

ANNUAL
REPORT
2001-02



 **GAMMON INDIA LIMITED**



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.

A handwritten signature in black ink, appearing to read 'Abhijit Rajan'.

Abhijit Rajan

Managing Director

BOARD OF DIRECTORS

ABHIJIT RAJAN
Chairman and Managing Director

PETER GAMMON
Chairman Emeritus

S. A. REDDI
Dy. Managing Director

N. V. NAYAK
Dy. Managing Director

HIMANSHU PARIKH
Whole-time Director

M. S. BISARIA
Whole-time Director

W. PAUL HARRIMAN
Director

SHOBHIT RAJAN
Director

C. C. DAYAL
Director

S. K. GUHA THAKURTA
Director

ATUL DAYAL
Director

COMPANY SECRETARY

VEENA NAGPAL

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@vsnl.com

CONSORTIUM BANKERS

CANARA BANK

PUNJAB NATIONAL BANK

SYNDICATE BANK

ALLAHABAD BANK

IDBI BANK

ICICI BANK

VYSYA BANK

AUDITORS

NATVARLAL VEPARI & CO.

SOLICITORS

KANGA & CO.

MULLA & MULLA & CRAIGIE
BLUNT & CAROE

UDWADIA, UDESHI & BERJIS

DESAI & CHINYOY

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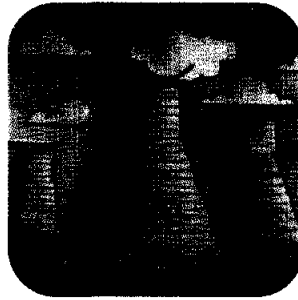
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AREAS OF SPECIALISATION



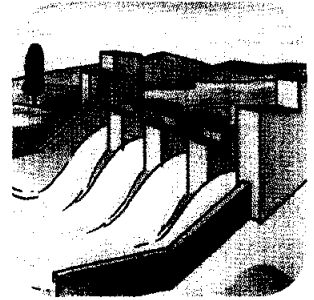
TRANSPORT ENGINEERING

All types of Bridges, Flyovers and Roads.



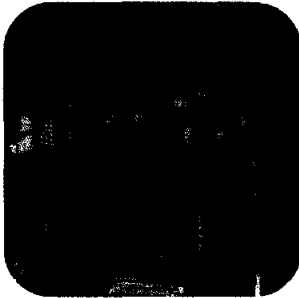
ENERGY PROJECTS AND HIGHRISE STRUCTURES

Hydel, Thermal and Nuclear Power Projects, Cooling Towers, Chimneys.



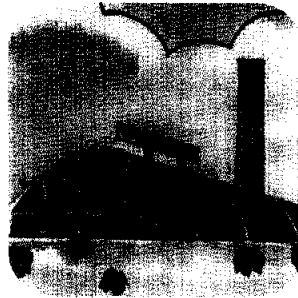
HYDRAULIC WORKS AND IRRIGATION PROJECTS

Dams, Weirs, Reservoirs, Water Towers, Canals etc.



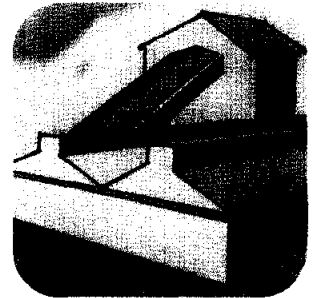
TUNNEL ENGINEERING

Tunnelling Operations.



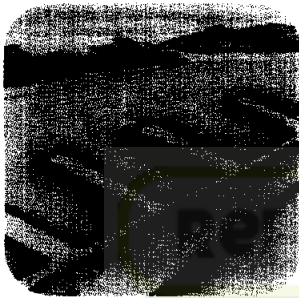
BULK STORAGE STRUCTURES

Horizontal and Vertical Silos, Warehouses, etc.



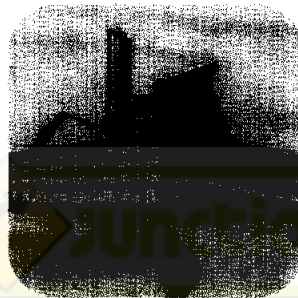
INDUSTRIAL STRUCTURES

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.



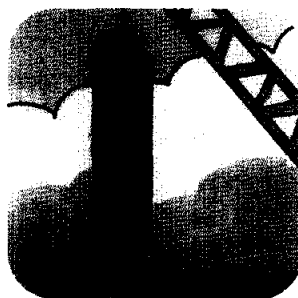
MANUFACTURE AND ERECTION

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



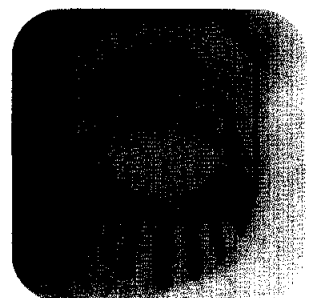
CONSULTANCY SERVICES

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.

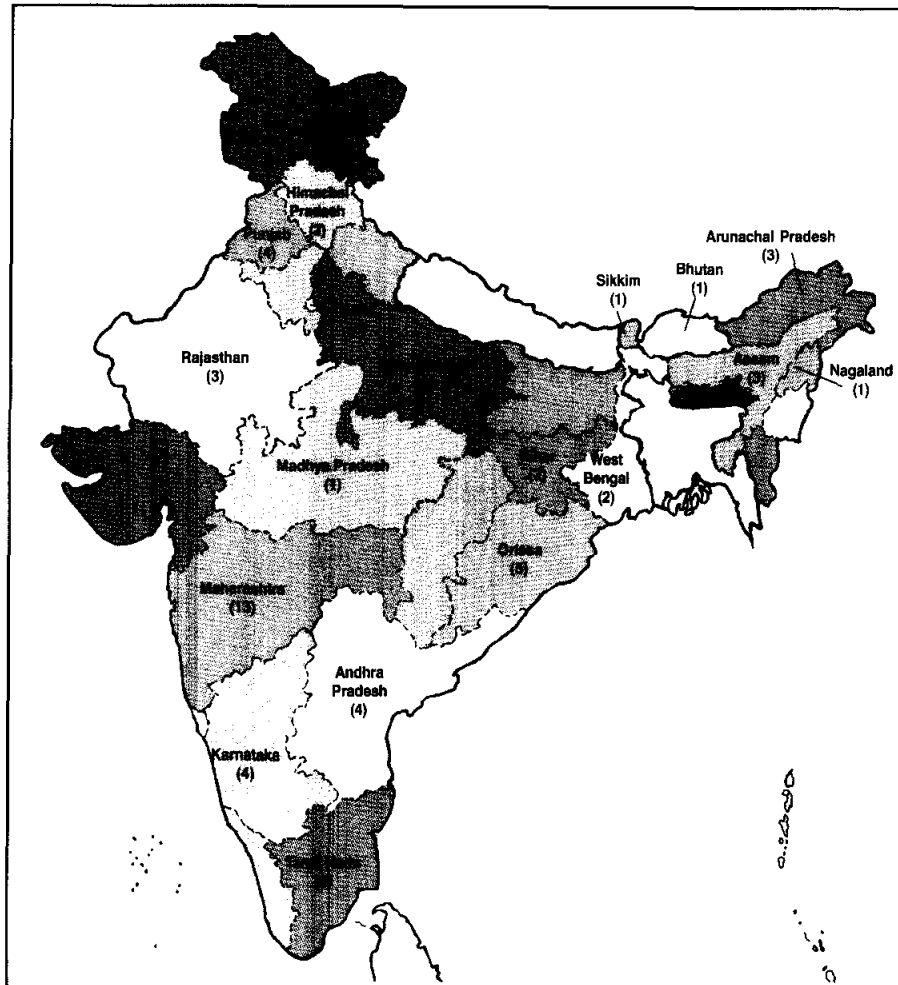


PRESTRESSING EQUIPMENT AND REHABILITATION

Manufacture of Prestressing Equipment, Rehabilitation of Structures, Execution of Prestressing Operations.

PROJECTS BEING EXECUTED BY GAMMON INDIA LTD.

As on 31st March, 2002



REGIONSWISE AND AREAS OF SPECIALISATIONWISE DISTRIBUTION OF PROJECTS AS ON 31 st MARCH, 2002						
Areas of Specialisation	North	South	East	West	Foreign	Total
Transportation Engineering	11	4	8	7	—	30
Energy Projects and Highrise Structures	2	5	—	2	1	10
Hydraulic Works and Irrigation Projects	—	1	3	2	—	6
Tunnel Engineering	2	—	2	—	—	4
Marine Structures	—	1	—	—	—	1
Public Utility Structures	—	—	2	—	—	2
Ground Engineering and Environment Protection	—	—	—	3	—	3
Pipeline	—	—	1	—	—	1
Total	15	11	16	14	1	57
North	DELHI, HIMACHAL PRADESH, PUNJAB, RAJASTHAN AND UTTAR PRADESH					
South	ANDHRA PRADESH, KARNATAKA AND TAMIL NADU					
East	ARUNACHAL PRADESH, ASSAM, BIHAR, NAGALAND, ORISSA, SIKKIM AND WEST BENGAL					
West	MADHYA PRADESH AND MAHARASHTRA					
Foreign	BHUTAN					

May 17, 1991

Mr. Abhijit Rajan is appointed as the Managing Director of Gammon India Limited.



Managing change and performance

. . . . By March 31, 2002

The Company is propelled to a

- Eight-fold increase in Turnover from Rs. 61 crores to Rs. 513 crores.
- Seven-fold increase in Networth from Rs. 16 crores to Rs. 111 crores.
- Six-fold increase in the Investment in Fixed Assets from Rs. 54 crores to Rs. 327 crores.
- Healthy Work Order Position of Rs. 2281 crores and
- Strong Financial Rating assigned by **CARE** for Short Term (PR1+), Medium Term (AA) and Long Term (AA) borrowings.

under the current Management team.

GAMMON INDIA LIMITED

BALANCE SHEET

(Rs. in Crores)

Particulars	Now 31 st March 2002	Then 31 st March 1991	Particulars	Now 31 st March 2002	Then 31 st March 1991
SOURCES OF FUNDS:			APPLICATION OF FUNDS:		
Own Funds	111	15	Fixed Assets	167	12
Borrowed Funds	149	12	Investments	16	2
Deferred Tax Liability	17	—	Working Capital	94	13
Total	277	27	Total	277	27

PROFIT & LOSS ACCOUNT

(THREE YEAR - TOTAL AND ANNUAL AVERAGE)

(Rs. in Crores)

Particulars	2000-02		1997-1999		1994-1996		1991-1993	
	Total	Average	Total	Average	Total	Average	Total	Average
Turnover	1469	490	717	239	375	125	223	74
Profit Before Tax	70	23	28	9	17	6	5	2

**CONSISTENT GROWTH IN
WORK ORDER POSITION**

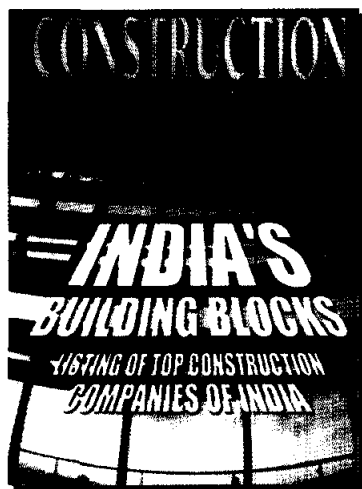
(Rs. in Crores)

Year Ended	Work Order Position
March, 1998	771
March, 1999	957
March, 2000	988
March, 2001	1330
March, 2002	2281

**STRONG FINANCIAL
RATINGS**

CARE HAS ASSIGNED THE FOLLOWING RATINGS:

	TENURE (Months)	AMOUNT (Rs. in Crores)	RATING
Short Term	6	45	PR1 ⁺
Medium Term	36	10	AA
Long Term	84	40	AA



A joint study conducted by 'Construction World' and NICMAR (National Institute of Construction Management & Research) ranked **GAMMON** as the **NUMBER ONE** company amongst India's Fastest Growing Construction Companies.

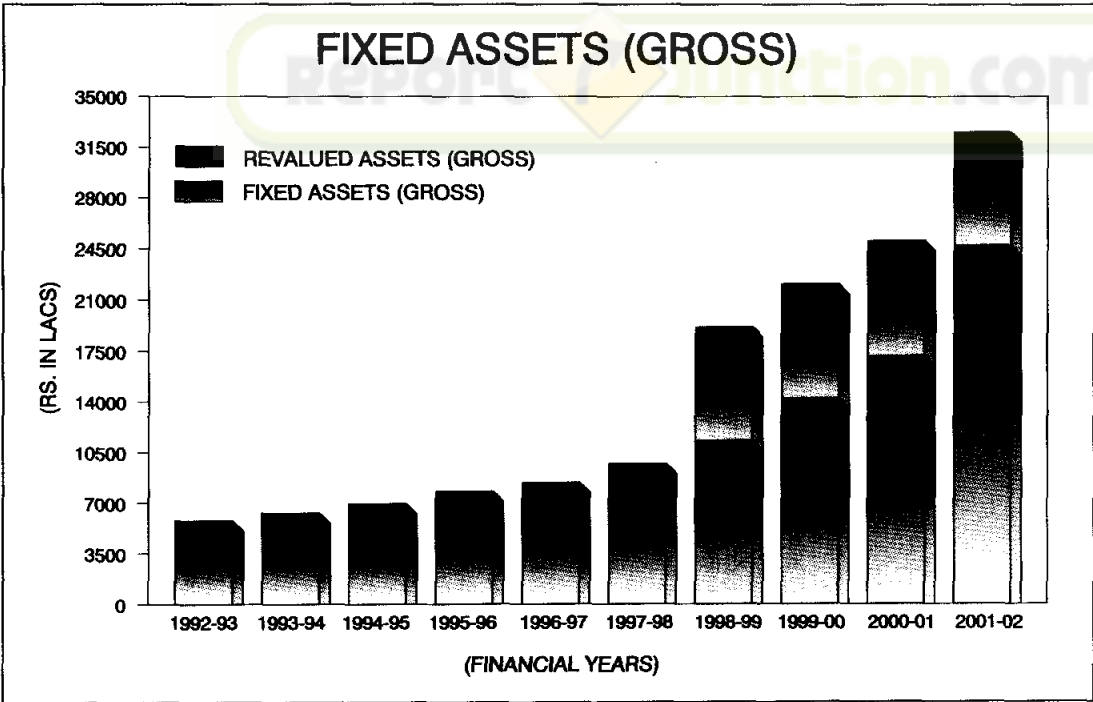
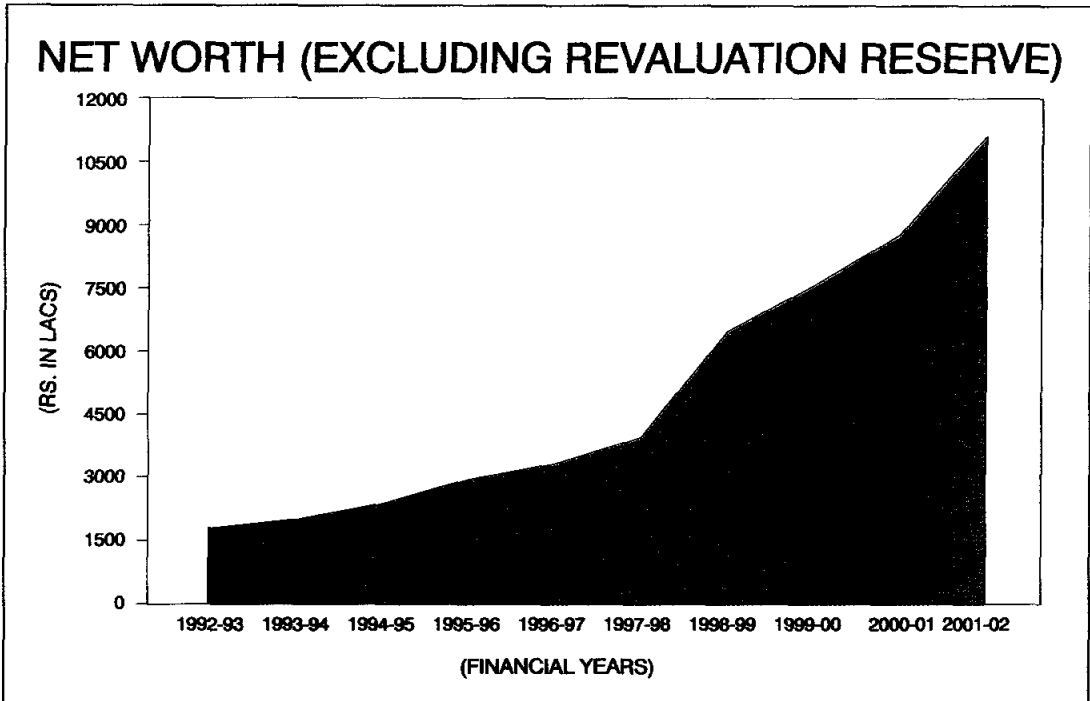
**... WITH
MORE &
MANY
MORE TO
COME!!**

TEN YEARS FINANCIAL HIGHLIGHTS

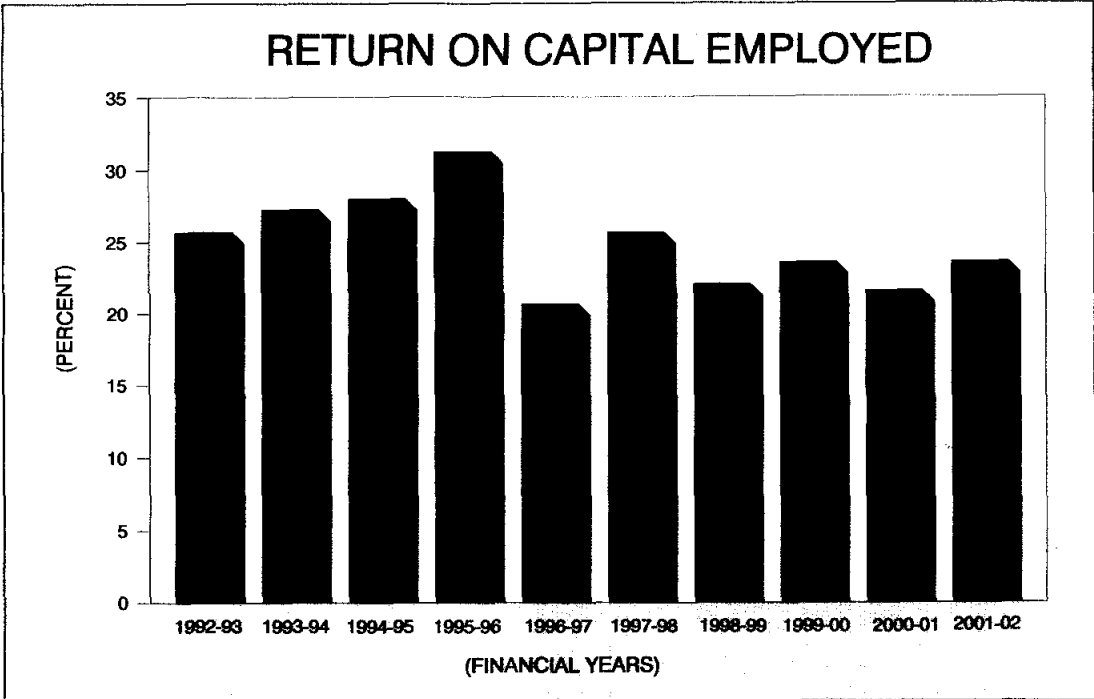
	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
(Rs. in Lacs)										
A. OPERATING RESULTS:										
TURNOVER	8,161	10,151	12,223	15,157	17,478	21,501	32,768	45,167	50,376	51,399
Other Income	647	299	350	1,684	900	252	296	509	701	650
TOTAL INCOME :	8,808	10,450	12,573	16,841	18,378	21,753	33,064	45,676	51,077	52,049
Net Profit After Tax	237	264	436	656	455	701	1,001	1,398	1,486	1,967
Dividend Distributed	54	60	65	76	76	76	95	117	253	126
Tax on Dividend	—	—	—	—	8	8	10	13	26	—
Retained Earnings	140	214	87	506	181	662	711	632	321	1,963
Cash Profits	442	473	679	966	818	1,092	1,492	2,069	2,385	3,583
B. FINANCIAL POSITION:										
(Rs. in Lacs)										
FIXED ASSETS:										
Fixed Assets (Net) (Excluding Revaluation of Assets)	1,966	2,303	2,709	3,391	3,657	4,622	5,891	8,213	10,298	16,787
Amount of Revaluation	—	—	—	—	—	—	7,860	7,675	7,499	7,332
Total Net Fixed Assets (Including Revaluation of Assets)	1,966	2,303	2,709	3,391	3,657	4,622	13,751	15,888	17,797	24,119
Current Assets (Net)	929	1,095	1,566	2,400	2,929	2,272	2,832	4,137	5,638	9,421
Investments	104	132	150	833	709	724	1,663	1,775	1,725	1,570
TOTAL ASSETS	2,999	3,530	4,425	6,624	7,295	7,618	18,246	21,800	25,160	35,110
LIABILITIES:										
Share Capital	216	216	216	216	216	216	630	631	657	1,284
Reserves & Surplus (Excluding Revaluation of Assets)	1,576	1,781	2,152	2,722	3,106	3,736	5,846	6,936	8,119	9,831
Revaluation Reserve	—	—	—	—	—	—	7,860	7,675	7,499	7,332
SHAREHOLDERS' FUNDS	1,792	1,997	2,368	2,938	3,322	3,952	14,336	15,242	16,275	18,447
Loan Funds	1,207	1,533	2,057	3,686	3,973	3,666	3,910	6,558	8,885	14,917
Deferred Tax Liability	—	—	—	—	—	—	—	—	—	1,746
TOTAL CAPITAL EMPLOYED	2,999	3,530	4,425	6,624	7,295	7,618	18,246	21,800	25,160	35,110
C. EQUITY SHARE DATA:										
Earnings Per Share (Rs.) (On Weighted Average Capital)	10.94	12.21	20.13	30.31	21.01	32.39	25.27	22.49	23.88	24.86
Dividend %	25.00	27.50	30.00	35.00	35.00	35.00	25.00	18.00	40.00	10.00
D. IMPORTANT RATIOS:										
Return on Capital Employed (ROCE) (%)	25.65	27.20	27.94	31.24	20.62	25.60	21.99	23.54	21.53	23.64
(PBIT/Weighted Average Capital Employed)										
Debt Equity Ratio	0.67	0.77	0.87	1.25	1.20	0.93	0.60	0.87	1.01	1.34
Sales/Average of Net Fixed Assets (Number of Times)	4.24	4.76	4.88	4.97	4.96	5.19	6.23	6.40	5.44	3.80
Sales/Average of Net Working Capital (Number of Times)	6.62	10.03	9.19	7.64	6.56	8.27	12.84	12.96	10.31	6.83
Sales/Average of Capital Employed (Number of Times)	2.50	3.11	3.07	2.74	2.51	2.88	3.69	3.69	3.17	2.40
Payout Ratio (Dividend Paid as % of PAT)	22.86	22.53	14.90	11.55	18.33	11.88	10.48	9.32	18.74	6.43
Book value of Share (Without Revaluation Reserve)	82.86	92.31	109.44	135.81	153.55	182.67	102.75	119.98	133.64	86.58
Book value of Share (With Revaluation Reserve)	—	—	—	—	—	—	227.46	241.69	247.83	143.69

Book Value of Shares for the year 1998-99 and 2001-02 has been calculated on increased Share Capital due to the "Rights Issue" in the ratio of 2:1 in October, 1998 and in the ratio of 1:1 in December 2001, respectively.

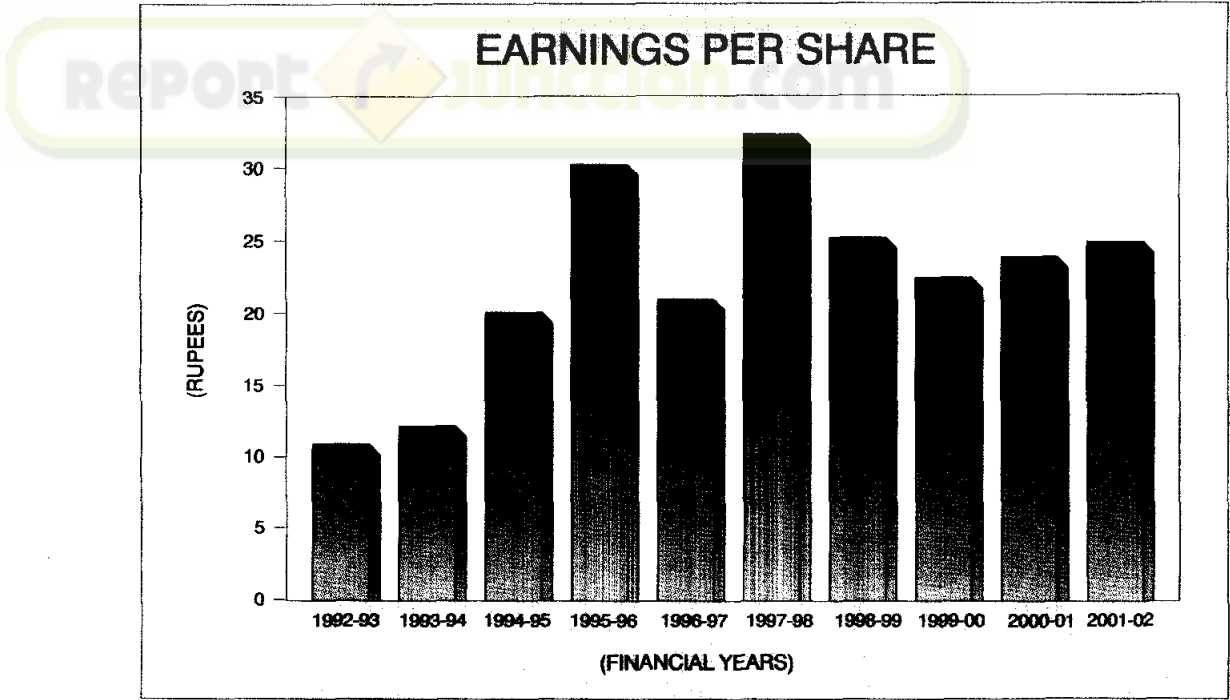
PERFORMANCE HIGHLIGHTS



PERFORMANCE HIGHLIGHTS



(ROCE has been calculated on enhanced capital due to the 'Rights' Issues in 1998 and 2001)



(EPS has been calculated on enhanced capital due to the 'Rights' Issues in 1998 and 2001)