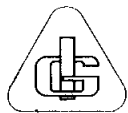


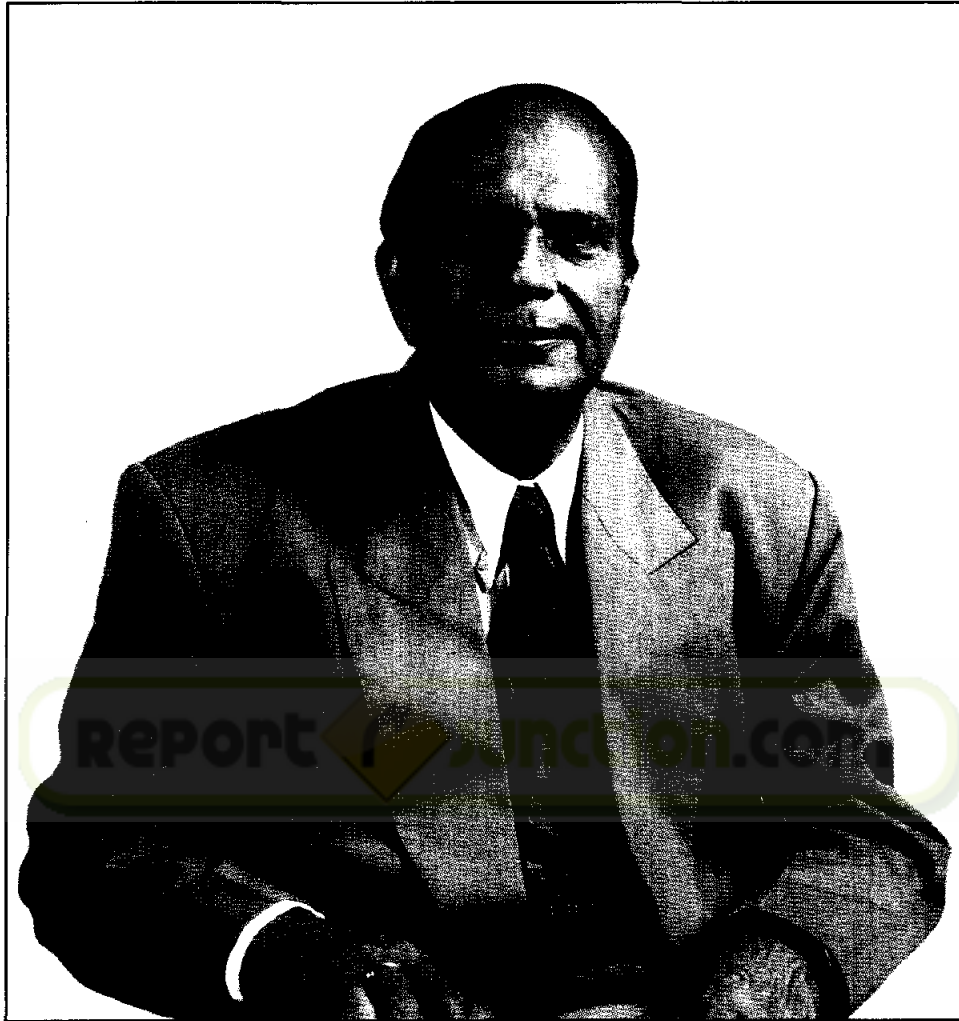


ANNUAL
REPORT
2000 - 01



GAMMON INDIA LIMITED

IN FOND MEMORY OF



LATE SHRI JAGDISH RAJAN
(1928-2000)

**“YOUR IDEALS SHALL BE OUR GUIDING
PRINCIPLES IN ACHIEVING SUCCESS
AND GROWTH”**

BOARD OF DIRECTORS

ABHIJIT RAJAN
Chairman and Managing Director

PETER GAMMON
Chairman Emeritus

S. A. REDDI
Dy. Managing Director

Dr. N. V. NAYAK
Executive Director

HIMANSHU PARIKH
Whole-time Director

ASHOK KUMAR
Director

W. PAUL HARRIMAN
Director

SHOBHIT RAJAN
Director

C. C. DAYAL
Director

S. K. GUHA THAKURTA
Director

ATUL DAYAL
Director

COMPANY SECRETARY

VEENA NAGPAL

KEY MANAGEMENT PERSONNEL

M. S. BISARIA

S. CHAKRABARTI

V. M. DHARAP

D. I. DESAI

E. C. MACIEL

P. K. UMRIGAR

P. M. JAKKAL

R. D. VARANGAONKAR

R. L. TELANG

CONSORTIUM BANKERS

CANARA BANK

PUNJAB NATIONAL BANK

SYNDICATE BANK

ALLAHABAD BANK

IDBI BANK

ICICI BANK

VYSYA BANK

AUDITORS

NATVARLAL VEPARI & CO.

SOLICITORS

A. S. DAYAL & ASSOCIATES

KANGA & CO.

LITTLE & CO.

MULLA & MULLA & CRAIGIE

BLUNT & CAROE

UDWADIA, UDESHI & BERJIS

REGISTERED OFFICE

GAMMON HOUSE
VEER SAVARKAR MARG
PRABHADEVI
MUMBAI 400 025.

TEL : 91-022-430 6761
91-022-430 1084
91-022-461 4000

FAX : 91-022-430 0529
91-022-430 0221
91-022-461 4025

E-MAIL : gammon@giasbom01.vsnl.net.in



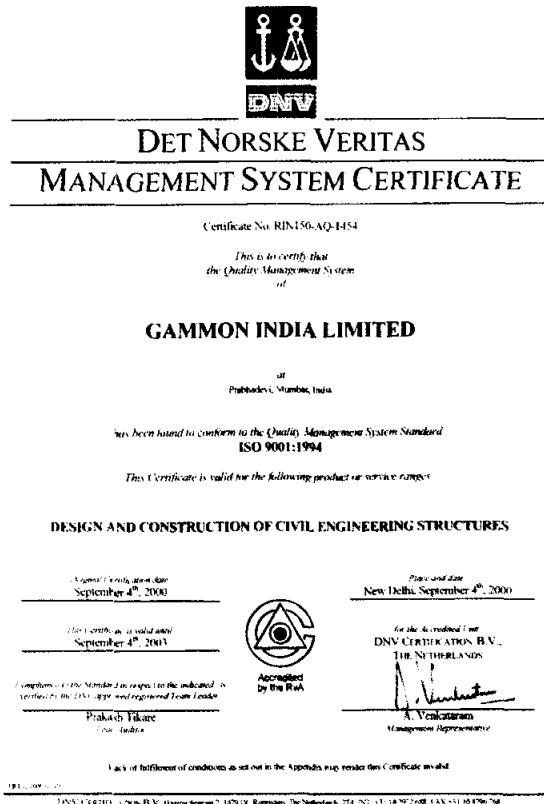


Mr. Abhijit Rajan
Managing Director (Appointed in May, 1991)

SALIENT FEATURES

- (1) Compounded Annual Growth Rate (CAGR) : 23% growth year-on-year for last 10 years i.e. from 1991-92 onwards.
27% growth year-on-year for last 5 years i.e. from 1996-97 onwards.
- (2) Return on Capital Employed (ROCE) : Exceeds 20% per annum, every year since 1992.
- (3) Work Order Position as on 31st March, 2001 : Rs. 1,300 crores approximately.
- (4) An ISO 9001 Company — A unique distinction for a project based company.
- (5) Profit earning and Dividend paying Company, since 1975 i.e. for continuous 26 years.
- (6) Distinction of having built the largest number of bridges in the whole of commonwealth group of countries.

ISO 9001 — AN ACHIEVEMENT



QUALITY POLICY

Gammon is committed to form a seamless partnership with its customers, so that their requirements become our challenge.

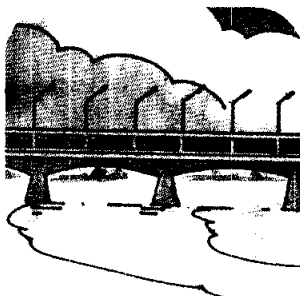
Gammon's quest for excellence is achieved by its innovative engineering and quality execution of its projects, on time, within budget, by its high performance team which is adaptable to each project.

Abhijit Rajan
Abhijit Rajan
 Managing Director

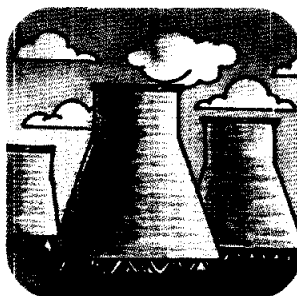
GAMMON's ACHIEVEMENT	
Normal Practice adopted by project based companies	: ISO 9002 for Company OR ISO 9001 for Project(s)
GAMMON's Unique Achievement	: ISO 9001 for the entire Company

SIGNIFICANCE OF GAMMON's UNIQUE ACHIEVEMENT	
❖	Company wide certificate covers all 53 projects of Gammon.
❖	ISO 9001 covers Designing also.

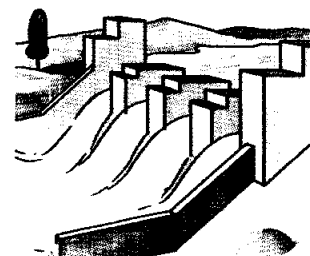
AREAS OF SPECIALISATION



TRANSPORT ENGINEERING
All types of Bridges, Flyovers and Roads.



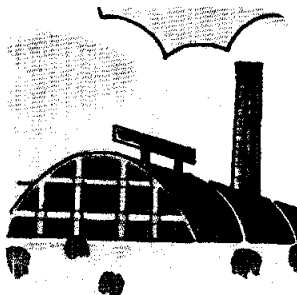
ENERGY PROJECTS AND HIGHRISE STRUCTURES
Hydel, Thermal and Nuclear Power Projects, Cooling Towers, Chimneys.



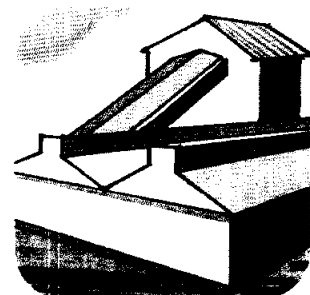
HYDRAULIC WORKS AND IRRIGATION PROJECTS
Dams, Weirs, Reservoirs, Water Towers, Canals etc.



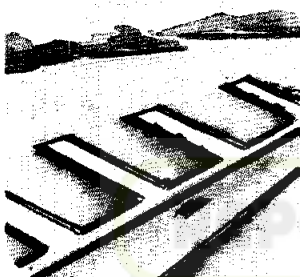
TUNNEL ENGINEERING
Tunnelling Operations.



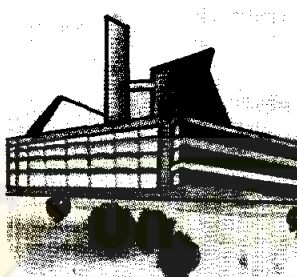
BULK STORAGE STRUCTURES
Horizontal and Vertical Silos, Warehouses, etc.



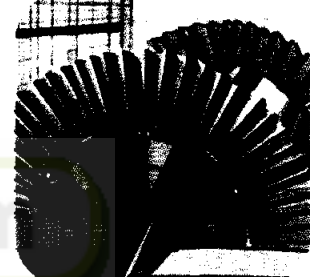
INDUSTRIAL STRUCTURES
Fertilizer Plants, Steel Mill Complexes, Cement Plants, Paper and Textile Mills, and Factories of all types.



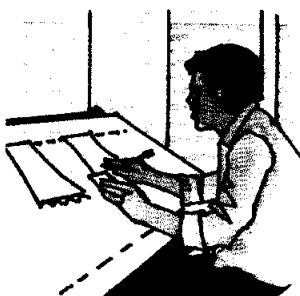
MARINE STRUCTURES
All types of Harbours, Jetties and Intake Works.



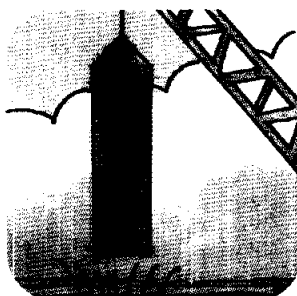
PUBLIC UTILITY STRUCTURES
Airports, Sports Complexes, Assembly Halls.



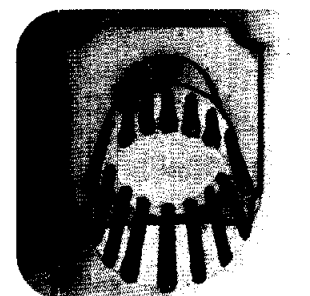
MANUFACTURE AND ERECTION
Mechanical Erection, Testing and Commissioning of Industrial Structures, Power Stations, Pipe Lines and Machinery of all types.



CONSULTANCY SERVICES
Consultancy Services for Structures, Architecture and Town Planning.



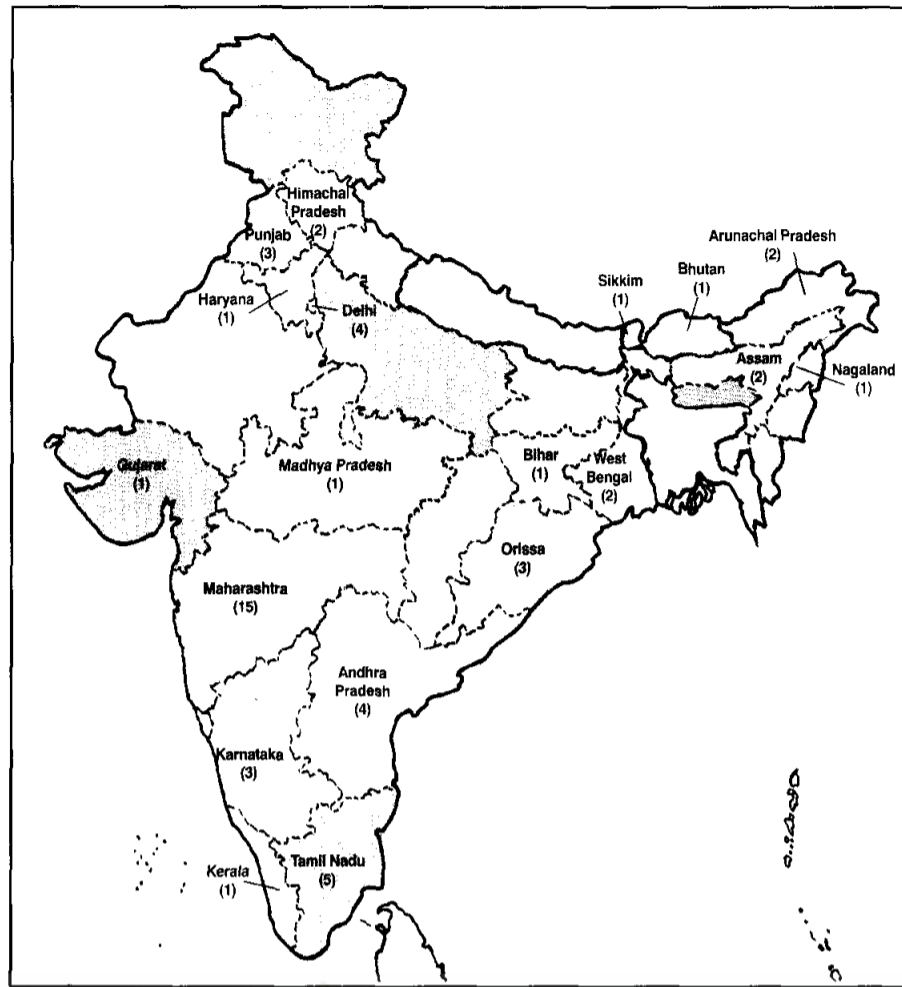
GROUND ENGINEERING AND ENVIRONMENTAL PROTECTION
Piling, Diaphragm Walls, Water Supply Schemes, Sewage Treatment Plants, Industrial Pollution Control etc.



PRESTRESSING EQUIPMENT AND REHABILITATION
Manufacture of Prestressing Equipment, Rehabilitation of Structures, Execution of Prestressing Operations.

PROJECTS BEING EXECUTED BY GAMMON INDIA LTD.

As on 31st March, 2001

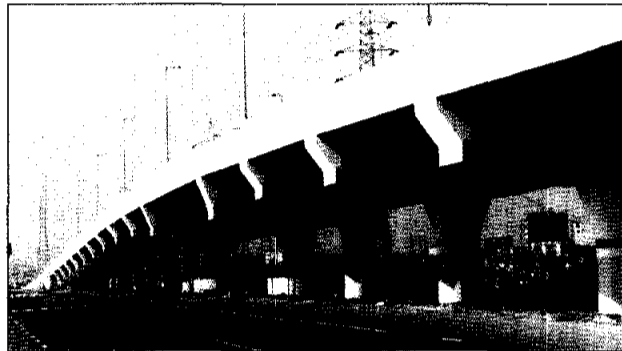
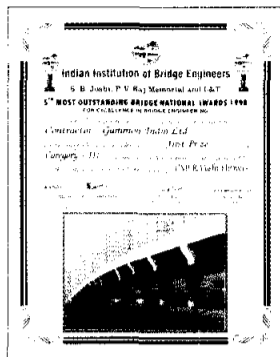


REGIONWISE AND AREAS OF SPECIALISATIONWISE DISTRIBUTION OF PROJECTS UPTO 31ST MARCH, 2001						
Areas of Specialisation	North	South	East	West	Foreign	Total
Transportation Engineering	8	3	6	8	—	25
Energy Projects and Highrise Structures	1	7	—	1	1	10
Hydraulic Works and Irrigation Projects	—	2	3	3	—	8
Tunnel Engineering	1	1	1	1	—	4
Marine Structures	—	—	—	1	—	1
Public Utility Structures	—	—	1	—	—	1
Ground Engineering and Environment Protection	—	—	1	3	—	4
Total	10	13	12	17	1	53
North	DELHI, HARYANA, HIMACHAL PRADESH AND PUNJAB					
South	ANDHRA PRADESH, KARNATAKA, KERALA AND TAMIL NADU					
East	ARUNACHAL PRADESH, ASSAM, BIHAR, NAGALAND, ORISSA, SIKKIM AND WEST BENGAL					
West	GUJARAT, MADHYA PRADESH AND MAHARASHTRA					
Foreign	BHUTAN					

AWARDS FOR TECHNICAL EXCELLENCE (1998-99 to 2000-2001)

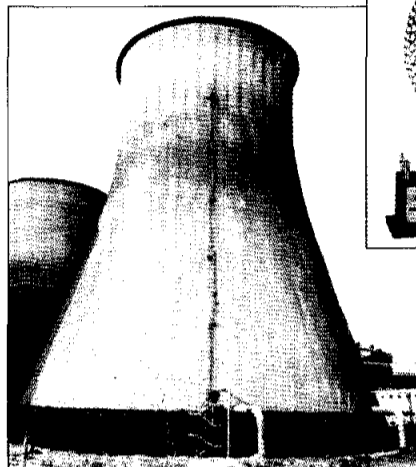
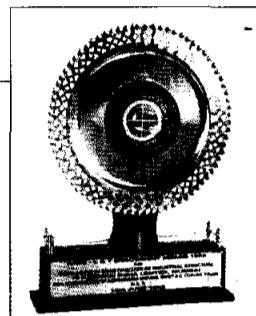
IIBE - MOST OUTSTANDING
BRIDGE NATIONAL AWARD
1st PRIZE FOR EXCELLENT
AESTHETICS MATCHING
WITH ENVIRONMENT

From : INDIAN INSTITUTION
OF BRIDGE
ENGINEERS
Project : CMLR-VASHI
FLYOVER
State : MAHARASHTRA
Year : 1998



ACCE - L & T ENDOWMENT AWARD
FOR EXCELLENCE IN CONSTRUCTION OF INDUSTRIAL
STRUCTURE

From : ASSOCIATION OF CONSULTING CIVIL
ENGINEERS
Project : KOTHAGUDEM NATURAL DRAFT R.C.
COOLING TOWER
State : ANDHRA PRADESH
Year : 1998



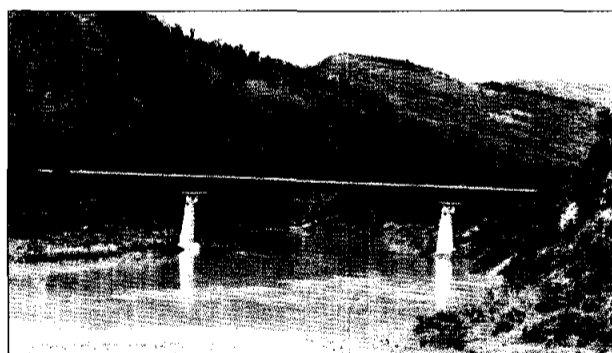
ACCE - SARVAMANGALA
AWARD
FOR EXCELLENCE IN
CONSTRUCTION

From : ASSOCIATION OF
CONSULTING CIVIL
ENGINEERS
Project : KARBUDE TUNNEL
State : MAHARASHTRA
Year : 1999



IIBE - MOST OUTSTANDING
BRIDGE NATIONAL AWARD
3rd PRIZE FOR BEST
AESTHETICS MATCHING
WITH ENVIRONMENT

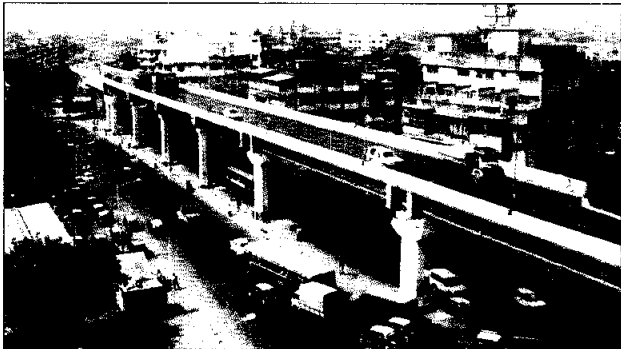
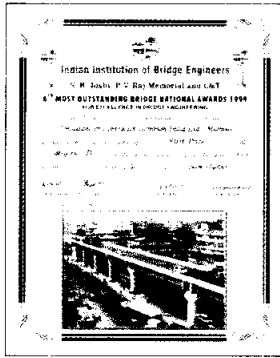
From : INDIAN INSTITUTION
OF BRIDGE
ENGINEERS
Project : KALADAN BRIDGE
State : MIZORAM
Year : 1999



AWARDS FOR TECHNICAL EXCELLENCE (1998-99 to 2000-2001)

IIBE - MOST OUTSTANDING
BRIDGE NATIONAL AWARD
1st PRIZE FOR INNOVATIVE
CONSTRUCTION IN
PRESTRESSED CONCRETE

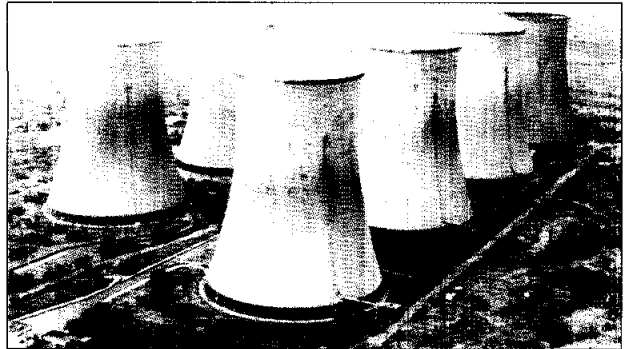
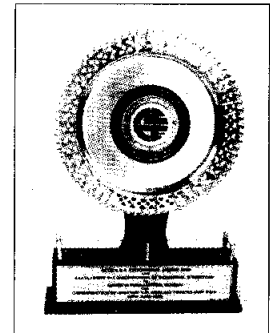
From : INDIAN
INSTITUTION OF
BRIDGE
ENGINEERS
Project : SION FLYOVER
State : MAHARASHTRA
Year : 1999



ACCE - L & T ENDOWMENT
AWARD

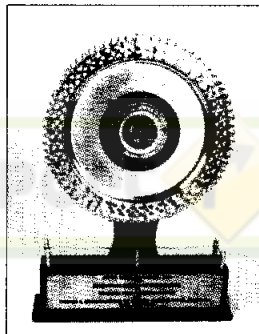
FOR EXCELLENCE IN
CONSTRUCTION OF
INDUSTRIAL STRUCTURE

From : ASSOCIATION OF
CONSULTING CIVIL
ENGINEERS
Project : RAICHUR NATURAL
DRAFT COOLING
TOWER
State : KARNATAKA
Year : 2000



ACCE - SIMPLEX AWARD
FOR INNOVATIVE DESIGN OF
STRUCTURES

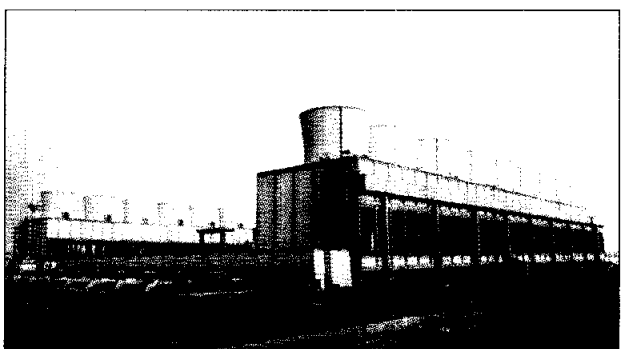
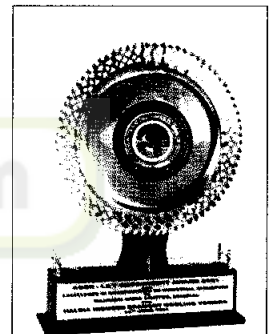
From : ASSOCIATION OF
CONSULTING CIVIL
ENGINEERS
Project : JADUKATA BRIDGE
State : MEGHALAYA
Year : 2000



ACCE - L & T ENDOWMENT
AWARD

FOR EXCELLENCE IN
CONSTRUCTION OF
INDUSTRIAL STRUCTURE

From : ASSOCIATION OF
CONSULTING CIVIL
ENGINEERS
Project : HALDIA INDUCED
DRAUGHT COOLING
TOWERS
State : WEST BENGAL
Year : 2001



TEN YEARS FINANCIAL HIGHLIGHTS

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-2001
A. OPERATING RESULTS:										(Rs. in Lacs)
TURNOVER	7,770	8,161	10,151	12,223	15,157	17,478	21,501	32,768	45,167	50,376
Other Income	746	647	299	350	1,684	900	252	296	509	701
TOTAL INCOME :	8,516	8,808	10,450	12,573	16,841	18,378	21,753	33,064	45,676	51,077
Net Profit After Tax	178	237	264	436	656	455	701	1,001	1,398	1,486
Dividend Distributed	54	54	60	65	76	76	76	95	117	253
Tax on Dividend	—	—	—	—	—	8	8	10	13	26
Retained Earnings	226	14	205	371	571	384	630	896	1,087	1,208
Cash Profits	379	442	473	679	966	818	1,092	1,492	2,069	2,385
B. FINANCIAL POSITION:										(Rs. in Lacs)
FIXED ASSETS :										
Fixed Assets (Net) (Excluding Revaluation of Assets)	1,886	1,966	2,303	2,709	3,391	3,657	4,622	5,891	8,213	10,298
Amount of Revaluation	—	—	—	—	—	—	—	7,860	7,675	7,499
Total Net Fixed Assets (Including Revaluation of Assets)	1,886	1,966	2,303	2,709	3,391	3,657	4,622	13,751	15,888	17,797
Current Assets (Net)	1,537	929	1,095	1,566	2,400	2,929	2,272	2,832	4,137	5,638
Investments	101	104	132	150	833	709	724	1,663	1,775	1,725
TOTAL ASSETS	3,524	2,999	3,530	4,425	6,624	7,295	7,618	18,246	21,800	25,160
LIABILITIES :										
Share Capital	216	216	216	216	216	216	216	630	631	657
Reserves & Surpluses (Excluding Revaluation of Assets)	1,563	1,576	1,781	2,152	2,722	3,106	3,736	5,846	6,936	8,119
Revaluation Reserve	—	—	—	—	—	—	—	7,860	7,675	7,499
SHAREHOLDERS' FUNDS	1,779	1,792	1,997	2,368	2,938	3,322	3,952	14,336	15,242	16,275
Loan Funds	1,745	1,207	1,533	2,057	3,686	3,973	3,666	3,910	6,559	8,885
TOTAL CAPITAL EMPLOYED	3,524	2,999	3,530	4,425	6,624	7,295	7,618	18,246	21,801	25,160
C. EQUITY SHARE DATA:										
Earnings Per Share (Rs.) (On Weighted Average Capital)	8.20	10.94	12.21	20.13	30.31	21.01	32.39	25.27	22.49	23.52
Dividend %	25.00	25.00	27.50	30.00	35.00	35.00	35.00	25.00	18.00	40.00
D. IMPORTANT RATIOS:										
Return on Capital Employed (ROCE) (%)	20.82	25.65	27.20	27.94	31.24	20.62	25.60	21.99	23.54	21.53
(PBIT/Weighted Average Capital Employed)										
Debt Equity Ratio	0.98	0.67	0.77	0.87	1.25	1.20	0.93	0.60	0.87	1.01
Sales/Average of Net Fixed Assets (Number of Times)	4.95	4.24	4.76	4.88	4.97	4.96	5.19	6.23	6.40	5.44
Sales/Average of Net Working Capital (Number of Times)	5.44	6.62	10.03	9.19	7.64	6.56	8.27	12.84	12.96	10.31
Sales/Average of Capital Employed (Number of Times)	2.46	2.50	3.11	3.07	2.74	2.51	2.88	3.69	3.69	3.17
Payout Ratio (Dividend Paid as % of PAT)	30.47	22.86	22.53	14.90	11.55	18.33	11.88	10.48	9.28	16.74
Book value of Share (Without Revaluation Reserve)	82.21	82.86	92.31	109.44	135.81	153.55	182.67	102.75	119.98	133.64
Book value of Share (With Revaluation Reserve)	—	—	—	—	—	—	—	227.46	241.69	247.83

Book Value of Shares for the year 1998-99 has been calculated on increased Share Capital due to the "Rights Issue" in the ratio of 2:1 in October, 1998.