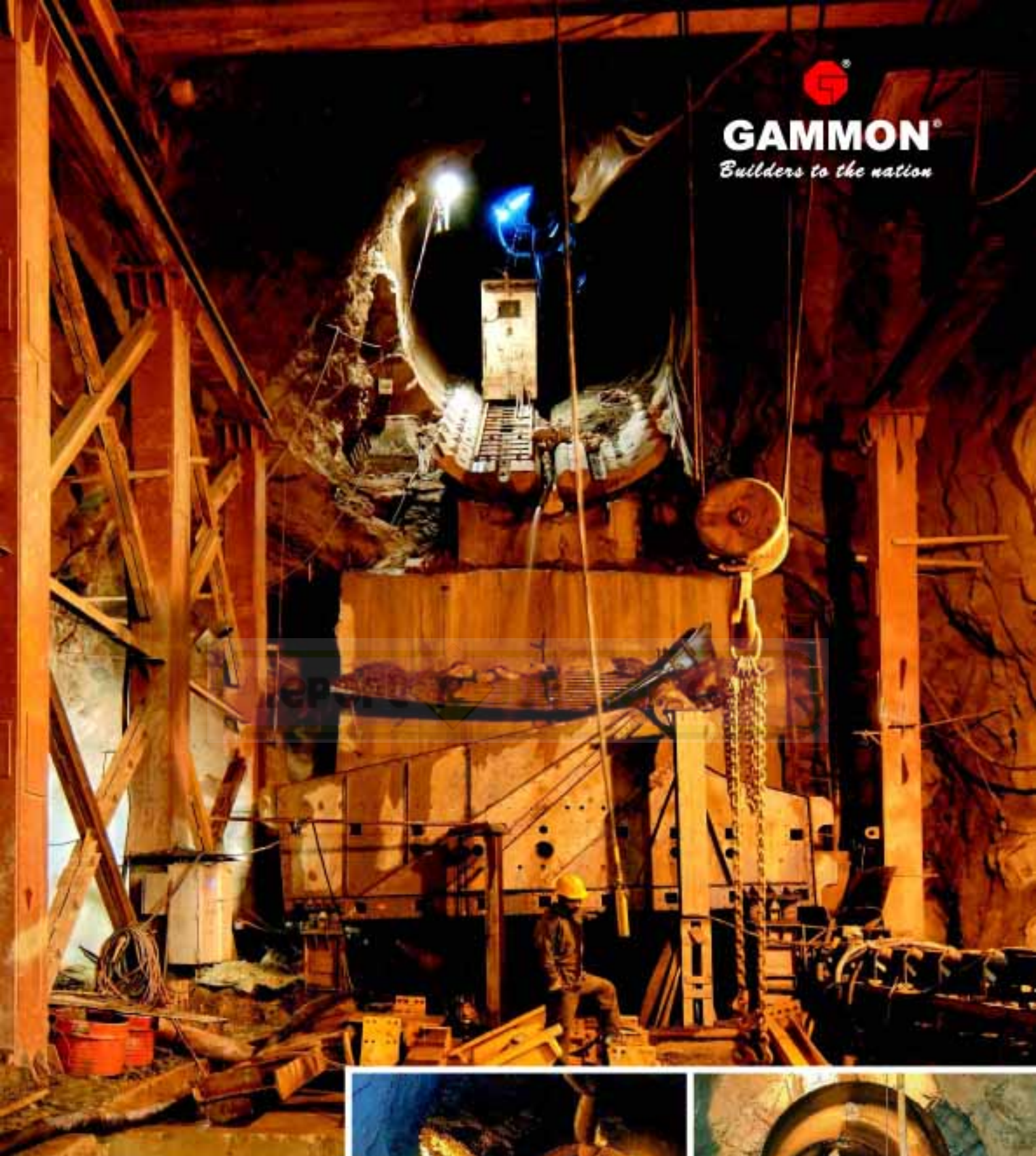




GAMMON®
Builders to the nation

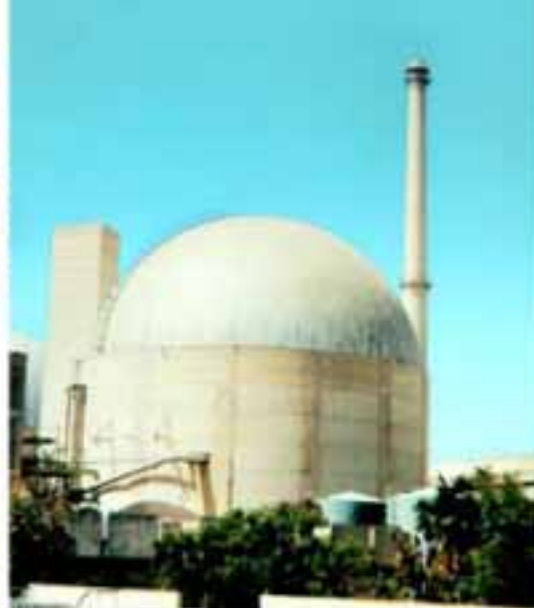


Annual
Report
2007-08





Jachakata Bridge



Rajasthan Atomic Power Project, Kota

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Gujarat Pipeline



Chairman's letter

Dear Stakeholders

It gives me pleasure in sharing with you the highlights of another year of progress. Your Company achieved a Turnover of Rs. 2341 crores during the year ended 31st March, 2008, recording a growth of over 26% as compared to the previous year while the Net Profit of the Company after tax increased from Rs. 44.38 crores in the previous year to Rs. 86.13 crores during the year under review.

New Projects in sectors such as Power, Oil and Gas, Ports, Roads, Railways, Urban Infrastructure, Industrial Projects (Steel, Aluminum and Cement Plants) contribute over 50 % of the revenues of the Indian Construction Industry. Given the number of large infrastructure projects on the anvil, the construction sector is poised for a big expansion. Gammon being one of the major players in the Construction industry has entered into the field of Dedicated Railway Freight Corridors announced by the Ministry of Railway valued at Rs. 1000 crores and also for Civil works of the Aluminium plant at Jharsuguda, Orissa. The Clearance of Indo-US agreement on Nuclear energy will now open up opportunities for the floating of various nuclear power plants in the country and the Company is fully equipped to tap this opportunity and will participate in other nuclear power plants which are expected in Gujarat, Tamilnadu in addition to the recently completed Kaiga Nuclear Power Plant for unit 3 & 4.

In the construction world it is often said that we are living in exigent times. The economic uncertainty in key markets, fierce competition, local beneficiation and many more variables present new challenges to the construction and infrastructure industry. With our vast experience of over eight decades, we are facing these challenges with conviction and adequate means and a will to succeed.

The construction and infrastructure industry is changing quickly, creating new opportunities and new challenges every day. To meet this we have taken number of initiatives to improve our operating model, maximize the use of technology to amplify efficiencies and advantages of scale, as well as improve our budgetary discipline. We continue to leverage the best – a prestigious heritage, quality products, innovative spirit, superior service capabilities and the passion for excellence. GAMMON is poised today to leverage attractive opportunities to build market leadership.

With a view to increasing our global presence we have acquired several overseas companies details of which have been highlighted in the Director's Report. To compliment its Power Sector work, these acquisitions will help your Company to be in a better position to bid for international

contracts in the Power Sector. In addition your Company has also made a foray in the oil exploration sector. The current order book of the Company is over Rs. 9000 (Rupees Nine Thousand crores) and with emphasis on infrastructure development it is likely to grow still further.

With many milestones ahead to inspire and enthuse us and enormous opportunities ahead, our journey seems to have just begun. We rededicate ourselves as 'BUILDERS TO THE NATION' with renewed vigour to address and accept the challenges and to enhance the shareholder value.

I take this opportunity to thank all stakeholders and our dedicated team of Gammonites for their unstinted support in concluding this year and looking forward to another eventful year.



Abhijit Rajan
Chairman & Managing Director



Board of Directors

Peter Gammon
Chairman Emeritus

Abhijit Rajan
Chairman & Managing Director

Himanshu Parikh
Executive Director

Rajul A. Bhansali
Executive Director

C. C. Dayal
Director

Atul Dayal
Director

Dr. Naushad Forbes
Director

Jagdish Sheth
Director

Urvashi Saxena
Director

Gita Bade
Company Secretary

Registered office
Gammon House,
Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025

Tel : +91-22-6744 4000

+91-22-2430 6761

+91-22-2430 1084

Fax : +91-22-2430 0529

+91-22-2430 0221

+91-22-6664 4025

Email: gammon@gammonindia.com

Vizag Seaport



Jagad Creek Bridge





D M B C



Floating Gantry for Erection of Box Girder

Consortium Bankers

Canara Bank

Punjab National Bank

Allahabad Bank

ICICI Bank

Syndicate Bank

IDBI Bank

ING Vysya Bank

Auditors

Natvarlal Vepari & Co.

Report  junction.com





Undale Water Treatment Plant



Uran Pipeline

Consolidating position as an industry leader

Balance Sheet (Rs. In Crores)

Particulars	As at 31st March 2009	As at 31st March 1998	Particulars	As at 31st March 2009	As at 31st March 1998
SOURCES OF FUNDS:			APPLICATION OF FUNDS:		
Own Funds	979.00	39.52	Fixed Assets	541.79	46.22
Borrowed Funds	377.06	36.66	Investments	160.78	7.24
Deferred Tax Liability	37.17	-	Working Capital	690.86	22.72
	1393.23	76.18		1393.23	76.18

Profit & Loss Account (Rs. In Crores)

Particulars	2007-08	2006-07	Jan. 06 to Mar. 06 (15 Months)	Apr. 04 to Dec. 04 (9 Months)	2003-04	2002-03	2001-02	2000-01	1999-2000	1998-99
Turnover	2513.74	2084.33	1645.69	836.60	1119.72	726.65	513.99	503.76	451.67	327.68
Profit Before Tax	139.34	143.06	111.19	51.59	54.46	35.29	31.58	20.16	18.20	12.41

Strong Financial Ratings

CARE has assigned the following ratings:

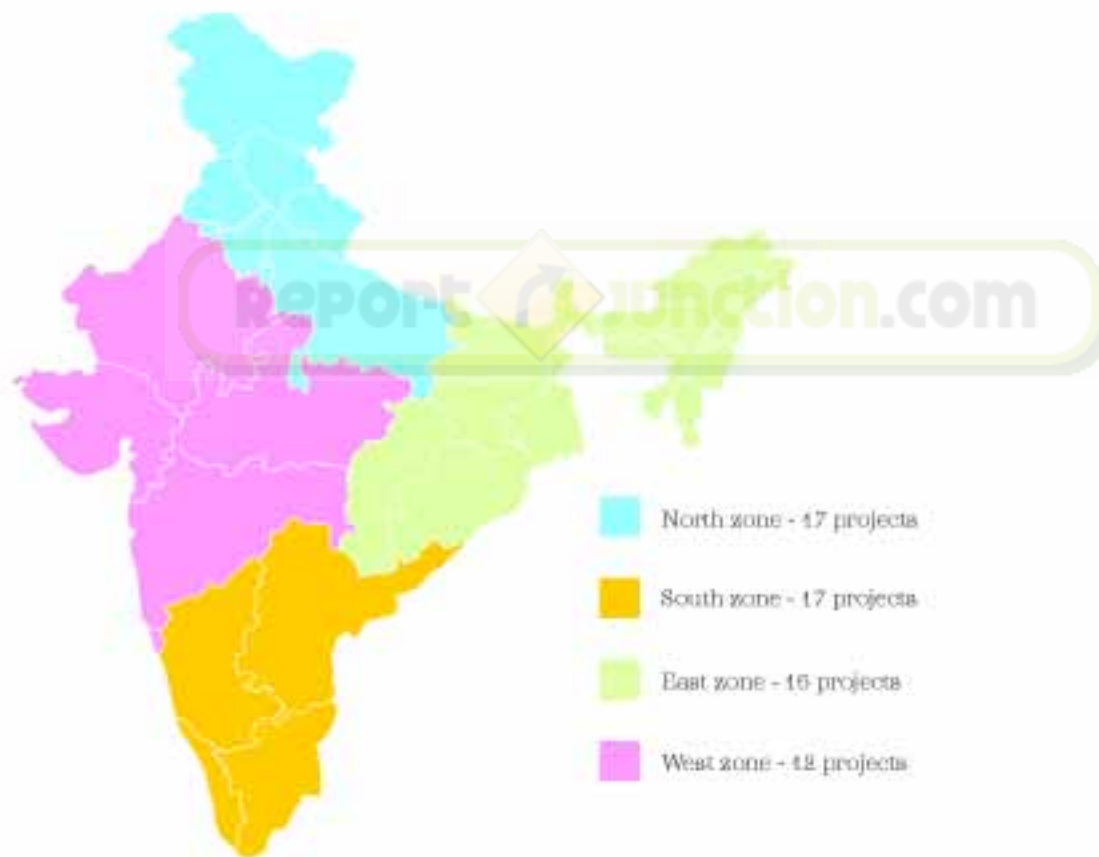
	TENURE (Months)	AMOUNT (Rs. In Crores)	RATING
Short Term	12	225	PR1 +
Long Term	120	300	AA+

CRISIL has assigned "AA, stable rating" for Non Convertible Debenture of Rs. 50 Crores.



Projects being executed as on 31st March, 2008

Areas of Specialization	North	South	East	West	Total
Transport Engineering	9	5	9	4	25
Energy Projects / High-rise Structures / Industrial Structures	4	8	6	2	20
Hydro Power / Tunnel / Irrigation Projects	5	4	-	-	9
Building Works	-	-	-	3	3
Ground Engineering & Environment Protection	-	-	-	1	1
Pipelines	-	-	2	2	4
Total	17	17	16	12	62



Doyang Dam



Amanavadi Flyover





Tarapur Intake



Haringli Aqueduct

Ten years Financial Highlights

	1998-99	1999-00	2000-01	2001-02
A. FINANCIAL POSITION :				
LIABILITIES :				
Share Capital	6.30	6.31	6.57	12.84
Reserves & surplus (Excluding Revaluation of Assets)	58.46	69.36	81.19	98.31
Revaluation Reserve	78.60	76.75	74.99	73.32
SHAREHOLDERS' FUNDS	143.36	152.42	162.75	184.47
Loan Funds	39.10	65.58	88.85	149.17
Deferred Tax Liability	-	-	-	17.46
TOTAL CAPITAL EMPLOYED	182.46	218.00	251.60	351.10
ASSETS:				
Fixed Assets (Net) (Excluding Revaluation of Assets)	58.91	82.13	102.98	167.87
Amount of Revaluation	78.60	76.75	74.99	73.32
Total Net Fixed Assets (Including Revaluation of Assets)	137.51	158.88	177.97	241.19
Current Assets (Net)	28.32	41.37	56.38	94.21
Investments	16.63	17.75	17.25	15.70
TOTAL ASSETS	182.46	218.00	251.60	351.10
B. OPERATING RESULTS:				
TURNOVER	327.68	451.67	503.76	513.99
Other Income	2.96	5.09	7.01	6.61
TOTAL INCOME :	330.64	456.76	510.77	520.60
Net Profit After Tax	10.01	13.98	14.86	19.67
Dividend Distributed	0.95	1.17	2.53	1.26
Tax on Dividend	0.10	0.13	0.26	-
Cash Profits	14.92	20.69	23.85	35.83
C. EQUITY SHARE DATA				
Earning Per Share (Rs) (On Base Capital 1998-99)	46.00	65.00	69.00	91.00
Earning Per Share (Rs) (On Weighted Average Capital)	25.00	22.00	24.00	25.00
D. IMPORTANT RATIOS:				
Debt Equity Ratio	0.60	0.87	1.01	1.34
Sales / Average of Net Fixed Assets (Number of Times)	6.23	6.40	5.44	3.80
Sales / Average of Net Working Capital (Number of Times)	12.84	12.96	10.31	6.83
Book Value of Share (Without Revaluation Reserve)	-	-	-	-
Book Value of Share (With Revaluation Reserve)	-	-	-	-



Vasa Creek Bridge

					Rs. In Crores
2002-03	2003-04	Apr 04 -Dec 04 (9 Months)	Jan 05 -Mar 05* (15 Months)	2006-07	2007-08
12.84	12.84	15.58	17.69	17.69	17.69
113.55	139.25	309.62	840.79	879.78	961.31
71.73	70.22	69.13	67.34	252.80	249.66
198.12	222.31	394.33	925.82	1150.27	1228.66
188.26	218.18	303.10	170.59	371.49	377.06
26.61	31.98	36.59	34.53	37.92	37.17
442.99	472.47	734.02	1130.94	1559.68	1642.89
215.17	225.09	253.33	309.70	448.68	541.79
71.73	70.22	69.13	67.34	252.80	249.66
286.90	295.31	322.47	377.04	701.48	791.45
49.19	96.66	321.92	637.71	707.76	690.66
76.90	80.50	89.63	116.19	150.44	160.78
442.99	472.47	734.02	1130.94	1559.68	1642.89
726.05	1119.72	806.60	1645.69	2084.33	2513.74
9.62	9.97	16.03	33.20	55.15	24.38
736.27	1129.69	882.63	1678.89	2139.48	2538.12
20.93	34.09	42.90	102.83	98.36	88.32
3.16	3.16	3.85	5.25	4.37	4.34
0.40	0.40	0.55	0.73	0.64	0.74
47.00	59.40	63.96	137.86	136.98	133.78
97.00	158.00	199.00	476.00	455.00	409.00
15.00	23.00	30.00	13.00	11.00	10.00
1.49	1.43	0.93	0.20	0.41	0.41
3.79	5.09	3.62	5.89	5.49	5.08
10.13	15.35	4.14	3.46	3.10	3.59
-	-	208.74	98.97	103.46	112.92
-	-	253.12	106.72	132.60	141.64

* Figures of the period have been regrouped / rearranged whenever necessary.

Ten years Financial Highlights

Wingwall Chimney





Kot Dahi Power House



Jagdishpur Prelling Tower

Performance highlights

Turnover



Net Profit After Tax

