

Natvarlal Vepari & Co.
Chartered Accountants
Oricon House
4th floor, 12 K Dubash Marg
Mumbai 400 023

S.R. Batliboi & Co. LLP
Chartered Accountants
14th Floor, The Ruby
29 Senapati Bapat Marg
Mumbai 400 028

INDEPENDENT AUDITORS' REPORT

To
The members of
Gammon Infrastructure Projects Limited

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



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appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

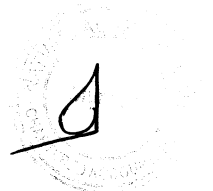
Opinion

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Companies Act 1956, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
 - iii) The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.



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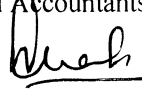
- v) On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of Clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956 on the said date.

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



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

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



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



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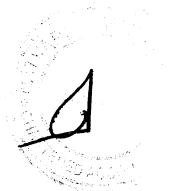
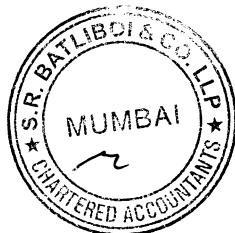
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ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

Re: Gammon Infrastructure Projects Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) .Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as per the report of the site auditors provided to us, no material discrepancies were noticed on such verification.
- (iii) (a) The Company has granted loans to 11 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 5,033,493,446/-, and the year-end balance of loans granted to such parties was Rs. 4,926,264,896/-.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever charged and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.



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- (c) In respect of the loans granted, repayment of the principal amount and interest is as stipulated.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company has taken loan from 4 companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.2,442,945,291/- and the year-end balance of loans taken from such parties was Rs.1,677,245,291/-
- (f) In our opinion and according to the information and explanations given to us, the rate of interest, wherever charged and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) The payment of the principal and interest is as stipulated. Where the loans taken are repayable on demand, as informed to us, the lenders have not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the rendering of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.



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- (b) All the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and the nature of services rendered by such parties.
- (vi) The Company has not accepted any deposits from the public during the year under review, and consequently the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, the following Tax / duty etc has not been deposited on account of dispute.

Name of the Statute	Nature of the dues	Amount	Period to which it relates	Forum where Dispute is pending
Income Tax Act, 1961	Demand under u/s 153A	20,50,89,058	A.Y. 2005-06 to A.Y. 2011-12	Commissioner of Income-Tax (Appeals)
	Demand of Penalty u/s 271 1(c)	1,34,40,400	A.Y. 2007-08	Commissioner of Income-Tax (Appeals)



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- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding dues in respect of debenture holders during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion and the information given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiary companies from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs.202,99,98,908 raised on short term basis in the form of unsecured loans and other current liabilities have been used for long-term investments.*



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- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 and therefore the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xix) The Company did not issue any debentures during the year and therefore the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year and accordingly clause (xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

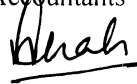
For Natvarlal Vepari & Co.
Firm Registration Number: 106971W
Chartered Accountants



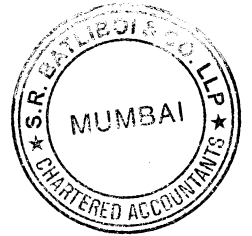
N Jayendran
Partner
M.No. 40441
Mumbai, Dated : May 24, 2013



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



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



GAMMON INFRASTRUCTURE PROJECTS LIMITED
BALANCE SHEET AS AT MARCH 31, 2013
 (All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	As At March 31, 2013	As At March 31, 2012
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,47,61,55,376	1,46,56,29,736
Reserves and Surplus	4	4,98,26,49,828	4,69,38,33,345
		6,45,88,05,204	6,15,94,63,081
Non-current liabilities			
Long-term borrowings	5	3,98,51,00,000	-
Deferred Tax Liability, Net	6	2,01,76,400	2,49,83,662
Trade payables		-	-
Other long-term liabilities	10	27,60,00,000	1,00,00,000
Long-term provisions	7	1,56,57,291	99,62,077
		4,29,69,33,691	4,49,45,739
Current Liabilities			
Short-term borrowings	8	1,31,45,57,772	1,76,49,45,291
Trade payables	9	4,18,23,350	2,62,26,221
Other current liabilities	10	92,48,90,331	13,93,00,833
Short-term provisions	7	19,86,87,982	12,54,68,067
		2,47,99,59,435	2,05,59,40,412
TOTAL		13,23,56,98,330	8,26,03,49,231
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	11	1,05,05,436	1,11,43,013
Intangible assets	12	12,19,19,455	14,02,02,365
Capital work-in-progress		-	-
Intangible assets under development		-	-
Non current investments	13	5,63,70,87,739	4,77,01,71,763
Long-term loans and advances	14	6,81,09,51,837	3,07,20,62,275
Trade receivables		-	-
Other non-current assets	15	24,06,73,336	2,78,02,913
		12,82,11,37,803	8,02,13,82,329
Current assets			
Current investments		-	-
Inventories	16	1,42,32,210	17,90,791
Trade receivables	17	28,86,14,817	16,63,39,974
Cash and cash equivalents	18	4,08,48,713	3,90,04,490
Short term loans and advances	14	6,71,93,872	3,18,31,648
Other current assets	15	36,70,915	-
		41,45,60,527	23,89,66,903
TOTAL		13,23,56,98,330	8,26,03,49,232
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

N. Jayendran
 N. Jayendran

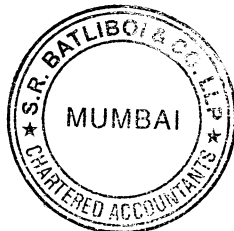
Partner
 Membership No : 40441

Place : Mumbai
 Date : May 24, 2013



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

Hemal Shah
 per Hemal Shah
 Partner
 Membership No: 42650



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

Abhijit Rajan
 Abhijit Rajan
 Chairman and Managing Director

Himanshu Parikh
 Himanshu Parikh
 Vice Chairman

Kishor Kumar Mohanty
 Kishor Kumar Mohanty
 Managing Director

Parag Parikh
 Parag Parikh
 Whole-time Director & CFO

S.C. Dayal
 S.C. Dayal
 Director

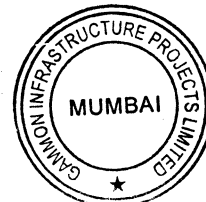
Nareish Chandra
 Nareish Chandra
 Director

S.C. Tripathi
 S.C. Tripathi
 Director

Homai A. Daruwalla
 Homai A. Daruwalla
 Director

G. Selvis Chandran
 G. Selvis Chandran
 Company Secretary

Place : Mumbai
 Date : May 24, 2013



GAMMON INFRASTRUCTURE PROJECTS LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013
 (All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2013	Year Ended March 31, 2012
INCOME			
Revenue from operations			
Revenue	19	1,24,34,06,537	58,03,90,205
Other operating income	20	-	44,95,00,000
		<u>1,24,34,06,537</u>	<u>1,02,98,90,205</u>
Other income	21	15,86,37,936	8,29,06,743
Total Income (I)		<u><u>1,40,20,44,473</u></u>	<u><u>1,11,27,96,948</u></u>
EXPENDITURE			
Sub-contract expenses	22	7,54,02,594	3,15,53,385
Employee benefit expenses	23	19,64,65,529	17,17,11,651
Other expenses	24	15,71,99,376	26,55,02,447
Total Expenditure (II)		<u><u>42,90,67,499</u></u>	<u><u>46,87,67,483</u></u>
Earnings before interest, tax, depreciation and amortization (I) - (II)		<u>97,29,76,974</u>	<u>64,40,29,465</u>
Depreciation and amortisation expenses	11 & 12	1,99,26,608	1,99,70,934
Finance Costs	25	42,45,89,783	22,26,50,977
Profit before tax		<u>52,84,60,583</u>	<u>40,14,07,554</u>
Tax expenses			
Current Tax		22,90,00,000	7,30,00,000
Deferred Tax		(48,07,262)	(9,93,913)
Total tax expenses		<u>22,41,92,738</u>	<u>7,20,06,087</u>
Profit for the year from operations		<u><u>30,42,67,845</u></u>	<u><u>32,94,01,467</u></u>
Earnings per equity share [nominal value of share Rs. 2/-]	26		
Basic		0.41	0.45
Diluted		0.41	0.45

Summary of significant accounting policies

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

As per our report of even date

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

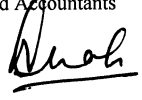

 N. Jayendran

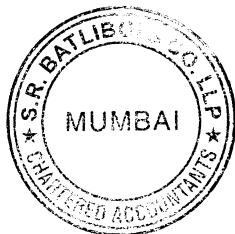
Partner
 Membership No : 40441

Place : Mumbai
 Date : May 24, 2013

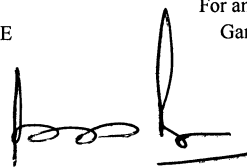
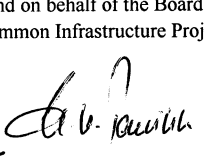
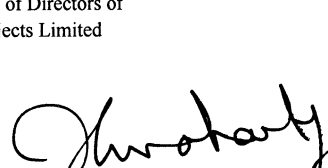





J.R. Batliboi & Co. LLP
 For S.R. Batliboi & Co. LLP
 ICAI Firm Registration No. : 301003E
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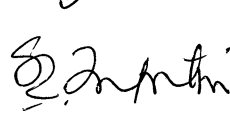

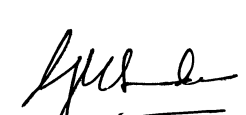

 per Hemal Shah
 Partner
 Membership No: 42650



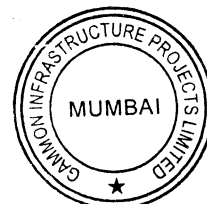
For and on behalf of the Board of Directors of
 Gammon Infrastructure Projects Limited

  
 Abhijit Rajan Himanshu Parikh Kishor Kumar Mohanty
 Chairman and Vice Chairman Managing Director
 Managing Director

  
 Parag Parikh C.C. Dayal Naresh Chandra
 Whole-time Director Director Director
 & CFO

  
 S.C. Tripathi Homai A. Daruwalla G. Bathis Chandran
 Director Director Company Secretary

Place : Mumbai
 Date : May 24, 2013

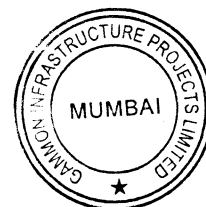
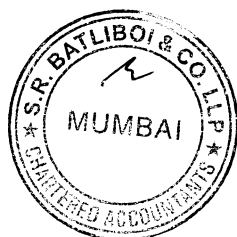


GAMMON INFRASTRUCTURE PROJECTS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	52,84,60,583	40,14,07,554
Adjustments for :		
Depreciation & Amortisation	1,99,26,608	1,99,70,934
Dividend Income	-	(12,62,374)
(Profit) / loss on Sale of Investments	(89,84,492)	5,45,50,000
Interest expense & other finance costs	42,45,89,783	22,11,35,144
Interest income	(14,00,93,903)	(6,86,19,151)
Employee Stock Options	(35,19,002)	(57,642)
Cash Alternative Settlement for ESOP Scheme	42,85,167	35,37,253
Write back of provision towards advances given	-	(1,30,00,000)
Sundry balances written off	93,527	14,91,447
Provisions against Current Assets, Loans & Advances	14,09,916	1,22,79,061
Provision for gratuity and leave encashment	68,04,870	46,54,625
Loss on sale of assets	1,346	31,57,468
Provision for Diminution in the Value of Investment	3,00,00,000	2,79,00,000
	<u>33,45,13,820</u>	<u>26,57,36,765</u>
Operating Profit before Working Capital Changes	86,29,74,403	66,71,44,319
Movement in working capital :		
(Increase) / Decrease in Trade and Other Receivables	(17,01,44,989)	3,84,69,117
(Increase) / Decrease in Inventories	(1,24,41,419)	10,08,591
Increase / (Decrease) in Trade Payables and other liabilities	1,09,08,29,577	2,11,64,674
	<u>90,82,43,169</u>	<u>6,06,42,382</u>
Cash Generated from the Operations	1,77,12,17,572	72,77,86,701
Cash compensation expenses paid	(2,20,50,000)	-
Direct Taxes paid	(16,17,06,266)	(1,12,66,448)
Net Cash from Operating Activities	1,58,74,61,306	71,65,20,253
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of Fixed Assets	(10,27,467)	(33,19,930)
Proceeds from sale of Fixed Assets	20,000	33,000
Investments :		
Subscription towards share capital:		
Subsidiaries	(84,79,15,976)	(1,48,50,000)
Joint Ventures	(4,90,00,000)	-
Proceeds from sale of Investments :		
Subsidiaries	-	-
Joint Ventures	-	5,04,50,000
Purchase of Other Investments :		
Mutual Fund Units	(1,81,00,00,000)	(1,06,00,00,000)
Fixed Deposit	(5,00,00,000)	-
Payment towards debt service reserve	(10,10,21,822)	-
Sale of Other Investments :		
Mutual Fund Units	1,81,89,84,492	1,06,00,00,000
Payment towards equity commitment	(21,90,33,126)	(1,92,25,10,000)
Refund of share application money	-	3,27,98,16,440
Intercompany Deposits :		
Granted	(5,15,51,44,855)	(3,15,84,84,850)
Refunds received	1,66,88,97,334	91,38,17,367
Interest received	7,45,74,387	6,11,03,649
Dividend received	-	12,62,374
Net Cash (used in) Investing Activities	(4,67,06,67,033)	(79,26,81,950)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue/allotment of equity shares	-	3,00,002
Proceeds from long term borrowings	4,05,00,00,000	-
Proceeds from short term borrowings	1,64,85,45,543	2,13,73,00,000
Repayment of long term borrowings	(2,95,00,000)	-
Repayment of short term borrowings	(2,09,89,33,062)	(2,10,85,54,709)
Interest paid	(48,36,55,811)	(17,63,12,347)
Share issue expenses	(14,06,720)	(65,28,590)
Net Cash from / (used in) Financing Activities	3,08,50,49,950	(15,37,95,644)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	18,44,223	(22,99,57,341)
Closing Balances *	4,08,48,713	3,90,04,490
Opening Balances	3,90,04,490	26,89,61,831
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	18,44,223	(22,99,57,341)

Note : Figures in brackets denote outflows.



GAMMON INFRASTRUCTURE PROJECTS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

	Year ended March 31, 2013	Year ended March 31, 2012
Components of Cash and Cash Equivalents		
Cash on hand	2,39,904	8,77,518
Cheques on hand	-	5,00,000
With Banks :		
On Current Account	4,06,08,809	3,21,23,983
On Bank Overdraft (Debit Balance)	-	55,02,989
	<u>4,08,48,713</u>	<u>3,90,04,490</u>

Refer Note 2.1 for summary of significant accounting policies.

As per our report of even date

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

N. Jayendran
N. Jayendran

Partner
Membership No : 40441

Place : Mumbai
Date : May 24, 2013

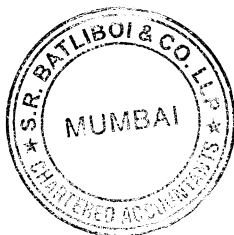


J.R. Batliboi

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

Hemal Shah
per Hemal Shah

Partner
Membership No: 42650



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

Abhijit Rajan
Abhijit Rajan
Chairman and
Managing Director

Himanshu Parikh
Vice Chairman

Kishor Kumar Mohanty
Kishor Kumar Mohanty
Managing Director

Parag Parikh
Parag Parikh
Whole-time Director
& CFO

C.C. Dayal
C.C. Dayal
Director

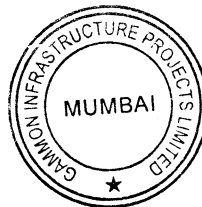
Naresh Chandra
Naresh Chandra
Director

S.C. Tripathi
S.C. Tripathi
Director

Homai A. Baruwalla
Homai A. Baruwalla
Director

G. Sathis Chandran
G. Sathis Chandran
Company Secretary

Place : Mumbai
Date : May 24, 2013



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

1. Corporate Information

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

2. Basis of Preparation

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

The classification of assets and liabilities of the Company is done into current and non-current based on the criterion specified in the Revised Schedule VI notified under the Companies Act, 1956.

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

2.1 Summary of significant accounting policies

a. Use of estimates

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

b. Revenue Recognition

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

Operation and Maintenance income:

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

Developer fees & other advisory services:

Revenue on Developer Fees is recognized on an accrual basis.

Construction contract revenues :

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

Construction contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period. Foreseeable losses are fully provided for in the respective accounting period.

Interest income:

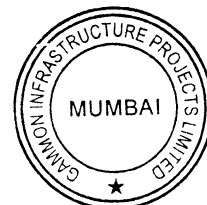
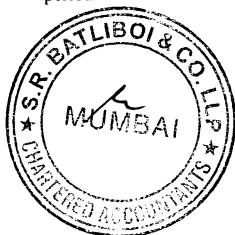
Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income:

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

c. Fixed Assets and depreciation

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

Depreciation on Fixed Assets is provided on the Straight Line Method ('SLM') using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV of the Companies Act, 1956 whichever is higher. Depreciation on assets purchased /installed during the year is calculated on a pro-rata basis from the date of such purchase / installation.

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

d. Impairment

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

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

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

e. Investments

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

f. Inventories

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

b) Work in progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.

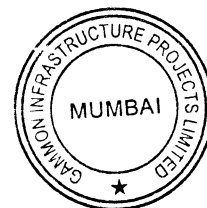
g. Provision for Taxation

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

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

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

h. Operating Lease

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

i. Earnings per share

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

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

j. Provisions, Contingent Liabilities and Contingent Assets

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

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

k. Share Issue Expenses

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

l. Employee Benefits

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

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

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

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

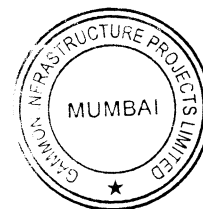
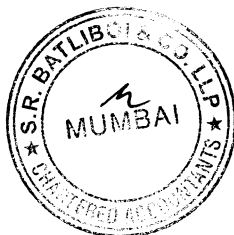
m. Employee Share – based payment plans ('ESOP')

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

n. Foreign currency translation

Initial recognition :

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

Conversion :

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

Exchange differences :

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

o. Cash and cash equivalents

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

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
 (All amounts in Indian Rupees unless otherwise stated)

3. Share Capital

Particulars	As at March 31, 2013	As at March 31, 2012
i) Authorised shares :		
1,00,00,00,000 (previous year: 1,00,00,00,000) Equity shares of Rs 2/- each	2,00,00,00,000	2,00,00,00,000
Total	2,00,00,00,000	2,00,00,00,000
ii) Issued and subscribed shares :		
73,48,36,688 (previous year : 72,95,73,868) Equity Shares of Rs. 2/- each	1,46,96,73,376	1,45,91,47,736
Total	1,46,96,73,376	1,45,91,47,736
iii) Paid-up shares :		
73,40,26,438 (previous year : 72,87,63,618) Equity Shares of Rs. 2/- each	1,46,80,52,876	1,45,75,27,236
Total	1,46,80,52,876	1,45,75,27,236
iv) Shares forfeited :		
Amount received in respect of 1,62,050 (previous year : 1,62,050) equity shares of Rs. 10/- each forfeited	81,02,500	81,02,500
Total	81,02,500	81,02,500
Total paid-up share capital (iii + iv)	1,47,61,55,376	1,46,56,29,736

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

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Amount	Number	Amount
Equity share of Rs. 2/- each fully paid-up				
Balance, beginning of the year	72,87,63,618	1,45,75,27,236	72,87,40,162	1,45,74,80,324
Issued during the year on exercise of				
- Employee stock options ('ESOP')	-	-	23,456	46,912
- Bonus issue	52,62,820	1,05,25,640	-	-
Balance, end of the year	73,40,26,438	1,46,80,52,876	72,87,63,618	1,45,75,27,236

b) Terms / rights attached to equity shares

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

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

c) The Company has issued bonus shares during the year to the shareholders other than the promoter group in the ratio of 1:34 (with the fractions being rounded-off to the next higher whole number) aggregating to 52,62,820 equity shares of Rs. 2 each as fully paid by utilising securities premium account aggregating to Rs. 1,05,25,640 /-

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

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

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Amount	Number	Amount
Equity shares of Rs. 2/- each fully paid up				
Gammon India Limited, Holding Company	52,80,00,000	1,05,60,00,000	52,80,00,000	1,05,60,00,000
Gactel Turnkey Projects Limited, Fellow Subsidiary	2,24,00,000	4,48,00,000	2,24,00,000	4,48,00,000
	55,04,00,000	1,10,08,00,000	55,04,00,000	1,10,08,00,000

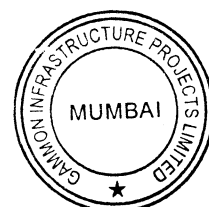
e) Details of shareholders holding more than 5% shares in the Company

Particulars	As At March 31, 2013		As At March 31, 2012	
	Number	Amount	Number	Amount
Shareholders holding more than 5% shares in the Company				
Equity shares of Rs. 2/- each fully paid up				
Gammon India Limited, Holding Company	52,80,00,000	71.93%	52,80,00,000	72.45%
	52,80,00,000	71.93%	52,80,00,000	72.45%

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

f) Shares reserved under options to be given.

11,46,670 (previous year : 33,95,420) equity shares have been reserved for issue as ESOP.
 For further details Refer Note 4.1.



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

4. Reserves and Surplus :

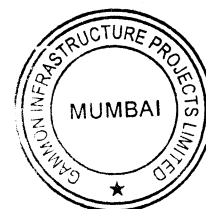
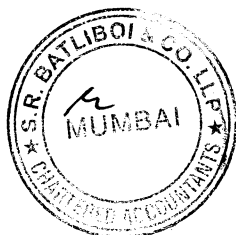
Particulars	As at March 31, 2013	As at March 31, 2012
Securities premium account:		
Balance, beginning of the year	3,50,94,43,124	3,50,81,77,883
Add : Security Premium on issue of shares on exercise of Employee Stock Options	-	12,65,241
Less : Bonus shares issued	1,05,25,640	-
Less : Bonus Share issue expenses	14,06,720	-
	<u>3,49,75,10,764</u>	<u>3,50,94,43,124</u>
Employee stock options outstanding:		
Balance, beginning of the year	65,78,002	96,76,544
Less : Employee Stock Options Exercised	-	1,76,790
Less : Employee stock options forfeited / lapsed	35,65,249	31,48,505
	<u>30,12,753</u>	<u>63,51,249</u>
Add : Short accounting of ESOP's in prior year	-	2,73,000
Less : Deferred Employee compensation outstanding	(46,247)	46,247
	<u>30,59,000</u>	<u>65,78,002</u>
Other Reserves:		
General Reserve		
Balance, beginning of the year	23,95,500	-
Add: reversal of provision for employee stock options outstanding on lapse of options	-	23,95,500
	<u>23,95,500</u>	<u>23,95,500</u>
Surplus in the statement of profit and loss		
Balance as per the last financial statements	1,17,54,16,719	84,60,15,252
Add : Profit for the year	30,42,67,845	32,94,01,467
	<u>1,47,96,84,564</u>	<u>1,17,54,16,719</u>
Net surplus in the statement of profit and loss		
	<u>4,98,26,49,828</u>	<u>4,69,38,33,345</u>

4.1 Employees Stock Options Scheme ('ESOP')

The Company has instituted an ESOP Scheme "GIPL ESOP 2007" scheme during the year 2007-08, approved by the shareholders vide their resolution dated May 4, 2007, as per which the Board of Directors of the Company granted 1,640,000 equity-settled stock options to its employees pursuant to the ESOP Scheme on July 1, 2007 and October 1, 2007. Each options entitles an employee to subscribe to 1 equity share of 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 Directors of the Company at its meeting held on October 1, 2008, has further granted 920,000 equity-settled options to eligible employees of the Company at the market price of Rs 63.95 per equity share of Rs. 10 each, prevailing on September 30, 2008 upon expiry of the respective vesting period which ranges from one to three years. During the current year, 3,24,750 (Previous year 2,29,500) options were forfeited / lapsed. Out of the options granted, 1,61,000 (Previous year 4,85,750) are outstanding at the end of the year.

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

Further, during the year 2009-10, the Compensation Committee of the Board of the Directors of the Company at its meeting held on May 8, 2009 has further granted 210,000 equity-settled options to eligible employees of the Company at the market price of Rs 72.10 per equity share of Rs. 10 each, prevailing on that date upon expiry of the vesting period of three years. During the current year, 1,00,000 (Previous year 20,308) options were forfeited / lapsed while None (previous year : 4,692) options were exercised by the employees. Out of the options granted, None (Previous year 100,000) are outstanding at the end of the year.



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

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

ESOP Scheme 2007 :

	2012-13			2011-12		
Fair Value (as on grant date) of equity shares (Rupees)	99.00	124.00	63.95	99.00	124.00	63.95
Market Price (as on grant date) of equity shares granted during the year (Rupees)	N.A.	N.A.	63.95	N.A.	N.A.	63.95
Exercise Price of Options granted during the year (Rupees)	80.00	80.00	63.95	80.00	80.00	63.95
Grant Dates	1-Jul-07	1-Oct-07	1-Oct-08	1-Jul-07	1-Oct-07	1-Oct-08
Vesting commences from	1-Jul-08	1-Oct-08	1-Oct-09	1-Jul-08	1-Oct-08	1-Oct-09
Options outstanding at the beginning of the year	3,05,750	-	1,80,000	4,20,250	25,000	2,70,000
Options granted during the year	-	-	-	-	-	-
Options lapsed /forfeited during the year	1,44,750	-	1,80,000	1,14,500	25,000	90,000
Options exercised during the year	-	-	-	-	-	-
Options granted and outstanding at the end of the year	1,61,000	-	-	3,05,750	-	1,80,000

ESOP Scheme 2008:

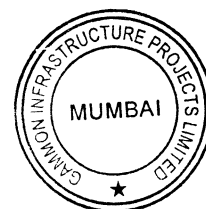
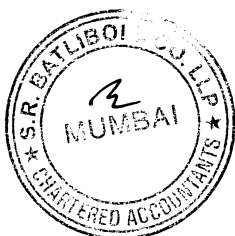
	2012-13			2011-12		
Fair Value (as on grant date) of equity shares (Rupees)	63.95	43.45	63.95	63.95	43.45	63.95
Market Price (as on grant date) of equity shares granted during the year (Rupees)	63.95	43.45	72.1	63.95	43.45	72.1
Exercise Price of Options granted during the year (Rupees)	63.95	10	63.95	63.95	10	63.95
Grant Dates	1-Oct-08	5-Dec-08	8-May-09	1-Oct-08	5-Dec-08	8-May-09
Vesting commences from	1-Oct-09	5-Dec-09	1-Oct-10	1-Oct-09	5-Dec-09	1-Oct-10
Options outstanding at the beginning of the year	93,334	-	1,00,000	1,26,668	-	1,25,000
Options granted during the year	-	-	-	-	-	-
Options lapsed /forfeited during the year	25,000	-	1,00,000	33,334	-	20,308
Options exercised during the year	-	-	-	-	-	4,692
Options granted and outstanding at the end of the year	68,334	-	-	93,334	-	1,00,000

Particulars	ESOP Scheme 2007	ESOP Scheme 2008	ESOP Scheme 2008	ESOP Scheme 2008
Options (Numbers)	2,70,000	4,90,000	5,00,000	2,10,000
Weighted Average Fair Value of options granted during the year	40.46	40.46	39.40	36.12
Option Pricing Model used	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model	Black Scholes Option Pricing Model
Equity Share Price	74.30	74.30	47.90	70.85
Exercise Price	63.95	63.95	10	63.95
Expected Volatility	0.5169	0.5169	0.6533	0.7508
Weighted Average on unexpired life of the options (in years)	2.51	2.51	1.68	0.76
Expected dividend	Nil	Nil	Nil	Nil
Risk Free Interest Rate	8.61%	8.61%	6.81%	5.03%
Basis of determination of volatility	Average of GIPL(from the date of listing) and 4 previous yrs average of IVRCL and Nagarjuna	Average of GIPL(from the date of listing) and 4 previous yrs average of IVRCL and Nagarjuna	Average of GIPL(from the date of listing) and 2 previous yrs average of IVRCL and Nagarjuna	Average of GIPL(from the date of listing) and 2 previous yrs average of GVK & GMR

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

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

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Net Income as reported	30,42,67,845	32,94,01,467
Add: Stock based compensation expense included in the reported income	46,247	9,58,806
Less: Stock based compensation expenses determined using fair value of options	2,33,195	77,60,545
Net profit (adjusted)	30,40,80,897	32,25,99,728
Basic earnings per share as reported	0.41	0.45
Basic earnings per share (adjusted)	0.41	0.44
Diluted earnings per share as reported	0.41	0.45
Diluted earnings per share (adjusted)	0.41	0.44
Weighted average number of equity shares at the end of the year	73,40,26,438	72,87,55,992
Weighted average number of shares considered for diluted earnings per share (adjusted)	73,41,80,933	72,91,05,907



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

5. Long Term Borrowings :

Particulars	Non-current portion		Current maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Term loans				
Inter-corporate deposit from subsidiary	1,11,51,00,000	-	3,54,00,000	-
Term loan from Financial institution	2,87,00,00,000	-	-	-
(disclosed as Other Current liabilities -See Note 10)	-	-	(3,54,00,000)	-
	<u>3,98,51,00,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

Schedule of repayment of ICD	As at
	March 31, 2013
Instalments payable within one year i.e. upto March 31, 2014	3,54,00,000
Instalments payable between April 01, 2014 to March 31, 2015	6,26,87,500
Instalments payable beyond March 31, 2015	1,05,24,12,500
Total	<u>1,15,05,00,000</u>

II Details of Term loan from Financial Institution :

	As at
	March 31, 2013
Secured portion	2,29,55,21,821
Unsecured portion	57,44,78,179
Total Loan balance	<u>2,87,00,00,000</u>

a) The above term loan from financial Institution is secured by:

- 1) Pledge of equity shares of Subsidiary for an aggregate value of Rs. 2,19,45,00,000/-
- 2) A first and exclusive charge on the:
 - (i) Designated account
 - (ii) Debt Service Reserve aggregating to Rs. 10,10,21,821/- as on March 31, 2013.
 - (iii) Surplus Monies and
 - (iv) the sale proceeds to be received by the Company upon Mumbai Nasik Expressway Limited 'MNEL' Stake sale and/or the Lender exercising its power in respect of the Borrower's stake in MNEL under the Loan Agreement.

The balance is secured by equity shares pledged by the promoter Company, hence is shown as unsecured portion.

b) This term loan carries an interest rate of 14.00% pa. It's repayment is due on September 15, 2014.

6. Deferred Tax Liability :

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

	As at	As at
	March 31, 2013	March 31, 2012
Deferred Tax Liability on account of:		
- Depreciation	3,03,74,405	3,11,90,189
Deferred Tax Asset on account of:		
- Employee benefits	1,01,98,005	62,06,527
Deferred Tax Liability, net	<u>2,01,76,400</u>	<u>2,49,83,662</u>

7. Provisions:

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provision for employee benefits :				
- Cash Compensatory Scheme (refer note 7.1 & 7.2)	-	-	17,41,294	1,95,06,127
- Leave Encashment	1,21,30,273	75,24,383	25,24,507	13,30,559
- Gratuity	35,27,018	24,37,694	79,865	1,55,427
	<u>1,56,57,291</u>	<u>99,62,077</u>	<u>43,45,666</u>	<u>2,09,92,113</u>
Provision for taxation, net of advance tax				
	-	-	19,43,42,316	10,44,75,954
	-	-	19,43,42,316	10,44,75,954
Total Provisions	<u>1,56,57,291</u>	<u>99,62,077</u>	<u>19,86,87,982</u>	<u>12,54,68,067</u>

a) A demand of Rs 20,50,89,058 has been raised by the income-tax authorities for Assessment Years 2005-06 to 2011-12 pursuant to assessment proceedings conducted under Section 153A of the Income Tax Act, 1961. The Company has filed an appeal against the said demand. However, the provisions for tax made by the Company are adequate to meet the said demand.

7.1 Employees 'ESOP' compensation cost :

During the previous years, the Compensation Committee of the Board of Directors has implemented a scheme of Retention Bonus for its employees Under this scheme, employees (excluding the managing Director), to whom stock options were offered in the current year are entitled to a cash alternative to the options which would be payable in lieu of their not exercising the right to apply for the shares against the options granted under the ESOP schemes. During the year, a provision of Rs. 42,87,167 (Previous year Rs 35,37,253) has been made for Cash Compensation in accordance with the Guidance Note on Accounting of Employees Share Based Payments issued by the Institute of Chartered Accountant of India and a payment of Rs. 2,20,50,000/- is made to employees.

7.2 Movement in Cash Compensatory Scheme balance :

	March 31, 2013	March 31, 2012
Balance, beginning of the year	1,95,06,127	1,68,04,235
Add: Charge for the year	50,13,918	35,37,253
Less: Adjustments in statement of Profit & Loss Account	7,28,751	8,35,361
Less: Paid during the year	2,20,50,000	-
Balance, end of the year	<u>17,41,294</u>	<u>1,95,06,127</u>

7.3 Gratuity

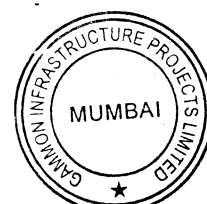
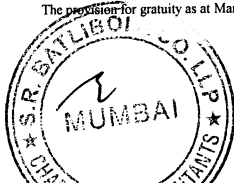
Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service. The Company's gratuity liability is unfunded.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the balance sheet.

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Net employees benefit expense (recognized in Employee benefit cost)		
Current Service Cost	9,79,230	5,54,063
Interest Cost	2,26,898	1,29,684
Actuarial (Gain)/Loss	(2,01,096)	3,37,441
Total	<u>10,05,032</u>	<u>10,21,188</u>

Particulars	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Actuarial (Gain)/Loss	(2,01,096)	3,37,441	7,15,877	(1,86,559)	(2,013)
Experience adjustment	(3,89,191)	4,93,895	7,67,540	(1,86,559)	(2,013)
Changes in Actuarial assumptions	1,88,095	(1,56,454)	(51,663)	-	-

The provision for gratuity as at March 31, 2013 is Rs. 36,06,883 (Previous year: Rs 25,93,121).



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

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Defined benefit obligation as at March 31, 2012	25,93,121	15,71,933
Expense for the year	10,05,032	10,21,188
Net liability transfer in	31,807	-
Less : Benefit Paid	23,077	-
Defined Benefit Obligation as at March 31, 2013	<u>36,06,883</u>	<u>25,93,121</u>

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

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

Particulars	Year ended	Year ended
	March 31, 2013	March 31, 2012
Discount rate	8.25%	8.75%
Expected rate of return on plan assets	Not applicable	Not applicable
Attrition rate	2.00%	2.00%
Retirement age	60 years	60 years
Salary Escalation	5.00%	5.00%

8. Short Term Borrowings :

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Inter-corporate deposits (unsecured and repayable on demand)	-	73,62,00,000
12.00% Inter-corporate deposit from holding Company	-	32,87,45,291
Interest free (PY : 9.50%) Inter-corporate deposit from Subsidiary Companies	52,67,45,291	-
11.90% Short Term Loan from bank (unsecured)	-	70,00,00,000
Bank overdraft (Unsecured, currently 13.25% with pledge on FD of Rs. 5,00,00,000)	78,78,12,481	-
Total Short Term Borrowings	<u>1,31,45,57,772</u>	<u>1,76,49,45,291</u>

9. Trade payables

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Trade payables - Micro, small and medium enterprises	-	-
Trade payables - Others	4,18,23,350	2,62,26,221
Total trade payables	<u>4,18,23,350</u>	<u>2,62,26,221</u>

Amounts due to Micro, Small and Medium Enterprises

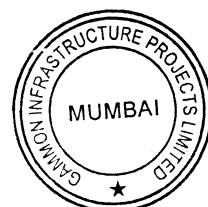
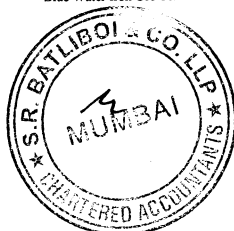
As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures 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.

10. Other liabilities:

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(a) Current maturities of long-term borrowings (note 5)	-	-	3,54,00,000	-
(b) Interest accrued but not due	-	-	2,31,38,499	8,22,04,526
(c) Dues to related parties (refer details below)	-	-	4,99,92,780	1,31,81,599
(d) Mobilisation advance received	26,60,00,000	-	66,91,85,465	-
(e) Advance received for purchase of subsidiary's equity shares	-	-	2,65,20,000	2,65,20,000
(f) Deposit received towards Margin Money from Joint Venture Company	1,00,00,000	1,00,00,000	-	-
(g) Duties and Taxes payable	-	-	78,48,128	1,63,59,431
(h) Deferred income	-	-	9,02,86,199	-
(i) Other Liabilities	-	-	2,25,19,260	10,35,277
Total other current liabilities:	<u>27,60,00,000</u>	<u>1,00,00,000</u>	<u>92,48,90,331</u>	<u>13,93,00,833</u>

Details of dues to related parties:	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Subsidiaries:				
- Andhra Expressway Ltd	-	-	12,38,331	-
- Kosi Bridge Infrastructure Company Ltd	-	-	-	1,710
- Mumbai Nasik Expressway Limited	-	-	4,60,09,444	88,83,030
- Pravara Renewable Energy Ltd	-	-	3,88,798	9,301
- Sikkim Hydro Power Ventures Ltd	-	-	-	1,85,778
- Sutuj Renewable Energy Pvt Ltd	-	-	-	5,582
- Vijayawada Gundugolanu Road Projects Pvt Ltd	-	-	20,31,470	1,00,000
- Youngthang Power Ventures Ltd	-	-	1,21,464	38,07,669
Joint Ventures:				
- Blue Water Iron Ore Terminal Pvt Ltd	-	-	2,03,273	1,88,529
	<u>-</u>	<u>-</u>	<u>4,99,92,780</u>	<u>1,31,81,599</u>



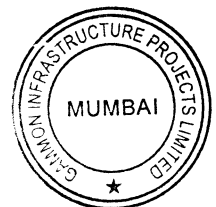
GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
 (All amounts in Indian Rupees unless otherwise stated)

11 TANGIBLE ASSETS :

Particulars	Plant & Machinery	Earth Moving Machinery	Furniture & Fixtures	Office Equipments	Computers	Motor Vehicles	Total
Cost or valuation							
As at April 1, 2011	13,50,580	1,20,797	49,28,981	19,30,538	34,09,550	63,67,789	1,81,08,235
Additions	6,656	-	2,15,910	3,19,462	9,18,006	18,59,896	33,19,930
Sales/Disposals	-	-	41,82,036	4,82,146	32,750	-	46,96,932
As at March 31, 2012	13,57,236	1,20,797	9,62,855	17,67,854	42,94,806	82,27,685	1,67,31,233
Additions	-	-	3,13,574	3,49,543	3,64,350	-	10,27,467
Sales/Disposals	-	-	-	-	32,750	-	32,750
As at March 31, 2013	13,57,236	1,20,797	12,76,429	21,17,397	46,26,406	82,27,685	1,77,25,950
Accumulated Depreciation							
As at April 1, 2011	1,76,287	37,543	15,17,624	3,01,244	15,81,783	18,42,268	54,56,749
Charge for the year	64,587	13,700	1,95,056	85,959	5,84,412	6,94,221	16,37,935
On Sale/Disposals	-	-	13,74,999	1,22,738	8,727	-	15,06,464
As at March 31, 2012	2,40,874	51,243	3,37,681	2,64,465	21,57,468	25,36,489	55,88,220
Charge for the period	64,469	13,662	52,583	1,00,541	6,30,813	7,81,630	16,43,698
On Sale/Disposals	-	-	-	-	11,404	-	11,404
As at March 31, 2013	3,05,343	64,905	3,90,264	3,65,006	27,76,877	33,18,119	72,20,514
Net Block							
As at March 31, 2012	11,16,362	69,554	6,25,174	15,03,389	21,37,338	56,91,196	1,11,43,013
As at March 31, 2013	10,51,893	55,892	8,86,165	17,52,391	18,49,529	49,09,566	1,05,05,436

12 INTANGIBLE ASSETS :

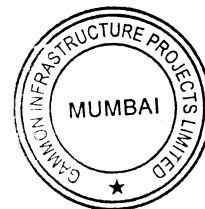
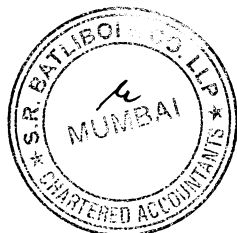
Particulars	O&M Rights
Cost or valuation	
As at April 1, 2011	25,00,00,000
Additions	-
Sales/Disposals	-
As at March 31, 2012	25,00,00,000
Additions	-
Sales/Disposals	-
As at March 31, 2013	25,00,00,000
Accumulated Depreciation	
As at April 1, 2011	9,14,64,636
Charge for the year	1,83,32,999
On Sale/Disposals	-
As at March 31, 2012	10,97,97,635
Charge for the period	1,82,82,910
On Sale/Disposals	-
As at March 31, 2013	12,80,80,545
Net Block	
As at March 31, 2012	14,02,02,365
As at March 31, 2013	12,19,19,455



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
 (All amounts in Indian Rupees unless otherwise stated)

13. Non-current investments

Particulars	Face Value Rupees	As at March 31, 2013		As at March 31, 2012	
		Nos.	Amount	Nos.	Amount
Trade Investments, in Subsidiary Companies:					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
Andhra Expressway Limited	10	2,14,59,950	25,69,69,000	2,14,59,950	25,69,69,000
Birmatrapur Barkote Highway Pvt Ltd	10	10,000	1,00,000	-	-
Cochin Bridge Infrastructure Company Limited	10	62,50,070	6,25,00,700	62,50,070	6,25,00,700
Gammon Logistics Limited (fully provided)	10	25,50,000	2,55,00,000	25,50,000	2,55,00,000
Gammon Projects Developers Limited	10	2,50,000	25,00,000	2,50,000	25,00,000
Gammon Renewable Energy Infrastructure Limited	10	50,000	5,00,000	50,000	5,00,000
Gammon Road Infrastructure Limited	10	50,000	5,00,000	50,000	5,00,000
Gammon Seaport Infrastructure Limited	10	50,000	5,00,000	50,000	5,00,000
Gorakhpur Infrastructure Company Limited	10	3,74,58,063	37,45,80,630	3,74,58,063	37,45,80,630
Haryana Biomass Power Limited (fully provided)	10	50,000	1,46,00,000	50,000	1,46,00,000
Jaguar Projects Developers Limited	10	50,000	5,00,000	50,000	5,00,000
Kosi Bridge Infrastructure Company Limited	10	3,57,37,169	35,73,71,690	3,57,37,169	35,73,71,690
Lilac Infra Projects Developers Limited	10	50,000	5,00,000	50,000	5,00,000
Marine Project Services Limited	10	50,000	5,00,000	50,000	5,00,000
Marmugao Terminal Limited	10	50,000	5,00,000	-	-
Mumbai Nasik Expressway Limited	10	4,15,95,000	41,59,50,000	4,15,95,000	41,59,50,000
Pataliputra Highway Limited	100	15,000	10,33,850	15,000	10,33,850
Patna Buxar Highways Limited	10	5,61,14,703	56,11,47,030	50,000	5,00,000
Patna Highway Projects Limited	10	25,00,000	2,50,00,000	25,00,000	2,50,00,000
Pravara Renewable Energy Limited	10	1,74,00,000	17,40,00,000	1,74,00,000	17,40,00,000
Rajahmundry Expressway Limited	10	2,14,59,950	25,69,69,000	2,14,59,950	25,69,69,000
Rajahmundry Godavari Bridge Limited	10	9,82,26,750	99,14,56,446	8,95,78,750	89,57,87,500
Satluj Renewable Energy Private Limited	10	4,000	40,000	4,000	40,000
Sidhi Singrauli Road Projects Ltd	10	50,000	5,00,000	-	-
Sikkim Hydro Power Ventures Limited	10	31,73,900	3,17,39,000	31,73,900	3,17,39,000
Tada Infra Development Company Limited	10	50,000	5,00,000	50,000	5,00,000
Vijayawada Gundugolanu Road Project Pvt Ltd	10	10,000	1,00,000	10,000	1,00,000
Vizag Seaport Private Limited	10	6,43,13,847	69,80,80,277	6,43,13,847	69,80,80,277
Yamunanagar Panchkula Highway Pvt Ltd	10	1,90,50,000	19,05,00,000	-	-
Youngthang Power Ventures Limited	10	1,44,50,000	14,45,00,000	1,44,50,000	14,45,00,000
			4,58,91,37,623		3,74,12,21,647
Beneficial Interest in Equity Shares :					
Andhra Expressway Limited	10	75,40,050	12,66,51,866	75,40,050	12,66,51,866
Chitoor Infra Company Private Limited	10	10,000	1,00,000	10,000	1,00,000
Gorakhpur Infrastructure Company Limited	10	1,49,47,238	14,94,72,380	1,49,47,238	14,94,72,380
Kosi Bridge Infrastructure Company Limited	10	1,25,62,831	12,56,28,310	1,25,62,831	12,56,28,310
Rajahmundry Expressway Limited	10	75,40,050	11,95,75,780	75,40,050	11,95,75,780
Earthlink Infrastructure Projects Pvt Ltd (formerly known as Satyavedu Infra Company Private Limited)	10	10,000	1,00,000	10,000	1,00,000
Segue Infrastructure Projects Pvt Ltd (formerly known as Tada Sez Private Limited)	10	10,000	1,00,000	10,000	1,00,000
Tidong Hydro Power Limited	10	25,500	2,55,000	25,500	2,55,000
			52,18,83,336		52,18,83,336
Trade Investments in Joint venture entities :					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
Blue Water Iron Ore Terminal Private Limited	10	30,51,808	3,05,18,080	30,51,808	3,05,18,080
Indira Container Terminal Private Limited	10	2,43,75,840	24,37,58,400	2,43,75,840	24,37,58,400
Maa Durga Expressways Private Limited	10	49,00,000	4,90,00,000	-	-
SEZ Adityapur Limited	10	19,000	1,90,000	19,000	1,90,000
			32,34,66,480		27,44,66,480
Beneficial Interest in Equity Shares :					
Indira Container Terminal Private Limited	10	2,64,07,160	26,40,71,600	2,64,07,160	26,40,71,600
			26,40,71,600		26,40,71,600
Trade Investments in Associates :					
(Valued at cost unless otherwise stated)					
(Fully paid-up unless otherwise stated)					
Ordinary Shares: (Unquoted)					
ATSL Infrastructure Projects Limited	10	24,450	2,44,500	24,450	2,44,500
Eversun Sparkle Maritimes Services Private Limited	10	21,43,950	2,14,39,500	21,43,950	2,14,39,500
Modern Tollroads Limited	10	24,470	2,44,700	24,470	2,44,700
			2,19,28,700		2,19,28,700
Less: Provision for diminution in value of Investment in					
Gammon Logistics Limited			2,55,00,000		2,55,00,000
Eversun Sparkle Maritimes Services Private Limited			1,33,00,000		1,33,00,000
Haryana Biomass Power Limited			1,46,00,000		1,46,00,000
Blue Water Iron Ore Terminal Private Limited			3,00,00,000		-
			8,34,00,000		5,34,00,000
			5,63,70,87,739		4,77,01,71,763
			5,63,70,87,739		4,77,01,71,763
Aggregate Book Value of Unquoted Investments			5,63,70,87,739		4,77,01,71,763



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
 (All amounts in Indian Rupees unless otherwise stated)

13.1 Pledge of Shares

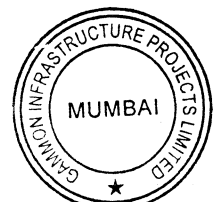
The Company has pledged the following shares in favour of the lenders to the projects as part of the terms of financing agreements for facilities taken by GIPL or its project SPV's as indicated below:

Company Name	Face value Rupees	No. of Equity shares pledged as at	
		31-Mar-13	31-Mar-12
Andhra Expressway Limited	10/-	1,31,75,970	1,31,71,442
Cochin Bridge Infrastructure Company Limited	10/-	16,64,019	16,64,019
Rajahmundry Expressway Limited	10/-	1,47,44,579	1,47,44,579
Mumbai Nasik Expressway Limited	10/-	3,89,42,800	1,61,20,000
Gorakhpur Infrastructure Company Limited	10/-	2,76,86,396	3,72,79,629
Kosi Bridge Infrastructure Company Limited	10/-	2,07,67,040	2,07,67,040
Vizag Seaport Private Limited	10/-	6,15,15,633	6,15,15,633
Pataliputra Highway Limited	100/-	7,350	7,350
Patna Highway Projects Limited	10/-	7,50,000	7,50,000
Patna Buxar Highways Limited	10/-	13,000	-
Rajahmundry Godavari Bridge Limited	10/-	8,95,73,750	8,95,73,750
Indira Container Terminal Private Limited	10/-	1,65,00,000	2,00,00,000

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

14. Loans and Advances

Particulars	Non- Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Security Deposit				
Unsecured, Considered good				
- Bid Security Deposit	-	-	-	22,50,000
- Accomodation	10,10,000	5,00,000	-	-
- O & M Contract Deposit	32,14,929	28,14,802	-	-
- Others	4,700	61,693	-	-
(A)	<u>42,29,629</u>	<u>33,76,495</u>	-	<u>22,50,000</u>
Intercorporate Deposits paid				
Related parties (refer note 14.1)				
- Unsecured, Considered good	6,52,66,63,869	3,04,15,78,450	-	-
- Unsecured, Considered doubtful	3,73,07,102	3,61,45,000	-	-
Others				
- Unsecured, Considered doubtful	38,92,000	38,92,000	-	-
	<u>6,56,78,62,971</u>	<u>3,08,16,15,450</u>	-	-
Less: Provision for doubtful ICD's	4,11,99,102	4,00,37,000	-	-
(B)	<u>6,52,66,63,869</u>	<u>3,04,15,78,450</u>	-	-
Advance recoverable in cash or in kind				
Related party :				
Unsecured, Considered good				
Dues from parent Company :	-	-	39,05,595	13,84,867
Dues from Subsidiary Companies :	-	-	2,89,00,718	18,28,204
Dues from Joint Ventures :	-	-	64,00,135	46,43,347
Dues from Associates :	-	-	48,271	48,271
Unsecured, Considered doubtful				
Dues from Subsidiary Companies :	-	-	1,48,41,818	1,22,79,061
Others:				
Considered good	-	-	7,92,192	21,71,573
Considered doubtful	-	-	21,12,009	18,91,408
	-	-	<u>5,70,00,738</u>	<u>2,42,46,731</u>
Less: Provision for doubtful advance recoverable in cash or in kind	-	-	1,69,53,827	1,41,70,469
(C)	-	-	<u>4,00,46,911</u>	<u>1,00,76,262</u>
Other Loans and advances				
Advance Income Tax (Net of Provision for Taxation) [See Note 7 (a)]	3,66,85,158	1,41,12,530	-	-
Prepaid expenses	1,13,45,255	-	2,23,38,188	1,20,79,359
Service tax credit receivable / VAT deposited	-	-	48,08,773	8,97,437
Others	-	-	-	65,28,590
(D)	<u>4,80,30,413</u>	<u>1,41,12,530</u>	<u>2,71,46,961</u>	<u>1,95,05,386</u>
Advance towards equity commitment				
Related parties (refer note 14.2)	23,20,27,926	1,29,94,800	-	-
(E)	<u>23,20,27,926</u>	<u>1,29,94,800</u>	-	-
Total Loans and Advances (A + B + C + D + E)	<u>6,81,09,51,837</u>	<u>3,07,20,62,275</u>	<u>6,71,93,872</u>	<u>3,18,31,648</u>
Total of Loans and Advances with related parties	<u>6,75,86,91,795</u>	<u>3,05,45,73,250</u>	<u>3,53,00,853</u>	<u>64,71,551</u>



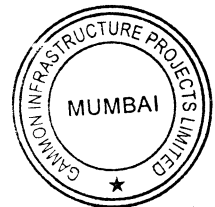
GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

14.1. The break-up of Intercorporate Loans granted by the Company to related parties is as under :

Company Name	March 31, 2013	March 31, 2012
Interest bearing considered good		
Aparna Infraenergy India Pvt Ltd	-	2,78,85,000
Cochin Bridge Infrastructure Company Limited	-	2,75,00,000
Gammon Projects Developers Limited	-	9,70,000
Gammon Renewable Energy Infrastructure Limited	-	4,62,000
Gammon Road Infrastructure Limited	10,54,943	7,33,25,000
Ghaggar Renewable Energy Private Limited	-	1,17,10,000
Gorakhpur Infrastructure Company Limited	-	63,92,00,000
Indira Container Terminal Pvt Limited	6,10,26,496	1,02,00,000
Kosi Bridge Infrastructure Company Ltd	-	4,60,00,000
Mumbai Nasik Expressway Ltd	63,06,20,000	59,36,20,000
Pataliputra Highway Limited	-	3,54,00,000
Patna Buxar Highways Ltd	-	6,48,66,500
Patna Highway Projects Ltd	-	44,52,50,000
Pravara Renewable Energy Infrastructure Limited	-	6,50,40,000
Sikkim Hydro Power Ventures Limited	-	14,12,48,120
Sutluj Renewable Energy Private Limited	-	25,90,000
Tidong Hydro Power Limited	-	1,13,30,000
Youngthang Power Ventures Limited	-	50,63,04,150
Total (A)	69,27,01,439	2,70,29,00,770
Interest free considered good		
Aparna Infraenergy India Pvt Ltd	30,05,17,309	-
Birmitrapur Barkote Highway Pvt Ltd	5,18,24,515	-
Chitoor Infra Company Private Limited	1,00,000	-
Cochin Bridge Infrastructure Company Limited	4,07,00,000	-
Earthlink Infrastructure Projects Pvt Ltd	6,50,000	-
Gammon Projects Developers Limited	60,46,000	50,76,000
Gammon Renewable Energy Infrastructure Limited	5,11,20,000	5,06,58,000
Ghaggar Renewable Energy Private Limited	2,00,000	-
Gammon Road Infrastructure Limited	1,75,10,000	-
Gammon Seaport Infrastructure Limited	4,300	-
Gorakhpur Infrastructure Company Limited	1,46,97,00,000	-
Kosi Bridge Infrastructure Company Ltd	31,56,61,273	-
Pataliputra Highway Limited	63,84,50,000	13,21,00,000
Patna Buxar Highways Ltd	2,00,000	-
Patna Highway Projects Ltd	69,32,50,000	-
Pravara Renewable Energy Limited	14,56,70,680	5,35,08,680
Rajahmundry Godavari Bridge Limited	15,55,00,000	-
Sikkim Hydro Power Ventures Limited	94,36,79,246	4,91,00,000
Segue Infrastructure Projects Pvt Ltd	2,50,000	-
Sutluj Renewable Energy Private Limited	24,90,000	-
Sidhi Singrauli Road Projects Ltd	6,55,00,125	-
Tidong Hydro Power Limited	1,18,13,000	-
Vijayawada Gundugolanu Road Project Pvt Ltd	24,38,56,763	-
Youngthang Power Ventures Limited	57,41,47,150	4,82,35,000
Yamunanagar Panchkula Highway Pvt Ltd	10,47,72,069	-
Yamunanagar Minor Mineral Pvt Ltd	3,50,000	-
Total (B)	5,83,39,62,430	33,86,77,680
Total (A + B)	6,52,66,63,869	3,04,15,78,450
Interest free considered doubtful		
Gammon Logistics Limited	3,73,07,102	3,61,45,000
Total	3,73,07,102	3,61,45,000

14.2. The break-up of advance towards equity commitment made by the Company to related parties is as under :

Company Name	March 31, 2013	March 31, 2012
Modern Toll Roads Ltd	1,29,94,800	1,29,94,800
Vijayawada Gundugolanu Road Project Pvt Ltd	5,09,00,000	-
Rajahmundry Godavari Bridge Limited	16,81,33,126	-
Total	23,20,27,926	1,29,94,800



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to the financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

15. Other current assets

Particulars	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Interest accrued receivable				
From related parties, considered good (refer note 15.1)	8,96,18,009	2,77,69,408	36,70,915	-
From Banks, considered good	-	-	6,92,183	6,92,183
From others, considered doubtful	-	-	-	-
	8,96,18,009	2,77,69,408	43,63,098	6,92,183
Less: Provision for doubtful Interest accrued receivable			6,92,183	6,92,183
Non-current bank balances (Refer note 18)	15,10,55,327	33,505	-	-
Total Other current assets	24,06,73,336	2,78,02,913	36,70,915	-

15.1 Break-up of interest accrued receivable from related parties is as follows:

Company Name	March 31, 2013	March 31, 2012
Cochin Bridge Infrastructure Company Limited	17,46,501	17,46,501
Gammon Projects Developers Limited	1,04,760	1,04,760
Ghaggar Renewable Energy Private Limited	6,97,558	3,89,956
Gammon Road Infrastructure Limited	1,59,718	-
Gorakhpur Infrastructure Company Limited	1,12,70,388	98,55,986
Indira Container Terminal Private Limited	32,43,564	37,448
Kosi Bridge Infrastructure Company Limited	7,89,325	1,05,934
Mumbai Nasik Expressway Ltd	5,74,41,314	1,50,351
Patna Buxar Highways Limited	-	93,106
Patna Highway Projects Limited	19,33,028	19,33,028
Pravara Renewable Energy Limited	25,46,537	25,46,537
Sikim Hydro Power Ventures Limited	26,51,638	26,51,638
Tidong Hydro Power Limited	1,62,850	1,62,850
Younghang Power Ventures Limited	68,70,828	79,91,313
Total	8,96,18,009	2,77,69,408

16. Inventories

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Stores and Materials at site (at lower of cost computed at weighted average rate and net realisable value)	15,97,008	17,90,791
Construction Work in progress (EPC)	1,26,35,202	-
Total Inventories	1,42,32,210	17,90,791

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

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Turnover for the year	-	-
Aggregate Expenditure (Net of inventory adjustments) for contracts existing as at the year end,	1,26,35,202	-
Aggregate Contract Profits/Losses recognized for contracts existing as at the year end,	-	-
Contract Advances (Net)	82,25,50,263	-
Gross Amount due from Customers for contract work	-	-
Gross Amount due to customers for contract work	-	-

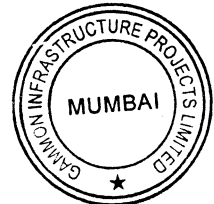
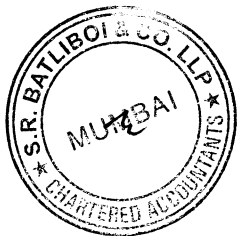
17. Trade Receivables

Unsecured, considered good unless stated otherwise

Particulars	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment	-	-	2,37,66,825	82,75,398
Other receivables	-	-	26,48,47,992	15,80,64,376
Total trade receivables	-	-	28,86,14,817	16,63,39,774

Note: Entire receivables are from related parties the break-up of which is as follows:

Holding Company:		
Gammon India Limited	4,98,17,883	6,95,75,389
Subsidiaries:		
Mumbai Nasik Expressway Ltd	7,13,88,385	5,31,02,385
Gorakhpur Infrastructure Company Ltd.	2,35,20,000	-
Kosi Bridge Infrastructure Company Ltd.	63,32,960	13,62,200
Patna Highway Projects Ltd	-	4,23,00,000
Birmitrapur Barkote Highway Pvt Ltd	4,65,17,142	-
Sidhi Singrauli Road Projects Ltd	4,07,47,974	-
Patna Buxar Highways Limited	1,34,999	-
Yamanagar Panchkula Highway Pvt Ltd	10,00,000	-
Viyayawada Gundugolanu Road Project Pvt Ltd	1,98,65,160	-
Joint Venture:		
Maa Durga Expressways Private Limited	2,92,90,314	-
Total	28,86,14,817	16,63,39,774



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

18. Cash and bank balances

Particulars	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Cash and cash equivalents				
Balances with Scheduled Banks :				
in Current Accounts	-	-	4,06,08,809	3,21,23,983
In Bank O/D Account - Debit Balance	-	-	-	55,02,989
Cash on hand	-	-	2,39,904	8,77,518
Cheques on hand	-	-	-	5,00,000
			<u>4,08,48,713</u>	<u>3,90,04,490</u>
Other bank balances				
Balances in escrow account	33,505	33,505	-	-
Debt service reserve account	10,10,21,822	-	-	-
Fixed Deposit under lien	5,00,00,000	-	-	-
Maintained towards DSRA	-	-	-	-
Under lien towards OD facility	-	-	-	-
	<u>15,10,55,327</u>	<u>33,505</u>	-	-
Amounts disclosed under Other non- current assets (Refer note 15)	<u>(15,10,55,327)</u>	<u>(33,505)</u>	-	-
Total Cash and bank balances	<u>-</u>	<u>-</u>	<u>4,08,48,713</u>	<u>3,90,04,490</u>

19. Revenue from operations:

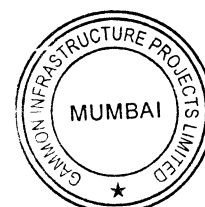
Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Developer's Fees	77,67,77,051	24,62,37,536
Advisory Fees	11,48,24,866	-
Operating & Maintenance Income	35,18,04,620	33,41,52,669
Total Revenue from operations	<u>1,24,34,06,537</u>	<u>58,03,90,205</u>

20. Other operating income:

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Dividend from Subsidiary Companies	-	44,95,00,000
Total Other operating income	<u>-</u>	<u>44,95,00,000</u>

21. Other income

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Interest Income :		
On Intercompany Deposits placed	13,44,86,781	6,85,60,915
On Loans given to staff	5,082	58,236
On Fixed Deposits with Banks	56,02,040	-
Others	63,94,701	-
Dividend Income (comprises entirely dividend from current, non-trade investments)	-	12,62,374
Other Income :		
Profit on Sale of current Investments	89,84,492	-
Write back of provision for advances	-	1,30,00,000
Foreign currency translation gain	1,240	6,022
Miscellaneous Income	31,63,600	19,196
Total Other income	<u>15,86,37,936</u>	<u>8,29,06,743</u>



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

22. Sub-contract expenses

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Opening Stock of Materials	17,90,791	27,99,382
Sub contract expenses	7,52,08,811	3,05,44,794
	7,69,99,602	3,33,44,176
Less : Closing Stock of Materials	15,97,008	17,90,791
Total Sub-contract expenses	7,54,02,594	3,15,53,385

23. Employee benefits expenses:

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Salaries, wages and bonus	12,61,00,311	11,17,78,787
Directors Remuneration including contribution to Provident Fund	5,11,45,954	4,02,49,330
Contributions to Provident Fund	54,20,401	41,03,415
Provision for Leave Encashment	57,99,838	36,33,437
Provision for Gratuity	10,05,032	10,21,188
Staff Welfare Expenses	62,27,828	74,45,883
Cash Alternative Settlement of ESOP Scheme (refer note 7.1)	42,85,167	35,37,253
Employees 'ESOP' compensation cost	(35,19,002)	(57,642)
Total Employee benefits expenses	19,64,65,529	17,17,11,651

24. Other expenses

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Professional, Consultancy and Legal Fees	4,04,98,253	5,16,54,504
Tender Document Expenses	66,76,081	2,53,02,705
Guarantee Bond Commission	27,78,127	1,96,02,988
Travelling Expenses	1,19,90,014	76,68,728
Rent	82,82,871	45,22,000
Payment to auditors (Refer details below)	42,01,314	42,13,367
Fuel Charges	27,99,461	38,99,383
Membership & Subscriptions	7,03,113	34,67,077
Loss on sale of Fixed Assets	1,346	31,57,468
Annual report Expenses	18,96,559	31,19,476
Hire Charges	39,59,685	32,59,142
Motor Car Expenses	14,96,785	20,39,623
Project electricity expenses	1,23,92,133	1,03,68,836
Security Charges	16,78,367	16,84,052
Printing & Stationery	16,57,135	15,23,635
Sundry Balances written off	93,527	14,91,447
Telephone Expenses	15,80,463	11,37,835
Directors' Sitting Fees and Commission	8,30,000	23,00,000
Computer Expenses	27,57,445	6,70,140
Office Upkeep Expenses	13,99,954	6,69,925
Bank Charges	2,97,388	5,39,095
Franking, Stamping and Notarisation Expenses	1,13,335	98,153
Insurance Charges	43,85,353	52,08,738
Service Tax Input Credit written off	42,53,732	60,66,283
Rates and Taxes	31,000	43,000
Miscellaneous Expenses	90,36,019	70,65,786
Provisions against Current Assets, Loans & Advances	14,09,916	1,22,79,061
Loss on divestment of investment in Joint Venture Company	-	5,45,50,000
Provision for Diminution in the Value of Investment	3,00,00,000	2,79,00,000
Total Other expenses	15,71,99,376	26,55,02,447

Payment to auditors

As auditor:

Audit fee including limited review fee	32,00,000	32,00,000
Tax audit fee	1,00,000	1,00,000
Certifications	5,33,500	5,58,000

In other capacity:

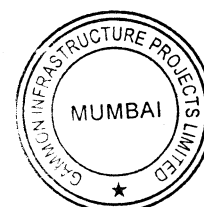
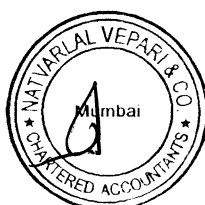
Other services	2,82,500	2,33,000
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Reimbursement of expenses

	85,314	1,22,367
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Total payments to auditors

	42,01,314	42,13,367
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GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013
 (All amounts in Indian Rupees unless otherwise stated)

25. Finance Costs:

Particulars	For the Year Ended	
	March 31, 2013	March 31, 2012
Interest Paid On :		
Intercorporate Loans:		
from Holding Company : Gammon India Limited	3,70,50,612	8,83,44,000
from Subsidiaries / JV's	11,31,05,430	2,11,86,208
Banks Loans	25,98,61,244	82,15,891
Others	-	10,27,89,045
Interest on Margin Money Deposit	6,00,000	6,00,000
Other finance costs	1,39,72,497	15,15,833
Total Finance Costs	42,45,89,783	22,26,50,977

26. Earnings Per Share ('EPS') :

Net Profit attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	March 31, 2013	March 31, 2012
Net Profit as per Statement of Profit and Loss	30,42,67,845	32,94,01,467
Outstanding equity shares at year end	73,40,26,438	72,87,63,618
Weighted average Number of Shares outstanding during the year – Basic	73,40,26,438	73,40,18,812
Weighted average Number of Shares outstanding during the year - Diluted	73,41,80,933	73,43,68,727
Earnings per Share - Basic (Rs.)	0.41	0.45
Earnings per Share - Diluted(Rs.)	0.41	0.45

Although there are some dilutive factors, basic and diluted EPS appear to be same because of rounding off.

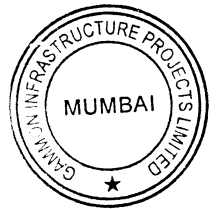
Reconciliation of weighted number of outstanding during the year

Particulars	March 31, 2013	March 31, 2012
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	72,87,63,618	72,87,40,162
Add : Issue of Equity Shares against options granted to employees	-	23,456
Add : Issue of Bonus Shares during the year	52,62,820	-
Total number of equity shares outstanding at the end of year	73,40,26,438	72,87,63,618
Weighted average number of equity shares at the end of the year	73,40,26,438	73,40,18,812
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	73,40,26,438	73,40,18,812
Add : Equity shares arising on grant of stock options under ESOP	35,65,448	35,65,448
Less : Equity shares arising on grant of stock options under ESOP forfeited / lapsed (included above)	34,10,953	32,15,533
Weighted average number of equity shares used in calculating diluted EPS	73,41,80,933	73,43,68,727

The weighted average number of shares of the previous year includes 52,62,820 bonus shares issued during the year for the purpose of computing EPS in accordance with AS-20 Earnings per Share

27. Expenses in Foreign Currency :

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
Travelling Expenses	46,130	2,36,106
Professional Fees (Net of TDS & Service Tax)	10,42,928	4,29,422
Seminar Expenses	-	2,70,298
Total	10,89,058	9,35,826



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013
(All amounts in Indian Rupees unless otherwise stated)

28. Details of Loans and Advances in the nature of Loans

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

Particulars	Balance as on March 31, 2013	Maximum Amount Outstanding during the year
Subsidiaries :		
Aparna Infraenergy India Pvt Ltd	30,05,17,309 (2,78,85,000)	30,05,17,309 (2,78,85,000)
Birmitrapur Barkote Highway Pvt Ltd	5,18,24,515 (0)	5,18,24,515 (0)
Cochin Bridge Infrastructure Co Limited	4,24,46,501 (2,75,00,000)	4,24,46,501 (2,75,00,000)
Chitoor Infrastructure Company Pvt Ltd	1,00,000 (0)	1,00,000 (0)
Earthlink Infrastructure Projects Pvt Ltd	6,50,000 (0)	6,50,000 (0)
Gammon Logistics Limited	3,73,07,102 (3,61,45,000)	3,73,07,102 (3,61,45,000)
Gammon Project Developers Limited	61,50,760 (60,46,000)	61,50,760 (60,46,000)
Gammon Renewable Energy Infrastructure Limited	5,11,20,000 (5,11,20,000)	5,11,20,000 (5,11,20,000)
Ghaggar Renewable Energy Private Limited	8,97,558 (1,17,10,000)	1,26,07,558 (3,16,10,000)
Gammon Road Infrastructure Limited	1,87,24,661 (7,33,25,000)	46,85,21,085 (7,33,25,000)
Gammon Seaport Infrastructure Limited	4,300 (0)	30,08,28,493 (0)
Gorakhpur Infrastructure Company Limited	1,48,09,70,388 (63,92,00,000)	1,48,09,70,388 (63,92,00,000)
Kosi Bridge Infrastructure Company Limited	31,64,50,598 (4,60,00,000)	31,64,50,598 (4,60,00,000)
Mumbai Nasik Expressway Limited # *	68,80,61,314 (59,36,20,000)	68,80,61,314 (59,36,20,000)
Pataliputra Highway Limited	63,84,50,000 (16,75,00,000)	63,84,50,000 (64,41,29,649)
Patna Buxor Highways Limited	2,00,000 (6,48,66,500)	7,99,28,550 (6,48,66,500)
Patna Highway Projects Limited	69,51,83,028 (44,52,50,000)	69,51,83,028 (44,52,50,000)
Pravara Renewable Energy Limited	14,82,17,217 (11,85,48,680)	20,22,17,217 (11,85,48,680)
Rajahmundry Godavari Bridge Limited	15,55,00,000 (0)	18,30,00,000 (0)
Satluj Renewable Energy Private Limited	24,90,000 (25,90,000)	25,90,000 (25,90,000)
Segue Infrastructure Project Pvt Ltd	2,50,000 (0)	2,50,000 (0)
Sidhi Singrauli Road Projects Ltd	6,55,00,125 (0)	6,55,00,125 (0)
Sikkim Hydro Power Ventures Limited	94,63,30,884 (19,03,48,120)	94,63,30,884 (19,03,48,120)
Tidong Hydro Power Limited	1,19,75,850 (1,13,30,000)	1,19,75,850 (1,13,30,000)
Viyayawada Gundugolanu Road Project Pvt Ltd #	24,38,56,763 (0)	24,38,56,763 (0)
Yamunanagar Minor Mineral Pvt Ltd	3,50,000 (0)	3,50,000 (0)
Yamunanagar Panchkula Highway Pvt Ltd	10,47,72,069 (0)	10,47,72,069 (0)
Youngthang Power Ventures Limited	58,10,17,978 (55,45,39,150)	58,21,38,463 (55,45,39,150)

Particulars	Balance as on March 31, 2013	Maximum Amount Outstanding during the year
Associates and Joint Venture Companies :		
Indira Container Terminal Private Limited # *	6,42,70,060 (1,02,00,000)	6,42,70,060 (1,02,00,000)
Punjab Biomass Power Limited	-	(14,16,69,318)

(Previous year figures in brackets)

The repayment for all ICD's is due on March 31, 2015, except for the ones marked as # which are repayable on demand.

All ICD's are interest free, except for the ones marked as * which carry interest of 12% p.a.

b) None of the loanees have invested in the equity capital of the Company or its subsidiaries.

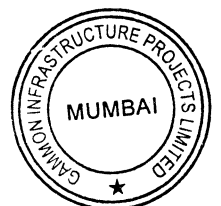
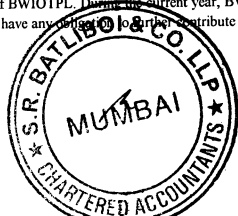
29. Details of Joint Ventures

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

Sr. no.	Name of the Joint Venture	% of Interest as at	
		31-Mar-13	31-Mar-12
1	Blue Water Iron Ore Terminal Private Ltd (BWOTPL) *	10.12%	31.00%
2	Indira Container Terminal Private Ltd	50.00%	50.00%
3	SEZ Adityapur Ltd	38.00%	38.00%
4	Maa Durga Expressway Pvt Ltd	49.00%	NA
5	Haryana Biomass Projects Limited	NA	NA
6	Punjab Biomass Projects Limited	NA	NA

All the above joint ventures entities are incorporated in India.

* GIPL had entered into a Joint Venture agreement for 31% equity stake in BWOTPL. However, GIPL had contributed only 10.12% in the equity capital of BWOTPL. During the current year, BWOTPL has initiated the process of liquidation and the group management believes that it does not have any liability to contribute in the equity capital of BWOTPL. Accordingly the interest is restricted to 10.12%.



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013

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

Name of the Joint Venture	Share of Assets	Share of Liabilities	Share of Income	Share of Expenditure	Share of Commitments	Contingent Liabilities
Blue Water Iron Ore Terminal Private Ltd	5,53,569	5,16,536	30,202	9,14,212	-	-
	(2,33,27,181)	(3,57,52,995)	(6,27,259)	(6,59,84,883)	(0)	(0)
Indira Container Terminal Private Ltd	2,45,52,85,673	2,16,61,65,719	2,77,43,892	6,76,88,966	1,33,20,12,768	-
	(1,97,22,05,109)	(1,64,31,40,081)	(3,02,71,558)	(10,37,07,944)	(71,47,41,238)	(0)
Maa Durga Expressway Pvt Ltd	11,87,66,383	7,01,00,696	-	22,431	-	-
	(0)	(0)	(0)	(0)	(0)	(0)
Sez Adityapur Limited	84,602	1,70,301	-	34,913	-	-
	(1,05,951)	(1,56,737)	(0)	(29,939)	(0)	(0)
Haryana Biomass Power Ltd	-	-	-	-	-	-
	(0)	(0)	(0)	(828)	(0)	(0)
Punjab Biomass Power Ltd	-	-	-	-	-	-
	(0)	(0)	(0)	(1,19,58,577)	(0)	(0)

The above figures pertaining to the Joint Venture Companies are based on the audited accounts for the year ended March 31, 2013, except for Maa Durga Expressway Pvt Limited and Sez Adityapur Limited.

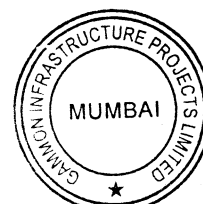
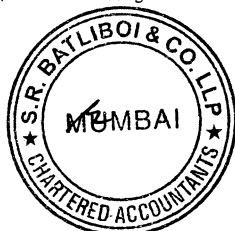
Haryana Biomass Power Ltd was converted into subsidiary and Punjab Biomass Power Ltd was sold during the previous year.

30. Related Party Disclosure

a. Relationships :

Entity where control exists :

- 1 Gammon India Limited - Holding Company
- Subsidiaries:**
 - 1 Andhra Expressway Limited
 - 2 Aparna Infraenergy India Pvt Ltd
 - 3 Birmiritapur Barkote Highway Pvt Ltd (From April 13, 2012)
 - 4 Chitoor Infrastructure Company Private Limited
 - 5 Cochin Bridge Infrastructure Company Limited
 - 6 Dohan Renewable Energy Private Limited
 - 7 Earthlink Infrastructure Projects Pvt Ltd
 - 8 Gammon Logistics Limited
 - 9 Gammon Projects Developers Limited
 - 10 Gammon Renewable Energy Infrastructure Limited
 - 11 Gammon Road Infrastructure Limited
 - 12 Gammon Seaport Infrastructure Limited
 - 13 Ghaggar Renewable Energy Private Limited
 - 14 Gorakhpur Infrastructure Company Limited
 - 15 Haryana Biomass Power Limited
 - 16 Indori Renewable Energy Private Limited
 - 17 Jaguar Projects Developers Limited
 - 18 Kasavati Renewable Energy Private Limited
 - 19 Kosi Bridge Infrastructure Company Limited
 - 20 Lilac Infraprojects Developers Limited
 - 21 Markanda Renewable Energy Private Limited
 - 22 Marine Projects Services Limited
 - 23 Mumbai Nasik Expressway Limited
 - 24 Mormugao Terminal Limited (From December 26, 2012)
 - 25 Pataliputra Highway Limited
 - 26 Patna Buxar Highway Limited
 - 27 Patna Highway Projects Limited
 - 28 Pravara Renewable Energy Limited
 - 29 Ras Cities and Townships Private Limited
 - 30 Rajahmundry Expressway Limited
 - 31 Rajahmundry Godavari Bridge Limited
 - 32 Satluj Renewable Energy Private Limited
 - 33 Segue Infrastructure Projects Pvt Ltd
 - 34 Sidhi Singrauli Road Project Ltd (From April 24, 2012)
 - 35 Sikkim Hydro Power Ventures Limited
 - 36 Sirsa Renewable Energy Private Limited
 - 37 Tada Infra Development Company Limited
 - 38 Tangri Renewable Energy Private Limited
 - 39 Tidong Hydro Power Limited
 - 40 Vijaywada Gundugolanu Road Project Pvt Ltd
 - 41 Vizag Seaport Private Limited
 - 42 Yamuna Minor Minerals Private Limited
 - 43 Yamunanagar Panchkula Highway Pvt Ltd (From April 13, 2012)
 - 44 Youngthang Power Ventures Limited
- Joint Ventures:**
 - 1 Blue Water Iron Ore Terminal Private Limited
 - 2 Indira Container Terminal Private Limited
 - 3 SEZ Adityapur Limited
 - 4 Maa Durga Expressway Pvt Ltd
- Associates:**
 - 1 Eversun Sparkle Maritime Services Limited
 - 2 ATSL Infrastructure Projects Limited
 - 3 Modern Tollroads Limited
- Key Management Personnel:**
 - 1 Abhijit Rajan
 - 2 Kishor Kumar Mohanty
 - 3 R K Malhotra
 - 4 Parag Parikh

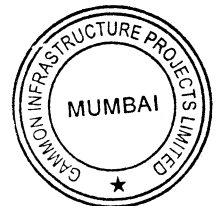
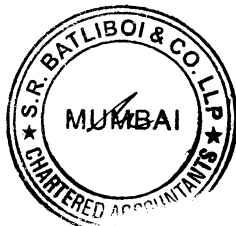


GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013

b. Details of related parties transactions for the year ended on March 31, 2013.

Amounts in brackets relate to March 31, 2012

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Operations & Maintenance Income :	19,21,04,620 (18,13,82,669)	15,97,00,000 (15,27,70,000)	- -	- -	35,18,04,620 (33,41,52,669)
- Gammon India Ltd	19,21,04,620 (18,13,82,669)	- (0)	- (0)	- (0)	
- Mumbai Nasik Expressway Ltd	- (0)	12,07,00,000 (15,13,80,000)	- (0)	- (0)	
Developer's Fees :	- (-)	77,67,77,051 (24,62,37,536)	- (-)	- (-)	77,67,77,051 (24,62,37,536)
- Patna Highway Projects Ltd	- (-)	8,36,59,666 (17,04,44,244)	- (-)	- (-)	
- Patna Buxar Highway Ltd	- (-)	20,65,85,972 (-)	- (-)	- (-)	
- Pravara Renewable Energy Ltd	- (-)	10,00,00,000 (-)	- (-)	- (-)	
- Rajahmundry Godavari Bridge Ltd	- (-)	- (7,57,93,292)	- (-)	- (-)	
- Vijaywada Gundugolanu Road Project Pvt Ltd	- (-)	17,98,43,716 (-)	- (-)	- (-)	
- Yamunanagar Panchkula Highway Pvt Ltd	- (-)	10,02,45,009 (-)	- (-)	- (-)	
Advisory Fees :	- (-)	8,58,60,116 (-)	2,89,64,750 (-)	- (-)	11,48,24,866 -
- Maa Durga Expressway Pvt Ltd	- (-)	- (-)	2,89,64,750 (-)	- (-)	
- Pravara Renewable Energy Ltd	- (-)	4,13,60,294 (-)	- (-)	- (-)	
- Kosi Bridge Infrastructure Company Ltd	- (-)	4,44,99,822 (-)	- (-)	- (-)	
Rent Paid :	- (7,00,000)	76,44,000 (38,22,000)	- -	- -	76,44,000 (45,22,000)
- Youngthang Power Ventures Ltd	- (-)	76,44,000 (38,22,000)	- (-)	- (-)	
- Gammon India Ltd	- (7,00,000)	- (-)	- (-)	- (-)	
Dividend income from:	- (-)	(44,95,00,000)	- (-)	- (-)	(44,95,00,000)
- Andhra Expressway Ltd	- (-)	- (22,47,50,000)	- (-)	- (-)	
- Rajahmundry Expressway Ltd	- (-)	- (22,47,50,000)	- (-)	- (-)	
Share application money paid :	- (-)	80,15,47,030 (1,91,51,10,000)	4,90,00,000 (74,00,000)	- -	85,05,47,030 (1,92,25,10,000)
- Gorakhpur Infrastructure Co. Ltd	- (-)	- (44,07,00,000)	- -	- -	
- Kosi Bridge Infrastructure Company Ltd	- (-)	- (38,57,00,000)	- -	- -	
- Mumbai Nasik Expressway Ltd	- (-)	- (33,60,00,000)	- -	- -	
- Patna Buxar Highway Ltd	- (-)	56,06,47,030 -	- -	- -	
- Rajahmundry Godavari Bridge Ltd	- (-)	- (51,59,00,000)	- -	- -	
- Yamunanagar Panchkula Highway Pvt Ltd	- (-)	19,00,00,000 -	- -	- -	
Refund of share application money given earlier:	- (-)	(3,27,60,66,440)	(37,50,000)	- -	(3,27,98,16,440)
- Gorakhpur Infrastructure Co. Ltd	- (-)	- (76,06,00,000)	- (-)	- (-)	
- Kosi Bridge Infrastructure Company Ltd	- (-)	- (49,60,00,000)	- (-)	- (-)	
- Mumbai Nasik Expressway Ltd	- (-)	- (78,36,20,000.00)	- (-)	- (-)	
- Patna Highway Projects Ltd	- (-)	- (44,52,50,000)	- (-)	- (-)	
- Rajahmundry Godavari Bridge Ltd	- (-)	- (42,17,73,560)	- (-)	- (-)	

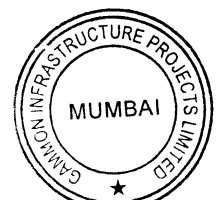


GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013

b. Details of related parties transactions for the year ended on March 31, 2013.

Amounts in brackets relate to March 31, 2012

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Advance received for Client:	-	93,51,85,465	-	-	93,51,85,465
- Patna Buxar Highways Ltd	(-)	(4,02,49,330)	(-)	(-)	(-)
- Yamunanagar Panchkula Highway Pvt Ltd	-	78,60,00,000	-	-	78,60,00,000
- Vijaywada Gundugolanu Road Project Pvt Ltd	(-)	(10,00,00,000)	(-)	(-)	(-)
	-	4,91,85,465	-	-	4,91,85,465
	(-)	(-)	(-)	(-)	(-)
Managerial Remuneration :	-	-	-	5,11,45,954	5,11,45,954
- Mr. K. K. Mohanty	(-)	(4,02,49,330)	(-)	(4,02,49,330)	(4,02,49,330)
- Mr. R. K. Malhotra	-	-	-	2,58,45,378	2,58,45,378
- Mr. Parag Parikh	(-)	(1,13,67,520)	(-)	(1,13,67,520)	(-)
	-	-	-	83,00,732	83,00,732
	-	-	-	1,69,99,844	1,69,99,844
	(-)	(67,08,482)	(-)	-	(-)
Bonus shares issued (no. of shares):	-	-	-	8,49,412	8,49,412.00
- Mr. Abhijit Rajan	(-)	(-)	(-)	-	(-)
	-	-	-	8,36,602	8,36,602
	(-)	(-)	(-)	-	(-)
Investment in equity shares of:	-	84,79,15,976	4,90,00,000	-	89,69,15,976
- Patna Buxar Highways Ltd	(-)	(52,19,76,440)	(1,51,71,180)	(-)	(53,71,47,620)
- Pravara Renewable Energy Ltd	-	56,06,47,030	-	-	56,06,47,030
- Rajahmundry Godavari Bridge Ltd	(-)	(5,00,000)	(-)	(-)	(-)
- Yamunanagar Panchkula Highway Pvt Ltd	-	-	-	-	-
	(-)	(10,40,00,000)	(-)	(-)	(-)
	-	9,56,68,946	-	-	9,56,68,946
	(-)	(35,46,26,440)	(-)	(-)	(-)
	-	19,05,00,000	-	-	19,05,00,000
	(-)	-	(-)	(-)	(-)
Inter corporate loans given to:	-	5,10,43,18,359	5,08,26,496	-	5,15,51,44,855
- Gammon Road Infrastructure Ltd	(-)	(3,14,32,84,850)	(1,52,00,000)	-	(3,15,84,84,850)
- Gorakhpur Infrastructure Co. Ltd	-	65,75,10,000	-	-	65,75,10,000
- Mumbai Nasik Expressway Ltd	(-)	(7,33,25,000)	(-)	(-)	(-)
- Pataliputra Highway Ltd	-	83,05,00,000	-	-	83,05,00,000
- Patna Highway Projects Ltd	(-)	(63,92,00,000)	(-)	(-)	(-)
- Sikkim Hydro Power Ventures Ltd	-	3,70,00,000	-	-	3,70,00,000
- Youngthang Power Ventures Ltd	(-)	(59,36,20,000)	(-)	(-)	(-)
	-	67,27,00,000	-	-	67,27,00,000
	(-)	(19,67,70,000)	(-)	(-)	(-)
	-	24,80,00,000	-	-	24,80,00,000
	(-)	(44,52,50,000)	(-)	(-)	(-)
	-	75,33,31,126	-	-	75,33,31,126
	(-)	(26,04,66,520)	(-)	(-)	(-)
	-	1,96,08,000	-	-	1,96,08,000
	(-)	(55,43,39,150)	(-)	(-)	(-)
Refund of inter corporate loans given:	-	1,66,88,97,334	-	-	1,66,88,97,334
- Gammon Road Infrastructure Ltd	(-)	(76,71,48,049)	(14,66,69,318)	-	(91,38,17,367)
- Gammon Road Infrastructure Ltd	-	71,22,70,057	-	-	71,22,70,057
- Gammon Logistics Limited	(-)	(-)	(-)	(-)	(-)
- Kosi Bridge Infrastructure Co. Ltd	-	30,00,00,000	-	-	30,00,00,000
- Patliputra Highway Ltd	(-)	(-)	-	-	(-)
- Punjab Biomass Power Ltd	-	(1,30,00,000)	-	-	(-)
- Indra Container Terminal Ltd	(-)	17,87,38,727	-	-	17,87,38,727
	-	20,17,50,000	-	-	20,17,50,000
	(-)	(66,41,29,649)	-	-	(-)
	-	-	-	-	-
	(-)	(-)	(14,16,69,318)	-	(-)
	-	-	-	-	-
	(-)	(-)	(50,00,000)	-	(-)
Expenses incurred/payments made on behalf of the Company by:	(2,75,894)	5,09,68,963	-	-	5,09,68,963
- Gammon India Ltd	-	(-)	(-)	(-)	(2,75,894)
- Mumbai Nasik Expressway Ltd	(2,75,894)	(-)	-	-	-
	-	4,92,70,761	-	-	4,92,70,761
	(-)	(-)	(-)	(-)	(-)

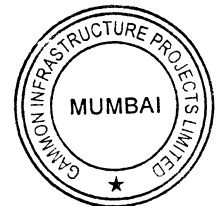


GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013

b. Details of related parties transactions for the year ended on March 31, 2013.

Amounts in brackets relate to March 31, 2012

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Expenses incurred/payments made by the Company on behalf of:	4,24,059 (20,42,237)	47,81,11,831 (28,07,62,363)	89,14,429 (3,09,25,339)	-	48,74,50,319 (31,37,29,939)
- Gorakhpur Infrastructure Co. Ltd	-	1,96,49,207 (3,51,90,507)	-	-	
- Mumbai Nasik Expressway Ltd	-	4,71,96,367 (4,05,23,680)	-	-	
- Patna Buxar Highway Ltd	-	6,90,91,801 (1,52,93,028)	-	-	
- Patna Highway Projects Ltd	-	6,55,59,062 (6,59,41,257)	-	-	
- Rajahmundry Godavari Bridge Ltd	-	1,55,41,685 (4,15,22,928)	-	-	
- Yamunanagar Panchkula Highway Pvt Ltd	-	7,13,83,071 (-)	-	-	
Interest income during the period :	-	13,09,24,429 (6,85,54,358)	35,62,351 (55,80,432)	-	13,44,86,780 (7,41,34,790)
- Gammon Road Infrastructure Ltd	-	1,62,73,181 (24,041)	-	-	
- Gorakhpur Infrastructure Co. Ltd	-	4,60,16,002 (1,09,51,096)	-	-	
- Mumbai Nasik Expressway Ltd	-	6,36,56,625 (1,67,057)	-	-	
- Pataliputra Highway Ltd	-	-	-	-	
- Punjab Biomass Power Ltd	-	(3,60,89,086)	-	-	
- Youngthang Power Ventures Ltd	-	-	(55,73,875)	-	
-	-	(88,79,237)	-	-	
Provision for diminution in value of investments in:	-	-	3,00,00,000 (1,33,00,000)	-	3,00,00,000 (5,34,00,000)
- Blue Water Iron Ore Terminal Private Limited	-	-	3,00,00,000	-	
- Eversun Sparkle Maritime Services Limited	-	-	(0)	-	
- Haryana Biomass Power Limited	-	-	(1,33,00,000)	-	
- Gammon Logistics Limited	-	-	-	-	
-	-	(2,55,00,000)	-	-	
Provision for dues receivable from:	-	11,89,315 (4,84,24,061)	-	-	11,89,315 (4,84,24,061)
- Haryana Biomass Power Limited	-	27,213	-	-	
- Gammon Logistics Limited	-	(1,22,79,061)	-	-	
-	-	11,62,102	-	-	
-	-	(3,61,45,000)	-	-	
Write back of provision earlier made on recovery from :	-	-	-	-	-
- Gammon Logistics Limited	-	(1,30,00,000)	-	-	(1,30,00,000)
-	-	-	-	-	
-	-	(1,30,00,000)	-	-	
Inter corporate borrowings taken from:	19,00,00,000 (-)	1,37,80,00,000 (1,43,73,00,000)	-	-	1,56,80,00,000 (1,43,73,00,000)
- Andhra Expressway Ltd	-	10,80,00,000	-	-	
- Gammon India Limited	19,00,00,000	(20,50,00,000)	-	-	
-	-	-	-	-	
- Rajahmundry Expressway Ltd	-	9,00,00,000	-	-	
- Vizag Seaport Pvt Ltd	-	(1,23,23,00,000)	-	-	
-	-	1,18,00,00,000	-	-	
-	-	-	-	-	

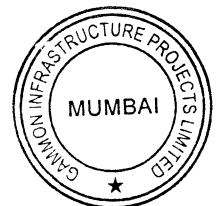


GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013

b. Details of related parties transactions for the year ended on March 31, 2013.

Amounts in brackets relate to March 31, 2012

Entity-wise material transactions	Holding Company	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Total
Refund of inter corporate borrowings taken earlier:	92,62,00,000	2,95,00,000	-	-	95,57,00,000
	(-)	(1,10,85,54,709)	(-)	(-)	(1,10,85,54,709)
- Andhra Expressway Ltd	-	-	-	-	-
	(-)	(17,74,10,534)	(-)	(-)	-
- Gammon India Limited	92,62,00,000	-	-	-	-
	-	(0)	(-)	(-)	-
- Rajahmundry Expressway Ltd	-	-	-	-	-
	(-)	(93,11,44,175)	(-)	(-)	-
Interest expenses during the year:	3,70,50,612	11,31,05,430	6,00,000	-	15,07,56,042
	(8,83,44,000)	(2,11,86,208)	(6,00,000)	-	(11,01,30,208)
- Andhra Expressway Ltd	-	-	-	-	-
	(-)	(36,37,322)	(-)	-	-
- Gammon India Ltd	3,70,50,612	-	-	-	-
	(8,83,44,000)	(-)	(-)	-	-
- Rajahmundry Expressway Ltd	-	-	-	-	-
	(-)	(1,75,48,886)	(-)	-	-
- Vizag Seaport Pvt Ltd	-	11,31,05,430	-	-	-
	(-)	(0)	(-)	-	-
Bank/Corporate Guarantees issued by the Company :	-	3,41,15,96,400	38,26,26,000	-	3,79,42,22,400
	(-)	(3,37,82,96,000)	(2,50,00,000)	(-)	(3,40,32,96,000)
- Cochin Bridge Infrastructure Co Ltd	-	12,52,00,000	-	-	-
	(-)	(16,00,00,000)	(-)	(-)	-
- Gorakhpur Infrastructure Co. Ltd	-	1,00,00,72,000	-	-	-
	(-)	(1,20,00,00,000)	(-)	(-)	-
- Indira Container Terminal Pvt Ltd	-	0	38,26,26,000	-	-
	(-)	-	(2,50,00,000)	(-)	-
- Kosi Bridge Infrastructure Co. Ltd	-	37,54,12,000	-	-	-
	(-)	(55,00,00,000)	(-)	(-)	-
- Patna Buxar Highways Ltd	-	56,46,00,000	-	-	-
	(-)	(11,29,00,000)	(-)	(-)	-
- Patliputra Highway Ltd	-	-	-	-	-
	(-)	(55,00,00,000)	(-)	(-)	-
- Sikkim Hydro Power Ventures Limited	-	-	-	-	-
	(-)	(50,00,00,000)	(-)	(-)	-
- Sidhi Singrauli Road Project Ltd	-	43,56,00,000	-	-	-
	(-)	-	(-)	(-)	-
- Birmiritrapur Barkote Highway Pvt Ltd	-	38,91,00,000	-	-	-
	(-)	-	(-)	(-)	-
Pledge of shares held in investee Companies with banks:					
Refer note 13.1 for details.					
Outstanding balances receivable :	5,37,23,478	6,73,69,92,688	8,79,58,577	-	6,87,86,74,743
	(-)	(3,18,09,38,166)	(34,64,516)	(-)	(3,18,44,02,682)
- Gammon India Limited	5,37,23,478	-	-	-	-
	(-)	(-)	(-)	(-)	-
- Gorakhpur Infrastructure Company Ltd	-	1,50,63,10,483	-	-	-
	(-)	(64,93,04,968)	(-)	(-)	-
- Mumbai Nasik Expressway Ltd	-	71,34,40,254	-	-	-
	(-)	(63,79,89,706)	(-)	(-)	-
- Pataliputra Highway Ltd	-	63,84,50,000	-	-	-
	(-)	(16,75,00,000)	(-)	(-)	-
- Patna Highway Projects Ltd	-	69,55,94,492	-	-	-
	(-)	(48,94,83,064)	(-)	(-)	-
- Sikkim Hydro Power Ventures Ltd	-	94,66,88,874	-	-	-
	(-)	(19,28,13,980)	(-)	(-)	-
- Youngthang Power Ventures Ltd	-	57,31,66,596	-	-	-
	(-)	(55,87,22,794)	(-)	(-)	-
Outstanding Balances Payable :	-	1,67,95,67,976	1,36,80,202	-	1,69,32,48,178
	(74,47,49,344)	(33,01,06,975)	(2,66,60,258)	(-)	(1,10,15,16,577)
- Gammon India Limited	-	-	-	-	-
	(74,47,49,344)	(0)	(0)	(0)	-
- Patna Buxar Highways Ltd	-	77,51,72,706	-	-	-
	-	(0)	-	-	-
- Rajahmundry Expressway Ltd	-	39,23,42,702	-	-	-
	(-)	(30,23,83,300)	(-)	(-)	-
- Vizag Seaport Pvt Ltd	-	1,15,03,46,305	-	-	-
	(-)	(0)	(-)	(-)	-



GAMMON INFRASTRUCTURE PROJECTS LIMITED
Notes to financial statements for the year ended March 31, 2013
 (All amounts in Indian Rupees unless otherwise stated)

31. Commitments

	Mar'13	Mar'12
Capital Commitments:	NA	NA
Other Commitments:		
- Share of equity commitment in SPV's	9,91,05,19,848	10,22,07,11,000
- Sub-contractors commitment	4,99,59,00,000	-
- Purchase of shares of ICTPL	36,20,82,790	36,20,82,790
	15,26,85,02,638	10,58,27,93,790

32. Contingent Liabilities

1) Guarantees:

a) The Company has issued Corporate Guarantees as a security for loan availed by its subsidiaries, amounting to Rs. 118,52,00,000 (previous year Rs. 295,00,00,000)

b) Guarantees given for equity share buy-back transaction; Rs. 92,59,65,501 as on March 31, 2013 and Rs. 1,18,66,57,102 as on March 31, 2012.

c) Counter Guarantees given to the bankers for the guarantees given by them on our behalf Rs. 2,96,48,22,400 (Previous year Rs. 2,21,97,92,800).

2) Disputed demand in respect of assessment year 2007-08 u/s 271(1)(c) amounting to Rs. 1,34,40,400 not provided for.

33. In the opinion of the Board of Directors, all assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

34. Lease

The Company has taken office premises on leave and license basis which are cancellable contracts.

35. Segment Reporting

The Company's operations constitutes a single business segment namely "Infrastructure Development" as per AS 17. Further, the Company's operations are within single geographical segment which is India.

36. Derivative Instruments and Unhedged Foreign Currency Exposure

There are no derivative instruments outstanding as at March 31, 2013 and as at March 31, 2012. The Company has no foreign currency exposure towards liability outstanding as at March 31, 2013 and March 31, 2012.

37. Prior Period comparatives

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

As per our report of even date

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

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

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

N. Jayendran

N. Jayendran

Partner
 Membership No : 40441

Hemal Shah

per Hemal Shah

Partner
 Membership No: 42650

Abhijit Rajan

Abhijit Rajan
 Chairman and
 Managing Director

Himanshu Parikh

Himanshu Parikh
 Vice Chairman

Kishor Kumar Mohanty

Kishor Kumar Mohanty
 Managing Director

Place : Mumbai
 Date : May 24, 2013



Parag Parikh

Parag Parikh
 Whole-time Director
 & CFO

C.C. Dayal

C.C. Dayal
 Director

Naresh Chandra

Naresh Chandra
 Director

S.C. Tripathi

S.C. Tripathi
 Director

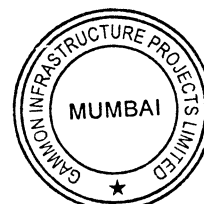
Homai A. Daruwalla

Homai A. Daruwalla
 Director

G. Sathis Chandran

G. Sathis Chandran
 Company Secretary

Place : Mumbai
 Date : May 24, 2013



GAMMON INFRASTRUCTURE PROJECTS LIMITED

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	Aparna Infraenergy India Private Limited	Birmittapur Barkote Highway Private Limited **	Cochin Bridge Infrastructure Company Limited	Chittoor Infra Company Private Limited	Earthlink Infrastructure Projects Private Limited
1	The Financial Year of the Subsidiaries ended	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
	1) Numbers						
	a) Legal ownership	2,14,59,950	-	10,000	62,50,070	-	-
	b) Beneficial ownership (*)	75,40,050	-	-	-	10,000	10,000
	c) Held by Subsidiaries of the Company	-	4,99,955	-	-	-	-
	2) Extent of Holding (including beneficial ownership)	100.00%	99.99%	100.00%	97.66%	100.00%	100.00%
3	The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :						
	i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :						
	a) For subsidiaries' financial year ended on March 31, 2013						
	b) For previous financial years of the subsidiaries' 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 on March 31, 2013	7,09,97,611	(60,906)	(2,26,583)	1,36,582	(10,089)	(9,395)
	b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	23,90,53,434	(82,690)	**	4,17,18,108	(41,625)	(53,763)
a)	Issued and Paid-up Equity Share Capital	29,00,00,000	5,00,000	1,00,000	6,40,00,700	1,00,000	1,00,000
b)	Reserves	31,00,51,045	(1,43,609)	(2,26,583)	4,28,59,191	(51,714)	(63,158)
c)	Total Assets	1,94,03,72,247	37,03,32,983	10,03,75,454	27,03,96,665	12,69,25,375	20,91,36,710
d)	Total Liabilities	1,34,88,21,202	36,99,76,592	10,05,02,037	16,35,36,774	12,68,77,089	20,90,99,868
e)	Investments (except in case of investment in subsidiaries)	85,00,000	-	-	-	-	-
f)	Turnover	55,82,40,000	-	-	5,25,81,275	-	-
g)	Profit/ (Loss) before Taxation	7,35,83,166	(60,911)	(2,26,583)	1,73,860	(10,089)	(9,395)
h)	Provision for Taxation including Deferred Tax	25,85,555	-	-	34,000	-	-
i)	Profit / (Loss) After Taxation	7,09,97,611	(60,911)	(2,26,583)	1,39,860	(10,089)	(9,395)
j)	Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

* As part of its overall business plans, the Company has been acquiring beneficial, controlling interest and voting rights from its group companies in consideration of payment of deposit which, along with the direct shareholdings, has resulted in the Company having control over 51% in various subsidiaries.

** The companies were incorporated during the year 2012-13, hence figures for previous year are not given.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANIES.

(All amounts in Indian Rupees)

	Name of Subsidiaries	Gammon Logistics Limited	Gammon Projects Developers Limited	Gammon Renewable Energy Infrastructure Limited	Gammon Road Infrastructure Limited	Gammon Seaport Infrastructure Limited	Gorakhpur Infrastructure Company Limited
1	The Financial Year of the Subsidiaries ended	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
	1) Numbers						
	a) Legal ownership	25,50,000	2,50,000	50,000	50,000	50,000	3,74,58,063
	b) Beneficial ownership (*)	-	-	-	-	-	1,49,47,238
	c) Held by Subsidiaries of the Company	-	-	-	-	-	-
	2) Extent of Holding (including beneficial ownership)	100.00%	100.00%	100.00%	100.00%	100.00%	96.53%
3	The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :						
	i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :						
	a) For subsidiaries' financial year ended on March 31, 2013						
	b) For previous financial years of the subsidiaries' 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 on March 31, 2013	(14,29,796)	(37,121)	(56,801)	(1,04,48,102)	5,889	(36,57,78,276)
	b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(6,79,18,393)	(23,49,867)	(11,78,025)	(70,243)	(64,028)	(1,38,23,488)
a)	Issued and Paid-up Equity Share Capital	2,55,00,000	25,00,000	5,00,000	5,00,000	5,00,000	54,28,70,500
b)	Reserves	(6,93,48,189)	(23,86,988)	(12,34,826)	(1,05,18,345)	(58,139)	(39,32,32,355)
c)	Total Assets	14,92,410	65,83,648	5,21,64,546	93,60,935	5,47,557	7,51,90,37,773
d)	Total Liabilities	4,53,40,599	64,70,636	5,28,99,372	1,93,79,280	1,05,696	7,36,93,99,628
e)	Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-
f)	Turnover	-	-	-	-	-	97,46,63,014
g)	Profit/ (Loss) before Taxation	(14,29,796)	(37,121)	(56,801)	(1,04,48,102)	8,489	(37,88,86,678)
h)	Provision for Taxation including Deferred Tax	-	-	-	-	2,600	25,821
i)	Profit / (Loss) After Taxation	(14,29,796)	(37,121)	(56,801)	(1,04,48,102)	5,889	(37,89,12,499)
j)	Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

* As part of its overall business plans, the Company has been acquiring beneficial, controlling interest and voting rights from its group companies in consideration of payment of deposit which, along with the direct shareholdings, has resulted in the Company having control over 51% in various subsidiaries.

** The companies were incorporated during the year 2012-13, hence figures for previous year are not given.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANIES.

(All amounts in Indian Rupees)

	Name of Subsidiaries	Haryana Biomass Power Limited	Jaguar Projects Developers Limited	Kosi Bridge Infrastructure Company Limited	Lilac Infraprojects Developers Limited	Marine Projects Services Limited	Mumbai Nasik Expressway Limited
1	The Financial Year of the Subsidiaries ended	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
	1) Numbers						
	a) Legal ownership	50,000	50,000	3,57,37,169	50,000	50,000	4,15,95,000
	b) Beneficial ownership (*)	-	-	1,25,62,831	-	-	-
	c) Held by Subsidiaries of the Company	-	-	-	-	-	-
	2) Extent of Holding (including beneficial ownership)	100.00%	100.00%	100.00%	100.00%	100.00%	79.99%
3	The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :						
	i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :						
	a) For subsidiaries' financial year ended on March 31, 2013						
	b) For previous financial years of the subsidiaries' 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 on March 31, 2013	(1,19,465)	(8,399)	(7,21,13,798)	(11,279)	(10,309)	32,78,34,711
	b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(1,31,68,742)	6,51,505	(3,13,22,965)	(77,559)	21,33,861	47,10,69,212
a)	Issued and Paid-up Equity Share Capital	5,00,000	5,00,000	48,30,00,000	5,00,000	5,00,000	52,00,00,000
b)	Reserves	(1,33,56,290)	6,43,106	(10,34,36,763)	(88,838)	21,23,552	99,87,49,946
c)	Total Assets	1,70,432	11,49,848	5,08,85,80,825	4,17,904	26,30,294	9,40,12,15,361
d)	Total Liabilities	1,30,26,722	6,742	4,70,90,17,588	6,742	6,742	7,88,24,65,415
e)	Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-
f)	Turnover	-	-	89,96,54,418	-	-	1,51,24,93,443
g)	Profit/ (Loss) before Taxation	(1,19,465)	(8,399)	(7,21,13,798)	(11,279)	(10,309)	10,76,72,848
h)	Provision for Taxation including Deferred Tax	-	-	-	-	-	(30,21,69,801)
i)	Profit / (Loss) After Taxation	(1,19,465)	(8,399)	(7,21,13,798)	(11,279)	(10,309)	40,98,42,649
j)	Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

* As part of its overall business plans, the Company has been acquiring beneficial, controlling interest and voting rights from its group companies in consideration of payment of deposit which, along with the direct shareholdings, has resulted in the Company having control over 51% in various subsidiaries.

** The companies were incorporated during the year 2012-13, hence figures for previous year are not given.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANIES.

(All amounts in Indian Rupees)

	Name of Subsidiaries	Mormugao Terminal Limited **	Patna Buxar Highways Limited	Pataliputra Highway Limited	Patna Highway Projects Limited	Pravara Renewable Energy Limited	Ras Cities and Townships Private Limited
1	The Financial Year of the Subsidiaries ended	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
	1) Numbers						
	a) Legal ownership	50,000	5,61,14,703	15,000	25,00,000	1,74,00,000	-
	b) Beneficial ownership (*)	-	-	-	-	-	-
	c) Held by Subsidiaries of the Company	-	-	-	-	-	10,000
	2) Extent of Holding (including beneficial ownership)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
3	The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :						
	i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :						
	a) For subsidiaries' financial year ended on March 31, 2013						
	b) For previous financial years of the subsidiaries' 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 on March 31, 2013	(58,429)	(6,87,380)	(6,67,48,006)	(6,61,508)	(1,31,154)	(8,627)
	b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	**	(1,51,79,127)	(6,56,78,641)	(45,63,511)	(35,46,170)	6,58,254
a)	Issued and Paid-up Equity Share Capital	5,00,000	56,11,47,030	15,00,000	2,50,00,000	17,40,00,000	1,00,000
b)	Reserves	(58,429)	(1,58,66,507)	(13,24,26,647)	(52,25,019)	(36,77,324)	6,49,627
c)	Total Assets	2,41,67,408	1,29,55,73,618	50,79,37,349	7,30,44,37,688	1,03,75,46,771	36,91,27,607
d)	Total Liabilities	2,37,25,837	75,02,93,095	63,88,63,996	7,28,46,62,707	86,72,24,095	36,83,77,980
e)	Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-
f)	Turnover	-	-	-	-	-	-
g)	Profit/ (Loss) before Taxation	(58,429)	(6,87,380)	(6,67,48,006)	(6,61,508)	(1,31,154)	(8,627)
h)	Provision for Taxation including Deferred Tax	-	-	-	-	-	-
i)	Profit / (Loss) After Taxation	(58,429)	(6,87,380)	(6,67,48,006)	(6,61,508)	(1,31,154)	(8,627)
j)	Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

* As part of its overall business plans, the Company has been acquiring beneficial, controlling interest and voting rights from its group companies in consideration of payment of deposit which, along with the direct shareholdings, has resulted in the Company having control over 51% in various subsidiaries.

** The companies were incorporated during the year 2012-13, hence figures for previous year are not given.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANIES.

(All amounts in Indian Rupees)

	Name of Subsidiaries	Rajahmundry Expressway Limited	Rajahmundry Godavari Bridge Limited	Sikkim Hydro Power Ventures Limited	Segue Infrastructure Projects Private Limited	Sidhi Singrauli Road Project Limited **	Tada Infra Development Company Limited
1	The Financial Year of the Subsidiaries ended	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd						
	1) Numbers						
	a) Legal ownership	2,14,59,950	9,82,26,750	31,73,900	-	50,000	50,000
	b) Beneficial ownership (*)	75,40,050	-	-	10,000	-	-
	c) Held by Subsidiaries of the Company	-	-	-	-	-	-
	2) Extent of Holding (including beneficial ownership)	100.00%	55.65%	100.00%	100.00%	100.00%	100.00%
3	The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :						
	i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :						
	a) For subsidiaries' financial year ended on March 31, 2013						
	b) For previous financial years of the subsidiaries' 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 on March 31, 2013	6,42,49,171	(1,67,745)	(28,180)	(9,537)	(48,924)	(8,287)
	b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	30,67,29,823	57,24,55,815	(21,77,350)	(52,580)	**	(18,00,212)
a)	Issued and Paid-up Equity Share Capital	29,00,00,000	1,76,50,00,000	3,17,39,000	1,00,000	5,00,000	5,00,000
b)	Reserves	37,09,78,994	1,02,83,23,185	(22,05,530)	(62,117)	(48,924)	(18,08,499)
c)	Total Assets	2,15,71,93,974	8,10,49,79,649	1,11,57,27,379	7,82,41,658	11,34,61,761	12,33,787
d)	Total Liabilities	1,50,57,14,980	5,31,16,56,464	1,08,61,93,909	7,82,03,775	11,30,10,685	25,42,286
e)	Investments (except in case of investment in subsidiaries)	95,00,000	-	-	-	-	-
f)	Turnover	59,38,43,240	-	-	-	-	-
g)	Profit/ (Loss) before Taxation	6,56,67,437	(3,01,414)	(28,180)	(9,537)	(48,924)	(8,287)
h)	Provision for Taxation including Deferred Tax	14,18,266	-	-	-	-	-
i)	Profit / (Loss) After Taxation	6,42,49,171	(3,01,414)	(28,180)	(9,537)	(48,924)	(8,287)
j)	Proposed Dividend including Tax on Dividend	-	-	-	-	-	-

* As part of its overall business plans, the Company has been acquiring beneficial, controlling interest and voting rights from its group companies in consideration of payment of deposit which, along with the direct shareholdings, has resulted in the Company having control over 51% in various subsidiaries.

** The companies were incorporated during the year 2012-13, hence figures for previous year are not given.

GAMMON INFRASTRUCTURE PROJECTS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO THE SUBSIDIARY COMPANIES.

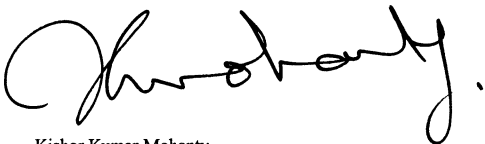
(All amounts in Indian Rupees)

	Name of Subsidiaries	Tidong Hydro Power Limited	Vijayawada Gundugolanu Road Project Private Limited	Vizag Seaport Private Limited	Yamunanagar Panchkula Highway Private Limited **	Youngthang Power Ventures Limited
1	The Financial Year of the Subsidiaries ended	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
2	Shares of the Subsidiary Companies held by the holding company, Gammon Infrastructure Projects Ltd					
	1) Numbers					
	a) Legal ownership	-	10,000	6,43,13,847	1,90,50,000	1,44,50,000
	b) Beneficial ownership (*)	25,500	-	-	-	-
	c) Held by Subsidiaries of the Company	-	-	-	-	-
	2) Extent of Holding (including beneficial ownership)	51.00%	100.00%	73.76%	100.00%	100.00%
3	The net aggregate amount of Profit / Losses of the Subsidiaries Companies so far as they concern the members of Gammon Infrastructure Projects Ltd were :					
	i) Dealt with in the accounts of Gammon Infrastructure Projects Ltd amounted to :					
	a) For subsidiaries' financial year ended on March 31, 2013					
	b) For previous financial years of the subsidiaries' these became subsidiaries of Gammon Projects Ltd					
	ii) Not dealt with in the accounts of Gammon Infrastructure Projects Ltd amounts to :					
	a) For subsidiaries' financial year ended on March 31, 2013	(4,487)	(1,32,439)	9,17,42,759	(25,10,796)	(1,15,83,710)
	b) For previous financial years of the subsidiaries' since these became subsidiaries of Gammon Infrastructure Projects Ltd	(52,636)	(66,20,549)	(10,04,98,679)	**	(1,15,41,753)
a)	Issued and Paid-up Equity Share Capital	5,00,000	1,00,000	87,19,12,640	19,05,00,000	14,45,00,000
b)	Reserves	(1,12,006)	(67,52,988)	(1,18,70,534)	(25,10,796)	(2,31,25,463)
c)	Total Assets	1,29,94,454	35,92,99,358	4,21,08,78,044	30,06,47,926	70,77,29,230
d)	Total Liabilities	1,26,06,460	36,59,52,346	3,35,08,35,938	11,26,58,722	58,63,54,693
e)	Investments (except in case of investment in subsidiaries)	-	-	-	-	-
f)	Turnover	-	-	1,35,76,06,702	-	-
g)	Profit/ (Loss) before Taxation	(8,798)	(1,32,439)	12,43,77,059	(25,10,796)	(1,15,83,710)
h)	Provision for Taxation including Deferred Tax	-	-	-	-	-
i)	Profit / (Loss) After Taxation	(8,798)	(1,32,439)	12,43,77,059	(25,10,796)	(1,15,83,710)
j)	Proposed Dividend including Tax on Dividend	-	-	10,20,09,419	-	-

* As part of its overall business plans, the Company has been acquiring beneficial, controlling interest and voting rights from its group companies in consideration of payment of deposit which, along with the direct shareholdings, has resulted in the Company having control over 51% in various subsidiaries.

** The companies were incorporated during the year 2012-13, hence figures for previous year are not given.

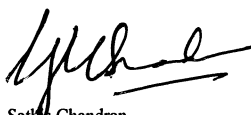
For and on behalf of the Board of Directors of
Gammon Infrastructure Projects Limited



Kishor Kumar Mohanty
Managing Director



Payag Parikh
Executive Director & CFO



G. Satish Chandran
Company Secretary
Place : Mumbai
Date : May 24, 2013

Natvarlal Vepari & Co.
Chartered Accountants
Oricon House
4th floor, 12 K Dubash Marg
Mumbai 400 023

S.R. Batliboi & Co. LLP
Chartered Accountants
14th Floor, The Ruby
29 Senapati Bapat Marg
Mumbai 400 028

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Gammon Infrastructure Projects Limited

Report on Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

Opinion

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

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



Natvarlal Vepari & Co.
Chartered Accountants
Oricon House
4th floor, 12 K Dubash Marg
Mumbai 400 023

S.R. Batliboi & Co. LLP
Chartered Accountants
14th Floor, The Ruby
29 Senapati Bapat Marg
Mumbai 400 028

Other Matter

- a. We did not audit the financial statements of certain subsidiaries whose financial statements reflect total assets of Rs. 16,111,566,964 as at March 31, 2013, total income of Rs. 1,572,435,188 and cash flows of Rs. -1,859,503,707 for the year the ended;
- b. certain joint venture companies whose financial statements reflect total assets of Rs. 24,26,03,012 as at March 31, 2013 and cash flows amounting to Rs. -16,786 for the year then ended, the Company's share of such assets and total cash flows being Rs. 11,88,50,985 and Rs. -2045, respectively; and
- c. certain associates whose financial statements reflect a total profit of Rs. 3,23,876 for the year ended March 31, 2013, the Company's share in the profit of such associates being Rs 94,091.

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


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

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


N Jayendran
M. No. 40441
Partner
Mumbai, Dated : May 24, 2012



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


per Hemal Shah
M. No. 42650
Partner
Mumbai, Dated : May 24, 2012



GAMMON INFRASTRUCTURE PROJECTS LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013
 (All amounts in Indian rupees unless otherwise stated)

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

Summary of significant accounting policies

2.1

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

As per our report of even date

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

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

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

N. Jayendra
N. Jayendra
Partner
Membership No.: 40441

Hemal Shah
per Hemal Shah
Partner
Membership No.: 42650

Abhijit Rajan
Abhijit Rajan
Chairman and Managing Director

Himanshu Parikh
Himanshu Parikh
Vice Chairman

Kishor Kumar Mohanty
Kishor Kumar Mohanty
Managing Director

Parag Parikh
Parag Parikh
Whole-time Director and CFO

C.C. Dayal
C.C. Dayal
Director

Naresh Chandra
Naresh Chandra
Director

S.C. Tripathi
S.C. Tripathi
Director

Homai A. Daruwalla
Homai A. Daruwalla
Director

G. Sathis Chandran
G. Sathis Chandran
Company Secretary

Place : Mumbai
Date : May 24, 2013



GAMMON INFRASTRUCTURE PROJECTS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013
(All amounts in Indian rupees unless otherwise stated)

Particulars	Notes	Year ended 31-Mar-13	Year ended 31-Mar-12
Income			
Revenue from operations:			
Revenue from projects	26	6,621,935,116	3,991,709,878
Other operating revenues	27	281,832,258	237,674,950
Other income	28	77,624,988	64,368,399
Total income		6,981,392,362	4,293,753,227
Expenses			
Project expenses	29	1,661,946,293	1,371,637,928
Employee benefits expenses	30	289,254,079	256,755,816
Other expenses	31	278,978,668	340,579,170
Exceptional items	32	-	97,048,057
Total expenses		2,230,179,040	2,066,020,971
Earnings before interest, tax, depreciation and amortisation (EBITDA)			
		4,751,213,322	2,227,732,256
Finance costs	33	2,968,337,583	1,556,593,974
Depreciation/amortisation	13 and 14	1,608,521,955	778,992,304
Share of (profit)/loss from investment in associates		(371,976)	(2,662,280)
Profit/(Loss) before tax		174,725,760	(105,191,742)
Less: Tax expenses			
Current tax		303,296,990	133,389,441
Deferred tax (credit)/charge		(330,190,418)	993,913
MAT credit entitlement		(48,696,179)	(17,140,000)
Short provision for earlier years		1,678,786	-
Net tax expense		(73,910,821)	115,255,528
Profit/(Loss) after tax		248,636,581	(220,447,270)
Less: Profit after tax attributable to minority interest		101,373,328	33,733,875
Profit / (Loss) attributable to group shareholders		147,263,253	(254,181,145)
Earnings per share ('EPS')	37		
Basic		0.20	(0.35)
Diluted		0.20	(0.35)
Nominal value of equity share		2.00	2.00
Summary of significant accounting policies			
	2.1		

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

As per our report of even date

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

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

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

N. Jayendran
N. Jayendran
Partner
Membership No.: 40441

Hemal Shah
per Hemal Shah
Partner
Membership No.: 42650

Abhijit Rajan
Abhijit Rajan
Chairman and Managing Director

Himanshu Parikh
Himanshu Parikh
Vice Chairman

Kishor Kumar Mohanty
Kishor Kumar Mohanty
Managing Director

Parag Parikh
Parag Parikh
Whole-time Director and CFO

C.C. Dayal
C.C. Dayal
Director

Naresh Chandra
Naresh Chandra
Director

S.C. Tripathi
S.C. Tripathi
Director

Homai A. Daruwalla
Homai A. Daruwalla
Director

G. Sathis Chandran
G. Sathis Chandran
Company Secretary

Place: Mumbai
Date: May 24, 2013



GAMMON INFRASTRUCTURE PROJECTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	174,725,760	(105,191,742)
Adjustments for :		
Employees stock options	(3,519,002)	(57,642)
Cash alternative settlement for ESOP scheme	4,285,167	3,537,253
Depreciation and amortisation	1,608,521,955	778,992,304
Gratuity and leave encashment	8,515,166	7,142,309
Dividend income	-	(23,870,027)
Interest (net)	2,921,668,415	1,531,386,093
(Profit)/Loss on sale of investments	(25,012,560)	(7,826,973)
Share of (profit) / loss from investment in associates	(371,976)	(2,662,280)
Loss on sale of assets	5,860,832	3,376,070
Assets written off	9,914,535	10,104,861
Provision for periodic maintenance expenses	441,869,728	282,103,000
Provision for loans and advances/other assets	458,495	15,457,915
Provision for diminution in value of investment	(2,300,000)	21,987,235
Exceptional items	-	97,048,057
Preliminary and share issue expenses written off	30,339	22,157,363
	<u>4,969,921,094</u>	<u>2,738,875,538</u>
Operating profit before working capital changes	5,144,646,854	2,633,683,796
Adjustments for :		
Trade and other receivables	(1,171,513,711)	(355,449,844)
Trade payables and working capital finance	(31,915,665)	246,669,546
Inventories	(28,052,942)	42,634,411
	<u>(1,231,482,318)</u>	<u>(66,145,887)</u>
Cash generated from the operations	3,913,164,536	2,567,537,909
Cash Compensation paid	(22,050,000)	-
Direct taxes paid	(281,365,030)	(171,703,881)
Net cash from operating activities	3,609,749,506	2,395,834,028
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Capital purchases after adjusting capital creditors	(5,985,747,046)	(9,822,775,344)
Proceeds on sale of fixed assets	15,342,800	186,000
Purchase of investments :		
- Mutual funds	(2,979,328,997)	(5,239,927,251)
Sale of investments :		
- Mutual funds	2,977,157,278	5,263,797,278
- Market investments	-	37,826,973
Intercompany deposits given:		
- Granted during the year	(493,490,746)	(25,100,000)
- Refund of intercompany deposit	448,926,534	15,000,000
Advances from/(to) joint venture companies	(62,508,351)	79,790,625
Advance paid for acquisition of stake in a subsidiary	(134,793,534)	-
Amount received from minority shareholders	49,000,000	(370,030,000)
Disposal /(acquisition) of stake in joint venture companies	42,578,538	865,131
Interest received	37,207,166	33,549,967
Dividend received	-	-
Net cash used in investment activities	(6,085,656,358)	(10,026,816,621)



GAMMON INFRASTRUCTURE PROJECTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from equity share capital	-	300,002
Capital grant received	182,500,000	876,990,000
Proceeds from borrowings	12,170,527,917	17,525,056,594
Repayment of loans	(8,268,014,401)	(8,795,480,794)
Disposal/(Acquisition) of equity stake to minority share holder	(171,637,077)	349,273,560
Interest paid	(3,064,716,117)	(1,473,478,130)
Preliminary and share issue expenses	(1,437,059)	(22,157,363)
Net cash from financing activities	847,223,263	8,460,503,869
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,628,683,588)	829,521,276
Cash and cash equivalents, end of the year	692,496,270	2,321,179,857
Cash and cash equivalents, beginning of the year	2,321,179,857	1,491,658,581
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,628,683,587)	829,521,276
COMPONENTS OF CASH AND CASH EQUIVALENTS :		
Cash and cheques on hand	10,687,136	7,193,919
Funds in transit	-	
With banks :		
On current accounts	568,659,619	2,313,985,938
On deposit accounts	113,149,515	-
Cash and cash equivalents, end of the year	692,496,270	2,321,179,857

Summary of significant accounting policies

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

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

N. Jayendran
Partner
Membership No. : 40441

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

per Hemal Shah
Partner
Membership No. : 42650

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

Abhijit Rajan
Chairman and Managing Director

Himanshu Parikh
Vice Chairman

Kishor Kumar Mohanty
Managing Director

Parag Parikh
Whole-time Director and CFO

C.C. Dayal
Director

Naresh Chandra
Director

S.C. Tripathi
Director

Homai A. Daruwalla
Director

G. Sathis Chandran
Company Secretary



Place : Mumbai
Date : May 24, 2013

GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

1 Background

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

2 Accounting policies

a. Basis of preparation

The Consolidated Financial Statements have been prepared to comply in all material respects with the notified accounting standards by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies are consistent with those used in the previous year, except for the changes in the accounting policies explained below in note 2.1(a).

b. Principles of consolidation

i) Holding company and subsidiaries :

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

The Financial Statements of the Company and its subsidiary companies have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard - 21 ('AS-21') "Consolidated Financial Statements" notified under the Companies (Accounting Standards) Rules, 2006.

The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

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

The excess of cost of investments of the Group over its share of equity in the subsidiary is recognised as goodwill. The excess of share of equity of subsidiary over the cost of investments is recognised as capital reserve.

ii) Interest in joint venture companies :

The Group's interest in the joint ventures, in the nature of jointly controlled entities are included in these consolidated financial statements using the proportionate consolidation method as per the Accounting Standard - 27 ('AS-27') "Financial Reporting of Interests in Joint Ventures" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with similar items, on a line by line basis.

iii) Investments in associate companies :

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

Under the equity method, the investment in associates is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. The statement of profit and loss reflects the Group's share of the results of operations of the associates.

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

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

2.1 Summary of other significant accounting policies

a. Use of estimates

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

b. Revenue recognition

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

i) Infrastructure development business :

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

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

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

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

Other operating income is recognised on an accrual basis.

ii) Operations and maintenance revenues :

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

iii) Construction contract revenues :

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

Construction contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period. Foreseeable losses on contract are fully provided for in the respective accounting period.

iv) Interest income :

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

v) Dividend income :

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

c. Tangible assets

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

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(All amounts in Indian rupees unless otherwise stated)

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

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

d. Intangible assets and Intangible assets under development

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

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

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

fees for construction and operation of an offshore terminal (License Fees Intangible). The O&M intangible results in income stream for the Group for a period of 14 years. The rights are therefore amortised over the period of 14 years on straight line basis. The license fees intangible asset being rights of O&M are amortised over the period of the subsistence of its rights commencing from the date the project becomes operational.

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

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

e. Impairment

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

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

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

f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

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

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

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

g. Inventories

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

h. Borrowing costs

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

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

i. Provision for taxes

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

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

In the situations where any company within the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the said company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the said company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

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

j. **Foreign currency translation**

Initial recognition :

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

Conversion :

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

Exchange differences :

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

k. **Preliminary and share issue expenses**

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

l. **Operating lease**

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

m. **Earnings per share**

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

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

n. **Employee benefits**

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

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

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



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

o. Employee share based payments ('ESOP')

the 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.

p. Grants received

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

q. Deferred payment liability

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

r. Minority interest

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

s. Segment reporting

Identification of segments :

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

t. Provisions

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

u. Cash and cash equivalents

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

v. Contingent liability

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

w. Measurement of EBITDA

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

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(All amounts in Indian rupees unless otherwise stated)

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

a. Subsidiaries :

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

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

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(All amounts in Indian rupees unless otherwise stated)

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

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

b. Joint venture entities :

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

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

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

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

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

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Assets		
Non-current assets		
Fixed assets :		
Tangible assets (net)	13,309,171	43,197,045
Intangible assets (net)	125,000,000	125,000,000
Capital work in progress	-	44,588,156
Intangible assets under development	2,281,750,418	1,673,191,783
Long-term loans and advances	79,491,729	75,443,507
Current assets		
Inventories	-	597,957
Trade receivables	3,922,489	753,427
Cash and cash equivalents	33,435,132	10,383,854
Short-term loans and advances	13,424,331	17,265,005
Other current assets	7,345,878	-
Total Assets	2,566,863,427	1,990,420,734



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

Liabilities

Non-current liabilities

Long-term borrowings	1,961,861,013	1,487,979,019
Long-term provisions	702,405	780,786

Current Liabilities

Trade payables, current	67,360,477	816,925
Other current liabilities	157,433,393	147,844,844
Short-term provisions	68,009	221,684

Total liabilities

2,187,425,297 1,637,643,258

Reserves and surplus

Deficit in the statement of profit and loss :

Opening balance	(202,537,505)	(131,224,080)
Loss during the current year	(47,692,714)	(139,317,773)
Total reserves and surplus	(250,230,219)	(270,541,853)

Total reserves, surplus and liabilities

1,937,195,078 1,367,101,405

<u>Particulars</u>	<u>Year ended</u> <u>March 31, 2013</u>	<u>Year ended</u> <u>March 31, 2012</u>
<u>Income</u>		
Revenue from projects	26,531,767	28,923,096
Other income	942,327	1,602,724
Total income	27,474,094	30,525,820
<u>Expenses</u>		
Project expenses	39,506,967	69,198,515
Employee benefit expenses	9,660,258	13,379,930
Other expenses	14,629,299	6,257,437
Finance cost	3,650,000	70,221,007
Depreciation and amortisation	7,650,461	10,592,881
Total expenses	75,096,986	169,649,770
Profit before tax	(47,622,892)	(139,123,950)
Provision for tax	-	193,823
Profit after tax	(47,622,892)	(139,317,773)
Capital commitments	1,332,012,768	714,741,238

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

c. Associates :

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

<u>Particulars</u>	<u>% of Interest</u> <u>As at</u> <u>March 31, 2013</u>	<u>% of Interest</u> <u>As at</u> <u>March 31, 2012</u>
ATSL Infrastructure Projects Limited ('AIPL')	49.00%	49.00%
Eversun Sparkle Maritime Services Private Limited ('ESMSPL')	30.90%	30.90%
Modern Tollroads Limited*	49.00%	49.00%

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

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

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

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

b. Terms / rights attached to equity shares :

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

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

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

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

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

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

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

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

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

f. Shares reserved under options to be given :

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

5 Reserves and surplus		As at March 31, 2013	As at March 31, 2012
Particulars			
Capital reserve :			
Capital grant :			
Balance, beginning of the year		1,373,650,000	496,660,000
Add : Capital grant received during the year		182,500,000	876,990,000
Less : Capital grant transferred to minority share holders		609,870,504	-
Balance, end of the year	(A)	946,279,496	1,373,650,000
Securities premium account :			
Balance, beginning of the year		3,509,443,124	3,523,177,883
Add : On issue of shares on exercise of employee stock options		-	1,265,241
Less : Security premium on divestment of joint venture company		-	15,000,000
Less : Utilised on issuance of bonus shares		(10,525,640)	-
Less : Share issue expenses during the year		(1,406,720)	-
Balance, end of the year	(B)	3,497,510,764	3,509,443,124
Employee stock options :			
Employee stock options outstanding		6,578,002	9,676,544
Less : Employee stock options exercised		-	176,790
Less : Forfeiture of employee stock options offered		3,565,249	3,148,505
Add : Short accounting of ESOPs' in prior years		-	273,000
Less : Deferred employee compensation outstanding		(46,247)	46,247
Balance, end of the year	(C)	3,059,000	6,578,002
Other reserves :			
General Reserve			
Balance, beginning of the year		313,248,076	220,300,000
Add: Amounts transferred from surplus balance in the statement of profit and loss			90,552,576
Add: reversal of provision for employee stock options outstanding on forfeiture / lapse of options			2,395,500
Add: reversal of provision for Cash compensation scheme			-
Balance, end of the year	(D)	313,248,076	313,248,076
Surplus / (deficit) in the statement of profit and loss			
Balance, beginning of the year		781,328,222	1,198,982,083
Add : Profit / (Loss) for the year		147,263,254	(254,181,145)
Less: Proposed dividend for minority shareholders		22,877,417	-
Less: Tax on proposed dividend		14,818,155	-
Less: Tax on equity dividend		-	72,920,140
Less: Transfers to general reserve			90,552,576
Balance, end of the year	(E)	890,895,904	781,328,222
Total reserves and surplus	(A+B+C+D+E)	5,650,993,240	5,984,247,424

a. **Capital grant :**

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

b. **Employees stock options ('ESOP') :**

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

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

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

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

ESOP scheme 2007

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

ESOP scheme 2008

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

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(All amounts in Indian rupees unless otherwise stated)

Other disclosures

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

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

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

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

6 Minority interest

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

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(All amounts in Indian rupees unless otherwise stated)

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

- a. The above term loans from banks and financial institutions are primarily taken by various project executing entities of the Group for the execution of the projects. These loans are secured by a first mortgage and charge on all the movable properties, immovable properties, tangible assets, intangible assets and all bank accounts (including escrow bank accounts) save and except the project assets of each individual borrowing company in the Group.
- b. Loans from others are secured by first charge on proceeds/ receivables to be received from the National Highways Authority of India (NHAI) towards annuities to be received for the period between the Scheduled Commercial Operation Date and the actual Commercial Operations Date (COD). This loan carries interest rate in the range of 13% p.a. The loan is repayable on from March 1, 2014.
- c. One of the Group SPV had obtained a secured term loan from a financial institution for which charge is yet to be created as at March 31, 2013. The financial institution has levied a penal interest of Rs. 21,651,124 which has not been paid. Further the SPV had received during the year a letter from a bank towards charges for prepayment of loans which has been contested by the SPV and hence remained unpaid till year end.
- d. During the year, one of the SPV was under negotiation with one of the lender in determining the rate of interest on long term borrowings. The lender has charged an excess interest amounting to Rs. 6,219,129/- till March 31, 2013 including Rs. 4,835,129 as at March 2012. However, post year end, the lender has through a letter communicated the reversal of excess interest charged.
- e. During the year, the one of the SPV has been regularly paying interest to the secured lenders as the terms of the loan agreement. However, in respect of some of the lenders there was a difference between the amount of interest charged by the lenders and the amounts paid by the SPV resulting in an outstanding amount payable of Rs. 7,206,873 which is outstanding as on the balance sheet date. The Company is taking up the matter with the lenders for resolution. Pending the resolution the same is shown as continuing default as at the balance sheet date.
- f. Term loan from financial institution also includes loan availed by GIPL and is secured by a) Pledge of equity shares of one of the SPV for an aggregate value of Rs. 2,19,45,00,000/-, b) a first and exclusive charge on the Designated account, Debt Service Reserve aggregating to Rs. 10,10,21,821/- as on March 31, 2013 Surplus Monies and the sale proceeds to be received by the Borrower due to Mumbai Nasik Expressway Limited 'MNEL' Stake sale and/or the Lender exercising its power in respect of the Borrower's stake in MNEL under the Loan Agreement. The balance is secured by equity shares of GIPL pledged by the holding company, hence is shown as unsecured portion. This term loan carries an interest rate of 14.00% pa. Its repayment is entirely due on September 15, 2014.



GAMMON INFRASTRUCTURE PROJECTS LIMITED

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(All amounts in Indian rupees unless otherwise stated)

g. Pledge of shares :

The equity shares held by the Company and / or GIL in a subsidiary and /or joint venture company of the Group are pledged with respective lenders or consortium of lenders for the individual secured loan availed by the said subsidiary and / or joint venture company from their respective lenders or consortium of lenders.

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

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

h. Interest rates :

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

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

i. Schedule of repayments of the term loans :

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

j. Unsecured intercorporate loan :

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

k. Unsecured, deferred payment liability :

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

8 Deferred tax liabilities (net)

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

One of the SPV has unabsorbed depreciation as per tax returns which is available for set off against taxable income. The SPV has recognised the deferred tax asset credit estimating its future taxable income on the basis of the actual traffic plying on the road during the balance period of the Concession which satisfies the test of virtual certainty supported by convincing evidence for recognising the deferred tax asset on the unabsorbed depreciation as per the tax returns. The SPV has obtained an independent expert's opinion about the satisfaction of the convincing evidence as required by Accounting Standard (AS) - 22 on Accounting for taxes on income. The deferred tax asset recognised amounts to Rs. 330,266,288 on the unabsorbed depreciation as per the tax returns available for set off from future taxable income.



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

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

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

a. Cash Alternative Settlement of ESOP Scheme :

During the previous years, the Compensation Committee of the Board of Directors has implemented a scheme of Retention Bonus for its employees. Under this scheme, employees (excluding the Managing Director), to whom stock options were offered in the current year are entitled to a cash alternative to the options which would be payable in lieu of their not exercising the right to apply for the shares against the options granted under the ESOP schemes. During the year, a provision of Rs. 4,287,167 (Previous year Rs 3,537,253) has been made for Cash Compensation in accordance with the Guidance Note on Accounting of Employees Share Based Payments issued by the Institute of Chartered Accountant of India and a payment of Rs. 2,20,50,000/- is made to employees.

b. A demand of Rs 20,50,89,058 has been raised by the income-tax authorities for Assessment Years 2005-06 to 2011-12 pursuant to assessment proceedings conducted under Section 153A of the Income Tax Act, 1961. The Company has filed an appeal against the said demand. However, the provisions for tax made by the Company are adequate to meet the said demand.

c. Gratuity :

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

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

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

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

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

The gratuity scheme of a joint venture SPV is funded with an insurance company in the form of a qualifying insurance policy. The details of

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

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

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

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

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

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant

c. Periodic maintenance :

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

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

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



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

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

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

a. Amounts due to micro and small enterprises as defined under the MSMED Act, 2006 :

As per the information available with the Group, there are no Micro, Small, and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Group owes dues on account of principal or interest.

The above information regarding Micro, Small, and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

b. Amount due to minority share holders includes share application money received from minority shareholders of VGRPPL Rs 49,000,000 (Previous year : Rs Nil), RCTPL Rs 170,000,000 (Previous year : Rs 170,000,000) and SREPL Rs 1,000 (Previous year : Rs 1,000).

c. Details of dues to related parties :

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



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13 Tangible assets

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

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



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



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Notes:

- A. Project roads pertain to the all the costs incurred by three SPV's of the Company, AEL, REL and GHCL for the construction of two separate road highways under separate concession agreements entered into between the said companies and the NHAI. These agreements encompasses the construction, operation and maintenance of the highway on a Build, Operate, Transfer (Annuity) basis. The ownership of the said highway roads is with the Government of India and the said companies have an intangible right to receive half yearly annuities from NHAI upto November 29, 2019 from the date of commencement of the commercial operations. The respective highway roads developed by AEL and REL on certification by NHAI, began commercial operations from October, 2004 and September 2004 respectively.
- B. Project bridges pertain to the costs for construction of separate bridge projects by the two SPV's of the Company CBICL and KBICL. The details are as under :
- a) It includes costs incurred by CBICL for construction of a road bridge across the Mattanchery river in Cochin in the state of Kerala as per the concession agreement entered into between the said SPV and Greater Cochin Development Authority (GCDA). This agreement encompasses the construction, operation and maintenance of the said bridge on a Build, Operate and Transfer (Toll) basis. The ownership of the bridge is with the Government of Kerala and the SPV has an intangible right to collect toll from the users of the said bridge upto June 6, 2020 from the date of commencement of the commercial operations. The SPV on certification from GCDA commenced the commercial operations from September 26, 2001.
- b) It includes costs incurred by KBICL for construction of a road bridge across the Kosi river in the state of Bihar as the concession agreement entered into between the said SPV and NHAI. This agreement encompasses the construction, operation and maintenance of the said bridge on a Build, Operate and Transfer (Annuity) basis. The ownership of the bridge is with the Government of India and the SPV has an intangible right to receive half yearly annuities from NHAI upto April 4, 2027 from the date of commencement of the commercial operations. The SPV on certification from NHAI commenced the commercial operations from February 8, 2012.
- C. Project berths pertain to all the cost incurred by the SPV of the Company, VSPL for the construction of two berths at Vishakapatnam port, as per the concession agreement signed by the SPV with Vizag Port Trust (VPT) a statutory body governing the entire Vishakapatnam port. These agreements encompasses the construction, operation and maintenance of the two berths on a Build, Operate, Transfer basis. The SPV is allowed to levy charges from the users of the berth and other facilities of the VSPL from the date of commencement of the commercial operations upto November 2031. The commercial operations on certification by VPT commenced in two phases, Phase 1 from July, 2004 and the second phase from September, 2005.
- D. Toll concession rights pertain to the costs incurred by a SPV of the Company, MNEL for construction of a highway road as per the concession agreement signed between MNEL and NHAI. This agreement encompasses the construction, operation and maintenance of highway on a Build, Operate and Maintenance (Toll) basis. The ownership of the said highway road is with the Government of India and the said SPV has an intangible right to collect toll from the users of the road upto the year 2028 from the date of the commercial operations. As the construction of the road highway was completed in two phases, Phase 1 in May 2010 and Phase 2 in August, 2011, the SPV began commercial operations of the road highway in two phases from the said dates.
- E. Operations & maintenance rights includes upfront amount paid by the Company to its holding company, GIL, for revision of the terms of the sub-contract agreement signed between them for Operations and Maintenance of the road project in the state of Andhra Pradesh. The said upfront fees has been capitalised as an intangible asset which will be amortised over the life of the said agreement upto November 2019.
- F. License fees pertain to the fees paid by a SPV of the Company, ICTPL to Mumbai Port Trust (MBPT) as per the concession agreement signed between them for providing the license to construct, operate and maintain a offshore container terminal in the Mumbai Port. The said intangible will provide the right to the SPV to charge the users of the offshore container terminal when it commences operations. The intangible will be amortised from the date the commercial operations commences.



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

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

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

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

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



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Carrying amount of investments in associate companies :

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

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

19 Loans and advances :

Unsecured, considered good unless stated otherwise

Particulars	March 31, 2013		March 31, 2012		
	Non-current	Current	Non-current	Current	
Capital advances					
Related parties - GIL	470,143,009	-	871,227,667	-	
Others	964,547,244	-	790,776,364	-	
	(A)	1,434,690,253	-	1,662,004,031	
Deposits					
Security deposits	15,433,493	1,234,399	13,447,607	3,409,354	
Other deposits	10,227,729	127,500	10,912,426	242,500	
	(B)	25,661,222	1,361,899	24,360,033	
Advance recoverable in cash or in kind					
Related parties	-	33,507,286	1,191,119	29,413,771	
Others	91,503,662	187,940,694	203,507,375	38,132,352	
Considered doubtful	3,626,704	-	2,631,756	-	
		95,130,366	221,447,980	207,330,250	
Less : Provision made	(3,626,704)	-	(2,631,756)	-	
	(C)	91,503,662	221,447,980	204,698,494	
Intercorporate loans given					
to related parties					
- ICTPL	30,513,248	-	5,100,000	-	
- GIL	1,073,466	-	-	-	
Others	63,077,498	-	45,000,000	-	
Considered doubtful	3,892,000	-	3,892,000	-	
		98,556,212	-	53,992,000	
Provision for doubtful deposits	(3,892,000)	-	(3,892,000)	-	
	(D)	94,664,212	-	50,100,000	
Advance income-tax, net of tax provision	(E)	266,434,011	-	179,233,373	
MAT credit entitlement	(F)	195,235,847	-	164,698,463	
Advance towards equity commitment					
Related parties - Modern Toll roads		12,994,800	-	12,994,800	
Others		168,183,126	-	-	
	(G)	181,177,926	-	12,994,800	
Other loans and advances					
Cenvat/VAT/Service tax recoverable		25,000	47,702,411	25,000	
Prepaid expenses		18,326,520	64,980,469	-	
	(H)	18,351,520	112,682,880	25,000	
Total Loans and Advances (A + B + C + D + E + F + G + H)		2,307,718,653	335,492,759	2,298,114,194	150,871,030



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

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

20 Trade receivables

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

21 Other assets

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

a. Accrued income includes amounts of Rs 1,174,884,534 (Previous year : Rs 468,579,225) receivable from NHAI against the annuities, Rs 219,460,403 (Previous year : Rs 13,258,750) towards grant from NHAI, Rs 11,409,681 (Previous year : Rs 12,898,729) from a client and balance from others. These are unbilled revenues accrued as on March 31, 2013 to the SPVs of the Group.

b. Balances in escrow bank accounts includes an amount of Rs 33,505 (Previous year : Rs 33,505) of the Initial Public Offer, made by the holding company of the Group, pertains to the refund orders not encashed by the investors. This amount is transferrable to Investors Protection Fund in the year 2015.



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

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

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

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

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

26 Revenue from projects

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

During the year, one of the SPV has received bunched up annuity amounting to Rs. 223,125,683 (previous year : Nil) on account of the delay caused not on account of the SPV. The SPV has amortised the intangible asset proportionately for the portion related to the bunched up annuity.

The Group undertakes various projects on build-operate-transfer basis as per the service concession agreements with the government authorities. During the current year, the developer fees incurred by the operator on the project with the Group were considered as exchanged with the grantor against toll collection / annuity rights from such agreements and therefore the revenue from such contracts were considered realised by the Group and not eliminated for consolidation under AS-21 Consolidated Financial Statements. The revenue during the current year from such contracts are not eliminated to the extent of Rs. 676,777,051 (previous year : Rs. 246,237,536).

27 Other operating revenue

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

28 Other income

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

29 Project expenses	Year ended March 31, 2013	Year ended March 31, 2012
Particulars		
Changes in inventory of materials used in maintenance activities :		
Opening stock of materials	4,440,914	5,425,066
Less : Closing stock of materials	4,208,978	4,440,914
	231,936	984,152
Sub-contracting expenses	352,814,240	338,318,247
Expenses towards change of scope	38,528,735	-
Material handling system's maintenance expenses	117,098,647	112,504,813
Port cargo handling expenses	471,088,122	388,371,520
Power and fuel expenses	50,589,268	47,943,194
Royalty on revenue	65,385,870	39,161,063
Penalty on shortfall of minimum guarantee throughput	11,295,732	52,826,005
Other project expenses	113,044,015	109,425,935
Periodic maintenance expenses	441,869,728	282,103,000
	1,661,714,357	1,370,653,776
Total project expenses	1,661,946,293	1,371,637,928
30 Employee benefits expense	Year ended March 31, 2013	Year ended March 31, 2012
Particulars		
Salaries, wages and bonus	209,859,947	181,364,964
Contributions to provident fund	8,626,209	7,380,824
Directors' remuneration including contributions to provident fund	51,145,954	46,249,330
Staff welfare expenses	10,340,638	11,138,778
Provision for leave encashment	6,568,249	5,222,296
Provision for gratuity	1,946,917	1,920,013
Employees 'ESOP' compensation cost	(3,519,002)	(57,642)
Cash alternative settlement of ESOP scheme	4,285,167	3,537,253
Total employee benefits expense	289,254,079	256,755,816
31 Other expenses	Year ended March 31, 2013	Year ended March 31, 2012
Particulars		
Professional and consultancy fees	89,732,227	79,192,486
Insurance charges	5,290,311	6,146,099
Directors' fees and commission	830,000	2,300,000
Office rent	13,784,347	14,556,649
Hire of equipments	3,971,430	3,259,142
Fuel charges	2,799,461	3,899,383
Travelling and motor car expenses	24,287,028	17,600,235
Tender document expenses	15,525,626	25,302,705
Payment to auditors	8,402,608	8,859,047
Preliminary and share issue expenses	30,339	22,157,363
Guarantee bond commission	4,412,226	19,602,988
Miscellaneous expenses	46,355,716	39,677,270
Assets written off	9,914,535	10,104,861
Loss on sale of assets	5,860,832	3,376,070
Loss on divestment of joint venture	-	35,412,632
Loss from joint venture *	39,945,070	11,687,090
Loss on foreign currency fluctuation	1,802,716	-
Intangible asset written off	5,575,701	-
Provision for diminution in value of investments (including goodwill written off)	-	21,987,235
Provision for doubtful debts, advances & bad debts	458,495	15,457,915
	278,978,668	340,579,170
Less : Transfer to intangible asset under development	-	-
Total other expenses	278,978,668	340,579,170

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

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

- a. The Group undertakes various projects on build-operate-transfer basis as per the service concession agreements with the government authorities. During the previous year, the developer fees incurred by the operator on the project with the Group were considered as exchanged with the grantor against toll collection / annuity rights from such agreements and therefore the revenue from such contracts were considered realised by the Group and not eliminated for consolidation under AS-21 Consolidated Financial Statements. The revenue during the previous year from such contracts were not eliminated to the extent of Rs. 246,237,536. Further, the Group has reflected the credit of the developer fees of Rs. Rs. 650,258,901 upto March 31, 2011 as an exceptional item.
- b. Upto March 31, 2011, periodic maintenance cost including resurfacing expenditure required to be undertaken by the operator under its BOT contracts at specified intervals were capitalised to the project asset. During the previous year, in line with industry practice, the relevant SPVs have recognised a provision for such expenditure on a systematic basis over the period for which such obligations are to be carried out. Further, these SPVs have debited such un-amortised expenditure of Rs.745,405,210 as at March 31, 2011 to the statement of profit and loss as an exceptional item in the previous year.
- c. Exceptional items are therefore the net of the unamortised periodic maintenance expenditure written off, Rs. 745,405,210, depreciation for prior years Rs 1,901,748 and reversal of elimination of developer fees of Rs. 650,258,901 resulting in a net debit of Rs. 97,048,057.

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

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

35 Annuity receivable by CBICL

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

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

36 Earnings per share (EPS)

Particulars	As at 31-Mar-13	As at 31-Mar-12
Profit/(loss) after tax	147,263,253	(254,181,145)
Outstanding equity shares at the end of the year	734,026,438	728,763,618
Weighted average number of equity shares outstanding during the year - Basic	734,026,438	728,755,992
Weighted average number of equity shares outstanding during the year - Diluted	734,180,933	729,105,907
Earnings Per Share - Basic (Rs.)	0.20	(0.35)
Earnings Per Share - Diluted (Rs.)	0.20	(0.35)

Particulars	As at 31-Mar-13 Rupees	As at 31-Mar-12 Rupees
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	728,763,618	728,740,162
Add : Issue of equity shares against options granted to employees	-	23,456
Add : Issue of Bonus Shares during the year	5,262,820	-
Total number of equity shares outstanding at the end of year	734,026,438	728,763,618
Weighted average number of equity shares at the end of the year	734,026,438	728,755,992
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	734,026,438	728,755,992
Add : Equity shares for no consideration arising on grant of stock options under ESOP	3,565,448	3,565,448
Less : Equity shares for no consideration arising on grant of stock options under ESOP forfeited / lapsed (included above)	3,410,953	3,215,533
Weighted average number of equity shares used in calculating diluted EPS	734,180,933	729,105,907

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

Particulars	Year ended 31-Mar-13	Year ended 31-Mar-12
Profit after tax as reported	147,263,253	(254,181,145)
Add: Stock based compensation expense included in the reported income	46,247	(57,642)
Less: Stock based compensation expenses determined using fair value of options	233,195	7,760,545
Net Profit (adjusted)	147,076,305	(261,999,332)
Earnings Per Share :		
Basic earnings per share as reported	0.20	(0.35)
Basic earnings per share (adjusted)	0.20	(0.36)
Diluted earnings per share as reported	0.20	(0.35)
Diluted earnings per share (adjusted)	0.20	(0.36)
Weighted average number of equity shares at the end of the year	734,026,438	728,755,992
Weighted average number of shares considered for diluted earnings per share (adjusted)	734,180,933	729,105,907

37 Lease

One of the SPV has taken land on lease from Visakhapatnam Port Trust under non-cancellable operating lease agreements and temporary housing from others under cancellable operating lease agreements. Total rental expense under non-cancellable operating lease was Rs. 9,210,235 (Previous year: Rs. 5,938,636) and under cancellable operating leases was Rs. 818,810 (Previous year: Rs. 661,604) which has been disclosed as lease rentals in the statement of profit and loss.

Further, another SPV has also taken an office premises on a non-cancellable operating lease. The monthly lease rents amounts to Rs. 950,000 (Previous year : Rs. 950,000). The disclosures as per Accounting Standard 19 'Leases' notified under the Companies (Accounting Standards) Rules, 2006 are as under:

Particulars	31-Mar-13 Rupees	31-Mar-12 Rupees
Minimum lease payments :		
Payable not later than 1 year	12,084,000	12,084,000
Payable later than 1 year and not later than 5 years	22,686,000	34,086,000
Payable later than 5 years	-	-
Lease payment recognised in the statement of profit and loss	1,299,713	6,911,469

38 Related party transactions

a. Names of the related parties and related party relationships

i) Entities where control exists :

GIL the holding company

ii) Fellow subsidiary :

GPL subsidiary of the holding company, GIL
ACBIPL subsidiary of the holding company, GIL

iii) Associates :

AIPL
ESMSPL
Modern Tollroads Limited

iv) Key management personnel :

Abhijit Rajan
Kishor Kumar Mohanty
Parag Parikh
Rajeevkumar Malhotra



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

b. Related party transactions

Transactions	Entities where control exists	Fellow subsidiary	Associates	Key management personnel	Total
Operations and maintenance income from : GIL	192,104,620 (181,382,669)				192,104,620 (181,382,669)
Operations & maintenance expenses : GIL	192,068,481 (181,382,669)				192,068,481 (181,382,669)
Intangible asset development (materials supply) : GIL	105,298,277 (491,756,326)				105,298,277 (491,756,326)
Intangible asset development (contract expenditure) : GIL	2,936,192,456 (6,704,333,405)				2,936,192,456 (6,704,333,405)
Advances given against EPC contracts to : GIL	112,311,912 (254,173,425)				112,311,912 (254,173,425)
Advances recovered against EPC contracts from : GIL	204,859,918 (152,603,934)				204,859,918 (152,603,934)
Advance against material supply liquidated : GIL	- (135,000,000)				- (135,000,000)
Advance against labour recovered : GIL	135,000,000 -				135,000,000 -
Advance against material supply recovered : GIL	124,915,434 -				124,915,434 -
Rent paid to : GIL	- (700,000)				- (700,000)
Insurance claims received from : GIL	- -				- -
Insurance claims transferred to : GIL	1,626,398 (712,654)				1,626,398 (712,654)
Managerial remuneration : Mr. Kishor Kumar Mohanty	- -			25,845,378 (22,173,328)	25,845,378 (22,173,328)
Mr. Parag Parikh	- -			16,999,844 (6,708,482)	16,999,844 (6,708,482)
Mr. R.K. Malhotra	- -			8,300,732 (11,367,520)	8,300,732 (11,367,520)
Bonus shares issued (no. of shares): - Mr. Abhijit Rajan				836,602 -	836,602 -
- Mr. K. K. Mohanty				2,956 -	2,956 -
- Mr. R. K. Malhotra				2,648 -	2,648 -
- Mr. Parag Parikh				7,206 -	7,206 -
Finance provided (incl. Loans and equity contribution in cash or in kind) : GIL	750,000,000 -				750,000,000 -
Finance provided for expenses and on account GIL	7,696,902 (1,026,119)				7,696,902 (1,026,119)



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

Transactions	Entities where control exists	Associates	Fellow subsidiary	Key management personnel	Total
Amount liquidated towards the above finance : GIL	748,926,534 (836,284)				748,926,534 (836,284)
Intercorporate borrowings from : GIL	190,000,000 -				190,000,000 -
Finance received for expenses & on account payments : GIL	1,022,507 (275,894)				1,022,507 (275,894)
Refund of intercorporate borrowings to : GIL	926,404,066 (2,042,237)				926,404,066 (2,042,237)
Interest income during the period : GIL	936,986 -				936,986 -
Interest paid during the year to : GIL	37,050,612 (88,344,000)				37,050,612 (88,344,000)
Retention money recovered : GIL	7,421,777 (152,392,455)				7,421,777 (152,392,455)
Retention money refunded : GIL	7,421,777 (155,905,258)				7,421,777 (155,905,258)
Outstanding balances receivable : Modern Tollroads Limited	-	13,043,071 (13,043,071)			13,043,071 (13,043,071)
Gammon Power Ltd	-	-	20,000,000 (20,000,000)		20,000,000 (20,000,000)
Outstanding balances payable : GIL	671,356,789 (1,654,998,546)	-			671,356,789 (1,654,998,546)
Modern Tollroads Limited	-	26,520,000 (26,520,000)			26,520,000 (26,520,000)
ACBIPL	-	-	150,000,000 (150,000,000)		150,000,000 (150,000,000)

(Previous year's figures in brackets)

39 Contingent liabilities

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

Particulars	As at 31-Mar-13	As at 31-Mar-12
Claims against Company not acknowledged as debt	1,017,672,971	308,162,328
Total	1,017,672,971	308,162,328

a. The contingent liability, detailed hereinabove includes the Group's share of contingent liability in the joint venture companies amounting to Rs Nil (Previous year :Rs Rs. Nil).

b. Claims against the SPVs of a Group not acknowledged as debt includes

i) During the year, some of the subsidiaries of the Group has received block assessment orders raising demand u/s 143(3) read with section 153(A) of the Income Tax Act, 1961 for assessment years from 2005-06 to 2011-12 totalling to Rs. 756,113,922. The subsidiaries of the Group are of the view that the said Orders are unjustified and unsustainable and hence is in the process of filing appeals against the said assessment Orders with the Commissioner of Income-Tax (Appeals). Since the subsidiaries of the Group proposes to appeal against these orders, they believe that no liability will ultimately result from these and accordingly no provision has been made in these financial statements in respect of these amounts.



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

- ii) 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 a subsidiary of the Group and NHAI, classifying the concession agreement as a 'lease' under Article 31(d) of the Indian Stamp Act. The subsidiary has impugned the Order by way of a writ petition before the High Court of Andhra Pradesh at Hyderabad. No provision is considered necessary in respect of the said demand, as the management of the subsidiary believes that there is no contravention of the Indian Stamp Act.
- c. A winding up petition against a subsidiary of the Group, has been filed by a creditor for recovery of Rs.14,140,343. The subsidiary is disputing the said amount and has recognised Rs.1,685,168 payable as there are claims and counter claims by both parties. Pending the final outcome of such proceeding, the claim from the trade payable is disclosed as a contingent liability. The management of the said is of the view that the same would be settled and does not expect any additional liabilities towards the same.

40 Commitments

a. Capital commitments

The total capital commitment as on March 31, 2013 is Rs 99,052,901,067 (Previous year :Rs 9,018,442,874).The capital commitments are in respect of projects where the concession agreements have been signed and does not include projects where only Letters of Intents are held.

b. Export obligations

Particulars	As at 31-Mar-13	As at 31-Mar-12
Under EPCG Scheme	228,966,912	228,966,912
Total	228,966,912	228,966,912

c. Other commitments

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

41 Segment reporting

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

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

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



GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

43 Derivative Instruments and Unhedged Foreign Currency Exposure

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

Particulars	As at 31-Mar-13	As at 31-Mar-12
Currency		EURO
Foreign Currency	-	1,491,450
Indian Rupees	-	101,241,073

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

As per our report of even date

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

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

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

N. Jayendran
N. Jayendran
Partner
Membership No. : 40441

Hemal Shah
per Hemal Shah
Partner
Membership No. : 42650

Abhijit Rajan
Abhijit Rajan
Chairman and Managing Director

Himanshu Parikh
Himanshu Parikh
Vice Chairman

Kishor Kumar Mohanty
Kishor Kumar Mohanty
Managing Director

Parag Parikh
Parag Parikh
Whole-time Director and CFO

C.C. Dayal
C.C. Dayal
Director

Naresh Chandra
Naresh Chandra
Director

S.C. Tripathi
S.C. Tripathi
Director

Homai A. Daruwalla
Homai A. Daruwalla
Director

G. Sathis Chandran
G. Sathis Chandran
Company Secretary



Place : Mumbai
Date : May 24, 2013