



ANNUAL
REPORT
1999-2000

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GAMMON INDIA LIMITED



Jagdish Rajan (seated)
Chairman

Abhijit Rajan
Managing Director (Appointed in May, 1991)

SALIENT FEATURES

- | | | | |
|-----|--|---|---|
| (1) | Compounded Annual Growth Rate (CAGR) | : | Exceeds 25% since April, 1992. |
| (2) | Return on Capital Employed (ROCE) | : | Exceeds 20% per annum, every year since 1992. |
| (3) | Work Order Position as on 30th June, 2000 | : | Rs. 970 crores approximately |
| (4) | Profit earning and Dividend paying company, consistently for 25 years. | | |
| (5) | Distinction of having built the largest number of bridges in the whole of commonwealth group of countries. | | |

BOARD OF DIRECTORS

JAGDISH RAJAN
Chairman

PETER GAMMON
Chairman Emeritus

ABHIJIT RAJAN
Managing Director

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

A. K. CHATTERJEE

K. D. SHARMA

M. S. BISARIA

S. CHAKRABORTY

V. M. DHARAP

D. I. DESAI

E. C. MACIEL

Dr. G. G. MEWANI

P. K. UMRIGAR

P. M. JAKKAL

R. D. VARANGAONKAR

CONSORTIUM BANKERS

CANARA BANK

PUNJAB NATIONAL BANK

SYNDICATE BANK

ALLAHABAD BANK

IDBI BANK

ICICI BANK

AUDITORS

NATVARLAL VEPARI & CO.

SOLICITORS

A. S. DAYAL & ASSOCIATES
KANGA & CO.

LITTLE & CO.

MULLA & MULLA & CRAIGIE
BLUNT & CAROE

UDWADIA, UDESHI & BERJIS

REGISTERED OFFICE

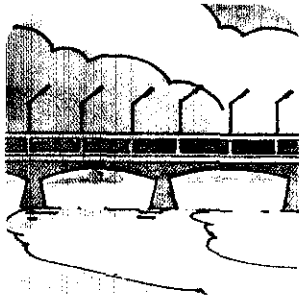
GAMMON HOUSE
VEER SAVARKAR MARG
PRABHADEVI
MUMBAI 400 025.

TEL : 91-022-430 6761
91-022-430 1084
91-022-461 0000

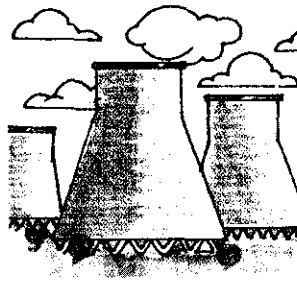
FAX : 91-022-430 0529
91-022-430 0221

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

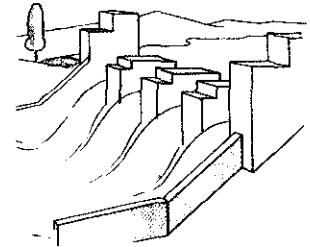
AREAS OF SPECIALISATION



TRANSPORT ENGINEERING
All types of Bridges.



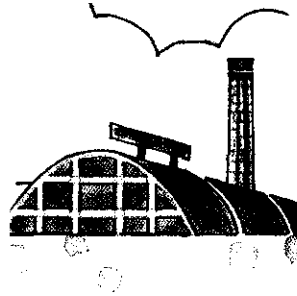
ENERGY PROJECTS AND HIGHRISE STRUCTURES
Hydel, Thermal and Nuclear Power Projects, Cooling Towers, Chimneys.



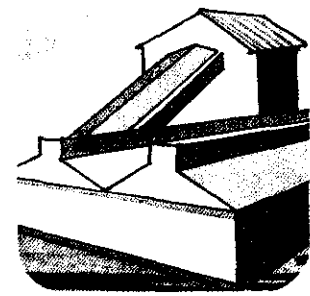
HYDRAULIC WORKS AND IRRIGATION PROJECTS
Dams, Weirs, Reservoirs, Water Towers, Canals etc.



TUNNEL ENGINEERING
Tunnelling Operations.



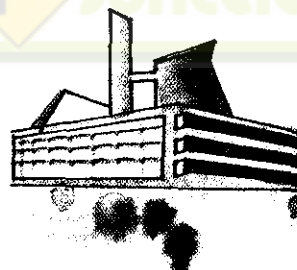
BULK STORAGE STRUCTURES
Horizontal and Vertical Silos, Warehouses, etc.



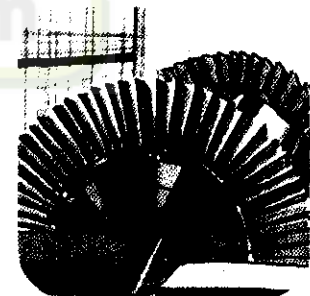
INDUSTRIAL STRUCTURES
Fertilizer Plants, Steel Mill Complexes, Cement Plants, Paper and Textile Mills, and Factories of all types.



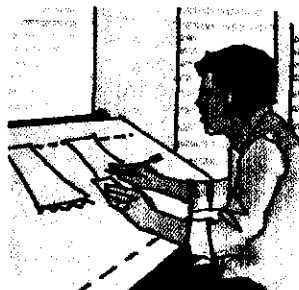
MARINE STRUCTURES
All types of Harbours, Jetties and Intake Works.



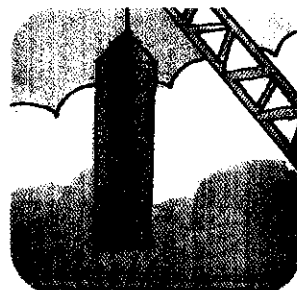
PUBLIC UTILITY STRUCTURES
Airports, Sports Complexes, Assembly Halls.



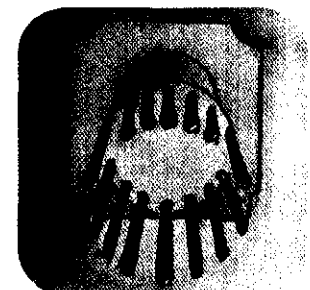
MANUFACTURE AND ERECTION
Mechanical Erection, Testing and Commissioning of Industrial Structures, Power Stations, Pipe Lines and Machinery of all types.



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



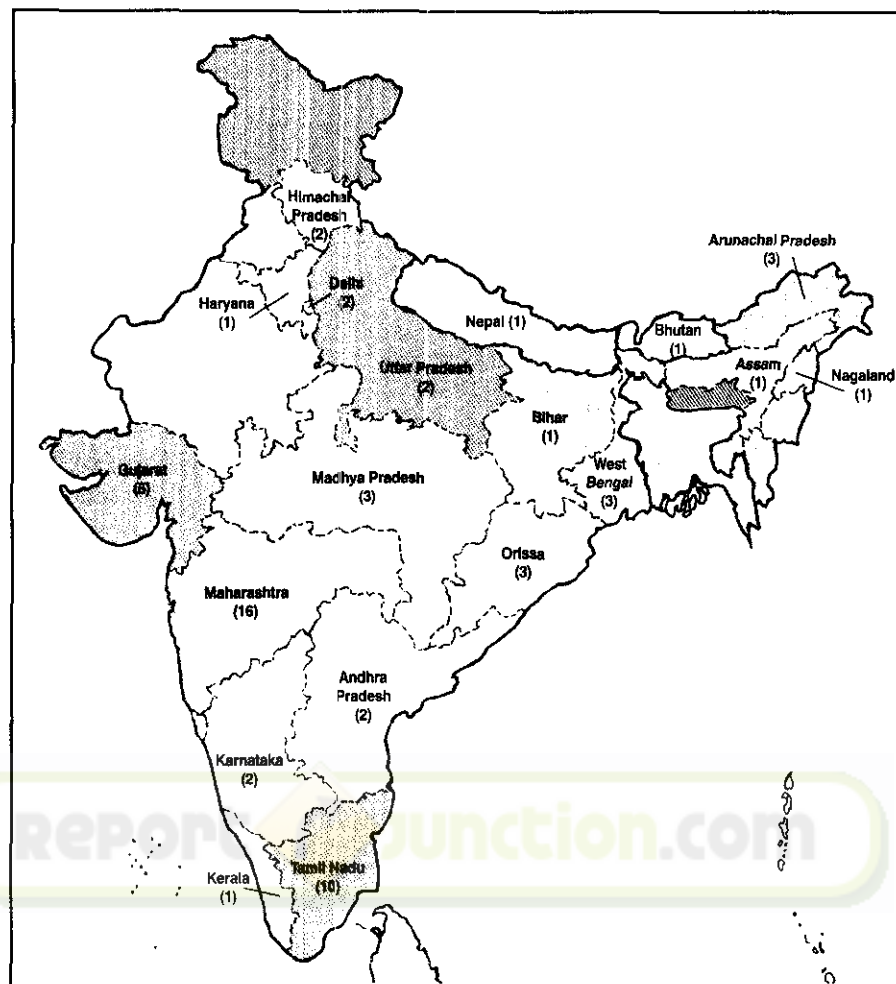
GROUND ENGINEERING AND ENVIRONMENTAL PROTECTION
Piling, Diaphragm Walls, Water Supply Schemes, Sewage Treatment Plants, Industrial Pollution Control etc.



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, 2000



REGIONSWISE AND AREAS OF SPECIALISATIONWISE DISTRIBUTION OF PROJECTS UPTO 31ST MARCH, 2000

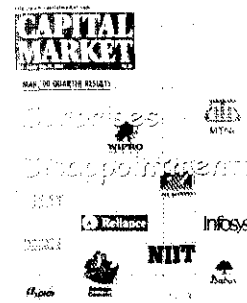
Areas of Specialisation	North	South	East	West	Foreign	Total
Transportation Engineering	4	9	5	8	1	27
Energy Projects and Highrise Structures	2	4	2	2	1	11
Hydraulic Works and Irrigation Projects	—	2	2	2	—	6
Industrial Structures	—	—	1	—	—	1
Tunnel Engineering	1	—	1	2	—	4
Marine Structures	—	—	—	3	—	3
Public Utility Structures	—	—	1	1	—	2
Ground Engineering and Environment Protection	—	—	—	6	—	6
Total	7	15	12	24	2	60
North	DELHI, HARYANA, HIMACHAL PRADESH AND UTTAR PRADESH					
South	ANDHRA PRADESH, KARNATAKA, KERALA AND TAMIL NADU					
East	ARUNACHAL PRADESH, ASSAM, BIHAR, NAGALAND, ORISSA AND WEST BENGAL					
West	GUJARAT, MADHYA PRADESH AND MAHARASHTRA					
Foreign	BHUTAN AND NEPAL					

ACCOLADES FOR CORPORATE PERFORMANCE

Business Standard



BUSINESS STANDARD, (February, 2000) while ranking India's top 1000 Public Limited Companies has ranked **GAMMON** at 101.



CAPITAL MARKET, consistently has **GAMMON** on **BUY** recommendation mode in its fortnightly issues.

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GAMMON, has now built up an enviable track record of having declared Dividend consistently for the last **25 years** (1976-2000).

Year	Dividend (%)	Year	Dividend (%)	Year	Dividend (%)	Year	Dividend (%)	Year	Dividend (%)
1976	12	1981	18	1986	25	1991	20	1996	35
1977	16	1982	18	1987	15	1992	25	1997	35
1978	18	1983	15	1988	18	1993	25	1998	35
1979	18	1984	12	1989	15	1994	27.50	1999	25
1980	18	1985	15	1990	25	1995	30	2000	18

FINANCIAL RATINGS AND CORPORATE PROFILING



CARE, has assigned a **PR1+** rating to Commercial Paper programme of Rs. 35 crores.

CARE's rationale reads as follows:

"The rating reflects :

- **GAMMON's** impressive track record over seven decades in the Civil Engineering and Construction Business,
- Comfortable Cash Flows of the Company,
- Satisfactory Coverage Indicators,
- Favourable Capital Structure,
- Healthy Order Book Position."



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CARE, has assigned **CARE AA (Double A)** rating to the Three Year Loan Program of Rs. 25 crores.



DUN & BRADSTREET, has profiled **GAMMON** very favourably.

D-U-N-S number being "**65-005-2525**".

AWARDS FOR TECHNICAL EXCELLENCE (1998-2000)

IIBE - MOST OUTSTANDING
BRIDGE NATIONAL AWARD

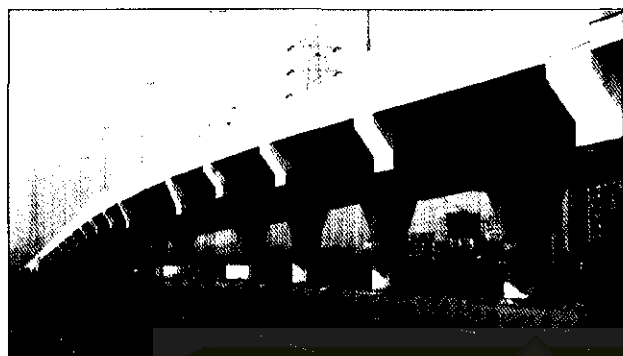
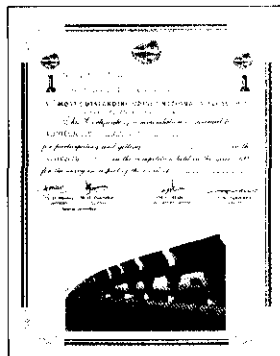
1st PRIZE FOR EXCELLENT
AESTHETICS MATCHING
WITH ENVIRONMENT

From : INDIAN INSTITUTION
OF BRIDGE
ENGINEERS

Project : CMLR-VASHI
FLYOVER

State : MAHARASHTRA

Year : 1998



ICI - MC BAUCHEMIE
AWARD

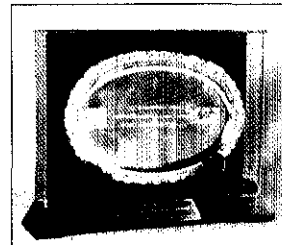
FOR MOST OUTSTANDING
CONCRETE STRUCTURE

From : THE INDIAN
CONCRETE
INSTITUTE

Project : JADUKATA
BRIDGE

State : MEGHALAYA

Year : 1998



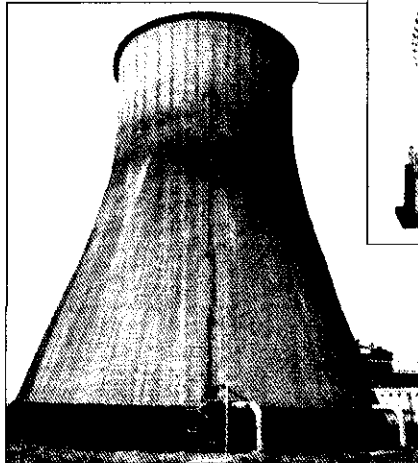
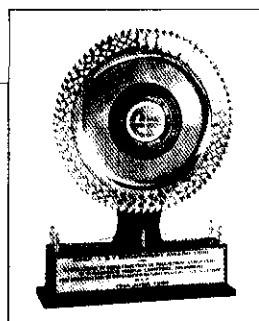
ACCE - L & T ENDOWMENT AWARD
FOR EXCELLENCE IN CONSTRUCTION OF INDUSTRIAL
STRUCTURE

From : ASSOCIATION OF CONSULTING CIVIL
ENGINEERS

Project : KOTHAGUEDEM NATURAL DRAFT R.C.
COOLING TOWER

State : ANDHRA PRADESH

Year : 1999



ACCE - SARVAMANGALA
AWARD

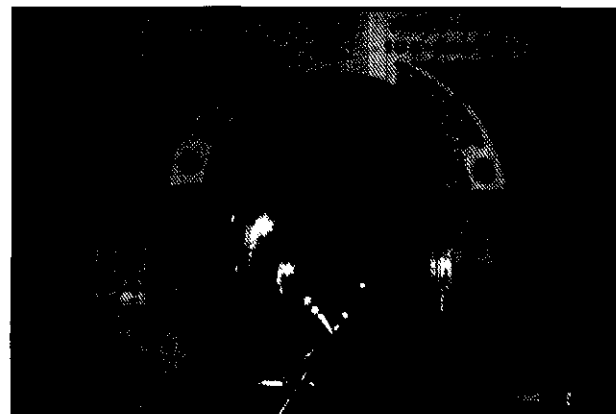
FOR EXCELLENCE IN
CONSTRUCTION

From : ASSOCIATION OF
CONSULTING CIVIL
ENGINEERS

Project : KARBUDE TUNNEL

State : MAHARASHTRA

Year : 1999



AWARDS FOR TECHNICAL EXCELLENCE (1998-2000)

**IIBE – MOST OUTSTANDING
BRIDGE NATIONAL AWARD**

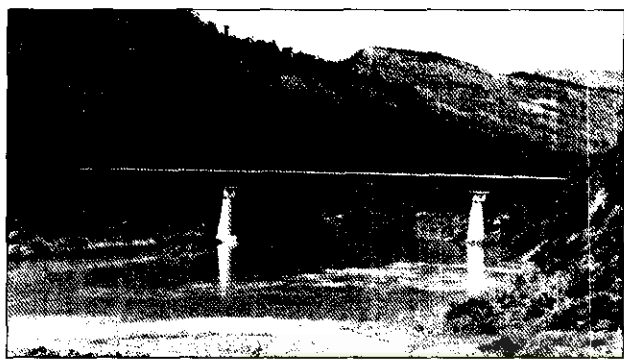
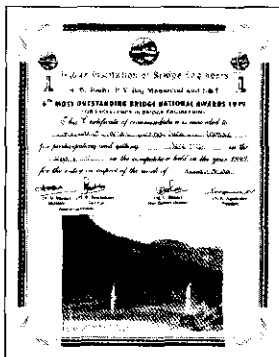
**3rd PRIZE FOR BEST
AESTHETICS MATCHING
WITH ENVIRONMENT**

From : INDIAN INSTITUTION
OF BRIDGE
ENGINEERS

Project : KALADAN BRIDGE

State : MIZORAM

Year : 1999



**IIBE – MOST OUTSTANDING
BRIDGE NATIONAL AWARD**

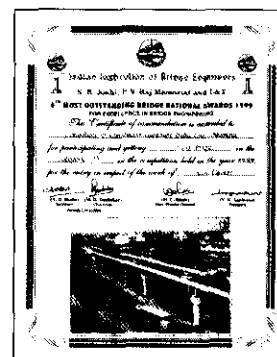
**1st PRIZE FOR INNOVATIVE
CONSTRUCTION IN
PRESTRESSED CONCRETE**

From : INDIAN
INSTITUTION OF
BRIDGE
ENGINEERS

Project : SION FLYOVER

State : MAHARASHTRA

Year : 1999



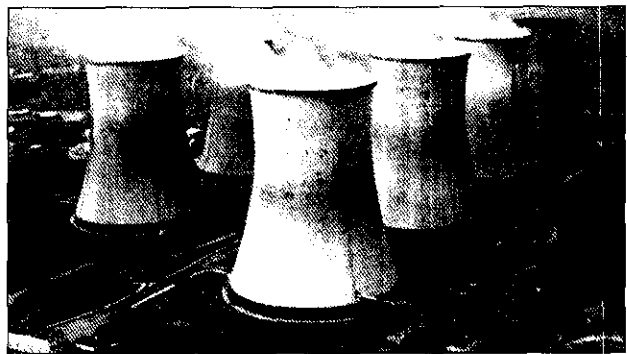
**ACCE – L & T ENDOWMENT
AWARD
FOR EXCELLENCE IN
CONSTRUCTION OF
INDUSTRIAL STRUCTURE**

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



TEN YEARS FINANCIAL HIGHLIGHTS

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
(Rs. in Lacs)										
A. OPERATING RESULTS:										
TURNOVER	6,383	7,770	8,161	10,151	12,223	15,157	17,478	21,501	32,768	45,167
Other Income	530	746	647	299	350	1,684	900	252	296	509
TOTAL INCOME	6,913	8,516	8,808	10,450	12,573	16,841	18,378	21,753	33,064	45,676
Net Profit After Tax	43	178	237	264	436	656	455	701	1,001	1,398
Dividend Distributed	43	54	54	60	65	76	76	76	95	115
Tax on Dividend	—	—	—	—	—	—	8	8	10	13
Retained Earnings	—	123	183	205	371	580	371	618	896	1,270
Cash Profits	275	379	442	473	679	966	818	1,092	1,492	2,069
(Rs. in Lacs)										
B. FINANCIAL POSITION:										
ASSETS :										
Fixed Assets (Net) (Excluding Revaluation of Assets)	1,252	1,886	1,966	2,303	2,709	3,391	3,657	4,622	5,891	8,213
Amount of Revaluation	—	—	—	—	—	—	—	—	7,860	7,675
Total Net Fixed Assets (Including Revaluation of Assets)	1,252	1,886	1,966	2,303	2,709	3,391	3,657	4,622	13,751	15,888
Current Assets (Net)	1,318	1,537	929	1,095	1,566	2,400	2,929	2,272	2,832	4,137
Investments	216	101	104	132	150	833	709	724	1,663	1,775
TOTAL ASSETS	2,786	3,524	2,999	3,530	4,425	6,624	7,295	7,618	18,246	21,800
LIABILITIES :										
Share Capital	216	216	216	216	216	216	216	216	630	631
Reserves & Surpluses (Excluding Revaluation of Assets)	1,338	1,563	1,576	1,781	2,152	2,722	3,106	3,736	5,846	6,936
Revaluation Reserve	—	—	—	—	—	—	—	—	7,860	7,675
SHAREHOLDERS' FUNDS	1,554	1,779	1,792	1,997	2,368	2,938	3,322	3,952	14,336	15,242
Loan Funds	1,232	1,745	1,207	1,533	2,057	3,686	3,973	3,666	3,910	6,558
TOTAL CAPITAL EMPLOYED	2,786	3,524	2,999	3,530	4,425	6,624	7,295	7,618	18,246	21,800
C. EQUITY SHARE DATA:										
Earnings Per Share (Rs.) (On Weighted Average Capital)	1.98	8.20	10.94	12.21	20.13	30.31	21.01	32.39	25.27	22.49
Dividend %	20.00	25.00	25.00	27.50	30.00	35.00	35.00	35.00	25.00	18.00
D. IMPORTANT RATIOS:										
Return on Capital Employed (ROCE) %	12.06	20.82	25.65	27.20	27.94	31.24	20.62	25.60	21.99	23.54
(PBIT/Weighted Average Capital Employed)										
Debt Equity Ratio	0.79	0.98	0.67	0.77	0.87	1.25	1.20	0.93	0.60	0.87
Sales/Average of Net Fixed Assets (Number of Times)	4.92	4.95	4.24	4.76	4.88	4.97	4.96	5.19	6.23	6.40
Sales/Average of Net Working Capital (Number of Times)	4.61	5.44	6.62	10.03	9.19	7.64	6.56	8.27	12.84	12.96
Sales/Average of Capital Employed (Number of Times)	2.22	2.46	2.50	3.11	3.07	2.74	2.51	2.88	3.69	3.69
Payout Ratio (Dividend Paid as % of PAT)	100.17	30.47	22.86	22.53	14.90	11.55	18.33	11.88	10.48	9.14
Book value of Share (Without Revaluation Reserve)	71.79	82.21	82.86	92.31	109.44	135.81	153.55	182.67	102.75	199.98
Book value of Share (With Revaluation Reserve)	—	—	—	—	—	—	—	—	227.46	241.69

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.