 2010
(All amounts in Indian Rupees)

	Schedule No	Year Ended March 31, 2010		Year Ended March 31, 2009	
INCOME					
Turnover and Operating Income	13	3,277,822,199		1,904,883,242	
Other Income	14	117,156,191		228,970,671	
			3,394,978,390		2,133,853,913
EXPENDITURE					
Operational Expenses	15	1,625,484,591		574,280,107	
Establishment Expenses	16	114,734,450		77,450,487	
Personnel Costs	17	153,005,765		119,773,534	
Financial Costs	18	574,542,321		512,001,224	
Depreciation and amortisation		499,726,634		433,468,499	
Preliminary and Share Issue Expenses written off		6,623,123		652,645	
			2,974,116,884		1,717,626,496
			420,861,506		416,227,417
PROFIT BEFORE TAX AND SHARE OF LOSS OF ASSOCIATE					
Add : Share of Profit / (Loss) of Associates			(3,342,488)		(5,601,792)
PROFIT BEFORE TAX AND AFTER SHARE OF LOSS OF ASSOCIATE					
Provision for Taxation :					
- Current		123,250,645		97,301,901	
- MAT Credit Entitlement		(9,890,983)		-	
- Deferred		(1,692,238)		(50,144,122)	
- Wealth Tax		35,000		-	
- Fringe Benefit tax		-		1,529,248	
			111,702,424		48,687,027
Less : Deferred Tax written back			6,662,793		-
PROFIT AFTER TAX					
			312,479,387		361,938,598
Less : Short/(Excess) Provision for Taxation for earlier years			23,235		6,179,754
Less : Preliminary/Share Issue Expenses for prior years written off			16,653,627		6,021,205
PROFIT FOR THE YEAR					
			295,802,525		349,737,639
Less : Profit after tax attributable to Minority Interest			39,575,018		23,179,797
NET PROFIT					
			256,227,507		326,557,842
Add : Compensation cost reversed on forfeiture of ESOP			-		512,109
Add : Retained Earnings brought forward			1,030,966,854		696,806,729
Add : Retained Earnings for prior years			-		7,090,174
BALANCE CARRIED TO BALANCE SHEET					
			1,287,194,361		1,030,966,854
Earnings Per Share :					
[refer Note No. B (10) of Schedule 19]					
Basic			0.35		0.45
Diluted			0.35		0.45
Nominal Value of Equity Shares in Rupees			2		2
Notes to the Consolidated Financial Statements	19				

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date.

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

N. Jayendran
Partner
Membership No : 40441

For S.R. Batliboi & Co.
Firm Registration No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No: 42650

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

Abhijit Rajan
Chairman and Managing Director

Himanshu Parikh
Director

Naresh Chandra
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Parvez Umrigar
Managing Director

C.C. Dayal
Director

Sanjay Sachdev
Director

Place : Mumbai
Date : May 21, 2010

Place : Mumbai
Date : May 21, 2010

Consolidated Cash Flow Statement

For the year ended March 31, 2010
(All amounts in Indian Rupees)

	Year Ended March 31, 2010		Year Ended March 31, 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax		417,519,018		410,625,625
Adjustments for :				
Employees Stock Options	13,440,190		14,983,962	
Cash Alternative Settlement for ESOP Scheme	11,065,132		5,973,334	
Depreciation & Amortisation	499,726,634		433,468,499	
Gratuity and leave encashment	1,174,244		2,510,204	
Dividend Income	(54,758,859)		(101,931,917)	
(Profit) on sale of Investments	(36,517,961)		(55,743,899)	
Interest (Net)	563,871,358		446,090,652	
Loss on sale of assets	223,596		47,862	
Share of Loss of Associate	3,342,488		5,601,792	
Provision for diminution in value of investments	(456,976)		456,976	
Provisions for loans and advances/other assets written off	17,002,682		-	
Preliminary and Share Issue Expenses written off	6,623,123		652,645	
		1,024,735,651		752,110,110
Operating Profit before Working Capital Changes		1,442,254,669		1,162,735,735
Adjustments for :				
Trade and Other Receivables	53,931,869		(252,674,106)	
Trade Payables & Working Capital Finance	(174,356,850)		451,472,226	
Inventories	(23,846,845)		(14,685,894)	
		(144,271,826)		184,112,226
Cash generated from the Operations		1,297,982,843		1,346,847,961
Direct Taxes paid		(140,607,115)		(116,808,367)
Cash flow before extraordinary items		1,157,375,728		1,230,039,594
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Capital Purchases after adjusting capital creditors	(6,231,632,605)		(5,991,806,122)	
Sale of Fixed Assets	310,000		-	
Purchase of Investments :				
- Mutual Funds	(9,737,284,418)		(18,724,395,750)	
Sale of Investments :				
- Mutual Funds	9,768,424,194		19,703,595,218	
- Market Investments	42,408,037		-	
Investment in Redeemable Non Convertible Debentures	-		(30,000,000)	
Fixed Deposit with Banks (above 90 days)	20,600,000		1,100,000	
Intercompany Deposits given:				
- Granted during the year	(10,585,000)		(110,000,000)	
- Repayments received during the year	-		260,000,000	
Advances to Joint Venture / Group Companies	(2,792,402)		21,040,360	
Purchase of equity stake in group companies	(359,826,086)		(20,062,208)	
Share Application Money Pending Allotment	(37,128,526)		24,869,484	
Interest received	11,149,386		64,622,818	
Dividend received	726,074		101,931,917	
Net Cash used in Investment activities		(6,535,631,346)		(4,699,104,283)
Balance c/f		5,378,255,618		3,469,064,689

Consolidated Cash Flow Statement (Contd.)

For the year ended March 31, 2010
(All amounts in Indian Rupees)

	Year Ended March 31, 2010		Year Ended March 31, 2009	
Balance b/f		5,378,255,618		3,469,064,689
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from equity share capital	7,409,592		364,807,355	
Capital Grant received	-		332,380,000	
Proceeds from borrowings	4,916,490,529		3,731,488,719	
Repayment of Loans	(66,670,481)		(710,514,830)	
Acquisition of minority stake	4,412,500		245,000	
Interest Paid	(563,734,958)		(509,689,296)	
Preliminary Expenses	(3,594,727)		(9,817,341)	
Share Issue Expenses	-		(118,189,021)	
Net Cash from Financing Activities		4,294,312,455		3,080,710,586
Net Decrease In Cash And Cash Equivalents		(1,083,943,163)		(388,354,103)
Closing Balances of Cash / Cash Equivalents		1,209,428,399		2,293,371,562
Opening Balances of Cash / Cash Equivalents		2,293,371,562		2,681,725,665
Net Decrease In Cash And Cash Equivalents		(1,083,943,163)		(388,354,103)
Components Of Cash And Cash Equivalents :				
Cash and Cheques on hand		1,496,245		332,757
Funds in Transit		-		70,879
With Banks :				
On Current Account		422,214,309		1,681,449,481
On Current Account - IPO Proceeds		2,717,845		596,018,445
On Deposit Account		783,000,000		36,100,000
Total Components of Cash and Cash Equivalents		1,209,428,399		2,313,971,562
Less : Fixed Deposits above 90 days		-		20,600,000
Closing Balances of Cash/Cash Equivalents		1,209,428,399		2,293,371,562

Note : Figures in brackets denote outflows.

As per our report of even date.

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

N. Jayendran
Partner
Membership No : 40441

For S.R. Batliboi & Co.
Firm Registration No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No: 42650

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

Abhijit Rajan
Chairman and Managing Director

Parvez Umrigar
Managing Director

Himanshu Parikh
Director

C.C. Dayal
Director

Naresh Chandra
Director

Sanjay Sachdev
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Place : Mumbai
Date : May 21, 2010

Place : Mumbai
Date : May 21, 2010

Schedules

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '1': SHARE CAPITAL:				
Authorised :				
1,000,000,000 (Previous Year: 200,000,000) Equity shares of Rs. 2/- each (Previous year of Rs. 10/- each)				
		2,000,000,000		2,000,000,000
		2,000,000,000		2,000,000,000
Issued and Subscribed:				
725,250,000 (Previous Year : 144,550,000) Equity Shares of Rs. 2/- each (Previous year of Rs 10/- each)		1,450,500,000		1,445,500,000
[Out of the above 528,000,000 (Previous Year: 105,600,000) Equity shares of Rs. 2/- (Previous year of Rs 10/- each) fully paid held by Gammon India Limited - the Holding Company and 22,400,000 (Previous Year 4,480,000) equity shares of Rs. 2/- each (Previous year Rs 10/- each) are held by Gactel Turnkeys Projects Limited, formerly Gammon Cooling Towers Limited, a wholly owned subsidiary of Gammon India Limited]				
		1,450,500,000		1,445,500,000
Paid-up :				
725,250,000 (Previous Year : 144,550,000) Equity Shares of Rs. 2/- each (Previous year of Rs. 10/- each)	1,450,500,000		1,445,500,000	
Less: Calls in Arrears [refer note B (5) of Schedule 19]	-		1,369,837	
Less: 162,050 (Previous Year : Nil) equity shares of Rs. 10/- each forfeited	1,620,500		-	
		1,448,879,500		1,444,130,163
Share Forfeiture Account :				
Money received in respect of 162,050 equity shares forfeited		8,102,500		-
The Company has issued, Employee Stock Options to employees in the years 2007-08, 2008-09 and in the current year 2009-10. During the year, 210,000 (Previous year 1,910,000) options were issued Upto March 31, 2010, 2,070,000 options (Previous Year 2,725,000) were outstanding. During the year, 500,000 options were exercised, against which 2,500,000 equity shares @ Rs 2/- per equity share were allotted.				
		1,456,982,000		1,444,130,163

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '2': EMPLOYEE STOCK OPTIONS OUTSTANDING :				
Employee stock options outstanding	48,523,500		47,085,000	
Less : Employee Stock Options Exercised	16,725,000		-	
Less : Forfeiture of employee stock options offered	2,907,297		512,109	
		28,891,203		46,572,891
Less : Deferred Employee compensation outstanding		6,351,121		20,747,999
For details of Stock Options Outstanding [refer note B (19) of Schedule 19]				
		22,540,082		25,824,892

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '3': RESERVES AND SURPLUS:				
General Reserve		18,200,000		18,200,000
Capital Reserve				
Capital Grant received from National Highways Authority of India [refer note no. B (8) of Schedule 19]		332,380,000		332,380,000
Security premium, at the beginning of the Year	3,429,686,290		3,078,572,634	
Add : Security Premium received / receivable on equity shares through Initial Public Offer	19,999,605		361,421,874	
Add : Security Premium on exercising of Employee Stock Options	16,725,000		-	
Less: Amount due on allotment of equity shares [refer note B (5) of Schedule 19]	-		19,999,605	
Less: 162,050 (Previous year : Nil) Equity shares of Rs. 10/- each, at premium of Rs. 157/- per equity share forfeited	25,441,850		-	
	3,440,969,045		3,419,994,903	
Less : Share issue expenses during the year	-		100,000	
Add : Excess provision made written back	-		9,791,387	
		3,440,969,045		3,429,686,290
Profit & Loss Account balance		1,287,194,361		1,030,966,854
		5,078,743,406		4,811,233,144

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	As At March 31, 2010	As At March 31, 2009
SCHEDULE '4': SECURED LOANS		
Term Loans from the Banks	18,612,207,570	13,342,697,499
Cash Credit from Lenders	15,495,597	5,334,892
Interest accrued and due on loans [for security provided for loans availed refer note no. B (9) of Schedule 19]	20,466,794	9,803,677
	18,648,169,961	13,357,836,068

	As At March 31, 2010	As At March 31, 2009
SCHEDULE '5': UNSECURED LOANS		
Term Loans from Banks [repayable within 1 year Rs. 130,000,000, Previous year Rs. Nil]	580,000,000	-
Intercorporate Loans (short term, repayable on demand)	2,062,500	2,376,175
	582,062,500	2,376,175

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Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

SCHEDULE '6' : FIXED ASSETS

	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 1.04.2009	Additions on increase in holding in group companies (#)	Additions during the year	Deletions / adjustments during the year on consolidation	As at 31.03.2010	As at 01.04.2009	Depreciation due to increase in holding in group companies (#)	Depreciation for the year	Depreciation on deletions during the year	Deletions / adjustments during the year on consolidation	As at 31.03.2010	As at 31.03.2009
Tangible Assets :												
Buildings	25,461,191	-	-	-	25,461,191	2,506,327	-	3,423,451	-	-	19,531,413	22,954,864
Project Road (*)	5,044,982,312	-	981,000,000	-	6,025,982,312	1,491,123,151	-	366,410,625	-	-	4,168,448,536	3,553,859,161
Project Berths (**)	977,341,961	1,102,616,456	160,790,999	-	2,240,749,416	141,114,308	159,254,757	58,656,163	-	20,740,689	1,860,983,499	836,227,653
Project Bridge (***)	257,438,683	-	-	-	257,438,683	103,363,258	-	13,768,456	-	-	140,306,969	154,075,425
Freehold Land	22,406,843	-	114,380,160	-	136,787,003	-	-	-	-	-	136,787,003	22,406,843
Plant and Machinery	446,423,001	417,997,461	25,743,388	-	890,163,850	62,620,741	60,440,534	35,316,132	-	9,954,924	721,831,519	383,802,260
Earth Moving Machinery	120,797	-	-	-	120,797	10,219	-	13,662	-	-	96,916	110,578
Furniture & Fixtures	10,445,099	1,408,405	2,235,751	-	14,089,255	1,542,040	265,168	940,575	-	44,697	11,296,775	8,903,059
Motor Vehicles	12,580,526	1,656,682	9,225,773	2,504,692	20,958,289	2,433,518	575,362	1,360,609	987,680	79,757	17,496,723	10,147,008
Office Equipments	6,729,171	1,310,087	2,343,463	17,250	10,365,471	644,042	207,530	476,486	1,053	14,781	9,023,685	6,085,129
Computers	11,856,177	1,702,137	6,098,782	96,892	19,560,204	2,411,679	678,447	2,612,909	27,973	145,407	13,739,735	9,444,498
Total	6,815,785,761	1,526,691,228	1,301,818,316	2,618,834	9,641,676,471	1,807,769,283	221,421,798	482,979,068	1,016,706	30,980,255	7,099,542,773	5,008,016,478
Intangible Assets :												
Operations & Maintenance Rights	250,000,000	-	-	-	250,000,000	54,898,818	-	18,282,909	-	-	176,818,273	195,101,182
Licence Fees	125,000,000	-	-	-	125,000,000	-	-	-	-	-	125,000,000	125,000,000
Total	375,000,000	-	-	-	375,000,000	54,898,818	-	18,282,909	-	-	301,818,273	320,101,182
Capital Work In Progress :												
Expenses Capitalised								1,535,343			17,543,281,112	12,004,671,999
Depreciation Capitalised												
GRAND TOTAL	7,190,785,761	1,526,691,228	1,301,818,316	2,618,834	10,016,676,471	1,862,668,101	221,421,798	499,726,634	1,016,706	30,980,255	24,944,642,158	17,332,789,659
Previous year	6,930,398,263	153,565,217	121,530,098	14,707,817	7,190,785,761	1,412,435,213	16,115,789	433,468,499	-	1,862,668,101	17,332,789,659	

* Project Roads pertains to the costs incurred by Andhra Expressway Limited ('AEL') and Rajahmundry Expressway Limited ('REL') for the construction of highway on a road owned by the Government of India under the two separate concession agreements entered into between the said companies and the National Highways Authority of India. These agreements encompass the construction, operation and maintenance of the highway on a Build, Operate, Transfer basis. The construction was completed in October, 2004 and September 2004 for AEL and REL respectively. The concession for both the companies is valid till November 29, 2019. During the year, the companies have incurred periodic maintenance costs as per the Concession Agreement entered into with the National Highways Authority of India for carrying out mandatory maintenance of the road project and capitalised the same.

** Project Berth pertains to the costs incurred by Vizag Seaport Private Limited for the construction of two berths at Vizag Port, by Vizag Port Trust, a statutory body, under the concession agreements entered into between the said companies and the Vizag Port Trust. These agreements encompass the construction, operation and maintenance of the two berths on a Build, Operate, Transfer basis. The construction of the first berth was completed in July, 2004 and the second berth on September, 2005 and the concession is valid upto November, 2031.

*** Project Bridge pertains to the costs incurred by Cochin Bridge Infrastructure Company Limited for the construction of road bridge at Cochin as per the concession agreement entered into between the said company with the Greater Cochin Development Authority. This agreement encompasses the construction, operation and maintenance of the bridge on a Build, Operate, Transfer basis. The concession is valid till June 6, 2020.

During the year, the Company acquired additional stake in Vizag Seaport Pvt Limited, increasing its total stake to 76.24%. Due to this increase in the Company's share in assets and depreciation thereon of Vizag Seaport Private Limited has been shown under "Additions on Increase in holding in group companies" and "Additional Depreciation due to increase in holding in group companies" respectively

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '7' : INVESTMENTS				
Long term Investments unless otherwise stated (at cost) :				
Trade Investments in Associates (Fully paid-up unless otherwise stated)				
Ordinary Shares: (Unquoted) of Rs 10/- each, unless otherwise stated [refer note no B (3) of Schedule 19]				
2,143,950 (Previous Year : 2,143,950) Eversun Sparkle Maritime Services Pvt Ltd	5,659,097		8,992,669	
24,470 (Previous Year : 24,470) Modern Tollroads Ltd	244,700		244,700	
24,450 (Previous Year : 24,450) ATSL Infrastructure Projects Ltd	206,025		214,941	
		6,109,822		9,452,310
Non-Trade-Quoted Investments, in fully paid-up Equity Shares of Rs. 10/- each, unless otherwise stated (Current Investments) (lower of cost or market value) :				
Nil (Previous Year : 10,530) Allahabad Bank Ltd	-		408,564	
Nil (Previous Year : 76,800) Canara Bank Ltd	-		2,688,000	
Nil (Previous Year : 52,024) Infrastructure Development Finance Co Ltd	-		1,768,816	
1,160 (Previous Year : 1,160) Tata Consultancy Services Ltd (Re 1/- per share paid-up)	-		493,000	
Nil (Previous Year : 3,200) Vijaya Bank Ltd	-		74,720	
		-		5,433,100
Other Current Investments				
Non Trade Quoted Current Investments :				
Birla Sunlife Mutual Fund (2,478,894 units)		24,805,792		-
Share application money pending allotment		12,994,800		19,941,007
Non-Trade-Quoted Investments, in fully paid-up Secured, Redeemable, Non Convertible				
Debentures				
30 (Previous Year : 30) Deutsche Investments India Pvt Limited (Rs1,000,000 per unit)		30,000,000		30,000,000
		73,910,414		64,826,417
Summary Of Investments				
Aggregate Book Value of Unquoted Investments		6,109,822		9,452,310
Aggregate Book Value of Quoted Investments		30,000,000		35,433,100
Aggregate Book Value of Other Investments		37,800,592		19,941,007
Market Value of Quoted Investments		35,508,232		46,648,260

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '8': SUNDRY DEBTORS				
(Unsecured, considered good) [refer note no B (4) of Schedule 19]				
Outstanding for over six months		296,561,868		235,442,844
Other Debts		216,729,062		202,749,359
		513,290,930		438,192,203
Less : Provision for Doubtful Debts		9,322,142		-
		503,968,788		438,192,203
Sundry Debtors includes dues from companies under same management as under :				
- Gammon India Limited, Holding Company		110,945,855		120,977,813
		110,945,855		120,977,813
	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '9': CASH AND BANK BALANCES				
Cash on Hand		1,496,245		332,757
Funds in Transit		-		70,879
Balances with Scheduled Banks :				
in Current Accounts	422,214,309		1,681,449,481	
in Escrow Bank Accounts - IPO Proceeds	2,717,845		596,018,445	
in Fixed Deposits with Banks	783,000,000		36,100,000	
		1,207,932,154		2,313,567,926
		1,209,428,399		2,313,971,562
	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '10': LOANS AND ADVANCES :				
(Unsecured, considered good, unless otherwise stated)				
Advances recoverable in cash or in kind for value to be received	222,899,953		202,978,510	
Less : Provision made	5,546,985		-	
		217,352,968		202,978,510
Interest Accrued Receivable		1,953,247		2,431,670
Dues from Holding Company, Gammon India Limited		1,961,000		8,927,725
Dues from and Loans to Joint Venture Companies and/or Associates		36,556,270		33,763,868
Deposit with Joint Stock Companies		14,941,000		4,356,000
Advance Taxes Paid	574,861,456		435,976,116	
Less : Provision for Taxation	460,254,637		348,467,987	
		114,606,819		87,508,129
Balance c/f		387,371,304		339,965,902

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '10' : LOANS AND ADVANCES : (CONTD.)				
Balance c/f		387,371,304		339,965,902
Security and Other Deposits		16,135,424		28,962,034
Margin Money Deposit kept with holding company, Gammon India Limited		7,500,000		-
Cenvat/VAT/Service Tax		18,265,717		8,152,746
Prepaid Expenses		26,095,601		18,327,743
		455,368,046		395,408,425
Loans and Advances includes dues from companies under the same management as follows :				
- Gammon India Limited, Holding Company		9,461,000		8,927,725
		9,461,000		8,927,725

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '11' : CURRENT LIABILITIES				
Sundry Creditors :				
- For Capital Expenses	6,053,019		-	
- For Expenses	156,850,777		101,920,258	
		162,903,796		101,920,258
Dues to Holding Company - Gammon India Limited		847,504,432		474,563,173
Dues to Joint Venture Companies and/or Associates		21,208,848		2,190,055
Margin Money Deposit received from Joint Venture Company		5,000,000		-
Advance received from Modern Tollroads Limited for purchase of equity shares		26,520,000		26,520,000
Advance received from Client		16,196,976		8,579,902
Dues to Lenders		244,800		7,156,568
Interest accrued payable		144,246		-
Share Application Money received in subsidiary		395,245,445		300,000,000
Other Liabilities		150,929,234		138,145,466
		1,625,897,777		1,059,075,422
Provisions :				
Provision for Staff Benefits against :				
- Cash Compensatory Scheme	17,038,466		5,973,334	
- Leave Encashment	6,199,652		5,126,292	
- Gratuity	3,149,507		1,550,399	
		26,387,625		12,650,025
		26,387,625		12,650,025

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '12' : MISCELLANEOUS EXPENSES				
Preliminary Expenses	-		1,662,388	
Share Issue Expenses	-		18,019,635	
		-		19,682,023
		-		19,682,023

	Year Ended March 31, 2010		Year Ended March 31, 2009	
SCHEDULE '13' : TURNOVER AND OPERATING INCOME :				
Operation & Maintenance Revenues	1,053,512,547		241,675,845	
Income from Port Operations	905,174,916		364,748,318	
Annuity Revenues	1,166,020,000		1,166,020,000	
Toll Proceeds	38,728,275		36,753,510	
Air Cargo Revenue	109,846,865		75,101,662	
Miscellaneous Receipts	4,539,596		20,583,907	
	3,277,822,199		1,904,883,242	

	Year Ended March 31, 2010		Year Ended March 31, 2009	
SCHEDULE '14' : OTHER INCOME				
Interest Income :				
Deposits with Joint Stock Companies	7,007,628		60,690,824	
Others	3,663,335		5,219,748	
		10,670,963		65,910,572
Miscellaneous Income :				
Dividend Income	54,758,859		101,931,917	
Profit on Sale of Investments	36,517,961		55,743,899	
Miscellaneous Income	15,208,408		5,384,283	
		106,485,228		163,060,099
		117,156,191		228,970,671

	Year Ended March 31, 2010		Year Ended March 31, 2009	
SCHEDULE '15' : OPERATIONAL EXPENSES :				
Road Operation & Maintenance Expenses	1,011,149,484		289,104,947	
Bridge Operations Expenses	6,895,599		6,879,004	
Port Operational Expenses	504,997,261		212,932,658	
Air Cargo Operating Expenses	102,442,247		65,363,498	
	1,625,484,591		574,280,107	

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE '16' : ESTABLISHMENT EXPENSES :		
Administration Expenses	16,413,176	9,737,657
Professional / Legal Expenses	29,080,352	25,247,679
Travelling, Leave Passage and Motor Car Expenses	11,471,658	11,965,832
Office Rent	6,070,990	3,631,501
Directors Fees	2,256,000	500,000
Telephone Expenses	1,967,790	1,726,077
Insurance Charges	560,243	193,072
Tender Document Expenses	13,642,667	9,250,512
Miscellaneous Expenses	11,609,253	10,853,092
Auditors Remuneration :		
- Audit Fees	5,842,160	4,345,065
Provision for Doubtful debts and advances	15,820,161	
	114,734,450	77,450,487

	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE '17' : PERSONNEL COSTS		
Salaries, wages and bonus	100,517,021	72,835,995
Contributions to Provident Fund	4,710,503	5,285,333
Managing Director's Remuneration including contribution to Provident Fund	16,811,206	15,664,226
Staff Welfare Expenses	5,287,469	2,520,480
Provision for Leave Encashment	258,337	2,286,274
Provision for Gratuity	915,907	223,930
Employees 'ESOP' compensation cost [refer note no B (19) of Schedule 19]		
- Managing Director	13,121,336	9,256,164
- Employee	318,854	5,727,798
	13,440,190	14,983,962
Cash Alternative Settlement of ESOP Scheme [refer note no B (20) of Schedule 19]	11,065,132	5,973,334
	153,005,765	119,773,534

	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE '18' : FINANCIAL COSTS		
Interest Paid on		
On Fixed Period Loans	559,468,936	505,482,744
Interest Paid (Others)	3,707,177	990,925
	563,176,113	506,473,669
Other Finance Charges	11,366,208	5,527,555
	574,542,321	512,001,224

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

SCHEDULE 19: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. Accounting Policies

a) 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). The 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.

b) Principles Of Consolidation

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'), Associates and Joint Ventures in the form of jointly controlled entities. 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 and intra-group transactions resulting in 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 excess of cost of investments of the Company over its share of equity in the Subsidiary is recognised as goodwill. The excess of share of equity of Subsidiary over the cost of investments is recognised as capital reserve.

Interests in Joint Ventures

The Company's interests in Joint Ventures in the nature of Jointly controlled entities are included in these consolidated financial statements using the proportionate consolidation method as per the Accounting Standard – 27 ('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.

Investment in Associates

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 income statement reflects the Group's share of the results of operations of the associates.

The excess of the Company's cost of investment over its share of net assets in the associate on the date of acquisition of investment is disclosed as goodwill. The excess of the company'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.

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.

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to Consolidated Financial Statements for the year ended March 31, 2010

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c) Revenue Recognition

Infrastructure Development Business :

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

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

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

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 when the same is due.

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.

Construction Contract Revenues :

Revenue from construction contracts is recognized 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 recognized by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period.

Cargo freight income :

Cargo freight income is recognized at the time of booking of the consignment and is being accounted net of rebates, discounts and booking commission.

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. Dividend is recognised even if same is declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

d) 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 the Project Assets constructed and/or acquired by the Company as per the Concession Agreements are amortized over the period of the rights given under the License Agreement / Concession Agreement.

Depreciation on Fixed Assets is provided on the Straight Line Method ('SLM') at the rates and in the manner laid

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to Consolidated Financial Statements for the year ended March 31, 2010

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down in Schedule XIV of the Companies Act, 1956 or based on the estimated useful life of the fixed assets whichever is higher. Depreciation on assets purchased /installed during the year/ period is calculated on a pro-rata basis from the date of such purchase / installation.

Intangible assets 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 Company for a period of 14 years. The rights are therefore amortised over the period of 14 years. The License Fees Intangible being rights of Operations and Maintenance are amortised over the period of the subsistence of its rights commencing from the date the project becomes operational.

Expenses incurred by the Company on periodic maintenance (required to be incurred by it in the 5th, 10th and 15th year as per the Contract with NHA) are capitalised on completion of the said activity as the same enhances the useful life of the project. These costs are amortised over the period upto which the next periodic maintenance is due. The periodic maintenance of the 15th year is written off over the balance concession period.

e) Impairment

The carrying amounts of assets, (including goodwill), 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 at the weighted average cost of capital.

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. 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.

g) Inventories

Stores and materials are valued at lower of cost or net realizable value. Net realizable value is the estimated selling price less estimated cost necessary to make the sale. The FIFO method of inventory valuation is used to determine the cost.

h) 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 except those arising from investments in non-integral operations.

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to Consolidated Financial Statements for the year ended March 31, 2010

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i) Provision For Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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 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.

j) Preliminary & Share Issue Expenses

Preliminary and Share Issue expenses incurred are charged to the Security Premium Account, if available, or to the Profit and Loss Account.

k) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term.

i) Earnings Per Share

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

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.

m) Employee Benefits

Retirement benefits in the form of provident fund is a defined contribution scheme and contributions are charged to the Profit and Loss Account 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.

Leave encashment liability is recognised on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

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to Consolidated Financial Statements for the year ended March 31, 2010

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n) **Employee Share – Based Payments (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.

o) **Provisions, Contingent Liabilities And Contingent Assets**

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

Contingent Liabilities are not recognised but disclosed in notes to accounts. Contingent assets are neither recognised nor recorded in financial statements.

p) **CASH AND CASH EQUIVALENTS**

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

q) **GRANTS RECEIVED BY THE COMPANY :**

Grants received as equity support are accounted under Shareholders funds under Reserves and Surplus. Grants received relating to operations not forming part of equity support will be credited to the Profit and Loss account.

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 Company in the subsidiaries and further movements in their share in the equity, subsequent to the date of the investments.

B. Other Notes

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 Company has disclosed only such policies and notes from the individual financial statements, which fairly presents the needed disclosures.

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

1. Subsidiaries

The following Subsidiary Companies (incorporated in India) have been consolidated in these financial statement as per AS 21:

Name of the Subsidiary	Voting power and beneficial interest as at March 31, 2010	Voting power and beneficial interest as at March 31, 2009
Andhra Expressway Ltd ('AEL')	100.00%	93.50%
Cochin Bridge Infrastructure Company Ltd ('CBICL')	97.66%	97.66%
Gammon Hospitality Limited ('GHL')	100.00%	100.00%
Gammon Logistics Limited ('GLL')	100.00%	100.00%
Gammon Renewable Energy Infrastructure Limited ('GREIL')	100.00%	-
Gammon Road Infrastructure Limited ('GRIL')	100.00%	-
Gammon Seaport Infrastructure Limited ('GSIL')	100.00%	-
Gammon Projects Developers Ltd ('GPDL')	100.00%	100.00%
Gorakhpur Infrastructure Company Ltd ('GICL')	94.90%	94.90%
Jaguar Projects Developers Limited ('JPDL')	100.00%	100.00%
Kosi Bridge Infrastructure Company Ltd ('KBICL')	100.00%	100.00%
Marine Project Services Limited ('MPSL')	100.00%	100.00%
Mumbai Nasik Expressway Ltd ('MNEL')	79.99%	79.99%
Patna Highway Projects Limited ('PHPL')	100.00%	100.00%
Pataliputra Highway Limited	100.00%	100.00%
Pravara Renewable Energy Limited ('PREL')	100.00%	100.00%
Rajahmundry Godavari Bridge Limited ('RGBL')	99.29%	100.00%
Rajahmundry Expressway Ltd ('REL')	100.00%	93.50%
Ras Cities and Townships Private Limited ('RCTPL')	100.00%	100.00%
Sikkim Hydro Power Ventures Ltd ('SHVPL')	100.00%	100.00%
Tidong Hydro Power Limited ('THPL')	51.00%	51.00%
Vizag Seaport Private Limited ('VSPL')	73.76%	47.52%
Youngthang Power Ventures Limited ('YPVL')	100.00%	100.00%

As part of its overall business plans, the Company has been acquiring beneficial, controlling interest and voting rights from its holding company in consideration of payment of deposit which, along with the Company's direct shareholdings, has resulted in the Company having control over 51% in various SPVs as listed above.

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

The details of the deposits outstanding and the resultant beneficial interest and voting rights are tabulated hereunder :

Name of the Company	As at March 31, 2010			As at March 31, 2009		
	No. of shares	Amount Paid	% of holding	No. of shares	Amount Paid	% of holding
AEL	9,352,550	126,651,866	32.25%	7,467,550	84,825,000	25.75%
GICL	95,96,923	95,969,230	26.01%	95,96,923	95,969,230	26.01%
KBICL	12,562,831	125,628,310	26.01%	6,284,146	62,841,460	26.01%
REL	9,352,550	119,575,780	32.25%	7,467,550	84,825,000	25.75%
THPL	25,500	255,000	51.00%	25,500	255,000	51.00%

- a) The Company has over and above its legal ownership of 19,647,450 (Previous year 19,647,450) equity shares each, in Rajahmundry Expressway Limited ('REL') and Andhra Expressway Limited ('AEL'), acquired further beneficial, controlling interest and voting rights in respect of 9,352,550 (Previous year 7,467,550) equity shares each in these two entities. Due to this, AEL and REL, during the current year, have become wholly owned subsidiaries of the Company.
- b) Under the Concession Agreement with the National Highways Authority of India ('NHAI'), the Scheduled Project Completion Date for completion of construction of the GICL's Project Road is September 4, 2009. The completion of construction has been delayed beyond this date. GICL believes this delay is not on account of any default by it and is in discussions with the NHAI for extension of this date to January 2012. Pending the outcome of the discussions, management believes no adjustments are required to be made to the financial statements in respect of this matter.
- c) KBICL was required to commission the project by April 4th 2010, however the project has been delayed by around 15 months due to various factors not in its control. KBICL contends that it has a very good case for the extension of time from the NHAI.
- d) During the year, Gammon Renewable Energy Infrastructure Limited ('GREIL'), Gammon Road Infrastructure Limited ('GRIL'), Gammon Seaport Infrastructure Limited ('GSIL') and Patna Highway Projects Limited ('PHPL') were incorporated.
- e) During the year, the Company has purchased 22,877,500 equity shares from its joint venture partner due to which VSPL has become a subsidiary of the Company. The total holding of the Company has increased from 47.52% to 73.76%.
- f) Gammon Metro Transport Ltd ('GMTL'), a wholly owned subsidiary of the Company was renamed as Patliputra Highway Ltd ('PHL') during the year.

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

- g) Effect of acquisition of subsidiaries during the year on Financial Statements.

Subsidiary	As at March 31, 2010	As at March 31, 2009		
	VSPL	GMTL	RCTPL	RGBL
Assets :				
Fixed Assets (incl. Capital WIP)	2,544,530,187		750,000,000	378,040,083
Balances with Bank	55,079,594	77,692	50,763	5,685,110
Other Current Assets	259,632,268	-	-	-
Miscellaneous Expenses	-	31,700	49,237	7,122,867
Liabilities :				
Current Liabilities	166,287,159	430,810	-	65,860
Profit and Loss A/c	(279,669,277)	(1,421,418)	-	-
Income/Expenses :				
Income	1,148,778,398	420,036	-	-
Expenses	1,007,052,556	43,082	-	-
Profit Before Tax	141,725,842	376,954	-	-
Provision for Tax	334,017			
Profit/ (Loss) Brought forward	(421,061,102)	(1,798,372)	-	-
Balance c/f to Balance Sheet	(279,669,277)	(1,421,418)	-	-

2. Jointly Controlled Entities

The following Jointly Controlled Entities have been considered applying AS-27 on the basis of audited accounts (except stated other wise) for the year ended March 31, 2010.

- a. Details of Joint Ventures entered into by the Company :

Name of the Joint Venture	% of Interest as at March 31, 2010	% of Interest as at March 31, 2009
Blue Water Iron Ore Terminal Private Ltd ('BWIOTPL')	37.30%	100.00%
Haryana Biomass Power Ltd ('HBPL')	50.00%	50.00%
Indira Container Terminal Private Ltd ('ICTPL')*	50.00%	50.00%
Punjab Biomass Power Ltd ('PBPL')	50.00%	50.00%
SEZ Adityapur Ltd ('SEZAL')*	38.00%	38.00%

* As per unaudited management accounts

The Company acquired beneficial, controlling interest and voting rights in respect of 26,407,160 equity shares of ICTPL from GIL. Due to this acquisition ICTPL has become a 50% joint venture of the Company.

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

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

Details	March 31, 2010	March 31, 2009
Application of Funds :		
Fixed Assets	275,299,417	1,609,805,773
Less :Accumulated depreciation/amortisation	(24,117,749)	(209,388,598)
Fixed Asset (Net)	251,181,668	1,400,417,175
Capital WIP	800,111,476	295,377,010
Current Assets :		
Inventories	23,630,226	24,729,370
Sundry Debtors	937,633	29,384,220
Cash and Bank Balances	13,711,626	29,755,475
Loan and Advances	35,451,357	70,248,365
Total Current Assets (A)	73,730,842	154,117,430
Current Liabilities	65,044,193	105,816,433
Provisions	1,180,173	1,051,119
Total Current Liabilities & Provisions (B)	64,943,319	106,867,552
Net Current Assets (A-B)	8,787,523	47,249,878
Miscellaneous Expenses not written off	-	1,921,814
Total Application of Funds	1,060,080,667	1,744,965,877
Sources of Funds :		
Loan Funds :		
Secured Loans	467,571,060	1,026,884,199
Unsecured Loans	2,062,500	2,376,175
Reserves and Surplus	(25,688,058)	(171,265,253)
Add : Profit/(Loss) for the year	(30,567,556)	(17,373)
Total Liabilities	413,377,946	857,977,748
Income / Expenses :		
Income :		
Turnover and Operating Income	34,080,052	364,748,318
Other Income	1,186,698	4,462,818
Total Income	35,266,750	369,211,136
Expenses :		
Operation & Maintenance Expenses	30,502,105	212,932,658
Establishment Expenses	7,515,550	31,488,723
Finance Cost	525,663	114,876,673
Depreciation and Amortisation	10,650,692	66,671,804
Preliminary/Share Issue Expenses Written Off	1,313,557	269,827
Total Expenses	50,507,567	426,239,685
Profit / (Loss) Before Tax	(15,240,817)	(57,028,549)
Provision for Tax	-	548,576
Deferred Tax Liability written back	-	63,560,587
Profit / (Loss) After Tax	(15,240,817)	5,983,462
Prior period items	(554,293)	(6,000,835)
Net Profit for the year	(15,795,111)	(17,373)

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to Consolidated Financial Statements for the year ended March 31, 2010

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ICTPL has with effect from April 1, 2009, revised the estimated useful life of plant and machinery from 4 years to 8 years. Had ICTPL not revised the estimated useful life, the depreciation charge for the year and the loss for the year would have been higher, and the net block of fixed assets would have been lower by Rs 2,747,874/- as at March 31, 2010.

The above figures pertaining to the Joint Venture Companies are based on the audited accounts for the year ended March 31, 2010 except for ICTPL and SEZAL which are based on the un-audited management accounts. All the Joint Venture Companies were incorporated in India.

3. Associates

The following Associate has 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”.

Name of the Company	% Share held	Original Cost of Investment	Goodwill / Capital Reserve	Adjusted / Accumulated Loss up to March 31, 2009	Dividend / Prior Period adjustment	Loss for the year ended March 31, 2010	Carrying amount of Investments as on March 31, 2010
Eversun Sparkle Maritime Services Pvt. Ltd ('ESMSPL')	33.30%	21,439,500	(5,552,678)	(12,446,831)	-	(3,333,572)	5,659,097
Modern Toll Roads Limited ('MTRL')	48.94%	244,700	-	-	-	-	244,700
ATSL Infrastructure Projects Ltd ('AIPL')	48.90%	244,500	-	(29,559)	-	(8,916)	206,025
Total		21,928,700	(5,552,678)	(12,476,390)	-	(3,342,488)	6,109,822

The above figures pertaining to the Associate Companies are based on the audited accounts for the year ended March 31, 2010 except MTRL and AIPL which are based on the un-audited management accounts.

4. Capital WIP, Sundry Debtors, Loans and Advances

a) Capital work in progress

MNEL, a subsidiary of the Company has received provisional completion certificate for a chainage of 50 kms for the purposes of tolling vide certificate dated December 23, 2009. However the tolling notification which enables MNEL to open the road to traffic and putting it for its intended use was not issued by the Government of India till March 31, 2010. In the meantime MNEL has received second provisional completion certificate dated May 11, 2010 for a further chainage of 14 kms. The government has issued tolling notification dated April 21, 2010 for the entire stretch of 64 kms as part of milestone I. This notification was issued by the government after the balance sheet date. Therefore, since the partially completed project could not be put to its intended use before the Balance Sheet date, the same is considered as a Capital work in progress and shall be capitalised in the following year.

b) Sundry Debtors

i. Bonus recoverable from the NHAI

Sundry debtors also include Rs. 153,969,340 of early completion bonus receivable from National Highways Authority of India ('NHAI') accrued in earlier years by AEL and REL under the Contract which has been disputed by the NHAI. AEL and REL had initiated arbitration proceedings for recovery of the bonus. The arbitration proceedings were completed during the year in which, NHAI was directed by the arbitrators to pay the claimed amount of Early Completion Bonus with interest thereon. The said interest from NHAI, shall be accounted in the books of AEL and REL on receipt basis.

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

ii. Annuity receivable from Greater Cochin Development Authority ('GCDA')

Under the Concession Agreement dated 27th October, 1999, executed between Cochin Bridge Infrastructure Company Limited, Government of Kerala (GOK), Greater Cochin Development Authority (GCDA) and Gammon India Limited dated January 6th, 2001; the entire project has been assigned to the Company 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 the Company. In terms of the order, the period of concession has been increased by 6 years and the Company is entitled to yearly annuity receipts which it is accounting as Sundry Debtors. The Company has not made any provision against the said receivables.

iii. Sundry Debtors include Rs 110,945,855 (Previous year Rs 120,977,813) towards dues from holding company, Gammon India Limited.

5. Initial Public Offer ('IPO'):

a) The Company had made an Initial Public Offer of 16,550,000 equity shares of Rs. 10/- each at a premium of Rs. 157 per share in the year 2007-08. The equity shares pursuant to the offer were allotted on March 27, 2008.

During the year, 20,825 (Previous year 4,280,181) equity shares were fully paid on receipt of the balance allotment money. The total number of partly paid equity shares was 162,050 (Previous year 182,875) The Board of Directors of the Company, in their meeting held on July 31, 2009, forfeited the said 162,050 equity shares on which allotment money remained unpaid.

b) The details of utilization of IPO proceeds upto March 31, 2010 are as under :

	Amount to be utilized as per Prospectus	Amount utilized upto March 31, 2010	Amount utilized upto March 31, 2009
Investments in Subsidiaries :			
Kosi Bridge Infrastructure Company Limited ('KBICL')	241,544,000	241,395,000	241,395,000
Gorakhpur Infrastructure Company Limited ('GICL')	368,900,000	193,400,000	173,900,000
Sikkim Hydro Power Ventures Limited ('SHVPL')	896,000,000	9,600,000	4,100,000
Mumbai Nasik Expressway Limited ('MNEL')	510,000,000	21,000,000	-
Repayment of loan taken from GIL	100,000,000	100,000,000	100,000,000
IPO Issue Expenses	161,006,000	102,104,965	102,104,965
General corporate purposes and investments in strategic initiatives	486,400,000	379,058,400	314,522,370
Investments in any other infrastructure projects in addition to the above mentioned objects (refer to the note below)	-	1,695,613,940	1,210,462,948
Total (A)	2,763,850,000	2,742,172,305	2,146,485,283
Less :			
162,050 equity shares of Rs 167/- each forfeited on non receipt of allotment money			
Add :	27,062,350	-	-
Amount of Rs 50/- per equity share received on the above forfeited 162,050 equity shares	8,102,500	-	-
Total	2,744,890,150	2,742,172,305	2,146,485,283

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

In terms of the approval of the members in the General Meeting held on September 15, 2008, authorizing the Company to utilize the IPO proceeds for investments in other infrastructure projects of the Company including, acquisition of any such projects and repayment of loans availed by the Company, for any such purpose in addition to the purpose already specified in the prospectus, the Company has utilized a sum of Rs. 1,695,613,940 (Previous year Rs. 1,210,462,948 as of March 31, 2010 as follows :

	Upto March 31, 2010	Upto March 31, 2009
Investments in Subsidiaries :		
Youngthang Power Ventures Limited (YPVL')	528,525,000	528,525,000
Rajahmundry Godavari Bridge Limited ('RGBL')	433,150,000	382,625,000
Pravara Renewable Energy Limited ('PREL')	126,000,000	68,056,008
Indira Container Terminal Private Limited ('ICTPL')	405,802,000	43,320,000
Punjab Biomass Power Limited ('PBPL')	34,100,000	21,500,000
Gammon Projects Developers Ltd ('GPDL')	1,600,000	-
Blue Water Iron Ore Terminal Private Ltd ('BWIOTPL') formerly known as Bedi Seaport Limited ('BSL')	2,299,940	2,299,940
Repayment of loan taken from GIL for investments in infrastructure projects	164,137,000	164,137,000
Total	1,695,613,940	1,210,462,948

Pending utilization, the funds are temporarily held in :

	Upto March 31, 2010	As at March 31, 2009
Bank Balances	2,683,185	586,783,677
Escrow Accounts*	34,660	9,211,598
Total (refer note below)	2,717,845	595,995,275

* This represents the balance with bank which is not freely remissible to the Company because of restrictions laid down by SEBI (Disclosure of Protection) Guidelines, 2000 (as amended).

Summary of proceeds received/receivable from IPO and their utilization upto March 31, 2010 :

	Upto March 31, 2010	As at March 31, 2009
Total Proceeds receivable from IPO after forfeiture of equity shares	2,744,890,150	2,763,850,000
Less : IPO proceeds pending collection	-	21,369,442
IPO proceeds received	2,744,890,150	2,742,480,558
IPO proceeds utilized	2,742,172,305	2,146,485,283
Unutilised proceeds held in bank accounts	2,717,845	595,995,275
Total	2,744,890,150	2,742,480,558

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

6. Deferred tax

The break up of Deferred Tax Liability and Assets are as follows:

Particulars	March 31, 2010	March 31, 2009
Deferred Tax Liability :		
On Account of Depreciation	34,047,862	38,518,231
Deferred Tax Asset :		
On Account of Gratuity/Leave Encashment/Cash Compensation Scheme	7,521,904	3,637,242
Net Deferred Tax Liability	26,525,958	34,880,989

AEL and REL, are eligible for a 10-year tax holiday under Section 80 IA of the Income Tax Act, 1961. As a result, timing differences arising and reversing during the tax holiday period are not recognized by the respective companies.

7. Capital Reserve and Goodwill

The details of Goodwill and Capital Reserve are as under:

Particulars	March 31, 2010	March 31, 2009
Goodwill :		
- CBICL	13,425,584	13,425,584
- PBPL	30,000,000	30,000,000
- GICL	2,063,995	2,063,995
- KBICL	1,246,874	1,246,874
- VSPL	202,730,874	51,392,357
- GMTL	433,035	433,035
- GLL	774	774
- MPSL	23	23
Total (A)	249,901,160	98,562,642
Capital Reserve :		
- AEL	70,772,876	37,894,738
- REL	59,733,321	18,876,690
Total (B)	130,506,197	56,771,428
Net of Goodwill over Capital Reserve (A-B)	119,394,963	41,791,214
Goodwill amortised upto September 30, 2007	3,729,475	3,729,475
Net Goodwill / (Capital reserve)	115,665,488	38,061,739

8. Capital Grant

In accordance with the financing agreements between MNEL and its lenders, the Company is required to infuse further capital in case equity support from NHAI in the form of grant is not received. As MNEL's application for grant for Rs.177,620,000/- is pending with the NHAI, the Company has infused funds as share application money for executing the project. This amount would be converted to capital only after the eligibility and the quantum of grant is finally determined by NHAI. Pending the determination of the same the said money is being carried as share application money pending allotment

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

9. Security for loans availed by AEL, CBICL, GICL, ICTPL, KBICL, MNEL, REL, RGBL, PBPL and VSPL

A. Secured Loans in the consolidated financial statements :

Particulars	March 31, 2010	March 31, 2009
Long Term Secured Loans :		
AEL	1,780,200,000	1,806,910,000
CBICL	144,600,000	150,000,000
GICL	2,822,500,000	1,750,000,000
ICTPL	262,105,000	-
KBICL	2,158,750,000	1,265,000,000
MNEL	6,330,062,719	5,337,372,557
REL	1,996,265,300	2,021,528,000
RGBL	1,038,000,000	-
PBPL	189,970,463	113,892,401
VSPL	1,889,754,088	897,994,541
Total (A)	18,612,207,570	13,342,697,499
Short Term Loans from Banks		
PBPL	15,495,598	5,334,892
Total Secured Loans	18,627,703,168	13,348,032,391

These loans on the books of project Special Purpose Vehicles ("SPV") companies, are project finance loans, secured principally by the project assets (immovable and movable), project contracts and future cash flow from these projects. The lenders of these projects have a "very limited recourse" to the sponsor, viz. GIPL. This limited recourse to GIPL comes in the form of Corporate Guarantees and / or Comfort Letter provided to cover :

- the difference between outstanding loans and the termination payments receivable by the SPV from clients (in case of termination of the project due to concessionaire's event of default and / or force majeure events)
- the shortfall in payment of annuity due to non-availability of road to traffic, for annuity projects
- increase in O&M expenses beyond those covered in the Financing Documents, for annuity projects
- increase in tax payments beyond those covered in the Financing Documents, for annuity projects of REL and AEL

AEL AND REL

Term Loans availed from Banks are :

Secured by Legal Mortgage in English Form over immovable properties, both present & future.

Secured by hypothecation / Charge over :

- AEL's / REL's other properties, present or future, both tangible and intangible, whether immovable or movable.
- All the rights, title, interest, benefits, claims and demands whatsoever of AEL/REL in, to, under and/in respect of project documents including all Guarantees and Bonds issued / to be issued in terms thereof including the Contractor Warranties, Liquidated damages, Performance Guarantees and Bonds.
- All the rights, title, interest, benefits, claims and demands whatsoever of AEL/REL, in, to, under and/in respect of insurance related to or in any manner connected with the Project, both present and future, and all rights, claims and benefits to all monies receivable thereunder and all other claims thereunder.
- All the rights, title, interest, benefits, claims and demands whatsoever of AEL/REL, in, to, under and/in respect of Project Accounts and all banks, all amount lying therein or to be credited therein, all proceeds, investment made out of the

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

amounts received and / or lying in the accounts including all assets securities and records, documents and instruments which represents all amounts in the Accounts.

- e) All amounts owing / payable / to and / or received by, AEL/REL and / or by any person on behalf of the AEL/REL including without limitation any payment from NHAI and / or any other person under the project documents or otherwise.
- f) Floating Charges on all other assets of AEL/REL, both present and future, other than assets described above.
- g) Pledge of 51% of equity shares of AEL/REL held by GIL and GIPL.

CBICL

- a) Secured against mortgage of residential property of the company.
- b) Assignment of all future receivables of the company.
- c) Pledge of shares of the Company.
- d) Guarantee of the holding company Gammon Infrastructure Projects Limited.

GICL AND KBICL

The Loan together with all, interest, additional interest, liquidated damages, premium on pre payment, costs, expenses and other monies whatsoever stipulated in this Agreement ("Secured Obligations") shall be secured by :

- a) a first mortgage and charge on all the Borrower's immovable properties, both present and future;
- b) a first charge by way of hypothecation of all the Borrower's moveables, including current and non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future other than the Project Assets;
- c) a first charge on Borrower's Receivables;
- d) a first charge over all bank accounts of the Borrower including without limitation, the Escrow Account, the Retention Accounts (or any account in substitution thereof) and such Other Bank Accounts that may be opened in terms hereof and of the Project Documents and in all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto;
- e) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;
- f) a first charge by way of assignment or otherwise creation of Security Interest in:
 - i. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
 - ii. the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals;
 - iii. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - iv. insurance contracts/ insurance proceeds;
 - v. Pledge of 26% of equity shares of GICL and KBICL each, presently held by GIPL

The Term loans of the Company are repayable in six monthly instalments commencing April 4, 2010. In view of the delay in completion of construction of the Company's Project Road, the Company is in discussions with its bankers to reschedule the commencement of repayment of the above loans to six monthly instalments commencing January 2012. The confirmation for the rescheduling of the same has been received from the lead bank of the lenders consortium and confirmation of the other lenders is expected to be received shortly.

In view of this, the Company believes no loan amount is repayable within one year of March 31, 2010.

KBICL is also in the process to restructure its loan with the bankers as the loans are repayable from the current year. The

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

management has carried out an impairment assessment of the future cash flows and is of the opinion that no impairment needs to be carried out for the carrying value of the work in progress.

MNEL

The Senior Loan together with all upfront fee, interest, further interest, additional interest, liquidated damages, premium on prepayment, costs, expenses and other monies whatsoever stipulated in this Agreement ("Secured Obligations") shall be secured by :

- a) a first mortgage and charge on all the Borrower's immovable properties, both present and future;
- b) a first charge by way of hypothecation of all the Borrower's moveables, both present and future;
- c) a first charge on Borrower's Receivables except bonus;
- d) a first charge over all bank accounts of the Borrower;
- e) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;
- f) a first charge by way of assignment or otherwise creation of Security Interest in:
 - i. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time including all guarantees and bonds issued or to be issued in terms thereof;
 - ii. the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals;
 - iii. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - iv. all insurance contracts/ insurance proceeds;
- g) Pledge of 51% of equity shares held by GIL and GIPL.

RGBL

The Loan together with all, interest, additional interest, liquidated damages, premium on pre payment, costs, expenses and other monies whatsoever stipulated in this Agreement ("Secured Obligations") shall be secured by: -

- a) a first mortgage and charge on all the Borrower's immovable properties, both present and future;
- b) a first charge by way of hypothecation of all the Borrower's tangible moveable assets, including, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future;
- c) a first charge on Borrower's Receivables;
- d) a first charge over all bank accounts of the Borrower including without limitation, the Escrow Account, the Debt Services Reserve Account, the Retention Accounts (or any account in substitution thereof) and such Other Bank Accounts that may be opened in terms hereof and of the Project Documents and in all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto save and except the sums lying to the credit of the Distributions Sub-Account and the gains and profits arising out of the Authorised Investments or investments made in any other securities from the Distribution Sub-Account.
- e) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

- f) a first charge by way of assignment or otherwise creation of Security Interest in:
 - (i) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
 - (ii) the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals;
 - (iii) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - (iv) all insurance contracts/ insurance proceeds;
- g) Pledge of 51% of equity shares of the Company presently held by Gammon Infrastructure Projects Limited
- h) Corporate Guarantee of the Sponsor:
 - i. to cover the aggregate principal amounts of the loans in the event of termination of the Concession of the agreement pursuant to occurrence of any Concessionaire Default during the Construction Period, which shall stand discharged upon occurrence of the COD.
 - ii. to cover the shortfall in the DSRA as stipulated in Article 2.23 (i).

PBPL

1. Vehicle loan is secured by hypothecation of car purchased under the scheme from ICICI Bank Limited.
2. The Gross Facility availed from United Bank of India including interest thereon and all amounts in respect thereof shall be secured by :
 - i. first mortgage and charge covering:
 - ii. The Borrower's immovable properties at Bhaguara for the generation unit of the company at Bhaguara;
 - iii. The Borrower's moveable properties for the generation unit of the company at Bhaguara; assignment of all Project Agreements (including contractor guarantees, performance bonds and liquidated damages);
 - iv. assignment of Borrower's receivables, insurance policies and government, approvals of company pertaining only to the generation unit at Bhaguara including the proceeds from the CDM benefits accrued to company.
 - v. Pledge of 30% of paid up and voting equity share capital of PBPL held by the promoters, GIPL and Bermaco Energy Systems Limited.

VSPL

Secured by hypothecation of moveable assets and receivables of the company.

ICTPL

The Loan facility together with all, interest, additional interest, liquidated damages, fees, premia on prepayment, costs, charges, expenses and other monies including LC value from which LCs are issued from the LC facility, and all other amounts whatsoever stipulated in this Agreement ("Secured Obligations") shall be secured by :

- a) a first mortgage and charge by way of English mortgage on all the Borrower's immovable properties, both present and future;
- b) a first charge by way of hypothecation of all the Borrower's moveables, including current and non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future other than the Project Assets;
- c) a first floating charge on Borrower's Receivables;

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

- d) a first charge over all bank accounts of the Borrower including without limitation, the Trust and Retention Accounts, Debt Service Reserve Account, Retention Accounts (or any account in substitution thereof) and such Other Bank Accounts that may be opened in terms hereof and of the Project Documents and in all funds from time to time deposited therein and in all Authorised Investments or other securities representing all amounts credited thereto;
- e) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings and uncalled capital, present and future;
- f) a first charge by way of assignment or otherwise creation of Security Interest in:
- all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;
 - the right, title and interest of the Borrower by way of first charge in, to and under all the Government Approvals;
 - all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all insurance contracts;
 - Pledge of 51% of paid up and voting equity share capital of the borrower till the expiry of a period of 36 months from the Commercial Operations Date.

B. Borrowing Costs Capitalised :

During the year the total amount of borrowing cost capitalized is as under :

	March 31, 2010	March 31, 2009
GICL	239,058,404	153,972,311
ICTPL	21,347,668	-
KBICL	184,789,030	82,671,642
MNEL	537,657,184	386,200,522
PBPL	18,912,936	4,595,149
RGBL	51,454,966	-
Total	1,053,220,188	627,439,624

10. Earnings per share

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

	March 31, 2010	March 31, 2009
Net Profit for the year	256,227,507	326,557,842
Outstanding equity shares at the end of the year	724,439,750	722,750,000
Weighted average Number of Shares outstanding during the year - Basic	722,934,281	722,750,000
Weighted average Number of Shares outstanding during the year - Diluted	724,306,516	726,100,800
Earnings per Share-Basic (Rs.)	0.35	0.45
Earnings per Share-Diluted (Rs.)	0.35	0.45

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Reconciliation of weighted number of outstanding during the year

	March 31, 2010	March 31, 2009
Nominal Value of Equity Shares (Rs. per share)	2	2
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the year	724,439,750	722,750,000
Add : Issue of Equity Shares through Initial Public Offer	-	-
Total number of equity shares outstanding at the end of year	724,439,750	722,750,000
Weighted average number of equity shares at the end of the year	722,934,381	722,750,000
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	722,934,381	722,750,000
Add : Equity shares for no consideration arising on grant of stock options under ESOP	1,544,862	3,446,760
Less : Equity shares for no consideration arising on grant of stock options under ESOP forfeited / lapsed (included above)	172,727	95,960
Weighted average number of equity shares used in calculating diluted EPS	724,306,516	726,100,800

11. 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 of the respective companies and for availing non fund based limits from the banks:

No. of Equity shares pledged as at

	March 31, 2010	March 31, 2009	Rate
Andhra Expressway Limited	9,135,010	9,135,010	10/-
Cochin Bridge Infrastructure Company Limited	1,664,019	-	10/-
Rajahmundry Expressway Limited	14,266,318	14,266,318	10/-
Mumbai Nasik Expressway Limited	16,120,000	16,120,000	10/-
Gorakhpur Infrastructure Projects Limited	9,593,233	9,593,233	10/-
Kosi Bridge Infrastructure Company Limited	6,281,730	6,281,730	10/-
Punjab Biomass Power Limited	15,250,000	15,250,000	10/-
Vizag Seaport Private Limited	20,589,729	20,589,729	10/-

12. Lease

The Company has obtained its registered premises on operating lease (cancellable) from its holding company, GIL. The annual lease rentals are Rs 1,200,000 (Previous year Rs 1,200,000). There are no restrictions imposed on the Company by the lease agreement and there are no sub-leases.

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

13. Segment reporting

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

Segment Composition :

a) Infrastructure Activities

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.

b) Air Cargo Services

Providing air cargo services within the country.

As the income from the Air Cargo segment in the reporting year is less than 10%, the details of the Segment Reporting has not been provided.

Further, the Company's operations are within single geographical segment which is India.

14. Remuneration to Auditors

Remuneration to Auditors of the subsidiaries not audited by any of the Joint Auditors of the Company is grouped with Professional Fees.

15. Disclosure under Accounting Standard (AS-7)

Particulars	March 31, 2010	March 31, 2009
	Contract Revenue recognized	891,054,175
Contract Expenditure recognized	896,581,454	89,945,825
Contract Profit	84,418,546	-
Retentions	-	7,195,666

16. Prior Period Items

Prior period items as shown in the profit and loss account for the year 2009-10 includes preliminary and share issue expenses written off on the basis of the opinion given by the Expert Advisory Committee of the Institute of Chartered Accountants of India. The break-up of the same is given hereinunder :

Particulars	March 31, 2010	March 31, 2009
	Establishment Expenses	-
Personnel Expenses	-	3,174,503
Depreciation	-	43,737
Tax expense	-	291,000
Preliminary/Share issue expenses	16,653,267	-
Total	16,653,267	6,021,205

During the current year, some of the subsidiaries and joint ventures of the Company have changed their Accounting Policy from amortising of Preliminary and Share Issue Expenses over 5 to 10 years to write off the same when incurred. The Management believes that such will result in a more appropriate presentation of financial results in line with accounting policy of their parent company.

Due to the above change in the accounting policy and on account of the prior years preliminary and share issue expenses being charged off based on the opinion of the expert advisory committee regarding preparation of a profit and loss account the Company's Profit For The Year, is reduced by Rs. 22,701,572/-

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

17. Contingent Liability

- a) Group's share in Contingent Liability not provided for in the respect of Jointly Controlled Entities:

Particulars	March 31, 2010	March 31, 2009
Bank Guarantees	50,629,000	47,379,000
Corporate Guarantees	150,000,000	150,000,000
Claims against Company not acknowledged as debt	18,990,393	-
Counter Guarantees given to banks	1,579,310,000	-
TOTAL	1,798,929,393	651,979,000

- b) Contingent Liability includes an amount of Rs. 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 REL and National Highway Authority of India ('NHAI'), classifying the Concession Agreement as a 'lease' under Article 31(d) of the Indian Stamp Act. REL 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 believes that there is no contravention of the Indian Stamp Act.
- c) Disputed income tax liabilities, in appeal amounts to Rs. 32,283,712. Of this, an amount of Rs. 22,788,078 has been deposited by the Company. The balance amount payable is 9,495,634. The Company had filed an appeal with the Income Tax Appellate Tribunal ('ITAT') (Delhi Bench 'A' New Delhi). The tribunal has ruled in favour of the Company as per the Order dated March 26, 2010. The Company expects refund of the amount deposited of Rs. 22,788,078 alongwith interest thereon.
- d) The penalty for non-achievement of Minimum Guaranteed Throughput amounting to Rs. 20,444,939/- approximately payable to the Mumbai Port Trust (MbPT) as per the License Agreement has not been provided in these financial statements because under an arrangement, ICTPL is eligible to be indemnified by one of the shareholders in case this amount is ultimately determined to be payable to MbPT.

18. Commitments

Capital commitments

The total capital commitment as on March 31, 2010 is Rs 35,653,000,000 (Previous year Rs. 26,956,000,000). 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.

Export obligations

Particulars	March 31, 2010	March 31, 2009
Under EPCG Scheme	185,354,219	185,354,219

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to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

19. 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 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 Rs. 10/- each of the Company at an exercise price of Rs. 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 options to eligible employees of the Company at the market price of Rs 63.95 per equity share, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 180,000 (Previous year 750,000) options were forfeited / lapsed. Out of the options granted, 1,555,000 (Previous year 1,735,000) 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 options to eligible employees of the Company at the market price of Rs 63.95 per equity share, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 185,000 (Previous year Nil) options were forfeited / lapsed. Out of the options granted, 305,000 (Previous year 490,000) are outstanding at the end of the year.

Further, during the year 2008-09, the Compensation Committee of the Board of Directors of the Company at its meeting held on December 5, 2008, allotted 500,000 stock options under the "GIPL Employees Stock Options Scheme 2008" to its Managing Director enabling him to apply for 500,000 equity shares at par on completion of the vesting period of one year. The market price on the date of grant was Rs 43.45 per equity share. During the current year, all these options were vested and the Company allotted 2,500,000 equity shares of Rs. 2/- per equity share. Further Compensation Committee of the Board of the Directors of the Company at its meeting held on May 8, 2009 has further granted 210,000 options to eligible employees of the Company at the market price of Rs. 72.10 per equity share, prevailing on that date upon expiry of the vesting period of three years.

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

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

ESOP Scheme 2007 :

Particulars	2009-10			2008-09		
	Fair Value (as on grant date) of equity shares (Rs.)	99.00	124.00	63.95	99.00	124.00
Market Price (as on grant date) of equity shares granted during the year (Rs.)	N.A.	N.A.	63.95	N.A.	N.A.	63.95
Exercise Price of Options granted during the year (Rs.)	80.00	80.00	63.95	80.00	80.00	63.95
Grant Dates	July 1, 2007	October 1, 2007	October 1, 2008	July 1, 2007	October 1, 2007	October 1, 2008
Vesting commences from	July 1, 2008	October 1, 2008	October 1, 2009	July 1, 2008	October 1, 2008	October 1, 2009
Options granted and outstanding at the beginning of the year	1,440,000	25,000	270,000	1,540,000	25,000	-
Options granted during the year	-	-	-	-	-	920,000
Options lapsed forfeited during the year	180,000	-	-	100,000	-	650,000
Options exercised during the year	-	-	-	-	-	-
Options granted and outstanding at the end of the year	1,260,000	25,000	270,000	1,440,000	25,000	270,000

ESOP Scheme 2008:

Particulars	2009-10			2008-09		
	Fair Value (as on grant date) of equity shares (Rs.)	63.95	43.45	63.95	63.95	43.45
Market Price (as on grant date) of equity shares granted during the year (Rs.)	63.95	43.45	70.80	63.95	43.45	
Exercise Price of Options granted during the year (Rs.)	63.95	10.00	63.95	63.95	10.00	
Grant Dates	October 1, 2008	December 5, 2008	May 8, 2009	October 1, 2008	December 5, 2008	
Vesting commences from	October 1, 2009	December 5, 2009	October 1, 2010	October 1, 2009	December 5, 2009	
Options granted and outstanding at the beginning of the year	490,000	500,000	-	-	-	-
Options granted during the year	-	-	210,000	490,000	500,000	
Options lapsed forfeited during the year	185,000	-	-	-	-	
Options exercised during the year	-	500,000	-	-	-	
Weighted average exercise price of options exercised during the year	-	10.00	-	-	-	
Options granted and outstanding at the end of the year	305,000	-	210,000	490,000	500,000	

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

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	10.00	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	1.66
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, 2010 as reported would have changed to amounts indicated below:

Particulars	Year ended March 31, 2010	
	Year ended March 31, 2010	Year ended March 31, 2009
Net Profit as reported	256,227,507	326,557,842
Add: Stock based compensation expense included in the reported income	13,440,190	14,983,962
Less: Stock based compensation expenses determined using fair value of options	35,225,195	41,046,332
Net Profit (adjusted)	234,442,502	300,495,472
Basic earnings per share as reported	0.35	0.45
Basic earnings per share (adjusted)	0.32	0.42
Diluted earnings per share as reported	0.35	0.45
Diluted earnings per share (adjusted)	0.32	0.41
Weighted average number of equity shares at the end of the year	722,934,381	722,750,000
Weighted average number of shares considered for diluted earnings per share (adjusted)	724,306,516	726,100,800

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

20. Retention Bonus for employees

During the year 2008-09, 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. The said scheme the Committee of the Board of Directors has extended the Retention Bonus scheme to few more employees of the Company. During the year, a provision of Rs. 11,065,132 (Previous year Rs 5,973,334) against Cash Compensation in accordance with guidance note on accounting of employees share based payments.

21. Employee benefits

From the April 1, 2007, the revised AS -15 (Employee Benefits) is applicable to the group.

Gratuity

Gratuity is a defined benefit plan under which employees are entitled to receive gratuity calculated based on the number of years of their service and their last drawn salary at the time of retirement.

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Net employee benefit expense :		
Current Service Cost	1,213,379	574,571
Interest Cost	221,312	110,597
Expected return on planned assets	(20,905)	-
Actuarial (gain)/loss	(500,704)	(2,644)
(Excess)/Short provision of earlier year	2,825	(458,594)
Total	915,907	223,930

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Defined benefit obligation, at beginning of the year	2,190,761	1,326,470
Current service Cost	953,720	574,571
Interest Cost	480,971	110,597
Actuarial (gain)/loss	(475,945)	(2,645)
Less : Benefit Paid	-	-
Add : (Excess)/Short accounted for in earlier year	-	181,768
Defined benefit obligation, at end of the year	3,149,507	2,190,761

The group's gratuity obligation is fully unfunded. Hence currently, the Company does not expect to contribute any amounts to its gratuity plan in the next annual period.

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

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

Discount rate	8%
Expected rate of return on plan assets	Not applicable
Attrition rate	2%
Retirement age	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.

22. Managerial Remuneration

The Managerial Remuneration paid to the Managing Director, excluding terminal benefits, amounts to Rs. 15,143,040 (Previous year Rs 15,309,866). The Central Government has approved the payment of such remuneration (excluding terminal benefits) upto Rs. 15,327,589 per annum from May 1, 2008 to April 30, 2011.

Managerial remuneration computation does not include ESOP compensation cost of Managing Director Rs 13,121,336 (Previous year Rs 9,256,164).

23. Related party transactions

a) Relationships:

Entity where control exists :

1. Gammon India Limited - Holding Company

Associates and Joint Ventures :

1. ATSL Infrastructure Projects Limited
2. Blue Water Iron Ore Terminal Private Limited
3. Eversun Sparkle Maritime Services Limited
4. Haryana Biomass Power Limited
5. Indira Container Terminal Private Limited
6. Modern Tollroads Limited
7. Punjab Biomass Power Limited
8. SEZ Adityapur Limited

Key Management Personnel :

1. Abhijit Rajan
2. Parvez Umrigar

b) Related Party Transactions :

(Please refer to Annexure 1 for Related party transactions)

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

24. Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2010. There are unhedged foreign currency exposure of US \$ 4,696 (Rs 245,011) and of British Sterling Pound 126,035 (Rs 9,346,496) of liability outstanding as at March 31, 2010 towards legal services for the Fund to be established by the Company in future.

Further, there is an unhedged foreign currency exposure of US\$ 50,000 (Rs 2,547,500) of asset as on March 31, 2010 towards advance paid.

25. Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date.

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

N. Jayendran
Partner
Membership No : 40441

Place : Mumbai
Date : May 21, 2010

For S.R. Batliboi & Co.
Firm Registration No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No: 42650

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

Abhijit Rajan
Chairman and Managing Director

Himanshu Parikh
Director

Naresh Chandra
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Place : Mumbai
Date : May 21, 2010

Parvez Umrigar
Managing Director

C.C. Dayal
Director

Sanjay Sachdev
Director

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

ANNEXURE 1 : NOTES TO ACCOUNTS

Related Party Transactions :

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Associates	Key Management Personnel	Total
Operations & Maintenance Income :				
- Gammon India Ltd	1,052,049,306 (241,675,845)	- (-)	- (-)	1,052,049,306 (241,675,845)
Supply of Materials :				
- Gammon India Ltd	506,748,687 (-)	- (-)	- (-)	506,748,687 (-)
Other Operating Income :				
- Gammon India Ltd	- (16,562,143)	- (-)	- (-)	- (16,562,143)
Cargo Income				
- Gammon India Ltd	7,031,369 (410,840)	- (-)	- (-)	7,031,369 (410,840)
Operations & Maintenance Expenses :				
- Gammon India Ltd	1,052,049,306 (241,675,846)	- (-)	- (-)	1,052,049,306 (241,675,846)
Contract Expenditure :				
- Gammon India Ltd	4,193,206,947 (3,364,975,622)	- (-)	- (-)	4,193,206,947 (3,364,975,622)
Advances given against EPC contracts :				
- Gammon India Ltd	1,399,785,642 (712,500,000)	- (-)	- (-)	1,399,785,642 (712,500,000)
Advances recovered against EPC contracts :				
- Gammon India Ltd	4,644,468,584 (596,568,210)	- (-)	- (-)	4,644,468,584 (596,568,210)
Purchase of Assets				
- Gammon India Ltd	- (2,725,449)	- (-)	- (-)	- (2,725,449)
Rent Paid :				
- Gammon India Ltd	1,323,600 (1,200,000)	- (-)	- (-)	1,323,600 (1,200,000)
Insurance Claims received				
- Gammon India Ltd	16,449,780 (1,882,407)	- (-)	- (-)	16,449,780 (1,882,407)
Insurance Claims transferred				
- Gammon India Ltd	1,907,395 (1,882,407)	- (-)	- (-)	1,907,395 (1,882,407)
Purchase of Investments :				
- Gammon India Ltd	- (159,730,000)	- (-)	- (-)	- (159,730,000)
Sale of Investments :				
- Gammon India Ltd	- (255,000)	- (-)	- (-)	- (255,000)
Share Application Money Received :				
- Gammon India Ltd	67,199,350 (500,000)	- (-)	- (-)	67,199,350 (500,000)
Refund received against Share Application Money Paid / Conversion into equity :				
- Gammon India Ltd	67,199,350 (500,000)	- (-)	- (-)	67,199,350 (500,000)

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Transactions	Holding Company	Associates	Key Management Personnel	Total
Managerial Remuneration :				
- Mr. Parvez Umrigar	- (-)	- (-)	16,811,206 (16,845,065)	16,811,206 (16,845,065)
Gross value of stock options issued to:				
- Mr. Parvez Umrigar	- (-)	- (-)	- (16,725,000)	- (16,725,000)
Gross value of stock options vested :				
- Parvez Umrigar	- (-)	- (-)	21,725,000 (-)	21,725,000 (-)
Amortization of options issued to:				
- Mr. Parvez Umrigar	- (-)	- (-)	13,121,336 (9,256,164)	13,121,336 (9,256,164)
Finance provided (including Loans and Equity contribution in cash or in kind) :				
- Gammon India Ltd	109,100,920 (-)	- (-)	- (-)	109,100,920 (-)
- Associated Transrail Structures Ltd	- (-)	- (2,140,000,000)	- (-)	- (2,140,000,000)
Finance provided for expenses and on account payments :				
- Gammon India Ltd	710,079 (6,693,704)	- (-)	- (-)	710,079 (6,693,704)
- Modern Toll Road	- (-)	- (575)	- (-)	- (575)
Amount liquidated towards the above finance :				
- Gammon India Ltd	- (59,757,996)	- (-)	- (-)	- (59,757,996)
- Associated Transrail Structures Ltd	- (-)	- (2,290,000,000)	- (-)	- (2,290,000,000)
- ATSL Infrastructure Projects Ltd	- (-)	- (36,785)	- (-)	- (36,785)
- Modern Toll Road	- (-)	- (575)	- (-)	- (575)
Interest income during the period :				
- Gammon India Limited	782,466 (1,015,677)	- (-)	- (-)	782,466 (1,015,677)
- Associated Transrail Structures Ltd	- (-)	- (59,368,905)	- (-)	- (59,368,905)
Finance received (including Loans and Equity contribution in cash or in kind) :				
- Gammon India Ltd	4,412,500 (500,000)	- (-)	- (-)	4,412,500 (500,000)
Mr Parvez Umrigar	- (-)	- (-)	5,000,000 (-)	5,000,000 (-)
Finance received for expenses & on account payments :				
- Gammon India Ltd	1,544,212 (532,432,952)	- (-)	- (-)	1,544,212 (532,432,952)

Schedules (Contd.)

to Consolidated Financial Statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Transactions	Holding Company	Associates	Key Management Personnel	Total
Amount liquidated towards the above finance :				
- Gammon India Ltd	858,351 (822,967,129)	- (-)	- (-)	858,351 (822,967,129)
Interest paid during the period :				
- Gammon India Ltd	- (5,323,071)	- (-)	- (-)	- (5,323,071)
Deposit towards purchase of Beneficial Interest of equity shares :				
- Gammon India Ltd	264,071,600 (528,780,000)	- (-)	- (-)	264,071,600 (528,780,000)
Refund/Adjustment of Advances Deposit for controlling interest in companies :				
- Gammon India Ltd	- (687,255,000)	- (-)	- (-)	- (-)
Guarantee & Collaterals O/s				
- Gammon India Ltd	190,000,000 (16,550,000)	- (-)	- (-)	190,000,000 (16,550,000)
Retention Money recovered :				
- Gammon India Ltd	154,411,709 (488,319,681)	- (-)	- (-)	154,411,709 (488,319,681)
Retention Money refunded :				
- Gammon India Ltd	142,268,467 (292,929,796)	- (-)	- (-)	142,268,467 (292,929,796)
Outstanding Balances Receivable :				
- Gammon India Ltd	647,858,399 (1,162,932,026)	- (-)	- (-)	647,858,399 (1,162,932,026)
- Modern Toll Road	- (-)	- (48,271)	- (-)	- (48,271)

Note :

During the year, Mr Parvez Umrigar, Managing Director of the Company, fully exercised the 2,500,000 options granted to him under the ESOP Scheme, 2008. 2,500,000 equity shares were allotted to him at par of Rs 2/- per equity share.

Auditors' Report

To
The Members of
Gammon Infrastructure Projects Limited

1. We have audited the attached Balance Sheet of Gammon Infrastructure Projects Limited as at March 31, 2010 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 - 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, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet, 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 representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the accounts and the other notes thereon give the information required by the Companies Act, 1956 in the manner so require and give a true and fair view.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) 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.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- (a) in the case of Balance Sheet of the state of affairs of the Company as at March 31, 2010 and
- (b) in the case of Profit and Loss Account of the profit for the year ended on that date.
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Natvarlal Vepari & Co.	For S.R. Batliboi & Co.
Firm Registration Number 109671W	Firm Registration Number 301003E
Chartered Accountants	Chartered Accountants

N Jayendran	per Hemal Shah
Partner	Partner
M.No. 40441	M.No. 42650
Mumbai,	Mumbai,
Dated : May 21, 2010	Dated : May 21, 2010

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) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) There was no substantial disposal 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) As informed, the Company has not taken or granted any fresh loan from/to any party covered in the Register maintained under Section 301 of the Companies Act 1956. Hence clause (iii) and of para 4 of the Order is not applicable.
- (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. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

- (v) a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (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) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) The Company is generally regular in depositing Provident Fund, Income tax and service tax dues with the appropriate authorities *though there has been a slight delay in a few cases*. The provisions of the investor education and protection fund, employees' state insurance, sales-tax, customs duty and excise duty are not applicable to the Company.
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a

- position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, there are no undisputed arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us there are no dues of provident fund, income tax and service tax which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses at March 31, 2010 and has not incurred cash losses in current year and the previous year.
- (xi) The Company does not have any borrowings from banks and Financial institutions and therefore clause (xi) of para 4 of the Order is not applicable.
- (xii) According to the information and explanations given to us and based on the documents and records produced to 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) The Company is not a chit fund or a nidhi/ mutual benefit fund/society and accordingly clause (xiii) of para 4 of the Order is not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' 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 company from banks which is not prejudicial to the interests of the company.
- (xvi) The Company has not taken any term loans and therefore clause (xvi) of para 4 of the Order is not applicable.
- (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 no funds raised on short-term basis have been used for long-term investment.

- (xviii) The Company has not made any preferential allotment of shares during the year to parties covered in the Register maintained under section 301 of the Act and therefore clause (xviii) of the said Order is not applicable.
- (xix) The Company has not issued any debentures and accordingly clause (xix) of the said Order is not applicable.
- (xx) We have verified the end use of money raised by public issues as disclosed in the note C 3 (b) of schedule 19 to the financial statements.
- (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 course of our audit.

For Natvarlal Vepari & Co.	For S.R. Batliboi & Co.
Firm Registration Number 109671W	Firm Registration Number 301003E
Chartered Accountants	Chartered Accountants

N Jayendran	per Hemal Shah
Partner	Partner
M.No. 40441	M.No. 42650
Mumbai,	Mumbai,
Dated : May 21, 2010	Dated : May 21, 2010

Balance Sheet

As At March 31, 2010
(All amounts in Indian Rupees)

	Schedule No	As At March 31, 2010		As At March 31, 2009	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	1,456,982,000		1,444,130,163	
Employee Stock Options outstanding	2	22,540,082		25,824,892	
Reserves and Surplus	3	3,914,681,912		3,763,358,301	
			5,394,203,994		5,233,313,356
Deferred Tax Liability, Net			26,029,413		27,687,818
			5,420,233,407		5,261,001,174
APPLICATION OF FUNDS					
Fixed Assets (Net)					
Gross Block	4	266,588,956		265,727,774	
Accumulated Depreciation and Amortisation		77,236,136		57,614,776	
Net Block			189,352,820		208,112,998
Investments	5		4,922,285,183		3,692,173,717
Current Assets, Loans and Advances					
Inventories	6	3,940,222		1,969,319	
Sundry Debtors	7	117,529,722		120,566,973	
Cash and Bank Balances	8	116,711,084		736,625,786	
Loans and Advances	9	153,500,192		583,922,007	
(A)		391,681,220		1,443,084,085	
Current Liabilities and Provisions					
Current Liabilities	10	61,514,497		71,668,707	
Provisions	11	21,571,319		10,700,919	
(B)		83,085,816		82,369,626	
Net Current Assets	(A-B)		308,595,404		1,360,714,459
			5,420,233,407		5,261,001,174
Notes To Accounts	18				

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date.

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

N. Jayendran
Partner
Membership No : 40441

For S.R. Batliboi & Co.
Firm Registration No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No: 42650

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

Abhijit Rajan
Chairman and Managing Director

Himanshu Parikh
Director

Naresh Chandra
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Parvez Umrigar
Managing Director

C.C. Dayal
Director

Sanjay Sachdev
Director

Place : Mumbai
Date : May 21, 2010

Place : Mumbai
Date : May 21, 2010

Profit and Loss Account

For the year ended March 31, 2010
(All amounts in Indian Rupees)

	Schedule No	Year Ended March 31, 2010		Year Ended March 31, 2009	
INCOME					
Turnover	12	1,176,199,199		373,409,371	
Other Income	13	52,968,660		106,228,225	
			1,229,167,859		479,637,596
EXPENDITURE					
Operating & Maintenance Expenses	14	850,154,352		129,450,099	
Establishment Expenses	15	57,760,881		45,524,223	
Personnel Cost	16	85,483,193		76,374,604	
Finance Costs	17	11,263,820		9,328,935	
Depreciation and Amortisation	4	19,891,391		19,508,224	
			1,024,553,637		280,186,085
PROFIT BEFORE TAX			204,614,222		199,451,511
Less: Provision for Taxation					
Current Tax		66,200,000		53,000,000	
Deferred Tax		(1,658,405)		3,441,281	
Wealth Tax		35,000		-	
Fringe Benefit Tax		-		750,000	
			64,576,595		57,191,281
PROFIT AFTER TAX			140,037,627		142,260,230
Add : Excess Provision for earlier years					
			3,229		-
Less: Short Provision for Tax of earlier years					
			-		6,062,127
NET PROFIT FOR THE YEAR			140,040,856		136,198,103
Add : Compensation Cost reversed on forfeiture of ESOP					
			-		512,109
Add: Balance at the beginning of the year					
			348,672,011		211,961,799
BALANCE CARRIED TO THE BALANCE SHEET			488,712,867		348,672,011
Earnings Per Share : [refer note C (6) of Schedule 18]					
Basic			0.19		0.19
Diluted			0.19		0.19
Nominal Value of Equity Shares in Rupees			2		2
Notes To Accounts	18				

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date.

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

For S.R. Batliboi & Co.
Firm Registration No. : 301003E
Chartered Accountants

N. Jayendran
Partner
Membership No : 40441

per Hemal Shah
Partner
Membership No: 42650

For and on behalf of the Board of Directors of
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Naresh Chandra
Director

Sanjay Sachdev
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Place : Mumbai
Date : May 21, 2010

Place : Mumbai
Date : May 21, 2010

Cash Flow Statement

For the year ended March 31, 2010
(All amounts in Indian Rupees)

	Year Ended March 31, 2010		Year Ended March 31, 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax		204,614,222		199,451,511
Adjustments for :				
Depreciation & Amortisation	19,891,391		19,508,224	
Dividend Income	(6,877,277)		(73,130,108)	
(Profit)/loss on Sale of Investments	(36,517,961)		(50,507)	
Interest (Net)	(4,836,742)		(23,355,644)	
Employee Stock Options	13,440,190		14,983,962	
Cash Alternative Settlement for ESOP Scheme	11,065,132		5,973,334	
Provision for diminution in the value of investments	(456,976)		456,976	
Loss on sale of assets	223,596		47,862	
Provisions for subsidiaries /other assets written off	9,265,050		(938,441)	
		5,196,403		(56,504,342)
Operating Profit before Working Capital Changes		209,810,625		142,947,169
Adjustments for :				
Trade and Other Receivables	46,789,081		(123,359,914)	
Inventories	(1,970,903)		(607,953)	
Trade Payables & Working Capital Finance	317,554		15,063,005	
		45,135,732		(108,904,862)
Cash Generated from the Operations		254,946,357		34,042,307
Direct Taxes paid		(50,167,903)		(60,699,147)
Net Cash from / used for Operating Activities		204,778,454		(26,656,840)
B. CASH FLOW FROM INVESTMENT ACTIVITIES :				
Purchase of Fixed Assets	(1,664,809)		(4,463,151)	
Sale of Fixed Assets	310,000		-	
Investments				
Subscription to:				
- Subsidiaries	(867,156,590)		(441,374,050)	
- Joint Ventures	(101,670,080)		(191,543,335)	
Sale of Investments :				
- Subsidiaries	1,000		749,880	
Purchase consideration comprising entirely cash & cash equivalents for the acquisition of following subsidiaries :				
Tidong Hydro Power Limited	-		(255,000)	
Sale of Market Investments	42,408,037		-	
Deposit for acquisition of controlling interest in subsidiaries equity shares transferred against deposits for acquisition of controlling interest in subsidiaries :				
- Subsidiaries	(139,364,496)		-	
- Joint Ventures	(264,071,600)		-	
Purchase of Other Investments :				
Mutual Fund Units	(1,759,094,886)		(11,003,156,930)	
Balance c/f	(3,090,303,424)	204,778,454	(11,640,042,586)	(26,656,840)

Cash Flow Statement (Contd.)

For the year ended March 31, 2010
(All amounts in Indian Rupees)

	Year Ended March 31, 2010		Year Ended March 31, 2009	
Balance b/f	(3,090,303,424)	204,778,454	(11,640,042,586)	(26,656,840)
Sale of Other Investments :				
Mutual Fund Units	1,759,094,886		11,003,207,437	
Share Application Money Pending Allotment	136,717,200		(598,514,865)	
Intercorporate Deposits :				
Granted	(187,640,000)		(1,885,955,000)	
Refunds received	118,700,426		1,847,229,574	
Advances to Subsidiaries and Joint Ventures	(736,783)		7,153,318	
Loan to Subsidiaries	432,525,000		(432,525,000)	
Advances to Other Companies	(10,652,562)		1,060,848	
Interest received	3,604,275		24,775,119	
Dividend received	6,877,277		73,130,108	
Net Cash (used for) Investing Activities		(831,813,705)		(1,600,481,047)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from issue/allotment of equity shares	7,409,592		364,807,355	
Refund of borrowings	-		(293,000,000)	
Interest Paid	(289,043)		(6,226,882)	
Share Issue Expenses	-		(118,189,021)	
Net Cash from/(used for) Financing Activities		7,120,549		(52,608,548)
Net Decrease In Cash And Cash Equivalents		(619,914,702)		(1,679,746,435)
Closing Balances		116,711,084		736,625,786
Opening Balances		736,625,786		2,416,372,221
Net Decrease In Cash And Cash Equivalents		(619,914,702)		(1,679,746,435)
Note : Figures in brackets denote outflows.				
Components of Cash and Cash Equivalents				
Cash and Cheques on hand		833,276		49,563
With Banks :				
- On Current Account		111,670,527		140,557,778
- On Bank Overdraft (Debit Balance)		1,489,436		-
- On Escrow Account - IPO Proceeds		2,717,845		596,018,445
		116,711,084		736,625,786

As per our report of even date.

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

N. Jayendran
Partner
Membership No : 40441

For S.R. Batliboi & Co.
Firm Registration No. : 301003E
Chartered Accountants

per Hemal Shah
Partner
Membership No: 42650

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

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Chairman and Managing Director

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Director

Naresh Chandra
Director

Sanjay Sachdev
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Place : Mumbai
Date : May 21, 2010

Place : Mumbai
Date : May 21, 2010

Schedules

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '1': SHARE CAPITAL				
Authorised :				
1,000,000,000 (Previous Year: 200,000,000) Equity shares of Rs. 2/- each (Previous year of Rs.10/- each)		2,000,000,000		2,000,000,000
		2,000,000,000		2,000,000,000
Issued and Subscribed:				
725,250,000 (Previous Year : 144,550,000) Equity Shares of Rs. 2 each (Previous year of Rs. 10 each)		1,450,500,000		1,445,500,000
[Out of the above 528,000,000 (Previous Year: 105,600,000) Equity shares of Rs. 2 (Previous year of Rs. 10 each) fully paid held by Gammon India Limited - the holding Company and 22,400,000 (Previous Year 4,480,000) equity shares of Rs. 2 each (Previous year Rs. 10 each) are held by Gactel Turnkeys Projects Limited formerly Gammon Cooling Towers Limited, a wholly owned subsidiary of Gammon India Limited]				
		1,450,500,000		1,445,500,000
Paid-up :				
725,250,000 (Previous Year : 144,550,000) Equity Shares of Rs. 2 each (Previous year of Rs. 10 each)	1,450,500,000		1,445,500,000	
Less: Calls in Arrears	-		1,369,837	
Less: 162,050 (Previous Year : Nil) equity shares of Rs. 10 each forfeited	1,620,500		-	
		1,448,879,500		1,444,130,163
Share Forfeiture Account :				
Money received in respect of 162,050 equity shares forfeited		8,102,500		-
The Company has issued, Employee Stock Options to employees in the years 2007-08, 2008-09 and current year 2009-10. During the year, 210,000 (Previous year 1,910,000) options were issued At March 31, 2010, 2,070,000 options (Previous Year 2,725,000) were outstanding. During the year, 500,000 options were exercised, against which 2,500,000 equity shares @ Rs. 2 per equity share were allotted.				
		1,456,982,000		1,444,130,163

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '2': EMPLOYEE STOCK OPTIONS OUTSTANDING				
Employee stock options outstanding	48,523,500		47,085,000	
Less : Employee Stock Options Exercised	16,725,000		-	
Less : Forfeiture of employee stock options offered	2,907,297		512,109	
		28,891,203		46,572,891
Less : Deferred Employee compensation outstanding		6,351,121		20,747,999
For details of Stock Options Outstanding [refer note B (19) of Schedule 18]				
		22,540,082		25,824,892

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '3': RESERVES AND SURPLUS				
Security Premium, beginning of the year		3,414,686,290		3,063,572,634
Add : Security Premium received / receivable on equity shares through the Initial Public Offer	19,999,605		361,421,874	
Add : Security Premium on exercising of Employee Stock Options	16,725,000		-	
Less: Amount due on allotment of equity shares	-		19,999,605	
Less: 162,050 (Previous year : Nil) Equity shares of Rs. 10 at premium of Rs. 157 per equity share forfeited	25,441,850		-	
	11,282,755		341,422,269	
Less : Share issue expenses (relating to prior year)	-		-	
Less : Share issue expenses during the year	-		100,000	
Add : Excess provision made written back	-		9,791,387	
		11,282,755		351,113,656
		3,425,969,045		3,414,686,290
Profit & Loss Account balance		488,712,867		348,672,011
		3,914,681,912		3,763,358,301

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

SCHEDULE '4': PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK		
	As on 01.4.2009	Additions during the year	Deletions during the year	As on 31.03.2010	As on 01.4.2009	For the year	Deletions for the year	As on 31.03.2010	As on 31.03.2009
Tangible Assets :									
Office Equipments	1,203,967	482,897	-	1,686,864	129,163	88,417	-	1,469,284	1,074,804
Furniture & Fixtures	4,465,672	436,147	-	4,901,819	740,779	480,538	-	3,680,502	3,724,893
Computers	2,009,518	745,762	-	2,755,280	684,449	373,268	-	1,697,563	1,325,069
Motor Cars	6,577,240	-	803,624	5,773,616	1,103,363	588,445	270,028	4,351,836	5,473,877
Earth Moving Machinery	120,797	-	-	120,797	10,219	13,662	-	96,916	110,578
Plant and Machinery	1,350,580	-	-	1,350,580	47,982	64,152	-	1,238,446	1,302,598
Total	15,727,774	1,664,806	803,624	16,588,956	2,715,955	1,608,482	270,028	12,534,547	13,011,819
Intangible Asset :									
Purchase of O & M Rights	250,000,000	-	-	250,000,000	54,898,818	18,282,909	-	176,818,273	195,101,182
Total	250,000,000	-	-	250,000,000	54,898,818	18,282,909	-	176,818,273	195,101,182
GRAND TOTAL	265,727,774	1,664,806	803,624	266,588,956	57,614,773	19,891,391	270,028	189,352,820	208,113,001
Previous year	261,313,613	4,463,151	48,990	265,727,774	38,107,680	19,508,224	1,128	208,112,998	

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	Face value (Rs.)	No. As on March 31, 2010	No. As on March 31, 2009	As At March 31, 2010		As At March 31, 2009
SCHEDULE '5' : INVESTMENTS						
Long Term Investments unless otherwise stated (at cost) :						
Trade Investments, in Subsidiary Companies:						
(Fully paid-up unless otherwise stated)						
Ordinary Shares: (Unquoted)						
Andhra Expressway Limited	10	19,647,450	19,647,450	256,969,000		256,969,000
Cochin Bridge Infrastructure Company Limited	10	6,250,070	6,250,070	62,500,700		62,500,700
Gammon Hospitality Limited	10	50,000	50,000	500,000		500,000
Gammon Logistics Limited	10	2,550,000	2,550,000	25,500,000		25,500,000
Gammon Projects Developers Limited	10	250,000	50,000	2,500,000		500,000
Gammon Renewable Energy Infrastructure Limited	10	50,000	-	500,000		-
Gammon Road Infrastructure Limited	10	50,000	-	500,000		-
Gammon Seaport Infrastructure Limited	10	50,000	-	500,000		-
Gorakhpur Infrastructure Company Limited	10	25,418,378	25,418,378	254,183,780		254,183,780
Jaguar Projects Developers Limited	10	50,000	50,000	500,000		500,000
Kosi Bridge Infrastructure Company Limited	10	35,737,169	17,876,354	357,371,690		178,763,540
Marine Project Services Limited	10	50,000	50,000	500,000		500,000
Mumbai Nasik Expressway Limited	10	41,595,000	41,595,000	415,950,000		415,950,000
Patliputra Highway Limited (formerly Gammon Metro Transport Limited)	100	15,000	10,000	1,033,850		533,850
Patna Highway Limited	10	50,000	-	500,000		-
Pravara Renewable Energy Limited	10	7,000,000	50,000	70,000,000		500,000
Rajahmundry Expressway Limited	10	19,647,450	19,647,450	256,969,000		256,969,000
Rajahmundry Godavari Bridge Limited	10	61,680,000	38,110,000	616,800,000		381,100,000
Sikkim Hydro Power Ventures Limited	10	3,173,900	3,173,900	31,739,000		31,739,000
Vizag Seaport Private Limited (*)	10	64,313,847	41,436,347	698,080,277		414,831,837
Youngthang Power Ventures Limited	10	9,610,000	50,000	96,100,000		500,000
					3,149,197,297	2,282,040,707
Balance c/f					3,149,197,297	2,282,040,707

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	Face value (Rs.)	No. As on March 31, 2010	No. As on March 31, 2009	As At March 31, 2010		As At March 31, 2009	
Balance b/f					3,149,197,297		2,282,040,707
Acquisition of Controlling Interest in Equity Shares :							
Andhra Expressway Limited	10	9,352,550	7,467,550	126,651,866		84,825,000	
Gorakhpur Infrastructure Company Limited	10	9,596,923	9,596,923	95,969,230		95,969,230	
Kosi Bridge Infrastructure Company Limited	10	12,562,831	-	125,628,310		62,841,460	
Rajahmundry Expressway Limited	10	9,352,550	7,467,550	119,575,780		84,825,000	
Tidong Hydro Power Limited	10	25,500	-	255,000		255,000	
					468,080,186		328,715,690
Trade Investments in Jointly Controlled Entities :							
(Fully paid-up unless otherwise stated)							
Ordinary Shares: (Unquoted)							
Joint Controlled Entities :							
Blue Water Iron Ore Terminal Private Limited (formerly Bedi Seaport Limited)	10	199,900	200,000	1,999,000		2,000,000	
Haryana Biomass Power Limited	10	25,000	25,000	250,000		250,000	
Indira Container Terminal Private Limited	10	24,375,840	14,208,832	243,758,400		142,088,320	
Punjab Biomass Power Limited	1	50,833,335	50,833,335	80,833,335		80,833,335	
SEZ Adityapur Limited	10	19,000	19,000	190,000		190,000	
					327,030,735		225,361,655
Acquisition of Controlling Interest in Equity Shares :							
Indira Container Terminal Private Limited	10	26,407,160	-	264,071,600		-	
					264,071,600		-
Trade Investments in Associates :							
(Fully paid-up unless otherwise stated)							
Ordinary Shares: (Unquoted)							
Associates :							
ATSL Infrastructure Projects Limited	10	24,450	24,450	244,500		244,500	
Eversun Sparkle Maritimes Services Private Limited	10	2,143,950	2,143,950	21,439,500		21,439,500	
Modern Tollroads Limited	10	24,470	24,470	244,700		244,700	
					21,928,700		21,928,700
Balance c/f					4,230,308,518		2,858,046,752

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	Face value (Rs.)	No. As on March 31, 2010	No. As on March 31, 2009	As At March 31, 2010		As At March 31, 2009	
Balance b/f					4,230,308,518		2,858,046,752
Non-Trade Investments :							
(Fully paid-up unless otherwise stated)							
Non-Trade-Quoted Investments, in fully paid-up Equity Shares							
otherwise stated (Current Investments) (lower of cost or market value) :							
Allahabad Bank Limited	10	-	10,530	-		408,564	
Canara Bank Limited	10	-	76,800	-		2,688,000	
Infrastructure Development Finance Company Limited	10	-	52,024	-		1,768,816	
Tata Consultancy Services Limited (*)	1	1,160	1,160	-		493,000	
Vijaya Bank Limited	10	-	3,200	-		74,720	
					-		5,433,100
Share application money pending allotment (Current Investments)					691,976,665		828,693,865
					4,922,285,183		3,692,173,717
Aggregate Book Value of Unquoted Investments					4,230,308,518		2,858,046,752
Aggregate Book Value of Quoted Investments					-		5,433,100
Aggregate Book Value of Share Application Money					691,976,665		828,693,865
Market Value of Quoted Investments					904,220		16,648,260

(*) These represents the bonus shares allotted to the Company post disposal of original shares and hence the cost/book value disclosed as Rs. Nil

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	As At March 31, 2010	As At March 31, 2009
SCHEDULE '6': INVENTORIES		
(at lower of cost or net realisable value)		
Stores and Materials at site	3,940,222	1,969,319
	3,940,222	1,969,319

	As At March 31, 2010	As At March 31, 2009
SCHEDULE '7': SUNDRY DEBTORS		
(Unsecured - Considered Good)		
Outstanding for more than six months	-	-
Other Debts	117,529,722	120,566,973
	117,529,722	120,566,973
Sundry Debtors includes dues from companies under same management as under :		
Gammon India Limited	109,196,389	120,566,973
Kosi Bridge Infrastructure Company Limited	8,333,333	-
	117,529,722	120,566,973

	As At March 31, 2010	As At March 31, 2009
SCHEDULE '8': CASH AND BANK BALANCES		
Cash on Hand	833,276	49,563
Balances with Scheduled Banks		
in Current Accounts	111,670,527	140,557,778
In Bank O/D Account - Debit Balance	1,489,436	
in Escrow Bank Accounts - IPO Proceeds	2,717,845	596,018,445
	116,711,084	736,625,786

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '9': LOANS AND ADVANCES				
(Unsecured - Considered Good)				
Advances recoverable in cash or in kind or for value to be received	31,326,784		61,800,410	
Less : Provision made	5,546,985		-	
		25,779,799		61,800,410
Interest Accrued Receivable		1,972,510		781,819
Dues from Holding Company Gammon India Limited		-		4,834,272
Dues from Subsidiary Companies :				
- Gammon Hospitality Limited	-		2,543,026	
- Gammon Logistics Limited	276,239		25,598	
- Gammon Metro Transport Limited	-		425,192	
- Gorakhpur Infrastructure Projects Limited	11,859		-	
- Kosi Bridge Infrastructure Company Limited	3,119		-	
- Mumbai Nasik Expressway Limited	171,764		-	
- Patna Highway Projects Limited	319,848		-	
- Pravara Renewable Energy Limited	-			
- Rajahmundry Godavari Bridge Limited	615,685		-	
- Ras Cities and Townships Limited	-		220,382	
- Sikkim Hydro Power Ventures Limited	1,784		-	
- Tidong Hydro Power Limited	15,139		-	
		1,415,437		3,214,198
Dues from Joint Ventures and Associates :				
- Blue Water Iron Ore Cargo Berth Private Limited	1,467,141		-	
- Haryana Biomass Power Limited	9,245,254		9,064,898	
- Indira Container Terminal Private Limited	3,509,483		3,437,288	
- Modern Tollroads Limited	48,271		48,271	
- Punjab Biomass Power Limited	296,894		-	
		14,567,043		12,550,457
Service Tax Credit Receivable / VAT deposited		1,056,807		-
Loan to Youngthang Power Ventures Limited, a subsidiary		-		432,525,000
Intercorporate Deposits :				
- Subsidiary Companies :				
Gammon Logistics Limited	50,145,000		35,900,000	
- Joint Venture / Associate Companies :				
Punjab Biomass Power Limited	57,525,000		2,830,426	
- Others	3,892,000		3,892,000	
		111,562,000		42,622,426
Advance paid to Gammon India Ltd for acquisition of beneficial interest in Youngthang Power Ventures Limited		-		-
Advance Taxes Paid	230,442,920		177,672,539	
Less :				
Provision for Taxation	244,782,122		176,476,657	
		(14,339,202)		1,195,882
Balance c/f		142,014,394		559,524,464

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '9': LOANS AND ADVANCES (CONTD.)				
Balance b/f		142,014,394		559,524,464
Other Deposits		2,282,349		17,117,500
Prepaid Expenses		9,203,449		7,280,043
		153,500,192		583,922,007
Loans and Advances includes dues from companies under the same management as follows :				
- Gammon India Limited		-		4,834,272
		-		4,834,272

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '10': CURRENT LIABILITIES				
Dues to Holding Company, Gammon India Limited		630,339		947,198
Dues to subsidiaries/joint ventures/associates		439,233		251,670
Interest Accrued Payable		288,493		-
Sundry Creditors :				
- Micro, small and medium enterprises		-		-
- For share issue expenses		-		-
- Others		15,475,022		34,009,985
		15,475,022		34,009,985
Advance received from Modern Tollroads Limited for purchase of equity shares		26,520,000		26,520,000
Deposit received from Indira Container Terminal towards Margin Money		10,000,000		-
Duties and Taxes payable		5,553,128		9,306,895
Other Liabilities		2,608,282		632,959
		61,514,497		71,668,707

	As At March 31, 2010		As At March 31, 2009	
SCHEDULE '11': PROVISIONS				
Provision for Staff Benefits against :				
- Cash Compensatory Schme		17,038,466		5,973,334
- Leave Encashment		3,370,420		3,838,102
- Gratuity		1,162,433		889,483
		21,571,319		10,700,919
		21,571,319		10,700,919

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE '12': TURNOVER		
Income from Professional services rendered :		
Developer's Fees	124,149,892	115,171,383
Operating & Maintenance Income	1,052,049,307	241,675,845
Other Operating Income	-	16,562,143
	1,176,199,199	373,409,371

	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE '13': OTHER INCOME		
Dividend Income (comprises entirely dividend from short-term, non-trade investments)	6,877,277	73,130,108
Interest Income :		
- On Intercompany Deposits placed (Tax Deducted at Source Rs. 307,593; Previous year Rs. 6,382,986)	4,438,472	28,557,710
- On Bank Balances (Tax Deducted at Source Rs. Nil; Previous year Rs. 145,961)	-	708,548
- On delays in receipt of dues against allotment of equity shares	322,891	-
- On Loans given to staff	648,168	316,268
- Others	4,747	-
	5,414,278	29,582,526
Other Income :		
Insurance claims received	3,702,068	1,891,439
Profit on Sale of Investments	36,517,961	50,507
Miscellaneous Income	457,076	996,895
	40,677,105	3,515,591
	52,968,660	106,228,225

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	Year Ended March 31, 2010		Year Ended March 31, 2009	
SCHEDULE '14': OPERATING AND MAINTENANCE EXPENSES				
Opening Stock of Materials		1,969,319		1,040,966
Project Administration Expenses	4,139,047		2,258,286	
Electricity Charges	7,949,092		9,335,460	
Fuel Charges	2,081,410		1,738,680	
Hire Charges	1,454,064		193,805	
Sub contract expenses	829,054,807		107,968,152	
Insurance Charges	4,850,159		5,397,248	
Conveyance, Motor Car and Travelling Expenses	499,060		664,291	
VAT Paid	705,459		1,434,282	
Security Charges	1,392,157		1,388,248	
		852,125,255		130,378,452
Less : Closing Stock of Materials		3,940,222		1,969,319
		850,154,352		129,450,099

	Year Ended March 31, 2010		Year Ended March 31, 2009	
SCHEDULE '15': ESTABLISHMENT EXPENSES				
Administration Expenses		3,995,974		4,208,099
Insurance Charges		51,246		51,189
Motor Car Expenses		2,525,639		2,296,727
Professional, Consultancy and Legal Fees		13,412,050		15,282,667
Rent		1,200,000		1,200,000
Telephone Expenses		696,662		793,142
Tender Document Expenses		13,642,667		9,250,512
Franking, Stamping and Notarisation Expenses		568,903		71,278
Travelling Expenses		4,927,066		5,411,781
Directors' Sitting Fees and Commission		2,256,000		500,000
Auditors' Remuneration :				
- Audit Fees including Limited Review	2,806,972		2,518,190	
- Other Services	872,068		508,668	
- Out of Pocket Expenses	10,916		49,497	
		3,689,956		3,076,355
Miscellaneous Expenses		1,306,072		1,098,054
Loss on sale of Fixed Assets		223,596		-
Other assets written off		116,434		47,862
Provision made for dues from subsidiaries		2,535,544		-
Provision for advances paid		5,546,985		-
Service Tax Input Credit written off		1,066,087		1,779,581
Provision for Diminution in the Value of Investment		-		456,976
		57,760,881		45,524,223

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

	Year Ended March 31, 2010		Year Ended March 31, 2009	
SCHEDULE '16': PERSONNEL COSTS				
Salaries, wages and bonus		40,644,065		35,161,489
Contributions to Provident Fund		1,435,536		1,276,110
Managing Director's Remuneration including contribution to Provident Fund		16,811,206		15,664,226
Staff Welfare Expenses		2,281,796		1,830,402
Provision for Leave Encashment		(467,682)		1,755,787
Provision for Gratuity		272,950		(270,706)
Employees 'ESOP' compensation cost				
- Managing Director	13,121,336		9,256,164	
- Employee	318,854		5,727,798	
		13,440,190		14,983,962
Cash Alternative Settlement of ESOP Scheme		11,065,132		5,973,334
		85,483,193		76,374,604

	Year Ended March 31, 2010		Year Ended March 31, 2009	
SCHEDULE '17': FINANCE COST				
Interest Paid On :				
Intercorporate Deposits from Gammon India Limited	-		5,323,071	
Interest on Margin Money Deposit	320,548		-	
Others	3,623,034		903,811	
		3,943,582		6,226,882
Other Finance Costs		7,320,238		3,102,053
		11,263,820		9,328,935

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

SCHEDULE '18': NOTES TO THE FINANCIAL STATEMENTS

A. Background

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.

B. Significant Accounting Policies

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

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.

a) Revenue Recognition

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

Revenue from construction contracts is recognized on the basis of percentage completion method. The percentage of work completed is determined by the expenditure incurred on the job till each review 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 recognized by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period.

Revenue on Developer Fees is recognized on the accrual basis.

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

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same is declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

b) 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') at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956. Depreciation on assets purchased /installed during the year/ period 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.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

c) 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 at the weighted average cost of capital.

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

d) Investments

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

e) Inventories

Stores and materials are valued at lower of cost or net realizable value. Net realizable value is the estimated selling price less estimated cost necessary to make the sale. The FIFO method of inventory valuation is used to determine the cost.

f) Provision for Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit 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 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.

Fringe Benefit Tax has been abolished.

g) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

h) Earnings per share

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

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.

i) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent Liabilities are not recognised but disclosed in notes to accounts. Contingent assets are neither recognised nor recorded in financial statements.

j) Share Issue Expenses

Share Issue Expenses after 1st April, 2004 are charged off to the Security Premium Account, if available, or to the Profit and Loss Account.

k) Employee Benefits

Retirement benefits in the form of provident fund is a defined contribution scheme and contributions are charged to the Profit and Loss Account 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.

Leave encashment liability is recognised on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

l) 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.

m) Foreign currency translation

Foreign currency transactions

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.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

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 except those arising from investments in non-integral operations.

n) Cash and cash equivalents

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

C. Other Notes

1. Investments

- a) The Company has over and above its legal ownership of 19,647,450 (Previous year 19,647,450) equity shares each, in Rajahmundry Expressway Limited ('REL') and Andhra Expressway Limited ('AEL'), acquired further beneficial, controlling interest and voting rights in respect of 9,352,550 (Previous year 7,467,550) equity shares each in these two entities. Due to this, AEL and REL, during the current year, have become wholly owned subsidiaries of the Company.

During the year, the legal ownership in respect of Nil (Previous year 5,437,450) equity shares each in AEL and REL was transferred to the Company out of the beneficial, controlling interest and voting rights held by it.

- b) The Company had entered into an agreement with Gammon India Limited ('GIL') for acquisition of beneficial, controlling interest and voting rights in respect of equity shares of Indira Container Terminal Private Ltd ('ICTPL'). During the year, the Company over and above its legal ownership of equity shares, acquired the beneficial, controlling interest and voting rights in respect of 26,407,160) equity shares of ICTPL.
- c) During the year, the Company acquired 22,877,500 equity shares in the joint venture company Vizag Seaport Private Ltd ('VSPL') from International Port Services Ltd. Due to this acquisition, VSPL became a subsidiary of the Company.
- d) During the year, the Company has diluted its holding in Blue Water Iron Ore Terminal Private Ltd ('BWIOTPL'), formerly Bedi Seaport Ltd ('BSL') in favour of its joint venture partners Noble Group Ltd ('NGL') and Minerals and Metal Trading Corporation ('MMTC'). The Company's present holding in the said joint venture has been reduced to 37.30%.
- e) The Company has incorporated four new companies namely Gammon Renewable Energy Ltd ('GREIL'), Gammon Road Infrastructure Ltd ('GRIL'), Gammon Seaport Infrastructure Ltd ('GSIL') and Patna Highway Projects Ltd ('PHPL') as 100% subsidiary, in the current year under review.
- f) Gammon Metro Transport Ltd ('GMTL'), a wholly owned subsidiary of the Company was renamed as Patliputra Highway Ltd ('PHL') during the year.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Company	Year Ended March 31, 2010				Year Ended March 31, 2009			
	Purchase of Equity Shares		Sale of Equity Shares		Purchase of Equity Shares		Sale of Equity Shares	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Subsidiary Companies :								
Andhra Expressway Ltd		-	-	-	5,437,450	79,936,200		-
Gammon Hospitality Ltd		-	-	-	50,000	500,000		-
Gammon Logistics Ltd		-	-	-	2,500,060	25,000,600		-
Gammon Projects Developers Ltd	200,000	2,000,000	-	-	-	-		-
Gammon Renewable Energy Infrastructure Ltd	50,000	500,000	-	-	-	-		-
Gammon Road Infrastructure Ltd	50,000	500,000	-	-	-	-		-
Gammon Seaport Infrastructure Ltd	50,000	500,000	-	-	-	-		-
Jaguar Projects Developers Ltd	-	-	-	-	50,000	500,000		-
Kosi Bridge Infrastructure Co. Ltd	17,860,815	178,608,150	-	-	-	-		-
Marine Projects Services Ltd	-	-	-	-	60	600		-
Patliputra Highway Ltd	50,000	500,000	-	-	5,000	33,850		-
Patna Highway Projects Ltd	50,000	500,000	-	-	-	-		-
Pravara Renewable Energy Ltd	6,950,000	69,500,000	-	-	50,000	500,000		-
Rajahmundry Expressway Ltd	-	-	-	-	5,437,450	78,793,800		-
Rajahmundry Godavari Bridge Ltd	23,570,000	235,700,000	-	-	38,110,000	381,100,000		-
Sikkim Hydro Power Ventures Ltd	-	-	-	-	31,23,900	31,239,000		-
Tidong Hydro Power Ltd	-	-	-	-	-	-	49,994	499,940
Vizag Seaport Private Ltd	22,877,500	283,248,440	-	-	8,000,000	80,000,000		-
Youngthang Power Ventures Ltd	9,560,000	95,600,000	-	-	50,000	500,000		-
Total		867,156,590				678,104,050		499,940
Joint Ventures Companies:								
Blue Water Iron Ore Terminal Private Ltd		-	100	1,000	200,000	2,000,000		-
Haryana Biomass Power Ltd		-	-	-	-	-	24,994	249,940
Indira Container Terminal Private Ltd	10,167,008	101,670,080	-	-	6,346,000	63,460,000		-
Punjab Biomass Power Ltd	-	-	-	-	48,083,335	48,083,335		-
Total		101,670,080		1,000		113,543,335		249,940

g) During the year, the Company has purchased and/or sold the following investments in equity shares.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010
(All amounts in Indian Rupees)

The details of beneficial and controlling interest in the equity shares of subsidiary and joint venture companies acquired by the Company are as under

Company	Year Ended March 31, 2010				Year Ended March 31, 2010			
	Purchase of Equity Shares		Sale of Equity Shares		Purchase of Equity Shares		Sale of Equity Shares	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Subsidiary Companies :								
Andhra Expressway Lt	1,885,000	41,826,866	-	-	-	-	-	-
Gorakhpur Infrastructure Company Ltd	-	-	-	-	-	-	-	-
Kosi Bridge Infrastructure Company Ltd	12,562,831	62,786,850	-	-	-	-	-	-
Rajahmundry Expressway Ltd	1,885,000	34,750,780	-	-	-	-	-	-
Tidong Hydro Power Ltd	-	-	-	-	25,500	255,000	-	-
Total		139,364,496				255,000		
Joint Ventures Companies:								
Indira Container Terminal Private Ltd	26,407,160	264,071,600	-	-	-	-	-	-
Total		264,071,600						

h) During the year the Company sold its entire holding in the non trade quoted investments, except for 1,160 equity shares in Tata Consultancy Services Limited. The Company earned a long term capital gain of Rs. 36,517,961 (Previous year Rs. Nil).

Company	Year Ended March 31, 2010				Year Ended March 31, 2009			
	Purchase of Equity Shares		Sale of Equity Shares		Sale of Equity Shares		Purchase of Equity Shares	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rupees	Nos.	Rs.
Non trade, quoted investments :								
Allahabad Bank Ltd	-	-	10,530	863,460	-	-	-	-
Canara Bank Ltd	-	-	76,800	2,688,000	-	-	-	-
Infrastructure Development Finance Company Ltd	-	-	52,024	1,768,816	-	-	-	-
Tata Consultancy Services Ltd	-	-	1,160	493,000	-	-	-	-
Vijaya Bank Ltd	-	-	3,200	76,800	-	-	-	-
Total				5,890,076				

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Mutual Fund	Year Ended March 31, 2010						Closing Balance	
	Purchase / Dividend Reinvested		Dividend / Profit		Redemption Proceeds		No. of Units	Rs.
	No. of Units	Rs.		Rs.	No. of Units	Rs.		Rs.
Birla Sunlife	119,555,436 (86,389,469)	1,197,257,913 (865,134,920)	4,859,426 (9,032,878)		120,041,015 (87,292,040)	1,202,117,339 (874,167,798)	-	-
Canara Robeco	- (66,059,776)	- (730,065,580)	- (2,429,005)		- (66,258,887)	- (732,494,585)	-	-
ICICI Prudential	- (187,273,985)	- (1,899,140,193)	- (12,596,706)		- (188,524,808)	- (1,911,736,899)	-	-
UTI	- (1,136,723)	- (1,148,245,712)	- (2,516,255)		- (1,139,232)	- (1,150,761,967)	-	-
Kotak	- (85,652,114)	- (903,812,552)	- (5,898,419)		- (86,240,407)	- (909,710,971)	-	-
Reliance	- (184,938,935)	- (3,109,927,822)	- (20,897,203)		- (211,352,806)	- (3,130,825,025)	-	-
HDFC	54,414,791 (226,424,134)	561,836,973 (2,346,830,151)	1,291,777 (19,073,824)		54,543,354 (227,828,339)	563,128,750 (2,365,903,975)	-	-
Total	173,970,227 (837,875,136)	1,759,094,886 (11,003,156,930)	(6,151,203) (72,444,290)		174,584,368 (868,636,519)	1,765,246,088 (11,075,601,220)	-	-

(Previous year figures are in brackets)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

2. Sundry Debtors

Sundry Debtors as at March 31, 2010, represents amounts due from the holding company, GIL in respect of the Operations and Maintenance Contract and from subsidiary, KBICL in respect of the Developer Fees.

3. Initial Public Offer ('IPO'):

a) The Company had made an Initial Public Offer of 16,550,000 equity shares of Rs. 10/- each at a premium of Rs. 157 per share in the year 2007-08. The equity shares pursuant to the offer were allotted on March 27, 2008.

During the year, 20,825 (Previous year 4,280,181) equity shares were fully paid on receipt of the balance allotment money. The total number of partly paid equity shares was 162,050 (Previous year 182,875) The Board of Directors of the Company, in their meeting held on July 31, 2009, forfeited the said 162,050 equity shares on which allotment money remained unpaid.

b) The details of utilization of IPO proceeds upto March 31, 2010 are as under :

	Amount to be utilized as per Prospectus	Amount utilized upto March 31, 2010	Amount utilized upto March 31, 2009
Investments in Subsidiaries :			
Kosi Bridge Infrastructure Company Limited ('KBICL')	241,544,000	241,395,000	241,395,000
Gorakhpur Infrastructure Company Limited ('GICL')	368,900,000	193,400,000	173,900,000
Sikkim Hydro Power Ventures Limited ('SHVPL')	896,000,000	9,600,000	4,100,000
Mumbai Nasik Expressway Limited ('MNEL')	510,000,000	21,000,000	-
Repayment of loan taken from GIL	100,000,000	100,000,000	100,000,000
IPO Issue Expenses	161,006,000	102,104,965	102,104,965
General corporate purposes and investments in strategic initiatives	486,400,000	379,058,400	314,522,370
Investments in any other infrastructure projects in addition to the above mentioned objects (refer to the note below)	-	1,695,613,940	1,210,462,948
Total (A)	2,763,850,000	2,742,172,305	2,146,485,283
Less :			
162,050 equity shares of Rs. 167/- each forfeited on non receipt of allotment money	27,062,350	-	-
Add :			
Amount of Rs. 50/- per equity share received on the above forfeited 162,050 equity shares	8,102,500	-	-
Total	2,744,890,150	2,742,172,305	2,146,485,283

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

In terms of the approval of the members in the General Meeting held on September 15, 2008, authorizing the Company to utilize the IPO proceeds for investments in other infrastructure projects of the Company including, acquisition of any such projects and repayment of loans availed by the Company, for any such purpose in addition to the purpose already specified in the prospectus, the Company has utilized a sum of Rs. 1,695,613,940 (Previous year Rs. 1,210,462,948 as of March 31, 2010 as follows :

	Upto March 31, 2010	Upto March 31, 2009
Investments in Subsidiaries :		
Youngthang Power Ventures Limited (YPVL')	528,525,000	528,525,000
Rajahmundry Godavari Bridge Limited ('RGBL')	433,150,000	382,625,000
Pravara Renewable Energy Limited ('PREL')	126,000,000	68,056,008
Indira Container Terminal Private Limited ('ICTPL')	405,802,000	43,320,000
Punjab Biomass Power Limited ('PBPL')	34,100,000	21,500,000
Gammon Projects Developers Ltd ('GPDL')	1,600,000	-
Blue Water Iron Ore Terminal Private Ltd ('BWIOTPL') formerly known as Bedi Seaport Limited ('BSL')	2,299,940	2,299,940
Repayment of loan taken from GIL for investments in infrastructure projects	164,137,000	164,137,000
Total	1,695,613,940	1,210,462,948

Pending utilization, the funds are temporarily held in :

	Upto March 31, 2010	Upto March 31, 2009
Bank Balances	2,683,185	586,783,677
Escrow Accounts *	34,660	9,211,598
Total (refer note below)	2,717,845	595,995,275

* This represents the balance with bank which is not freely remissible to the Company because of restrictions laid down by SEBI (Disclosure of Protection) Guidelines, 2000 (as amended).

Summary of proceeds received/receivable from IPO and their utilization upto March 31, 2010 :

	Upto March 31, 2010	Upto March 31, 2009
Total Proceeds receivable from IPO after forfeiture of equity shares	2,744,890,150	2,763,850,000
Less : IPO proceeds pending collection	-	21,369,442
IPO proceeds received	2,744,890,150	2,742,480,558
IPO proceeds utilized	2,742,172,305	2,146,485,283
Unutilised proceeds held in bank accounts	2,717,845	595,995,275
Total	2,744,890,150	2,742,480,558

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

4. Deferred Tax Liability :

The major components of deferred tax assets and liabilities are as given below :

Particulars	As at March 31, 2010	As at March 31, 2009
Deferred Tax Liability on account of :		
- Depreciation	33,194,866	31,325,060
Deferred Tax Asset on account of :		
Gratuity / Leave Encashment / Cash Compensation Scheme	7,165,453	3,637,242
Net Difference (Deferred Tax Liability)	26,029,413	27,687,818

5. Sub-division of Equity Shares :

During the year, the Company has with the approval of shareholders, sub-divided the face value of its equity shares from Rs. 10 per equity share to Rs. 2 per equity share. The record date for effecting the sub-division was October 27, 2009.

6. 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	As at March 31, 2010	As at March 31, 2009
Net Profit as per Profit & Loss account	140,040,856	136,198,103
Outstanding equity shares at year end	724,439,750	722,750,000
Weighted average Number of Shares outstanding during the year – Basic	722,934,381	722,750,000
Weighted average Number of Shares outstanding during the year - Diluted	724,306,516	726,100,800
Earnings per Share - Basic (Rs.)	0.19	0.19
Earnings per Share - Diluted(Rs.)	0.19	0.19

EPS for the current year has been calculated on the basis of the sub-division of Company's equity share from Rs. 10/- per equity share to Rs. 2/- per equity share. Previous year's figures are calculated on the basis of the sub-divided equity share capital to arrive at comparative figures with the current year.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Reconciliation of weighted number of outstanding during the year

Particulars	As at March, 31, 2010	As at March, 31, 2009
Nominal Value of Equity Shares (Rs. per share)	2	2
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the year	724,439,750	722,750,000
Add : Issue of Equity Shares through Initial Public Offer	-	-
Total number of equity shares outstanding at the end of year	724,439,750	722,750,000
Weighted average number of equity shares at the end of the year	722,934,381	722,750,000
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	722,934,381	722,750,000
Add : Equity shares for arising on grant of stock options under ESOP	1,544,862	3,446,760
Less : Equity shares for arising on grant of stock options under ESOP forfeited / lapsed (included above)	172,727	95,960
Weighted average number of equity shares used in calculating diluted EPS	724,306,516	726,100,800

7. Expenses in Foreign Currency

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Travelling Expenses	377,437	621,711
Professional Fees (Net of TDS & Service Tax)	2,752,169	944,858
Total	3,129,606	1,566,569

8. Managerial Remuneration

a) Particulars

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Managerial Remuneration for Directors included in the Profit and Loss Account		
Salary and Incentives	15,143,040	15,309,866
Company's Contribution to Provident Fund	449,280	354,360
Gratuity and Leave Encashment provision	1,218,886	1,180,839
Directors Remuneration	16,811,206	16,845,065

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Computation of remuneration payable to Managing Director as per Schedule XIII of the Companies Act, 1956

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit after taxation as per the Profit & Loss Account	14,037,627	142,260,230
Add :		
Provision for Tax expense	64,576,595	57,191,281
Directors Fees and Commission	2,256,000	500,000
Directors Remuneration	16,811,206	16,845,065
Depreciation and Amortisation	19,891,391	19,508,224
Add : Assets written off	533,596	47,862
Less : Depreciation u/s 350 of the Companies Act, 1956	19,891,391	19,508,224
Net Profit u/s 349 of the Companies Act, 1956	224,215,024	216,844,438
Maximum Managerial Remuneration payable @ 5% thereof	11,210,751	10,842,222

Managerial remuneration computation does not include ESOP compensation cost of Managing Director Rs. 13,121,336 (Previous year Rs. 9,256,164).

The Central Government has approved the payment of remuneration of upto Rs. 15,327,589 per annum to the Managing Director of the Company, with effect from May 1, 2008 to April 30, 2011 excluding retirement benefits.

9. 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, 2010	Maximum Amount Outstanding during the year
Subsidiaries :		
Gammon Hospitality Limited	- (2,543,026)	2,543,026 (2,543,026)
Gammon Logistics Limited	50,421,239 (35,925,598)	50,421,239 (35,925,598)
Gorakhpur Infrastructure Company Limited	11,859 (-)	61,329 (-)
Kosi Bridge Infrastructure Company Limited	3,119 (-)	949,104 (-)
Mumbai Nasik Expressway Limited	171,764 (-)	619,732 (20,018,955)
Patliputra Highway Limited	- (425,192)	425,192 (945,441)
Patna Highway Limited	319,848 (-)	319,848 (-)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

9. Details of Loans and Advances in the nature of Loans (Contd.)

a) Disclosure of amounts outstanding at the period end as per Clause 32 of the Listing Agreement.

Particulars	Balance as on March 31, 2010	Maximum Amount Outstanding during the year
Rajahmundry Godavari Bridge Limited	615,685	1,434,062
	(-)	(-)
Ras Cities and Townships Private Limited	-	435,158
	(220,382)	(220,382)
Sikkim Hydro Power Ventures Limited	1,784	22,936
	(-)	(-)
Youngthang Power Ventures Limited	-	439,071,994
	(432,525,000)	(432,525,000)
Tidong Hydro Power Limited	15,139	155,075
	(-)	(-)
Associates and Joint Venture Companies :		
Blue Water Iron Ore Terminal Private Limited	1,467,141	1,467,141
	(-)	(-)
Haryana Biomass Power Limited	9,245,254	9,245,254
	(9,064,898)	(9,064,898)
Indira Container Terminal Private Limited	3,509,483	3,509,483
	(3,437,288)	(3,437,288)
Punjab Biomass Power Limited	57,821,894	62,827,320
	(-)	(-)
Modern Tollroads Limited	48,271	48,271
	(48,271)	(48,271)

(Previous year figures in brackets)

None of the loanees hold any shares in the Company

b) During the previous year, the Company has granted an interest free loan to its wholly owned subsidiary Youngthang Power Ventures Limited for a period of three years. The terms of the loan extended includes, a put and call option after 90 days. The said Youngthang Power Ventures Limited exercised the put option and refunded the loan.

10. Lease

The Company has obtained its registered premises on operating lease from its holding company, GIL. It is a cancellable agreement with no escalation clause. The annual lease rentals are Rs. 1,200,000 plus service tax (Previous year Rs. 1,200,000). There are no restrictions imposed on the Company by the lease agreement and there are no sub-leases.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

11. Disclosure under Accounting Standard (AS) - 7

	Year ended March 31, 2010	Year ended March 31, 2009
Contract Revenue recognised	891,054,175	89,945,825
Aggregate Expenditure recognized	896,581,454	89,945,825
Aggregate Profit	84,418,546	-
Retentions	-	7,195,666

12. 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.

13. Related Party Disclosure

a. Relationships :

Entity where control exists :

1. Gammon India Limited - Holding Company

Subsidiaries :

1. Andhra Expressway Limited
2. Cochin Bridge Infrastructure Company Limited
3. Gammon Hospitality Limited
4. Gammon Logistics Limited
5. Gammon Projects Developers Limited
6. Gorakhpur Infrastructure Company Limited
7. Gammon Renewable Energy Limited
8. Gammon Road Infrastructure Limited
9. Gammon Seaport Infrastructure Limited
10. Jaguar Projects Developers Limited
11. Kosi Bridge Infrastructure Company Limited
12. Marine Projects Services Limited
13. Mumbai Nasik Expressway Limited
14. Patliputra Highway Limited
15. Pravara Renewable Energy Limited
16. Patna Highway Projects Limited
17. Rajahmundry Godavari Bridge Limited
18. Rajahmundry Expressway Limited
19. Ras Cities and Townships Pvt Limited
20. Sikkim Hydro Power Ventures Limited
21. Tidong Hydro Power Limited
22. Vizag Seaport Private Limited
23. Youngthang Power Ventures Limited

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Associates and Joint Ventures :

1. Blue Water Iron Ore Terminal Private Limited
2. Eversun Sparkle Maritime Services Limited
3. Haryana Biomass Power Limited
4. Indira Container Terminal Private Limited
5. Modern Tollroads Limited
6. Punjab Biomass Power Limited
7. SEZ Adityapur Limited

Key Management Personnel :

1. Abhijit Rajan
 2. Parvez Umrigar
- b. Details of related parties transactions for the year ended on March 31, 2010.
- Please refer to the Annexure – 1

14. Details of Joint Ventures

- a) Details of Joint Ventures entered into by the Company.

Sno	Name of the Joint Venture	% of Interest as at March 31, 2010
1	Blue Water Iron Ore Terminal Private Ltd	37.30%
2	Haryana Biomass Power Ltd	50%
3	Indira Container Terminal Private Ltd	50%
4	Punjab Biomass Power Ltd	50%
5	SEZ Adityapur Ltd	38%

All the above jointly controlled entities are incorporated in India

- b) Details of share of Assets, Liabilities, Income, Expenditure and Capital Commitments in the Joint Ventures.

(Previous year figures in brackets)

Name of the Joint Venture	Share of Assets	Share of Liability	Share of Income	Share of Expenditure	Share of Capital Commitment	Contingent Liabilities
Blue Water Iron Ore Terminal Private Ltd	14,451,778 (-)	946,223 (-)	- (-)	334,826 (-)	1,931,505,900 (-)	- (-)
Haryana Biomass Power Ltd	5,213,538 (4,766,868)	4,963,538 (4,535,258)	- (N.A.)	27,312 (N.A.)	561,542,903 (64,800,000)	- (-)
Indira Container Terminal Pvt Ltd	732,257,107 (283,676,824)	557,010,119 (18,619,637)	35,266,750 (20,713,770)	65,056,816 (50,468,839)	4,355,541,924 (4,817,771,039)	187,500,000 (187,500,000)
Punjab Biomass Power Ltd	375,285,205 (232,446,134)	277,735,205 (139,250,427)	- (N.A.)	570,838 (N.A.)	270,521,725 (21,300,000)	- (76,401,541)
Sez Adityapur Limited	148,022 (347,410)	(-41,978) (157,410)	- (N.A.)	179,339 (N.A.)	- (-)	- (-)

The above figures pertaining to the Joint Venture Companies are based on the audited accounts for the year ended March 31, 2010, except for Indira Container Terminal Private Limited and SEZ Adityapur Limited.

The Company has diluted its holding in Bedi Seaport Limited in favour of Noble Group Limited, the majority joint venture partner in the port project at Paradip. The name of Bedi Seaport Limited was subsequently changed to Blue Water Iron Ore Terminal Private Limited. The Company further liquidated its holding in favour of the Minerals and Metal Trading Company Ltd, the third joint venture partner. Due to this the Company's holding in the Blue Water Iron Ore Terminal Private Limited stands reduced to 37.30% which is as per the Share Purchase Agreement between the three joint venture partners for the Paradip port project.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

15. 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. This has been relied by the Auditors.

16. Quantitative information

Since the principal business of the Company is Infrastructure Development and carrying out operations and maintenance activities, quantitative details as required by Part II, para 3(ii), 4(c), 4(d) of Schedule VI of the Companies Act, 1956, are not required to be furnished.

17. Current Assets, Loans and Advances

In the opinion of the Board of Directors, Current Assets, Loans and Advances 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.

18. Capital commitments

The total capital commitments of the Company as on March 31, 2010 are Rs. 4,924,620,870 (inclusive of share of capital commitment in joint ventures). Total capital commitment as on March 31, 2009, was Rs. 3,646,870,000. The capital commitments is in respect of projects where the concession agreements have been signed and does not include projects where the Company holds a Letter of Intent.

19. 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 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 the Company at an exercise price of Rs. 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 options to eligible employees of the Company at the market price of Rs. 63.95 per equity share, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 180,000 (Previous year 750,000) options were forfeited / lapsed. Out of the options granted, 1,555,000 (Previous year 1,735,000) 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 options to eligible employees of the Company at the market price of Rs. 63.95 per equity share, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 185,000 (Previous year Nil) options were forfeited / lapsed. Out of the options granted, 305,000 (Previous year 490,000) are outstanding at the end of the year.

Further, during the year 2008-09, the Compensation Committee of the Board of Directors of the Company at its meeting held on December 5, 2008, allotted 500,000 stock options under the "GIPL Employees Stock Options Scheme 2008" to its Managing Director enabling him to apply for 500,000 equity shares at par on completion of the vesting period of one year. The market price on the date of grant was Rs. 43.45 per equity share. During the current year, all these options were vested and the Company allotted 2,500,000 equity shares of Rs. 2/- per equity share. Further Compensation Committee of the Board of the Directors of the Company at its meeting held on May 8, 2009 has further granted 210,000 options to eligible employees of the Company at the market price of Rs. 70.80 per equity share, prevailing on that date upon expiry of the vesting period of three years.

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

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

ESOP Scheme 2007 :

	2009-10			2008-09		
	Fair Value (as on grant date) of equity shares (Rs)	99.00	124.00	63.95	99.00	124.00
Market Price (as on grant date) of equity shares granted during the year (Rs)	N.A.	N.A.	63.95	N.A.	N.A.	63.95
Exercise Price of Options granted during the year (Rs)	80.00	80.00	63.95	80.00	80.00	63.95
Grant Dates	July 1, 2007	October 1, 2007	October 1, 2008	July 1, 2007	October 1, 2007	October 1, 2008
Vesting commences from	July 1, 2008	October 1, 2008	October 1, 2009	July 1, 2008	October 1, 2008	October 1, 2009
Options granted at the beginning of the year	1,440,000	25,000	270,000	1,540,000	25,000	-
Options granted during the year	-	-	-	-	-	920,000
Options lapsed forfeited during the year	180,000	-	-	100,000	-	650,000
Options exercised during the year	-	-	-	-	-	-
Options granted and outstanding at the end of the year	1,260,000	25,000	270,000	1,440,000	25,000	270,000

ESOP Scheme 2008:

	2009-10			2008-09	
	Fair Value (as on grant date) of equity shares (Rs.)	63.95	43.45	63.95	63.95
Market Price (as on grant date) of equity shares granted during the year (Rs.)	63.95	43.45	70.80	63.95	43.45
Exercise Price of Options granted during the year (Rs.)	63.95	10.00	63.95	63.95	10.00
Grant Dates	October 1, 2008	December 5, 2008	May 8, 2009	October 1, 2008	December 5, 2008
Vesting commences from	October 1, 2009	December 5, 2009	October 1, 2010	October 1, 2009	December 5, 2009
Options granted at the beginning of the year	490,000	500,000	-	-	-
Options granted during the year	-	-	210,000	490,000	500,000
Options lapsed forfeited during the year	185,000	-	-	-	-
Options exercised during the year	-	500,000	-	-	-
Options granted and outstanding at the end of the year	305,000	-	210,000	490,000	500,000

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

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	10.00	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	1.66
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, 2010 as reported would have changed to amounts indicated below:

Particulars	Year ended March 31, 2010	
	Year ended March 31, 2010	Year ended March 31, 2009
Net Income as reported	140,040,856	136,198,103
Add: Stock based compensation expense included in the reported income	13,440,190	14,983,962
Less: Stock based compensation expenses determined using fair value of options	35,225,195	41,046,332
Net profit (adjusted)	118,255,851	110,135,733
Basic earnings per share as reported	0.19	0.19
Basic earnings per share (adjusted)	0.16	0.15
Diluted earnings per share as reported	0.19	0.19
Diluted earnings per share (adjusted)	0.16	0.15
Weighted average number of equity shares at the end of the year	722,934,381	722,750,000
Weighted average number of shares considered for diluted earnings per share (adjusted)	724,306,516	726,100,800

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

20. Retention Bonus for employees

During the year 2008-09, 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. The said scheme the Committee of the Board of Directors has extended the Retention Bonus scheme to few more employees of the Company. During the year, a provision of Rs. 11,065,132 (Previous year Rs. 5,973,334) against Cash Compensation in accordance with guidance note on accounting of employees share based payments.

21. Employee benefits

From the April 1, 2007, the revised AS -15 (Employee Benefits) is applicable to the Company.

Gratuity

Gratuity is a defined benefit plan under which employees are entitled to receive gratuity calculated based on the number of years of their service and their last drawn salary at the time of retirement.

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Net employees benefit expense (recognized in Personnel Cost)		
Current Service Cost	359,584	245,364
Interest Cost	99,925	66,037
Actuarial (Gain)/Loss (on account of experience adjustments)*	(186,559)	(2,013)
Reversal of excess provision for earlier year	-	(580,094)
Total	272,950	(270,706)

The provision for gratuity as at March 31, 2010 is Rs. 1,162,433 (Previous year : Rs. 889,483).

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Defined benefit obligation as at March 31, 2009	889,483	1,160,189
Current Service Cost	359,584	245,364
Interest Cost	99,925	66,037
Actuarial (Gain)/Loss (on account of experience adjustments)*	(186,559)	(2,013)
Less : Benefit Paid	-	-
Less : Excess accounted for in earlier year	-	580,094
Defined Benefit Obligation as at March 31, 2010	1,162,433	889,483

* Actuarial Loss on account of experience adjustment for the year ended March 31, 2008 was Rs. 813,892 and on account of changes in actuarial assumptions was Rs. Nil.

The Company's gratuity obligation is fully unfunded. Hence currently, 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:

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
	Discount rate	8%
Expected rate of return on plan 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.

22. 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 of the respective companies and for availing non fund based limits from the banks:

Company Name	No. of Equity shares pledged as at		Rate (Rs)
	March 31, 2010	March 31, 2009	
Andhra Expressway Limited	9,135,010	9,135,010	10/-
Cochin Bridge Infrastructure Company Limited	1,664,019	-	10/-
Rajahmundry Expressway Limited	14,266,318	14,266,318	10/-
Mumbai Nasik Expressway Limited	16,120,000	16,120,000	10/-
Gorakhpur Infrastructure Projects Limited	9,593,233	9,593,233	10/-
Kosi Bridge Infrastructure Company Limited	6,281,730	6,281,730	10/-
Punjab Biomass Power Limited	15,250,000	15,250,000	10/-
Vizag Seaport Private Limited	20,589,729	20,589,729	10/-

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

23. Contingent Liabilities

The Company has extended corporate guarantees on behalf of its two subsidiaries, Sikkim Hydro Power Ventures Limited for Rs. 25 crores and Youngthang Power Ventures Limited for Rs. 45 crores for availing unsecured loans from the banks.

- a) The outstanding Bank Guarantees issued out of the limits sanctioned to the Company as at March 31, 2010, stands at Rs. 9,400,000 (Previous year Rs. 9,900,000) in favour of Gammon Logistics Limited, a wholly owned subsidiary.
- b) During the year, the Company has issued a Corporate Guarantee of Rs. 150,000,000 (Previous year Rs. 150,000,000) in favour of Bank of Maharashtra, as a security for loan availed by Cochin Bridge Infrastructure Company Limited, a subsidiary.
- c) Counter Guarantees given to the bankers for the guarantees given by them on our behalf Rs. 1,579,310,000 (Previous year Rs. 454,600,000).

24. Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2010. There are unhedged foreign currency exposure of US \$ 4,696 (Rs. 211,977) and of British Sterling Pound 126,035 (Rs. 8,574,514) of liability outstanding as at March 31, 2010 towards legal services for the Fund to be established by the Company in future. Further, there is an unhedged foreign currency exposure of US\$ 50,000 (Rs. 2,257,000) of asset as on March 31, 2010 towards advance paid.

25. Prior period comparatives

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date.

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

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

For S.R. Batliboi & Co.
Firm Registration No. : 301003E
Chartered Accountants

Abhijit Rajan
Chairman and Managing Director

Parvez Umrigar
Managing Director

N. Jayendran
Partner
Membership No : 40441

per Hemal Shah
Partner
Membership No: 42650

Himanshu Parikh
Director

C.C. Dayal
Director

Naresh Chandra
Director

Sanjay Sachdev
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Place : Mumbai
Date : May 21, 2010

Place : Mumbai
Date : May 21, 2010

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

ANNEXURE 1 : NOTES TO ACCOUNTS

Related Party Transactions :

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Operations & Maintenance Income :					
- Gammon India Ltd	1,052,049,306 (241,675,845)	- (-)	- (-)	- (-)	1,052,049,306 (241,675,845)
Purchase of Assets					
- Gammon India Ltd	- (2,725,449)	- (-)	- (-)	- (-)	- (2,725,449)
Developer's Fees :					
- Gorakhpur Infrastructure Company Ltd	- (-)	18,132,366 (35,666,344)	- (-)	- (-)	18,132,366 (35,666,344)
- Kosi Bridge Infrastructure Company Ltd	- (-)	30,220,608 (29,721,954)	- (-)	- (-)	30,220,608 (29,721,954)
- Mumbai Nasik Expressway Ltd	- (-)	3,626 (49,783,085)	- (-)	- (-)	3,626 (49,783,085)
- Rajahmundry Godavari Bridge Ltd	- (-)	75,793,292 (-)	- (-)	- (-)	75,793,292 (-)
Other Operating Income :					
- Gammon India Ltd	- (16,562,143)	- (-)	- (-)	- (-)	- (16,562,143)
Insurance Claims received :					
- Gammon India Ltd	2,671,318 (1,882,407)	- (-)	- (-)	- (-)	2,671,318 (1,882,407)
Rent Paid :					
- Gammon India Ltd	1,323,600 (1,200,000)	- (-)	- (-)	- (-)	1,323,600 (1,200,000)
Share Application Money Paid :					
- Blue Water Iron Ore Terminal Private Ltd	- (-)	- (-)	12,000,000 (1,800,000)	- (-)	12,000,000 (1,800,000)
- Gammon Logistics Ltd	- (-)	- (24,500,000)	- (-)	- (-)	- (24,500,000)
- Gammon Projects Developers Ltd	- (-)	4,100,000 (1,400,000)	- (-)	- (-)	4,100,000 (1,400,000)
- Gorakhpur Infrastructure Co. Ltd	- (-)	98,300,000 (173,900,000)	- (-)	- (-)	98,300,000 (173,900,000)
- Indira Container Terminal Pvt Ltd	- (-)	- (-)	98,410,080 (66,720,000)	- (-)	98,410,080 (66,720,000)
- Kosi Bridge Infrastructure Company Ltd	- (-)	- (241,395,000)	- (-)	- (-)	- (241,395,000)
- Marine Projects Services Ltd	- (-)	500,000 (50,000,000)	- (-)	- (-)	500,000 (50,000,000)
- Mumbai Nasik Expressway Ltd	- (-)	177,620,000 (126,000,000)	- (-)	- (-)	177,620,000 (126,000,000)
- Patliputra Highway Ltd	- (-)	500,000 (100,000)	- (-)	- (-)	500,000 (100,000)
- Pravara Renewable Energy Ltd	- (-)	89,500,000 (68,000,000)	- (-)	- (-)	89,500,000 (68,000,000)
- Punjab Biomass Power Ltd	- (-)	- (-)	- (22,000,000)	- (-)	- (22,000,000)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Share Application Money Paid (Contd):					
- Rajahmundry Godavari Bridge Ltd	-	316,017,800	-	-	316,017,800
	(-)	(390,282,235)	(-)	(-)	(390,282,235)
- Sikkim Hydro Power Ventures Ltd	-	125,500,000	-	-	125,500,000
	(-)	(8,800,000)	(-)	(-)	(8,800,000)
- Youngthang Power Ventures Ltd	-	13,500,000	-	-	13,500,000
	(-)	(100,000,000)	(-)	(-)	(100,000,000)
Refund received against Share Application Money Paid / Conversion into equity :					
- Blue Water Iron Ore Terminal Private Ltd	-	-	-	-	-
	(-)	(-)	(1,500,000)	(-)	(1,500,000)
- Gammon Logistics Ltd	-	-	-	-	-
	(-)	(25,000,000)	(-)	(-)	(25,000,000)
- Gammon Projects Developers Ltd	-	2,000,000	-	-	2,000,000
	(-)	(-)	(-)	(-)	(-)
- Gorakhpur Infrastructure Co. Ltd	-	98,300,000	-	-	98,300,000
	(-)	(-)	(-)	(-)	(-)
- Indira Container Terminal Pvt Ltd	-	-	101,670,080	-	101,670,080
	(-)	(-)	(63,460,000)	(-)	(63,460,000)
- Kosi Bridge Infrastructure Company Ltd	-	241,395,000	-	-	241,395,000
	(-)	(-)	(-)	(-)	(-)
- Marine Projects Services Ltd	-	45,000,000	-	-	45,000,000
	(-)	(-)	(-)	(-)	(-)
- Mumbai Nasik Expressway Ltd	-	-	-	-	-
	(-)	(126,000,000)	(-)	(-)	(126,000,000)
Refund received against Share Application Money Paid / Conversion into equity :					
- Patliputra Highway Ltd	-	500,000	-	-	500,000
	(-)	(-)	(-)	(-)	(-)
- Pravara Renewable Energy Ltd	-	69,500,000	-	-	69,500,000
	(-)	(-)	(-)	(-)	(-)
- Punjab Biomass Power Ltd	-	-	-	-	-
	(-)	(-)	(48,083,335)	(-)	(48,083,335)
- Rajahmundry Godavari Bridge Ltd	-	235,700,000	-	-	235,700,000
	(-)	(380,600,000)	(-)	(-)	(380,600,000)
- Sikkim Hydro Power Ventures Ltd	-	125,500,000	-	-	125,500,000
	(-)	(31,239,000)	(-)	(-)	(31,239,000)
- Vizag Seaport Private Ltd	-	45,000,000	-	-	45,000,000
	(-)	(-)	(-)	(-)	(-)
- Youngthang Power Ventures Ltd	-	108,100,000	-	-	108,100,000
	(-)	(500,000)	(-)	(-)	(500,000)
Purchase of Investments :					
- Cochin Bridge Infrastructure Company Ltd	-	-	-	-	-
	(-)	(80,000,000)	(-)	(-)	(80,000,000)
- Gammon India Ltd	-	-	-	-	-
	(159,730,000)	(-)	(-)	(-)	(159,730,000)
Sale of Investments :					
- Gammon India Ltd	-	-	-	-	-
	(255,000)	(-)	(-)	(-)	(255,000)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Managerial Remuneration :					
- Parvez Umrigar	-	-	-	16,811,206	16,811,206
	(-)	(-)	(-)	(16,845,065)	(16,845,065)
Gross value of stock options issued to:					
- Parvez Umrigar	-	-	-	-	-
	(-)	(-)	(-)	(16,725,000)	(16,725,000)
Gross value of stock options vested :					
- Parvez Umrigar	-	-	-	21,725,000	21,725,000
	(-)	(-)	(-)	(-)	(-)
Amortization of options issued to:					
- Parvez Umrigar	-	-	-	13,121,336	13,121,336
	(-)	(-)	(-)	(9,256,164)	(9,256,164)
Finance provided (including Loans and Equity contribution in cash or in kind) :					
- Associated Transrail Structures Ltd	-	-	-	-	-
	(-)	(-)	(1,790,000,000)	(-)	(1,790,000,000)
- Blue Water Iron Ore Terminal Private Ltd	-	-	-	-	-
	(-)	(-)	(1,999,940)	(-)	(1,999,940)
- Gammon Hospitality Ltd	-	-	-	-	-
	(-)	(499,400)	(-)	(-)	(499,400)
- Gammon Logistics Ltd	-	14,245,000	-	-	14,245,000
	(-)	(60,900,000)	(-)	(-)	(60,900,000)
- Gammon Projects Developers Ltd	-	2,000,000	-	-	2,000,000
	(-)	(-)	(-)	(-)	(-)
- Gammon Renewable Energy Infrastructure Ltd	-	500,000	-	-	500,000
	(-)	(-)	(-)	(-)	(-)
- Gammon Road Infrastructure Ltd	-	500,000	-	-	500,000
	(-)	(-)	(-)	(-)	(-)
- Gammon Seaport Infrastructure Ltd	-	500,000	-	-	500,000
	(-)	(-)	(-)	(-)	(-)
- Haryana Biomass Power Ltd	-	-	40,000,000	-	40,000,000
	(-)	(-)	(-)	(-)	(-)
- Indira Container Terminal Ltd	-	-	101,670,080	-	101,670,080
	(-)	(-)	(63,460,000)	(-)	(63,460,000)
- Jaguar Projects Developers Ltd	-	-	-	-	-
	(-)	(499,940)	(-)	(-)	(499,940)
- Kosi Bridge Infrastructure Co. Ltd	-	178,608,150	-	-	178,608,150
	(-)	(-)	(-)	(-)	(-)
- Patliputra Highway Ltd	-	500,000	-	-	500,000
	(-)	(-)	(-)	(-)	(-)
- Patna Highway Projects Ltd	-	500,000	-	-	500,000
	(-)	(-)	(-)	(-)	(-)
- Pravara Renewable Energy Ltd	-	69,500,000	-	-	69,500,000
	(-)	(499,940)	(-)	(-)	(499,940)
- Punjab Biomass Power Ltd	-	-	126,895,000	-	126,895,000
	(-)	(-)	(78,138,335)	(-)	(78,138,335)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Finance provided (including Loans and Equity contribution in cash or in kind) (Contd) :					
- Rajahmundry Godavari Bridge Ltd	-	235,700,000	-	-	235,700,000
	(-)	(380,600,000)	(-)	(-)	(380,600,000)
- Rajahmundry Expressway Ltd	-	-	-	-	-
	(-)	(30,000,000)	(-)	(-)	(30,000,000)
- Sikkim Hydro Power Ventures Ltd	-	-	-	-	-
	(-)	(31,239,000)	(-)	(-)	(31,239,000)
- Vizag Seaport Pvt Ltd	-	-	-	-	-
	(-)	(40,000,000)	(-)	(-)	(40,000,000)
- Youngthang Power Ventures Ltd	-	102,100,000	-	-	102,100,000
	(-)	(433,025,000)	(-)	(-)	(433,025,000)
Repayment in respect of finance provided including equity contribution :					
- Associated Transrail Structures Ltd	-	-	-	-	-
	(-)	(-)	(1,790,000,000)	(-)	(1,790,000,000)
- Gammon Projects Developers Ltd	-	-	-	-	-
	(-)	(5,000)	(-)	(-)	(5,000)
- Haryana Biomass Power Ltd	-	-	40,000,000	-	40,000,000
	(-)	(-)	(-)	(-)	(-)
- Punjab Biomass Power Ltd	-	-	72,200,426	-	72,200,426
	(-)	(-)	(27,224,574)	(-)	(27,224,574)
- Rajahmundry Expressway Ltd	-	-	-	-	-
	(-)	(30,000,000)	(-)	(-)	(30,000,000)
- Vizag Seaport Pvt Ltd	-	-	-	-	-
	(-)	(40,000,000)	(-)	(-)	(40,000,000)
- Youngthang Power Ventures Ltd	-	439,025,000	-	-	439,025,000
	(-)	(-)	(-)	(-)	(-)
Finance provided for expenses and on account payments :					
- Andhra Expressway Ltd	-	4,061,107	-	-	4,061,107
	(-)	(3,808,266)	(-)	(-)	(3,808,266)
- ATSL Infrastructure Projects Ltd	-	-	754	-	754
	(-)	(-)	(-)	(-)	(-)
- Blue Water Iron Ore Terminal Private Ltd	-	-	2,471,789	-	2,471,789
	(-)	(-)	(1,755,375)	(-)	(1,755,375)
- Cochin Bridge Infrastructure Co. Ltd	-	5,018,989	-	-	5,018,989
	(-)	(1,666,012)	(-)	(-)	(1,666,012)
- Gammon Hospitality Ltd	-	42,457	-	-	42,457
	(-)	(3,230,066)	(-)	(-)	(3,230,066)
- Gammon India Ltd	697,000	-	-	-	697,000
	(5,313,171)	(-)	(-)	(-)	(5,313,171)
- Gammon Logistics Ltd	-	5,994,208	-	-	5,994,208
	(-)	(6,948,590)	(-)	(-)	(6,948,590)
- Gammon Metro Transport Ltd	-	-	-	-	-
	(-)	(5,155)	(-)	(-)	(5,155)
- Gammon Projects Developers Ltd	-	6,600	-	-	6,600
	(-)	(7,020)	(-)	(-)	(7,020)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Finance provided for expenses and on account payments (Contd) :					
- Gammon Renewable Energy Infrastructure Ltd	-	31,016	-	-	31,016
	(-)	(-)	(-)	(-)	(-)
- Gammon Road Infrastructure Ltd	-	31,016	-	-	31,016
	(-)	(-)	(-)	(-)	(-)
- Gammon Seaport Infrastructure Ltd	-	30,926	-	-	30,926
	(-)	(-)	(-)	(-)	(-)
- Gorakhpur Infrastructure Co. Ltd	-	18,620,604	-	-	18,620,604
	(-)	(6,982,132)	(-)	(-)	(6,982,132)
Finance provided for expenses and on account payments (continued):					
- Haryana Biomass Power Ltd	-	-	180,356	-	180,356
	(-)	(-)	(2,803,451)	(-)	(2,803,451)
- Indira Container Terminal Pvt Ltd	-	-	72,195	-	72,195
	(-)	(-)	(3,437,288)	(-)	(3,437,288)
- Jaguar Projects Developers Ltd	-	1,016	-	-	1,016
	(-)	(542,214)	(-)	(-)	(542,214)
- Kosi Bridge Infrastructure Co. Ltd	-	19,739,906	-	-	19,739,906
	(-)	(12,305,779)	(-)	(-)	(12,305,779)
- Marine Projects Services Ltd	-	502,316	-	-	502,316
	(-)	(1,896)	(-)	(-)	(1,896)
- Modern Tollroads Ltd	-	-	-	-	-
	(-)	(-)	(575)	(-)	(575)
- Mumbai Nasik Expressway Ltd	-	31,361,867	-	-	31,361,867
	(-)	(34,972,722)	(-)	(-)	(34,972,722)
- Patliputra Highway Ltd	-	45,572	-	-	45,572
	(-)	(-)	(-)	(-)	(-)
- Pravara Renewable Energy Ltd	-	4,405,597	-	-	4,405,597
	(-)	(58,180,129)	(-)	(-)	(58,180,129)
- Patna Highway Projects Ltd	-	652,483	-	-	652,483
	(-)	(-)	(-)	(-)	(-)
- Punjab Biomass Power Ltd	-	-	314,886	-	314,886
	(-)	(-)	(166,428)	(-)	(166,428)
- Rajahmundry Godavari Bridge Ltd	-	24,895,443	-	-	24,895,443
	(-)	(8,041,053)	(-)	(-)	(8,041,053)
- Rajahmundry Expressway Ltd	-	2,898,872	-	-	2,898,872
	(-)	(4,503,517)	(-)	(-)	(4,503,517)
- Ras Cities and Townships Pvt Ltd	-	409,424	-	-	409,424
	(-)	(220,382)	(-)	(-)	(220,382)
- Sikkim Hydro Power Ventures Ltd	-	467,118	-	-	467,118
	(-)	(468,676)	(-)	(-)	(468,676)
- Tidong Hydro Power Ltd	-	170,914	-	-	170,914
	(-)	(95,641)	(-)	(-)	(95,641)
- Vizag Seaport Pvt Ltd	-	183,029	-	-	183,029
	(-)	(-)	(-)	(-)	(-)
- Youngthang Power Ventures Ltd	-	1,429,073	-	-	1,429,073
	(-)	(3,120,435)	(-)	(-)	(3,120,435)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Amount received towards the above finance :					
- Andhra Expressway Ltd	-	4,061,107	-	-	4,061,107
	(-)	(3,808,266)	(-)	(-)	(3,808,266)
- ATSL Infrastructure Projects Ltd	-	-	754	-	754
	(-)	(-)	(36,785)	(-)	(36,785)
- Blue Water Iron Ore Terminal Private Ltd	-	-	1,004,648	-	1,004,648
	(-)	(-)	(1,755,375)	(-)	(1,755,375)
- Cochin Bridge Infrastructure Co. Ltd	-	5,018,989	-	-	5,018,989
	(-)	(1,666,012)	(-)	(-)	(1,666,012)
- Gammon Hospitality Ltd	-	2,585,483	-	-	2,585,483
	(-)	(687,040)	(-)	(-)	(687,040)
- Gammon India Ltd	-	-	-	-	-
	(5,473,694)	(-)	(-)	(-)	(5,473,694)
- Gammon Logistics Ltd	-	5,743,567	-	-	5,743,567
	(-)	(7,260,072)	(-)	(-)	(7,260,072)
- Gammon Metro Transport Ltd	-	-	-	-	-
	(-)	(525,404)	(-)	(-)	(525,404)
- Gammon Projects Developers Ltd	-	6,600	-	-	6,600
	(-)	(7,020)	(-)	(-)	(7,020)
- Gammon Renewable Energy Infrastructure Ltd	-	31,016	-	-	31,016
	(-)	(-)	(-)	(-)	(-)
- Gammon Road Infrastructure Ltd	-	31,016	-	-	31,016
	(-)	(-)	(-)	(-)	(-)
- Gammon Seaport Infrastructure Ltd	-	30,926	-	-	30,926
	(-)	(-)	(-)	(-)	(-)
- Gorakhpur Infrastructure Co. Ltd	-	18,608,745	-	-	18,608,745
	(-)	(6,982,132)	(-)	(-)	(6,982,132)
- Jaguar Projects Developers Ltd	-	1,016	-	-	1,016
	(-)	(542,214)	(-)	(-)	(542,214)
- Kosi Bridge Infrastructure Co. Ltd	-	19,736,787	-	-	19,736,787
	(-)	(12,305,779)	(-)	(-)	(12,305,779)
- Marine Projects Services Ltd	-	502,316	-	-	502,316
	(-)	(1,896)	(-)	(-)	(1,896)
- Modern Tollroads Ltd	-	-	-	-	-
	(-)	(-)	(575)	(-)	(575)
- Mumbai Nasik Expressway Ltd	-	31,190,103	-	-	31,190,103
	(-)	(34,978,025)	(-)	(-)	(34,978,025)
- Patliputra Highway Ltd	-	470,764	-	-	470,764
	(-)	(-)	(-)	(-)	(-)
- Patna Highway Projects Ltd	-	332,635	-	-	332,635
	(-)	(-)	(-)	(-)	(-)
- Pravara Renewable Energy Ltd	-	4,405,597	-	-	4,405,597
	(-)	(68,180,129)	(-)	(-)	(68,180,129)
- Punjab Biomass Power Ltd	-	-	17,992	-	17,992
	(-)	(-)	(173,838)	(-)	(173,838)
- Rajahmundry Godavari Bridge Ltd	-	24,279,758	-	-	24,279,758
	(-)	(8,041,053)	(-)	(-)	(8,041,053)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Amount received towards the above finance (Contd):					
- Rajahmundry Expressway Ltd	-	2,898,872	-	-	2,898,872
	(-)	(4,503,517)	(-)	(-)	(4,503,517)
- Ras Cities and Townships Pvt Ltd	-	629,806	-	-	629,806
	(-)	(-)	(-)	(-)	(-)
- Sikkim Hydro Power Ventures Ltd	-	465,334	-	-	465,334
	(-)	(453,676)	(-)	(-)	(453,676)
- Tidong Hydro Power Ltd	-	155,775	-	-	155,775
	(-)	(95,641)	(-)	(-)	(95,641)
- Youngthang Power Ventures Ltd	-	1,429,073	-	-	1,429,073
	(-)	(3,120,435)	(-)	(-)	(3,120,435)
Interest income during the period :					
- Associated Transrail Structures Ltd	-	-	-	-	-
	(-)	(-)	(26,416,745)	(-)	(26,416,745)
- Gammon Logistics Ltd	-	-	-	-	-
	(-)	(978,027)	(-)	(-)	(978,027)
- Haryana Biomass Power Ltd	-	-	172,241	-	172,241
	(-)	(-)	(-)	(-)	(-)
- Punjab Biomass Power Ltd	-	-	3,447,437	-	3,447,437
	(-)	(-)	(723,108)	(-)	(723,108)
- Rajahmundry Expressway Ltd	-	-	-	-	-
	(-)	(50,630)	(-)	(-)	(50,630)
- Youngthang Power Ventures Ltd	-	429,589	-	-	429,589
	(-)	(50,630)	(-)	(-)	(50,630)
Interest expenses during the period :					
- Gammon India Ltd	-	-	-	-	-
	(5,323,071)	(-)	(-)	(-)	(5,323,071)
- Indira Container Terminal Pvt Ltd	-	-	320,548	-	320,548
	(-)	(-)	(-)	(-)	(-)
Finance received (including Loans and Equity contribution in cash or in kind) :					
- Mr Parvez Umrigar	-	-	-	5,000,000	5,000,000
	(-)	(-)	(-)	(-)	(-)
Finance received for expenses & on account payments :					
- Gammon India Ltd	1,269,407	-	-	-	1,269,407
	(-)	(-)	(-)	(-)	(-)
- Vizag Seaport Private Ltd	-	-	-	-	-
	(-)	(-)	(344,512)	(-)	(344,512)
Amount liquidated towards the above finance received :					
- Gammon India Ltd	544,810	-	-	-	544,810
	(293,000,000)	(-)	(-)	(-)	(293,000,000)
- Vizag Seaport Private Ltd	-	-	-	-	-
	(-)	(-)	(928,788)	(-)	(928,788)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Advance / Deposit towards purchase of Beneficial Interest of equity shares :					
- Gammon India Ltd	264,071,600 (528,780,000)	- (-)	- (-)	- (-)	264,071,600 (528,780,000)
Refund / Adjustment of Deposit towards purchase of Beneficial interest of equity shares					
- Gammon India Ltd	- (687,255,000)	- (-)	- (-)	- (-)	- (687,255,000)
Margin Money Deposit kept with the Company :					
- Indira Container Terminal Pvt Ltd	- (-)	- (-)	10,000,000 (-)	- (-)	10,000,000 (-)
Bank or Corporate Guarantees issued on behalf of the Company :					
- Gammon India Limited	- (16,550,000)	- (-)	- (-)	- (-)	- (16,550,000)
Bank or Corporate Guarantees issued by the Company :					
- Cochin Bridge Infrastructure Company Ltd	- (-)	- (150,000,000)	- (-)	- (-)	- (150,000,000)
- Gammon Logistics Ltd	- (-)	9,400,000 (9,900,000)	- (-)	- (-)	9,400,000 (9,900,000)
- Indira Container Terminal Pvt Ltd	- (-)	- (-)	10,000,000 (-)	- (-)	10,000,000 (-)
Mumbai Nasik Expressway Ltd	- (-)	2,600,000 (-)	- (-)	- (-)	2,600,000 (-)
- Rajahmundry Godavari Bridge Ltd	- (-)	296,500,000 (-)	- (-)	- (-)	296,500,000 (-)
Oustanding Balances Receivable :					
- Blue Water Iron Ore Terminal Private Ltd	- (-)	- (-)	1,467,141 (-)	- (-)	1,467,141 (-)
- Gammon Hospitality Ltd	- (-)	- (2,543,026)	- (-)	- (-)	- (2,543,026)
- Gammon India Ltd	764,450,376 (453,169,737)	- (-)	- (-)	- (-)	764,450,376 (453,169,737)
- Gammon Logistics Ltd	- (-)	50,421,239 (35,925,598)	- (-)	- (-)	50,421,239 (35,925,598)
- Gammon Metro Transport Ltd	- (-)	- (425,192)	- (-)	- (-)	- (425,192)
- Gorakhpur Infrastructure Company Ltd	- (-)	11,859 (-)	- (-)	- (-)	11,859 (-)
- Haryana Biomass Power Ltd	- (-)	- (-)	9,245,254 (9,064,898)	- (-)	9,245,254 (9,064,898)
- Indira Container Terminal Pvt Ltd	- (-)	- (-)	- (3,437,288)	- (-)	- (3,437,288)
- Kosi Bridge Infrastructure Co. Ltd	- (-)	8,336,452 (-)	- (-)	- (-)	8,336,452 (-)
- Modern Tollroads Ltd	- (-)	- (-)	- (48,271)	- (-)	- (48,271)

Schedules (Contd.)

Annexed to and forming part of the financial statements for the year ended March 31, 2010

(All amounts in Indian Rupees)

Amounts in brackets relate to March 31, 2009

Transactions	Holding Company	Subsidiaries	Associates and Joint Ventures	Key Management Personnel	(Rs.) Total
Oustanding Balances Receivable (Contd) :					
- Mumbai Nasik Expressway Ltd	-	171,764	-	-	171,764
	(-)	(-)	(-)	(-)	(-)
- Pravara Renewable Energy Ltd	-	1,780	-	-	1,780
	(-)	(-)	(-)	(-)	(-)
- Patna Highway Projects Ltd	-	319,848	-	-	319,848
	(-)	(-)	(-)	(-)	(-)
- Punjab Biomass Power Ltd	-	-	57,821,894	-	57,821,894
	(-)	(-)	(-)	(-)	(-)
- Rajahmundry Godavari Bridge Ltd	-	615,685	-	-	615,685
	(-)	(-)	(-)	(-)	(-)
- Ras Cities and Townships Pvt Ltd	-	-	-	-	-
	(-)	(220,382)	(-)	(-)	(220,382)
- Sikkim Hydro Power Ventures Ltd	-	1,784	-	-	1,784
	(-)	(-)	(-)	(-)	(-)
- Tidong Hydro Power Ltd	-	15,139	-	-	15,139
	(-)	(-)	(-)	(-)	(-)
- Youngthang Power Ventures Ltd	-	-	-	-	-
	(-)	(432,525,000)	(-)	(-)	(432,525,000)
Oustanding Balances Payable :					
- Indira Container Terminal Pvt Ltd	-	-	6,779,010	-	6,779,010
	(-)	(-)	(-)	(-)	(-)
- Vizag Seaport Private Ltd	-	439,233	-	-	439,233
	(-)	(251,670)	(-)	(-)	(251,670)

Notes :

- 1 During the year, the Company purchased 22,877,500 equity shares of Vizag Seaport Private Limited ('VSPL'), thereby making VSPL as its subsidiary.
- 2 During the year the Company floated four new 100% subsidiaries, Gammon Renewable Energy Infrastructure Limited, Gammon Road Infrastructure Limited, Gammon Seaport Infrastructure Limited and Patna Highway Projects Limited.
- 3 During the year, the Company has diluted its holding in Blue Water Iron Ore Terminal Private Limited ('BWOTPL') (formerly Bedi Seaport Limited) in favour of its joint venture partner. The Company's present share holding in the said joint venture is 37.30%.
- 4 During the year the name of Gammon Metro Transport Limited, a subsidiary of the Company, was changed to Patliputra Highway Projects Limited
- 5 During the year, Mr Parvez Umrigar, Managing Director of the Company, fully exercised the 2,500,000 options granted to him under the ESOP Scheme, 2008. 2500000 equity shares were allotted to him at par of Rs 2/- per equity share.

Statement Pursuant to Section 212

of the Companies Act, 1956, Relating to the Subsidiary Companies
(All amounts in Indian Rupees)

Name of Subsidiaries	Andhra Expressway Limited	Cochin Bridge Infrastructure Company Limited	Gammon Hospitality Limited	Gammon Logistics Limited	Pataliputra Highway Limited	Gammon Projects Developers Limited	Gammon Renewable Energy Infrastructure Limited	Gammon Road Infrastructure Limited
1 The Financial Year of the Subsidiaries ended	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
2 Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd								
1) Numbers								
a) Legal ownership	19,647,450	6,250,070	50,000	2,550,000	15,000	250,000	50,000	50,000
b) Beneficial ownership (**)	9,352,550	-	-	-	-	-	-	-
2) Extent of Holding (including beneficial ownership)	100.00%	97.66%	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 :								
For subsidiaries' financial year ended on 31st March, 2009								
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd								
ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to :								
a) For subsidiaries' financial year ended March 31, 2010	133,489,354	10,616,382	(292,190)	(28,196,241)	(59,174)	39,538	(27,483)	(27,639)
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	168,941,083	8,126,097	(2,215,558)	(16,964,151)	(9,423,850)	(19,254)	****	****

Statement Pursuant to Section 212

of the Companies Act, 1956, Relating to the Subsidiary Companies
(All amounts in Indian Rupees)

Name of Subsidiaries	Gammon Seaport Infrastructure Limited	Gorakhpur Infrastructure Company Limited	Jaguar Projects Developers Limited	Kosi Bridge Infrastructure Company Limited	Marine Projects Services Limited	Mumbai Nasik Expressway Limited	Patma Highway Projects Limited	Pravara Renewable Energy Limited
1 The Financial Year of the Subsidiaries ended	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
2 Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd								
1) Numbers								
a) Legal ownership	50,000	25,418,378	50,000	35,737,169	50,000	41,595,000	50,000	7,000,000
b) Beneficial ownership (**)		9,596,923	-	12,562,831	-	-	-	-
2) Extent of Holding (including beneficial ownership)	100.00%	94.90%	100.00%	100.00%	100.00%	79.99%	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 31st March, 2009								
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd								
ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to :								
a) For subsidiaries' financial year ended March 31, 2010	(27,549)	(1,420,628)	(48,810)	(4,714,341)	1,601,738	-	199,076	(1,786,310)
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	****	***	(7,145,290)	***	(10,244,017)	***	***	***

Statement Pursuant to Section 212

of the Companies Act, 1956, Relating to the Subsidiary Companies
(All amounts in Indian Rupees)

Name of Subsidiaries	Ras Cities and Townships Private Limited(*)	Rajahmundry Godavari Bridge Limited	Rajahmundry Expressway Limited	Sikkim Hydro Ventures Limited	Tidong Hydro Power Limited	Vizag Seaport Private Limited (****)	Youngthang Power Ventures Limited
	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
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	-	61,680,000	19,647,450	3,173,900	-	64,313,847	9,610,000
b) Beneficial ownership (**)	-	-	9,352,550	-	25,500	-	-
2) Extent of Holding (including beneficial ownership)	0.00%	99.29%	100.00%	100.00%	51.00%	73.76%	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 31st March, 2009							
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd							
ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to :							
a) For subsidiaries' financial year ended March 31, 2010	-	(16,676,675)	130,525,125	(1,776,900)	***	104,250,823	(190,346)
b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	***	***	184,764,747	***	***	39,418,152	***
* Subsidiary of Gammon Projects Developers Limited, a wholly owned subsidiary of Gammon Infrastructure Projects Limited ("the Company")							
** As part of its overall business plans, the Company has been acquiring beneficial, controlling interest and voting rights from its holding company in consideration of payment of deposit which, along with the direct shareholdings, has resulted in the Company having control over 51% in various subsidiaries.							
*** Since the company is under project implementation stage, no Profit and Loss Account is prepared.							
**** The company was incorporated during the year 2008-09, hence figures for previous year are not available.							
***** During the year 2009-10, the Company further acquired 22,877,500 equity shares in Vizag Seaport Private Limited ("VSPL"), taking its holding from 47.52% in 2008-09 to 73.76%. On acquisition of these shares VSPL became a subsidiary of the Company.							
For and on behalf of the Board of Directors of Gammon Infrastructure Projects Limited							
Abhijit Rajan Chairman and Managing Director	Parvez Umrigar Managing Director	Himanshu Parikh Director	C.C. Dayal Director	Naresh Chandra Director	Sanjay Sachdev Director	S. C. Tripathi Director	
G. Sathish Chandran Company Secretary							
Place : Mumbai Date : May 21, 2010							

Details of Subsidiaries of Gammon Infrastructure Projects Limited

(Pursuant to the Central Government Order under Section 212 (8) of the Companies Act, 1956 (All amounts in Indian Rs.)
(All amounts in Indian Rupees)

Sr. No.	Particulars	Andhra Expressway Limited	Cochin Bridge Infrastructure Company Limited	Gammon Hospitality Limited	Gammon Logistics Limited	Pataliputra Highway Limited	Gammon Projects Developers Limited	Gammon Renewable Energy Infrastructure Limited	Gammon Road Infrastructure Limited
a)	Issued and Paid-up Equity Share Capital	290,000,000	64,000,700	500,000	25,500,000	1,500,000	2,500,000	500,000	500,000
b)	Reserves	859,307,762	49,133,718	(2,507,748)	(45,805,593)	(1,480,592)	(375,563)	(27,483)	(27,639)
c)	Total Assets	2,998,865,007	259,828,646	533,311	50,202,382	142,224	5,635,467	478,032	477,876
d)	Total Liabilities	1,849,557,245	146,694,228	2,541,059	70,507,975	122,816	3,511,030	5,515	5,515
e)	Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-
f)	Turnover	558,240,000	56,816,252	-	121,846,865	-	-	-	-
g)	Profit/ (Loss) before Taxation	148,826,561	12,831,017	(292,190)	(27,988,419)	(59,174)	60,538	(27,483)	(27,639)
h)	Provision for Taxation including Deferred Tax	15,337,207	1,959,845	-	207,822	-	21,000	-	-
i)	Profit / (Loss) After Taxation	133,489,354	10,871,172	(292,190)	(28,196,241)	(59,174)	39,538	(27,483)	(27,639)
j)	Proposed Dividend	-	-	-	-	-	-	-	-
Sr. No.	Particulars	Gammon Seaport Infrastructure Limited	Gorakhpur Infrastructure Company Limited	Jaguar Projects Developers Limited	Kosi Bridge Infrastructure Company Limited	Marine Projects Services Limited	Mumbai Nasik Expressway Limited	Patna Highway Projects Limited	Pravara Renewable Energy Limited
a)	Issued and Paid-up Equity Share Capital	500,000	368,970,500	500,000	483,000,000	500,000	520,000,000	500,000	70,000,000
b)	Reserves	(27,549)	(5,539,359)	(58,807)	(4,714,341)	1,538,277	324,135,202	(199,076)	(1,786,310)
c)	Total Assets	477,966	3,486,623,194	446,708	2,700,107,525	7,543,792	7,396,752,456	830,258	170,589,195
d)	Total Liabilities	5,515	3,123,192,052	5,515	2,221,821,866	5,505,515	6,552,617,254	529,334	102,375,505
e)	Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-
f)	Turnover	-	-	-	-	-	-	-	-
g)	Profit/ (Loss) before Taxation	-	-	-	-	-	-	-	-
h)	Provision for Taxation including Deferred Tax	(27,549)	(1,489,974)	(48,810)	(2,048,386)	2,331,738	-	199,076	(1,780,280)
i)	Profit / (Loss) After Taxation	-	7,000	-	2,665,955	730,000	-	-	6,030
j)	Proposed Dividend	(27,549)	(1,496,974)	(48,810)	(4,714,341)	1,601,738	-	199,076	(1,786,310)

Details of Subsidiaries of Gammon Infrastructure Projects Limited

(Pursuant to the Central Government Order under Section 212 (8) of the Companies Act, 1956 (All amounts in Indian Rs.)
(All amounts in Indian Rupees)

Sr. No.	Particulars	Ras Cities and Townships Private Limited	Rajahmundry Godavari Bridge Limited	Rajahmundry Expressway Limited	Sikkim Hydro Power Ventures Limited	Tidong Hydro Power Limited	Vizag Seaport Private Limited	Youngthang Power Ventures Limited
a)	Issued and Paid-up Equity Share Capital	100,000	621,212,500	290,000,000	31,739,000	500,000	871,912,640	96,100,000
b)	Reserves	(58,488)	(16,856,128)	873,190,931	(2,349,356)	(81,872)	(279,669,277)	(826,964)
c)	Total Assets	752,547,027	2,283,051,218	3,217,060,515	163,168,933	774,046	2,859,242,048	554,207,102
d)	Total Liabilities	752,505,515	1,678,694,846	2,053,869,584	133,779,289	274,046	2,266,998,686	458,934,066
e)	Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-
f)	Turnover	-	-	-	-	-	-	-
g)	Profit/(Loss) before Taxation	-	-	593,843,240	-	-	1,148,625,212	-
h)	Provision for Taxation including Deferred Tax	58,488	(9,673,111)	152,530,792	(1,752,100)	-	141,334,432	(190,346)
i)	Profit/(Loss) After Taxation	-	7,122,867	22,005,667	24,800	-	-	-
j)	Proposed Dividend	58,488	(16,795,978)	130,525,125	(1,776,900)	-	141,334,432	(190,346)
	Details on Investments (other than in subsidiary companies):							

Balance Sheet Abstract

and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No. :
 State Code :
 Balance Sheet Date :
 Date Month Year

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue :
 Right Issue :
 Bonus Issue :
 Private Placement :

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities :
 Total Assets :
 Sources of Funds
 Paid-up Capital :
 Deferred Tax (Liability) :
 Reserves & Surplus :
 Unsecured Loans :
 Employee Stock Options :
 Application of Funds
 Net Fixed Assets :
 Investments :
 Net Current Assets :
 Misc. Expenditure :

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Total Income :
 Total Expenditure :
 Profit / (Loss) before tax :
 Profit / (Loss) After Tax :
 Earning per share in Rs. :
 Dividend rate % :

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY - CONSTRUCTION OF :

Product Description :
 Product Description :
 Product Description :
 Product Description :
 Product Description :

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

Abhijit Rajan
Chairman and Managing Director

Parvez Umrigar
Managing Director

Himanshu Parikh
Director

C.C. Dayal
Director

Naresh Chandra
Director

Sanjay Sachdev
Director

S.C. Tripathi
Director

G. Sathis Chandran
Company Secretary

Place : Mumbai
Date : May 21, 2010



Vizag Seaport



Rajahmundry Expressway Ltd



GAMMON

Gammon Infrastructure Projects Limited

www.gammoninfra.com