

Pre Shareholding Pattern of Transrail Lighting Limited

Authorised Capital: Rs. 350,000,000/- comprising of 35,000,000 equity shares of Rs. 10/- each

Paid-up capital: Rs.310,000,000.00/- comprising of 31,000,000 equity shares of Rs. 10/- each

Sr. No.	Name of the shareholder	Post Holding	Percentage (%) of of total shares held
1	Bilav Software Pvt. Ltd	23250000	75.00
2	Gammon India Limited	7749940	25.00
3	Badge C Digambar*	10	0.00
4	Joshi M Hasmukh*	10	0.00
5	M B Gopinath*	10	0.00
6	Anurag Chaudhary Jointly with Amrita Chaudhary*	10	0.00
7	Keshav Shanbhag jointly with Smita Shanbhag*	10	0.00
8	Godbole S Mandaar*	10	0.00
	TOTAL	31000000	100

*as a nominee of Gammon India Limited not holding beneficial interest

For TRANSRAIL LIGHTING LIMITED

Niki Shingade

**NIKI SHINGADE
COMPANY SECRETARY**

Date: 6th April, 2016



Post Shareholding Pattern of Transrail Lighting Limited

Sr. No.	Name of the shareholder	Post Holding	Percentage (%) of of total shares held
1	Bilav Software Pvt. Ltd	3,150,000	75.00
2	Gammon India Limited	1,049,940	25.00
3	Badge C Digambar*	10	0.00
4	Joshi M Hasmukh*	10	0.00
5	M B Gopinath*	10	0.00
6	Anurag Chaudhary Jointly with Amrita Chaudhary*	10	0.00
7	Keshav Shanbhag jointly with Smita Shanbhag*	10	0.00
8	Godbole S Mandaar*	10	0.00
	TOTAL	4,200,000	100.00

*as a nominee of Gammon India Limited not holding beneficial interest

For TRANSRAIL LIGHTING LIMITED


NIKI SHINGADE
COMPANY SECRETARY
Date: 6th April, 2016



Transrail Lighting Limited (TLL)

Detailed Working showing Pre and Post shareholding pattern of TLL

Sr. No.	Name of the shareholder	Opening (Pre) shareholding pattern		On consummation of the Scheme, post Reduction of share capital of TLL**		After the Effective Date of the Scheme# - Post Conversion of OCDs - Issue of 7,25,000/- shares to Gammon as consideration for the Scheme	
		Holding	Percentage (%) of total shares held	Holding	Percentage (%) of total shares held	Holding	Percentage (%) of total shares held
1	Bilav Software Pvt. Ltd (Bilav)	23250000	75.00	150,000	75.00	3,150,000	75.00
2	Gammon India Limited (Gammon)	7749940	25.00	49,940	24.97	1,049,940	25.00
3	Badge C Digambar*	10	0.00	10	0.01	10	0.00
4	Joshi M Hasmmukh*	10	0.00	10	0.01	10	0.00
5	M B Gopinath*	10	0.00	10	0.01	10	0.00
6	Anurag Chaudhary Jointly with Amrita Chaudhary*	10	0.00	10	0.01	10	0.00
7	Keshav Shanbhag jointly with Smita Shanbhag*	10	0.00	10	0.01	10	0.00
8	Godbole S Mandaar*	10	0.00	10	0.01	10	0.00
	TOTAL	31,000,000	100.00	200,000	100.00	4,200,000	100.00

*as a nominee of Gammon India Limited.

**On the consummation of the Scheme, TLL to undergo a Capital reduction to reduce its issued share capital to 2,00,000/- equity shares of Rs. 10 each. This would not result in any change in % shareholding of Gammon and Bilav.

Note:

- 1 **On the Consummation of the Business Transfer Agreement (BTA),**
TLL would issue 2,75,000/- Optionally Convertible Debentures (OCDs) to Gammon as consideration for the BTA.
Bilav would infuse funds into TLL against issue 30,00,000/- OCDs
- 2 **On the consummation of the Scheme**
OCDs would be converted into 32,75,000/- equity share of Rs. 10/- each, fully paid. (2.75,000/- equity shares issued to Gammon and 30,00,000/- equity shares issued to Bilav)
TLL would issue 7,25,000/- shares to Gammon as consideration of the Scheme.

For TRANSRAIL LIGHTING LIMITED

Rishi

NIKI SHINGADE
COMPANY SECRETARY





CERTIFICATE OF PERCENTAGE TURNOVER & PROFITABILITY

1. We have verified the documents and information relating to Gammon India Limited ('GIL or 'the Company') with a view to certify the net worth, percentage turnover and profitability of the division being transferred i.e. "T&D Undertaking" vis-à-vis the other divisions of the Company.

In this regard, we have relied upon the unaudited financial statements of GIL as on December 31, 2015 & September 30, 2015, and audited financial statements of GIL as on September 30, 2014, the Scheme of Arrangement between Gammon India Limited and Transrail Lighting Limited and their Respective Shareholders and Creditors (the 'Scheme').

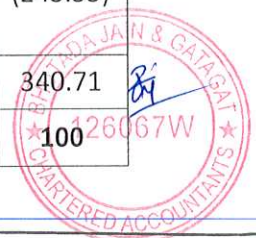
2. On the basis of such verification and information and explanation given to us, we certify the net worth, percentage turnover and profitability of T&D Undertaking vis-à-vis the other divisions of the Company as set out in the following tables :

INR in Crs

As on September 30, 2014						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
T&D Undertaking under BTA i.e. Transferred division	45.32	4.15	399.57	10.87	35.02	51.66
T&D Undertaking under Scheme i.e. Transferred division	60.95	5.58	652.18	17.74	(140.22)	(206.81)
Other divisions	985.78	90.27	2623.71	71.38	173.00	255.16
Total	1092.04	100	3675.45	100	67.80	100

INR in Crs

As on September 30, 2015						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
T&D Undertaking under BTA i.e. Transferred division	21.11	1.74	351.39	7.84	2.34	2.84
T&D Undertaking under Scheme i.e. Transferred division	(62.49)	(5.15)	554.87	12.39	(200.71)	(243.55)
Other divisions	1258.28	103.41	3573.77	79.77	280.78	340.71
Total	1212.90	100	4479.63	100	82.41	100



INR in Crs

As on December 31, 2015						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
T&D Undertaking under BTA i.e. Transferred division	(1.76)	(0.14)	426.55	7.96	(0.45)	1.15
T&D Undertaking under Scheme i.e. Transferred division	3.25	0.25	688.81	12.86	(217.63)	561.34
Other divisions	1274.05	99.88	4241.22	79.18	179.31	(462.49)
Total	1275.54	100	5356.57	100	(38.77)	100

Notes:

1. The aforesaid computation has been made solely as per the requirements of stock exchange for filling in connection with obtaining its "No Objection Certificate" to the Scheme and is not to be used for any other purposes.
2. Compliance with the requirements of the stock exchanges of India is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy stated in the certificate. For the purpose of this certificate, we conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special purpose issued by the Institute of Chartered Accountants of India.

<p>Place: Nagpur Date: 22.03.2016</p>	<p>For Bhutada Jain & Gatagat Chartered Accountants FRN: 126067W  CA Rajesh K. Gatagat Partner M.No. 118814</p> 
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Date: 4th May, 2016

To,

Listing Department,

National Stock Exchange of India Limited,

Exchange Plaza, Bandra Kurla Complex,

Bandra (E), Mumbai – 400 051

Dear Sir,

Reference: Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and your e-mail dated April 28, 2016

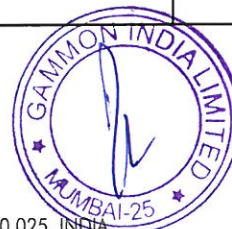
Subject: Scheme of Arrangement between Gammon India Limited ("GIL/Transferor Company") and Transrail Lighting Limited ("TLL/ Transferee Company") and their respective Shareholders and Creditors ("Scheme" or "the Scheme")

With reference to your email dated 28th April, 2016 seeking clarifications and necessary submissions pertaining to the Draft Scheme filed on 23rd March, 2016, we would like to state as under:

1. With reference to point no. 1 of your e-mail, we would like to state that as on 31st March, 2016, Transrail Lighting Limited ('TLL') has a paid-up equity share capital of INR 31 crores comprising of 3,10,00,000/- equity shares of INR 10/- each.
 - Gammon India Limited ('GIL') holds 77,50,000 equity shares of TLL i.e. 25% of the issued, subscribed and paid up equity share capital of TLL. TLL is an associate company of GIL.
 - Further, none of the Promoters of GIL hold any shares in TLL other than through GIL's holdings.

2. With reference to point no. 2 of your e-mail, the beneficial owners of M/s. Bilav Software Pvt. Ltd are as detailed below:

Name	Address	Designation	Din No.
Prashant Premchand Godha	1701/02, Oberoi Sky Heights, Lokhandwala Complex, Andheri (West), Mumbai - 400053, Maharashtra, India.	Director	00012759
Nirmal Kumar Gugalal Jain	1, Veer Bhawan, Opp HSBC Bank, JVPD Scheme, Juhu, Mumbai, Maharashtra, India.	Director	00060311



They are promoters and sole Owners of M/s. Bilav Software Private Limited.

3. With reference to point no. 3 of your e-mail, regarding latest financials of GIL and TLL, we are enclosing herewith the Un-audited Financial Results of GIL for the quarter ended 31st December, 2015 as duly reviewed by the Audit Committee and approved by the Board – **Annexure A.**

We seek further time of 10 days to submit the Audited financials of TLL (being Unlisted Company) as the same is under preparation.

4. With reference to point no. 4 of your e-mail, regarding the Valuation Report determining the fair value of T&D division and fair value of shares of TLL, we are enclosing herewith copy of the Valuation Report of M/s. SSPA & Co., Chartered Accountants, along with their working papers – **Annexure B.**
5. With reference to point no. 5 of your e-mail, we hereby confirm that TLL would not issue/reissue any shares not covered under the Draft Scheme, till the Effective Date of the Scheme.
6. With reference to Point no. 6 of your e-mail, we state as under:
- As on the date of application there are Unsecured Optionally Convertible Debentures (OCD's) of TLL which give GIL the right to acquire equity shares in TLL at a future date. Pursuant to a Business Transfer Agreement ("BTA") dated 27th October, 2015 entered into between GIL and TLL and as amended by the First Amendment to the BTA dated 12th February, 2016, TLL on 15th March, 2016 allotted to GIL 2,75,000 Unsecured Optionally Convertible Debentures (OCD's) of Rs.159 /- each.
 - Further, Gammon, TLL and Bilav Software Pvt. Ltd ("Investor") have also entered into an Investment cum Shareholders' Agreement dated 27th October, 2015, pursuant to which Bilav will infuse funds in TLL for issue of 30,00,000 OCD's of Rs. 159 each. We request you to refer to point no. 6 of Annexure I of the application submitted on 23rd March, 2016.
7. With reference to Point no. 7 of your e-mail, we would like to mention that based on the Valuation Report issued by M/s. SSPA & Co., Chartered Accountants, the fair value of shares of TLL as on the Valuation Date i.e December 31, 2015 is Rs. 158.19.



Therefore, the consideration discharged by TLL for acquiring the T&D Business of GIL is fair, based on the valuation report of M/s. SSPA & Co. Hence the Scheme would not be prejudicial to the interest of the shareholders of GIL.

8. With reference to point no. 8 of your e-mail, we hereby confirm that save and except as disclosed below and based on the confirmation received from all the Directors (except Mr. Atul Dayal, Independent Director of GIL) /Shareholders of GIL, TLL and Bilav Software Pvt. Ltd, no action has been taken against them as well as against GIL, TLL and Bilav Software Pvt. Ltd by SEBI/RBI or any other regulatory body.

The details of orders passed against Gammon India Limited and Mr. Abhijit Rajan, Chairman and Managing Director of the Company, by SEBI are mentioned below:

- a. Order No. WTM/GA/113/ISD/12/2006 dated December 21, 2006 under Section 19 read with Section 11 and 11B of the SEBI Act, 1992 restraining Gammon India Limited, Mr. Abhijit Rajan-Chairman and Managing Director of GIL ("Promoter"), Nikhita Estate Developers Pvt. Ltd and Devyani Estate & Properties Pvt. Ltd (both Promoter Group Companies and Shareholders of GIL) from accessing the Capital Market directly or indirectly for period of one year from the date of order.
- b. Order passed against Mr. Abhijit Rajan, Ex-Chairman and Managing Director of Gammon Infrastructure Projects Limited (currently Chairman and Managing Director of Gammon India Limited) with respect to investigation into possible insider trading in the scrip of Gammon Infrastructure Projects Limited (GIPL):
- i. Interim Ex-parte Order No. WTM/RKA/ISD/71/2014 dated July 17, 2014 under Section 19 read with Section 11(1), 11(4) and 11B of the SEBI Act, 1992 restraining Mr. Abhijit Rajan from buying, selling or dealing in securities and accessing the securities markets, either directly or indirectly, in any manner whatsoever, till further directions.
- ii. Order No. WTM/RKA/ISD/22/2015 dated March 23, 2015 under Section 19 read with Section 11(1), 11(4) and 11B of the SEBI Act, 1992 confirming the directions issued in respect of Mr. Abhijit Rajan vide *ex-interim ex-parte* order dated July 17, 2014 to be in force till further directions.
- iii. Order no. WTM/PS/193/IVD/MAR/2016 dated March 21, 2016 under Section 19 read with Section 11(1), 11(4)(d) and 11B of the SEBI Act, 1992



impounding a sum of Rs. 1,44,37,670/- (including interest), jointly and severally from Mr. Abhijit Rajan and other entities mentioned in the said order.

Please note that Mr. Atul Dayal, Independent Director is currently travelling and hence his confirmation is awaited. Company will promptly submit the Confirmation when the same is received from him.

Request you to take the above on record and oblige.

If you require any further clarifications / information, we would be happy to provide the same.

Thank you.

Yours faithfully,


For GAMMON INDIA LIMITED

GITA BADE
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: As above



GAMMON INDIA LIMITED

Unaudited Financial Results for the Quarter and Period Ended 31 December 2015

(Rupees in Crore)

S.No.	Particulars	Quarter Ended			15 Month Ended		9 Month Ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		31 Dec 15	30 Sep 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	30 Sep 2014
1	Income from Operations						
	Net Sales / Income from Operations	807.50	1,761.81	699.37	5,031.92	4,684.39	2,966.99
2	Expenses						
	Cost of Material Consumed	272.02	320.37	304.84	1,585.04	2,034.27	1,295.77
	Purchases of Stock-in-trade	14.63	9.91	19.55	113.44	234.24	164.37
	Change in Inventory of WIP and FG	5.50	318.21	(44.26)	285.29	22.33	46.24
	Subcontracting Expenses	224.02	183.62	186.79	1,036.84	1,062.80	625.67
	Employee Benefits Expenses	91.71	83.66	105.07	476.86	549.39	336.65
	Depreciation and Amortisation	35.23	68.53	36.50	223.48	146.76	81.85
	Other Expenses	176.57	175.45	156.65	828.81	1,054.40	587.03
	Total Expenses	819.68	1,159.75	765.14	4,549.76	5,104.19	3,137.58
3	Profit/(Loss) from Operations Before Other Income, Finance Costs	(12.18)	602.06	(65.77)	482.16	(419.80)	(170.59)
4	Interest & Other Income	69.43	81.69	49.55	324.65	794.03	708.46
5	Profit/(Loss) from Ordinary Activities Before Finance Costs and Forex Fluctuation	57.25	683.75	(16.22)	806.81	374.23	537.87
6	Finance Cost	180.68	178.90	164.06	864.53	760.73	452.72
7	Forex Fluctuation (Gain) / Loss	(0.84)	(4.87)	(2.48)	(8.78)	7.43	7.71
8	Exceptional Items	-	27.90	-	27.90	281.41	-
9	Profit Before Tax	(122.59)	481.82	(177.80)	(76.84)	(675.34)	77.44
10	Tax Expenses	(1.38)	(22.38)	(17.05)	(38.07)	(127.98)	9.64
11	Net Profit/(Loss) for the period	(121.21)	504.20	(160.75)	(38.77)	(547.36)	67.80
12	Paid-up Equity Share Capital (Face Value Rs.2/- per Equity Share)	57.37	27.16	27.16	57.37	27.16	27.16
13	Reserves, excluding Revaluation Reserve as per Audited Balance Sheet						955.88
14	Earning Per Share (Rupees)						
	Basic	(8.86)	37.13	(11.84)	(2.83)	(40.31)	4.99
	Diluted	(8.82)	36.94	(11.78)	(2.82)	(40.34)	4.97



Certified True Copy
For Gammon India Limited

Gita Bade
Company Secretary

GAMMON INDIA LIMITED

An ISO 9001 Company

GAMMON HOUSE, VEER SAVARKAR MARG, P. O. BOX NO. 9129, PRABHADEVI, MUMBAI-400 025. INDIA.
Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529
E-Mail : gammon@gammonindia.com Website : www.gammonindia.com
CIN: L74999MH1922PLC000997



Notes:

1. The Financial Results for the quarter ended December 2015 were reviewed by the Audit Committee and taken on record by the Board of Directors of the Company at its meeting held on 12 February 2016 and have been subjected to limited review by the Statutory Auditors of the Company.
2. In the previous period the Company had closed its accounts for nine month period ended 31 December 2013 and 30th September 2014. Comparative figures for fifteen months ended 31 December 2014 are derived by aggregating the figures for the quarter ended 31 December 2013, 9 month period ended 30 September 2014 and quarter ended 31 December 2014.
3. During previous period ended 30 September 2014, the Company has sold its entire stake in its subsidiary M/s Gammon Infrastructure Projects Limited to its subsidiary M/s Gammon Power Limited. The excess of the consideration over the book value of the investments amounting to Rs. 605.92 Crore has been shown under Other Income.
4. The Company's funded and non-funded exposure towards Franco Tosi Mecannica S.p.A (FTM) group is Rs. 667.75 (net of provisions already made) Crore as at December 2015 including Investments and guarantees towards the acquisition loan taken by the SPV.

The commissioner in charge of the Extraordinary Administration of Franco Tosi Meccanica S.p.A. has already concluded the sale of the operating business of FTM to the successful bidder and has commenced the disposal of the non-core assets (i.e. those assets which were not part of the sale of operating business), which includes 60 acres of land in Legnano, Italy. On conclusion of the disposal of these assets, the available funds will be utilized to clear the liabilities of Franco Tosi on the basis of ranking beginning with the privileged liabilities with last preference to the shareholders.

In view of the above, the company is in the process of evaluating the value of all non-core assets, based on valuation as well as the actual sale price expected to be realized shortly from the sale of similar assets in the adjoining premises which are also under extraordinary administrator to determine the surplus which will cover the exposure of the company. Valuer is expected to give their report shortly. Pending the determination of the value of the non-core assets, the company has not made any provision for diminution in value of investments, loans and advances or exposure towards corporate guarantee to lenders.

The auditors have qualified their report on this account as follows

"We invite attention to note no 4 relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 667.75 crores as at 31st December 2015. The management as detailed in the said note has appointed a valuer for the determination of the value of non-core assets whose report is not received till date. In the absence of any indication of the value of the non-core assets, the management has not carried out the required impairment. In the above circumstances we are also unable to quantify the effect on the loss/profit of the Company for the quarter and the period ended 31st December 2015.




In respect of the corporate guarantees issued towards the jobs of FTM the Company has received intimation for USD 30.00 million (Rs. 198.98 crores). The Company is in active negotiation with the clients of the subsidiary and also the buyer of the operating assets of FTM for the cancellation of the demand or re-imbursement of the same. In view of the uncertainties involved in the negotiation settling in favour of the Company we are unable to comment upon the non-provision towards the demand."

5. The total exposure of the Branch in SAE Powerlines Srl, Italy (SAE), a subsidiary of the Company and ATSL BV, Netherlands, the holding company of SAE, towards investments including guarantees towards the acquisition loan taken by the SPV is Rs. 396.95 Crores. The Branch has made provision for impairment of investments and Loan of Rs. 128.08 Crores and provision for Rs. 88.29 Crores for risk and contingencies for corporate guarantees for acquisition loan of the SPV and net exposure of the Branch is Rs. 180.58 Crores. The Company had carried out a valuation of the business of SAE by an independent valuer in September 2014 who determined the value at Rs. 68.88 crores. The Management is of the opinion that considering the order book position and adequate references and strengths in international markets, the provision already made by it for impairment of its investment, loan and trade receivable is adequate.

The auditors have qualified their report on this account as follows.

"The total exposure of the Branch in SAE Powerlines Srl, Italy ("SAE"), a subsidiary of the Company, and ATSL BV, Netherlands, the holding company of SAE, towards investments including guarantees towards the acquisition loan taken by the SPV is Rs. 396.95 Crores. The Branch has made provision for impairment of investments and Loan of Rs. 128.08 Crores and provision for Rs. 88.29 Crores for risk and contingencies for corporate guarantees for acquisition loan of the SPV, leaving a net exposure of the Branch of Rs. 180.58 Crores un-provided for. The Company had carried out a valuation of the business of SAE by an independent valuer in September 2014, who determined a valuation of Rs. 68.88 Crores, which is not updated to cover the present financial position. In the absence of a fresh valuation of the business of SAE, we are unable to comment whether further provisioning is required towards the net exposure of Rs. 180.58 Crores. "

6. The Ministry of Corporate affairs vide its letter dated 5th February, 2016 has directed the Company to either recover remuneration paid to Mr. Abhijit Rajan –Chairman and Managing Director for the period from 1st April, 2012 to 30th September, 2015 aggregating to Rs. 18 crores OR to file application for waiver of remuneration paid. The Board on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government waiver of excess remuneration paid. The total amount of excess remuneration till 31st December 2015 is 24.62 crores. In view of the above no adjustments are made in these financials.

The auditors have qualified their report on this account as follows

"The Company's Application for managerial remuneration aggregating to Rs. 24.64 crores for the Chairman and Managing Director has been rejected for the accounting years 2012-13 and 9-month period ended December 2013 and 30th September 2014 and for the current fifteen months ended 31st December 2015 for want of NOC from the CDR lenders. The Company had once again made applications to the Ministry for the aforementioned periods on obtaining the NOC from the CDR Lenders. The MCA has rejected the application and directed the Company to recover the money from the Chairman and Managing Director. The Board however on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government for waiver of excess remuneration paid. Pending the same no adjustments have been made for the amount of Rs. 24.64 crores."

7. There are disputes in six projects of the Company. The total exposure against these projects is Rs. 394.94 Crore. The Company is pursuing legal recourse / negotiations for addressing the disputes in favour of the




CIN : L74999MH1922PLC000997

Company and is of the opinion that it has a good case in the matter hence does not require any provision considering the claims of the Company against the Clients.

The auditors have qualified their report on this account as follows

"Trade receivables and loans and advances includes an amount of Rs 394.94 crores in respect of disputes in six projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure"

8. The Company has granted unsecured loans to its joint ventures, aggregating to Rs. 14.77 crores including the facility provided by the bankers for the purposes of business operation out of the limits of the company. This loan facility is in excess of the limits specified U/s 186 of the Companies Act 2013. The Company will obtain the shareholders consent in the next General Meeting.

The auditors have qualified their report on this account as follows.

"The Company has given unsecured loans of Rs. 14.77 crores to its joint ventures as a lead partner for which it does not have prior approval of the members"

9. The Company in evaluating its jobs has considered an amount of Rs. 154.19 Crore relating to the likelihood of the claim materializing in favour of the Company, arising out of claims for work done, cost overruns arising due to client delays, changes of scope, escalation claims, variation orders, deviation in design and other charges recoverable from the client which are pending acceptance or certification by the client or referred the matter to the dispute resolution board / arbitration panel.

In furtherance to the recommendation of the Dispute Resolution Board (DRB) and Arbitration Awards in the Company's favour, the Company has recognized income to the extent of Rs.135.75 Crore which is part of Long Term Trade Receivable. The Company contends that such awards have reached finality for the determination of the amounts of such claims and are reasonably confident of recovery of such claims although the client has moved the court to set aside the awards. Considering the fact that the Company has received favourable awards from the DRB and the Arbitration Tribunal, the management is reasonably certain that the claims will get favourable verdict from the courts.

Trade Receivables includes Rs. 213.88 Crore in respect of its project based on advanced negotiation and discussion with the client and is confident of realising the same, pending the final revision in contract value.

10. The Company's operating result have been affected in the last few years by various factors including liquidity crunch, unavailability of resources on timely basis, delays in execution of projects, delays in land acquisition, approval of design etc. by client, scarcity in availability of labour & materials, operational issues etc. Company's overseas operations are characterized due to weak order booking, paucity of working capital and uncertain business environment.

The Company is exploring several options for overcoming the liquidity crisis. The Group is in the process of development of its land parcel as well as monetizing its overseas investments and to divest some of its businesses, recovery towards final bills, retention money, settlement of non-routine collection including claims, arbitration awards etc. to meet the working capital needs. The Company is also in discussion with client for overcoming bottlenecks in timely executing the existing projects and to increase the order book. The Company is having a good order book in hand as on December 2015 of Rs. 12,250 Crore.

The Company continues to negotiate with vendors for settlement, improved commercial terms and better credit facility and is in process of arranging additional working capital finance to improve short term liquidity position. The Company is evaluating and exploring various courses of action for raising funds for Company's operations, including options for strategic restructuring.




However due to the continuing stress and the inability of the promoters to infuse fresh funds into the Company and the continuing losses, The Corporate Debt Restructuring Empowered group in its meeting held on 23rd November, 2015 has discussed and noted the proposal of the CDR Lenders for invocation of Strategic Debt Restructuring ("SDR") in the Company and carve out of the Civil Engineering, Procurement and Construction Business and the Transmission and Distribution businesses with change of management. The "Reference date" for the purpose of the SDR is 17th November 2015. The lenders have invoked SDR and the requisite majority for approval of the SDR scheme in value and numbers had already been received and the CDR lenders have converted part of their loans and interest by taking a 52.55% stake in the Company.

The SDR scheme proposes inter-alia to carry out a restructuring of the business of the Company by carving out the EPC business and the T & D business into separate entities wherein new investors would be invited. The Company has identified investor and has signed agreement in respect of the T & D business. The Company is scouting for an investor for the EPC business.

Based on various developments including SDR by lenders resulting in lenders having majority stake and restructuring of businesses, the management is of the view that the Company will remain as going concern for future on the basis of existing order book, future business potential, pre-qualifications for project bidding and previous track record.

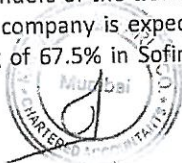
11. The Company, as part of its restructuring scheme in which it is carving out the EPC and T & D business into separate entities with residual non-core assets and some claims remaining in the main Company, had during the quarter ended 30 September 2015 evaluated its existing claims in respect of on-going, completed and/or terminated contracts with the help of an independent expert in the field of claims and arbitration to assess the likely amount of claims being settled in favour of the Company. The expert had reviewed the claims and had opined that an amount aggregating to Rs. 1357.22 crores will be reasonably certain to be settled in favour of the Company.

Based on the above opinion, the Company had during the previous quarter recognised claims of an aggregate amount of Rs. 1043.97 excluding amounts recognised earlier of Rs. 313.25 based on management estimates of reasonable realisation. These claims have been accounted as unbilled revenue and shown under other current assets in the Balance sheet while the effects in the statement of profit and loss is dependent upon the stage of completion.

The auditors have qualified their conclusion.

"We invite attention to note no 11, detailing the recognition of claims during the quarter ended 30th September 2015 in respect of on-going, completed and/or terminated contracts aggregating to Rs. 1043.97 crores excluding amounts recognised earlier of Rs. 313.25 based on management estimates of reasonable realisation which were subject matter of our emphasis of matter in our earlier reports. These additional claims are recognised on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results of the quarter ended 30th September 2015 and the fifteen-month period ended 31st December 2015. "

12. Pursuant to the put option exercised, one of the Subsidiaries of the Company had paid \$ 32 Million (Rs. 243.84 Crore) for acquisition of further 35% stake in Sofinter Group. The transferor has created pledge in favour of the lenders of the transferee company. The process of transferring the ownership in favour of the transferee company is expected to be completed in the near future. Considering the proposed combined holding of 67.5% in Sofinter, the order book position and the current financials of Sofinter,



the Management is of the view that no impairment is required in the exposure of the Company towards its combined exposure of Rs. 859.33 crores in Sofinter group.

13. The Company is engaged mainly in "Construction and Engineering" segment. The Company also has "Real Estate Development" and Windmills as other segments. Revenue from such activities is not significant and accounts for less than 10% of the total revenue and total assets of the Company. Therefore no disclosure of separate segment reporting as required in terms of Accounting Standard AS - 17 is done in respect of these segments.
14. In accordance with the provisions of Schedule II to the Companies Act 2013, effective from 1 April 2014, the Company has revised the useful lives of its fixed assets. As a consequence of such revision, the charge for depreciation is higher than the previously applied rates by Rs. 56.44 Crore for the 15 months period ended 31 December 2015. Further for assets that have completed the useful lives as a consequence of the aforesaid revision, the carrying value as on 1 October 2014 of Rs. 23.32 Crore (net of taxes Rs.10.43 Crore) has been charged to Profit & Loss statement during the quarter ended 30 September 2015 which was earlier adjusted against the opening balance of Surplus in the Profit and Loss Account.
15. The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. The exposure of the Company in the said subsidiary is Rs. 382.75 crores net of provisions made. The management is confident that the disputes and the reconciliation differences would be resolved and there would be no impairment.
16. In the Extra-Ordinary General Meeting held on 26 May 2015, the shareholders had approved the issue of Unsecured Zero Coupon Compulsorily Convertible Debentures ("CCD"s) of up to RS.100 Crore to the Promoters against their promoters' contribution made pursuant to the Company's CDR Package. No allotment of the CCD's has been made to the Promoters till date since the Company is awaiting in-principal approval from BSE Limited.
17. The Company has during the quarter allotted 15,10,54,133 equity shares of Rs. 2 each fully paid up at a premium of Rs. 9.89 per share aggregating to Rs. 179.60 crores to the Lenders as part of the Strategic Debt Restructuring Scheme. The allotment was done on 29th December 2015 by debit to the Principal and Interest outstanding figures of the different banks. Pursuant to the allotment the lenders hold 52.55% of the equity capital of the Company.
18. Exceptional items for the quarter ended 30 September 2015 and for the fifteen month ended 31 December 2015 represents provision for diminution in the value of investment in Transrail Lighting Limited, a wholly owned subsidiary of the Company. For the 15 month period ended 31 December 2014, the exceptional item includes provision towards impairment and risk and contingencies which was charged during the quarter ended 31 December 2013.
19. Corresponding figures of the previous period have been regrouped / rearranged wherever necessary.

For Gammon India Limited



Abhijit Rajan
Chairman & Managing Director
Mumbai, 12 February 2016



Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

Limited Review Report

Review Report to
The Board of Directors
Gammon India Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Gammon India Limited ("the Company") for the quarter and fifteen months period ended December 31, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review the statement of unaudited financial results of Gammon India Limited – Nagpur Branch including the overseas branches at Algeria, Nigeria, Kenya, Bhutan, Ethiopia, Rwanda, Yemen & Italy, whose financial information includes total revenues of Rs. 1089.90 crores for the fifteen month period ended 31st December 2015. The financial information of the aforesaid branch has been reviewed by the Branch Auditors whose report has been received by us. Our conclusion so far as transactions of the said Branches are concerned, is based solely on the limited review report of the Branch Auditors'.
4. *Basis For Qualified Conclusion*
 - a. We invite attention to note no 4 relating to one of the subsidiaries M/s Franco Tosi Meccanica S.p.A (FTM). As described in the note, the control of the operating/core asset of the said FTM has been transferred to the successful bidder and the Company is entitled only to the surplus arising out of disposal of non-core assets of FTM after paying off all other creditors/liabilities of FTM. The funded and non-funded exposure of the Company to FTM is Rs. 667.75 crores as at 31st December 2015. The management as detailed in the said note has appointed a valuer for the determination of the value of non-core assets whose report is not received till date. In the absence of any indication of the value of the non-core assets, the management has not carried out the required impairment. In the above circumstances we are also unable to quantify the effect on the loss/profit of the Company for the quarter and the period ended 31st December 2015.
 - b. In respect of the corporate guarantees issued towards the jobs of FTM the Company has received intimation for USD 30.00 million (Rs. 198.98 crores). The Company is in



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Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

- active negotiation with the clients of the subsidiary and also the buyer of the operating assets of FTM for the cancellation of the demand or re-imbursement of the same. In view of the uncertainties involved in the negotiation settling in favour of the Company we are unable to comment upon the non-provision towards the demand.
- c. We invite attention to note no 11, detailing the recognition of claims during the quarter ended 30th September 2015 in respect of on-going, completed and/or terminated contracts aggregating to Rs. 1043.97 crores excluding amounts recognised earlier of Rs. 313.25 based on management estimates of reasonable realisation which were subject matter of our emphasis of matter in our earlier reports. These additional claims are recognised on the basis of opinion of an expert in the field of claims and arbitration as part of the requirement of the Strategic Debt Restructuring scheme with the lenders. In view of the above-mentioned circumstances and facts we are unable to comment upon the amounts recognised, its realisation and the consequent effect on the financial results of the quarter ended 30th September 2015 and the fifteen-month period ended 31st December 2015.
- d. The total exposure of the Branch in SAE Powerlines Srl, Italy ("SAE"), a subsidiary of the Company, and ATSL BV, Netherlands, the holding company of SAE, towards investments including guarantees towards the acquisition loan taken by the SPV is Rs. 396.95 Crores. The Branch has made provision for impairment of investments and Loan of Rs. 128.08 Crores and provision for Rs. 88.29 Crores for risk and contingencies for corporate guarantees for acquisition loan of the SPV, leaving a net exposure of the Branch of Rs. 180.58 Crores un-provided for. The Company had carried out a valuation of the business of SAE by an independent valuer in September 2014, who determined a valuation of Rs. 68.88 Crores, which is not updated to cover the present financial position. In the absence of a fresh valuation of the business of SAE, we are unable to comment whether further provisioning is required towards the net exposure of Rs. 180.58 Crores. (Refer Note 5)
- e. The Company's Application for managerial remuneration aggregating to Rs. 24.64 crores for the Chairman and Managing Director has been rejected for the accounting years 2012-13 and 9-month period ended December 2013 and 30th September 2014 and for the current fifteen months ended 31st December 2015 for want of NOC from the CDR lenders. The Company had once again made applications to the Ministry for the aforementioned periods on obtaining the NOC from the CDR Lenders. The MCA has rejected the application and directed the Company to recover the money from the Chairman and Managing Director. The Board however on the recommendation of the Nomination and Remuneration Committee has, subject to shareholders approval, decided to seek approval from the Central Government for waiver of excess remuneration paid. Pending the same no adjustments have been made for the amount of Rs. 24.64 crores. (Refer Note 6).
- f. Trade receivables and loans and advances includes an amount of Rs 394.94 crores in respect of disputes in six projects of the Company and/or its SPVs. The Company is pursuing legal recourse/ negotiations for addressing the disputes in favour of the Company. Pending the conclusion of the matters we are unable to state whether any provisions would be required against the Company's exposure (refer Note 7).



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- g. *The Company has given unsecured loans of Rs. 14.77 crores to its joint ventures as a lead partner for which it does not have any prior approval of the members (refer Note 8).*

The above paras (b), (d), (e), and (g) were the subject matter of our modified opinion on the Financial Statements for the period ended September 2014.

5. Based on our review conducted as above, *except for the possible effects of the matters arising out of our comments in paragraph 4(a) to 4(g) above*, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with applicable accounting standards as specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Without qualifying our review report we re-iterate our emphasis of matter contained in our audit report dated December 5, 2014 on the financial statements for the nine month period ended 30th September 2014 and further updation thereon relating to:
- (a) We draw attention to Note no 9 of the Statement relating to recoverability of an amount of Rs.135.75 crores as at 31st December 2015 under trade receivables in respect of contract revenue where the Company has received arbitration awards in its favour in respect of which the client has preferred an appeal for setting aside the said arbitration awards, recognition of claims while evaluating the jobs of Rs. 154.19 crores and Rs. 213.88 crores where the Company is confident of recovery based on advanced stage of negotiation and discussion. The recoverability is dependent upon the final outcome of the appeals & negotiations getting resolved in favour of the company.
- (b) The lenders have invoked Strategic Debt Restructuring and have converted part of their principal and interest outstanding into equity shares and as part of the SDR scheme is in the process of approving the restructuring scheme, which includes carving out the EPC business, and the T & D business into separate entities wherein new investors would be invited to take control as detailed in Note 10. Pending the same due to the liquidity situation and the continuing losses the Company is unable to meet its various liabilities on time. These conditions, along with other matters as set forth in Note 10 of the attached statement, indicate the existence of a significant uncertainty as to timing and realisation of cash flow to support the going concern assumption and operations of the Company.
- (c) The Company as detailed in Note 12 has exposure of Rs. 243.84 crores which includes non-fund based guarantees of Rs. 126.78 crores towards acquisition of further stake of 35% in Sofinter. The transfer of shares in favour of M/s Gammon Holding Mauritius Limited, wholly owned subsidiary of the Company, is pending from



Natvarlal Vepari & Co.

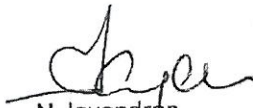
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a long time. Further the management has made assertions about the investment and reasons why the same does not require any provision towards diminution in the value of investment and loans provided to M/s Gammon International BV and M/s Gammon Holding Mauritius Limited and the guarantees given for the loans for the acquisition of stake in Sofinter aggregating to Rs. 859.33 crores for the proposed combined holding of 67.50%.

- (d) The accounts of a subsidiary M/s Campo Puma Oriente S.A. have not been audited since December 2012, due to certain disputes with the partner in the project. The exposure of the Company in the said subsidiary is Rs. 382.75 crores net of provisions made. The management is confident that the disputes and the reconciliation differences would be resolved and there would be no impairment. (refer note 15)
- (e) We also re-iterate our emphasis of matter in our audit report dated December 5, 2014 on the financial statements for the period ended 30th September 2014 in case of Gactel Turnkey Projects Limited & G&B Contracting LLC where the management has made assertions about the investment and reasons why the same does not require any provision towards diminution in the value of investment and loans provided. Relying on the assertions no adjustments have been made in the financials towards possible impairment.

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



N Jayendran

Partner

M. No. 40441

Mumbai, Dated : February 12, 2016



Certified True Copy
For Gammon India Limited

Gita Bade
Company Secretary

SSPA & CO.

Chartered Accountants

1st Floor, "Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058. INDIA.

Tel. : 91 (22) 2670 4376

91 (22) 2670 3682

Fax : 91 (22) 2670 3916

Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

February 12, 2016

The Board of Directors,
Gammon India Limited
Gammon House,
Veer Savarkar Marg, Prabhadevi,
Mumbai 400 025.

The Board of Directors,
Transrail Lighting Limited
R: F, 3rd W P: Hamilton House,
J.N. Heredia Marg, Ballard Estate,
Mumbai 400 038.

Re: Recommendation of fair equity consideration for the purpose of proposed slump exchange of 'Transmission & Distribution Undertaking' of Gammon India Limited into Transrail Lighting Limited.

Dear Sirs,

As requested by the management of Transrail Lighting Limited (hereinafter referred to as "TLL" or 'Transferor') and Gammon India Limited (hereinafter referred to as "GIL" or 'Transferee') (hereinafter collectively referred to as "Companies"), we have undertaken the valuation exercise of equity shares of TLL and of 'Transmission & Distribution Undertaking' of GIL (hereinafter referred to as the "T&D Undertaking") for recommending the fair equity consideration for the purpose of proposed slump exchange of 'Transmission & Distribution Undertaking' of GIL into TLL.

1. PURPOSE OF VALUATION

- 1.1 We have been informed that the Board of Directors of the Companies are considering a proposal for the slump exchange of the 'T&D Undertaking' of GIL pursuant to provisions of Section 391 to 394 read with sections 100 to 103 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, to the extent applicable. Subject to necessary approvals, the T&D Undertaking, would be transferred to TLL with effect from the Appointed Date of January 1, 2016. In consideration of slump exchange of the T&D Undertaking into TLL, equity shares of TLL would be issued to GIL.



- 1.2 For this purpose, we have carried out valuation of the T&D Undertaking and the equity shares of TLL with a view to recommend fair equity consideration of equity shares of TLL to be issued to GIL for consideration of the Board of Directors of the Companies.

2. BRIEF BACKGROUND

2.1. GAMMON INDIA LIMITED

- 2.1.1. GIL is one of the India's most prominent infrastructure conglomerate having fully diversified businesses in civil engineering, design, construction, infrastructure investment and development, oil exploration and production and real estate development, as well as full-fledged EPC and manufacturing capabilities for power equipment and power T&D business.
- 2.1.2. GIL's civil engineering business expands over projects involving transportation (highways, railways, metro-rails, bridges and flyovers), power generation (nuclear, hydro and thermal), environmental engineering (water treatment, transmission and distribution), irrigation and high rise buildings.
- 2.1.3. Shares of GIL are listed on BSE Limited and the National Stock Exchange of India Limited.

2.2. TRANSMISSION AND DISTRIBUTION UNDERTAKING

- 2.2.1. T&D business means the engineering, procurement and construction business of the Transferor Company in the transmission and distribution sector, including the tower testing facility located at Deoli and tower manufacturing facilities located at Baroda and Nagpur. The T&D Business also includes the business received on amalgamation of Associated Transrail Structures Limited with GIL with effect from April 01, 2008.

2.3. TRANSRAIL LIGHTING LIMITED

- 2.3.1. TLL was incorporated on September 18, 2009 and is engaged in the business of designing, manufacturing, installation and supply of Engineered galvanized steel monopoles for transmission & distribution, street light poles, HI-masts, stadium masts, telecom monopoles, special structures etc. with a capacity of 10,000 MT per annum at Silvassa. Further, it proposes to expand into the business of building power transmission and distribution lines.
- 2.3.2. TLL is in process of acquiring 2 tower manufacturing and conductor manufacturing factories located at Amboli Village in the Union Territory of Silvassa and at Deoli in Wardha District of Maharashtra from GIL vide Business Transfer Agreement signed in October 2015.



2.3.3. We have been informed that upon the Scheme becoming effective, the existing issued, paid-up and subscribed share capital of TLL of INR 31,00,00,000 (Rupees Thirty One Crores only) comprising of 3,10,00,000 equity shares of INR 10 each shall be reduced to INR 20,00,000 (Rupees Twenty Lacs only) comprising of 2,00,000 equity shares of INR 10 each. The reduced amount of INR 30,80,00,000 (Rupees Thirty Crores Eighty Lacs only), shall be utilized for adjusting the debit balance in the profit and loss account of TLL and excess, if any, shall be credited to the capital reserve account in TLL.

3. SOURCES OF INFORMATION

For the purposes of our valuation exercise, we have relied upon the following sources of information as provided to us by the management of the Companies (hereinafter referred to as the "Management"):

- (a) Management certified position of assets and liabilities of the T&D Undertaking and TLL as at December 31, 2015.
- (b) Projected Profit & Loss Account, capex and working capital requirement for TLL (including 2 factories, that are in the process of being acquired from GIL) for three months ended March 31, 2016 and from financial years (FY) 2016-17 to 2019-20 as provided by the Management.
- (c) Projected Profit & Loss account, working capital and capex requirements of the T&D Undertaking for three months ended March 31, 2016 and financial years (FY) 2016-17 to 2021-22 as provided by the Management.
- (d) Draft Scheme of Arrangement u/s 391 to 394 read with sections 100 to 103 of the Companies Act, 1956.
- (e) Other relevant details regarding the Companies such as their history, past and present activities, existing shareholding pattern and other relevant information and data, including information in the public domain.
- (f) Discussions with the Management on various issues relevant for the valuation including the prospects and outlook for the industry, expected growth rate and other relevant information relating to future expected profitability of the business, etc.
- (g) Such other information and explanations as we have required and which have been provided by the Management.



4. EXCLUSIONS AND LIMITATIONS

- 4.1. Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 4.2. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While SSPA & Co. has provided an assessment of the value based on the information available, application of certain formulae and within the scope and constraints of our engagement, others may place a different value to the same.
- 4.3. No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 4.4. Our work does not constitute an audit or certification of the historical financial statements / prospective results including the working results of the Companies / T&D Undertaking referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 4.5. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies / T&D Undertaking and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies / T&D Undertaking including any significant changes that have taken place or are likely to take place in the financial position of the Companies / T&D Undertaking, subsequent to the Appointed Date for the proposed slump



- exchange. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 4.6. In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 4.7. Our recommendation is based on the estimates of future financial performance as projected by the management of the Companies, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.
- 4.8. Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed slump exchange with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed slump exchange.
- 4.9. This Report is prepared only in connection with the proposed slump exchange exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 4.10. Any person/ party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out



their own due diligence procedures to ensure that they are making an informed decision.

4.11. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed slump exchange as aforesaid, can be done only with our prior permission in writing.

4.12. SSPA & Co., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

5. VALUATION APPROACH

5.1. For the purpose of valuation for slump exchange, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach
- (b) the "Income" approach; and
- (c) the "Market" approach

5.2. In the present case, net worth of both TLL and the T&D Undertaking is negative, therefore the Underlying Asset approach is not adopted for the present valuation exercise.

5.3. The shares of TLL as well as the T&D Undertaking of GIL are not listed on any stock exchange. Hence, market approach has not been adopted.

5.4. INCOME APPROACH

Under the "Income" approach, shares of TLL and the T&D Undertaking of GIL have been valued using Discounted Cash Flow (DCF) method.

5.4.1. Under the DCF method the projected free cash flows from business operations after considering fund requirements for projected capital expenditure and incremental working capital are discounted at the Weighted Average Cost of Capital (WACC). The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

5.4.2. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax, depreciation and amortizations (non-cash charge). The cash flow is adjusted for



outflows on account of capital expenditure, tax and change in working capital requirements.

- 5.4.3. WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of the company's cost of equity and debt. Considering an appropriate mix between debt and equity for the company/undertaking, we have arrived at the WACC to be used for discounting the Free Cash Flows.
- 5.4.4. Value for equity shareholders is arrived at after making adjustment for loan funds and cash & cash equivalents.
- 5.4.5. The equity value so arrived at is divided by the diluted number of equity shares (considering capital reduction of TLL) to arrive at the value per share.

6. RECOMMENDATION

- 6.1. The fair basis of slump exchange of the T&D Undertaking of GIL into TLL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. As mentioned above we have considered the 'income' approach for arriving at the value of the shares of TLL and the value of the T&D Undertaking.
- 6.2. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is



difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 6.3. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove in this report, in our opinion, fair equity consideration for transfer of T&D Undertaking works out to 7,25,000 equity shares of INR 10 each of TLL.

Thank you,
Yours faithfully,

SSPA & Co.



SSPA & CO.
Chartered Accountants
Firm registration number: 128851W

Place: Mumbai

**Proposed Slump Exchange of Transmission and Distribution Undertaking
('T&D Undertaking') of Gammon India Limited ('GIL') into Transrail Lighting
Limited ('TLL')**

**Computation of Value Per Share/Undertaking and Equity Share Exchange
Ratio**

**GAMMON INIDA LIMITED (GIL)
TRANSMISSION AND DISTRIBUTION UNDERTAKING**

Particulars	(INR Crores)
Fair Value of the Undertaking as per DCF Method (A)	11.47
	Annexure-1

TRANSRAIL LIGHTING LIMITED (TLL)

Particulars	(INR Crores)
Fair Value of the Company as per DCF Method	7.51
Diluted no. of Shares	4,75,000
Fair Value per share (INR) (B)	158.19
	Annexure-2

No. of shares to be issued (A/B)	7,25,000
---	-----------------



Annexure - 1

GAMMON INIDA LIMITED (GIL)
TRANSMISSION AND DISTRIBUTION UNDERTAKING

Discounted Cash Flow ('DCF') Method	
Particulars	(INR Crores)
Enterprise Value	286.47
<u>Add/(Less): Adjustments</u>	
Loans Funds	(275.00)
Value of the Undertaking	11.47



Annexure - 2

TRANSRAIL LIGHTING LIMITED (TLL)

Discounted Cash Flow ('DCF') Method	
Particulars	(INR Crores)
Enterprise Value	300.58
<u>Add/(Less): Adjustments</u>	
Loans Funds	(294.57)
Cash and Cash Equivalents	1.50
Value of the Company	7.51



**REPORT OF THE AUDIT COMMITTEE OF GAMMON INDIA LIMITED
RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN GAMMON
INDIA LIMITED AND TRANSRAIL LIGHTING LIMITED AND THEIR RESPECTIVE
SHAREHOLDERS AND CREDITORS**

Members

- | | |
|----------------------------|-----------------------------------|
| a) Mr. Chandrahas C. Dayal | : Chairman of the Audit Committee |
| b) Ms. Urvashi Saxena | : Member |
| c) Mr. Naval Choudhary | : Member |
| d) Mr. Atul Kumar Shukla | : Member |

In Attendance

- | | |
|------------------------|---|
| a) Mr. Ajit Desai | : Executive Director and CEO |
| b) Mr. Digambar Bagde | : Deputy Managing Director –T & D Business |
| c) Mr. Vardhan Dharkar | : President Finance and Chief Financial Officer |
| d) Mrs. Gita Bade | : Company Secretary |

1. Background

- 1.1 A meeting of the audit committee of Gammon India Limited ('Company' or 'GIL') was held on 12th February, 2016 to consider and recommend the proposed transfer of the Transmission & Distribution ('T&D') Undertaking (more specifically defined in the Scheme) of the Company to Transrail Lighting Limited ('TLL'), to be implemented in terms of a proposed Scheme of Arrangement ('Scheme') between GIL and TLL and their respective shareholders and creditors under Sections 391 to 394 read with 100 to 103 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and/or Companies Act, 2013 or any amendment thereof, to the extent applicable.
- 1.2 In accordance with the provisions of Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") read with the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 ("SEBI Scheme Circular"), the draft Scheme was placed before the Audit Committee by the Company Secretary, to consider and recommend the draft Scheme to the Board of Directors of the Company taking into account, inter alia, the Valuation Report by M/s. SSPA & Co., Chartered Accountants and Fairness Opinion by M/s. Fortress Capital Management Services Pvt. Ltd, an Independent Category I Merchant Banker.



GAMMON INDIA LIMITED

An ISO 9001 Company

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Telephone : 91- 22 - 6111 4000 • 2430 6761 • Fax : 91 - 22 - 2430 0221 • 2430 0529
E-Mail : gammon@gammonindia.com • Website : www.gammonindia.com

CIN: L74999MH1922PLC000997

1.3 This report is made in order to comply with the requirements of the SEBI Scheme Circular after perusing the following necessary documents:

- (a) Draft Scheme of Arrangement, duly initialed by the Company Secretary of the Company for the purpose of identification;
- (b) Valuation Report dated 12th February, 2016 issued by M/s. SSPA & Co, Chartered Accountants;
- (c) Fairness Opinion dated 12th February, 2016 issued by M/s. Fortress Capital Management Services Pvt. Ltd, Category I Merchant Banker on the fairness of the valuation report; and
- (d) Certificate dated 12th February, 2016 issued by M/s. Natvarlal Vepari & Co., statutory auditors of the Company, as required under paragraph I(A)(5)(a) of Annexure I of the SEBI Scheme Circular, to the effect that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards specified by the Central Government under the Companies Act, 2013 or the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), as applicable, and other generally accepted accounting principles
- (e) An undertaking dated 12th February, 2016 certified by M/s. Natvarlal Vepari & Co., statutory auditors of the Company, in terms of paragraph I(A)(9)(c) of Annexure I of the SEBI Scheme Circular, stating the reasons for non-applicability of paragraph I(A)(9)(a) of Annexure I of the SEBI Scheme Circular, i.e. regarding the requirement to, inter alia, provide for voting by public shareholders through postal ballot and e-voting, in relation to the Scheme.

2. Proposed Scheme

2.1 The Audit Committee noted the rationale of the proposed scheme, which is as follows:-

- i. To create sector focused companies;
- ii. To enable investment by strategic investor;
- iii. Ring-fence businesses from each other; and
- iv. Deleverage the balance sheet of GIL.

2.2 The salient features of the draft Scheme are as under:

- (a) The Scheme provides the following:
 - Transfer of T&D Undertaking of GIL to TLL, in consideration for 7,25,000 fully paid equity shares of Rs.10 each of TLL.
 - Cancellation of the existing 3,08,00,000 (Three Crore Eight Lakh) equity shares of INR 10/- each amounting to INR 30,80,00,000 (Rupees Thirty crores eighty lacs only) of TLL .
- (b) As part of the undertaking to be transferred, all assets and liabilities of the undertaking including the performance qualifications are being transferred;
- (c) Appointed date of the Scheme is fixed as January 1, 2016;

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(d) The Scheme shall be effective from the last of the dates on which all the following conditions / matters are fulfilled:

- i. The requisite consent, approval or permission of the Central Government including Stock Exchange and Securities and Exchange Board of India.
- ii. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company as may be directed by the Hon'ble High Court of Judicature at Bombay or any other competent authority, as may be applicable.
- iii. The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 read with sections 100-103 of the Act.
- iv. Certified copy of the Order of the High Court of Judicature at Bombay sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by the Transferor Company and the Transferee Companies.

3. Recommendation of the Audit Committee

The Audit Committee has considered and noted the aforementioned documents along with the draft Scheme and recommends the draft Scheme, for favorable consideration by the Board of Directors of the Company.



Date: 12th February, 2016

Mr. Chandrahas C. Dayal

Place: Mumbai

Chairman –Audit Committee

Date: 9th May, 2016

To,
Listing Department
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001
BSE Scrip Code: 509550



Dear Sir/Madam,

Subject: Scheme of Arrangement between Gammon India Limited and Transrail Lighting Limited and their respective Shareholders and Creditors ("Scheme" or "the Scheme")

With reference to your email dated 3rd May, 2016 seeking necessary submissions pertaining to the Draft Scheme filed on 23rd March, 2016, please find enclosed herewith the following:

- (i) Details of the "Business Transfer Agreement" between Gammon India Limited (GIL) and Transrail Lighting Limited (TLL) and "Investment cum Shareholders Agreement" between TLL, GIL and Bilav Software Pvt. Ltd and chronology in which the aforesaid agreements and the scheme will be implemented/executed - **Annexure I.**
- (ii) Shareholding Pattern of M/s. Bilav Software Pvt. Ltd - **Annexure II.**

The beneficial owners of M/s. Bilav Software Pvt. Ltd are as detailed below:

Name	Address	Designation	Din No.
Prashant Premchand Godha	1701/02, Oberoi Sky Heights, Lokhandwala Complex, Andheri (West), Mumbai - 400053, Maharashtra, India.	Director	00012759
Nirmal Kumar Giglal Jain	1, Veer Bhawan, Opp HSBC Bank, JVPD Scheme, Juhu, Mumbai, Maharashtra, India.	Director	00060311

Request you to take the above on record and oblige.

Thanking you.

Yours faithfully,

For **GAMMON INDIA LIMITED**

GITA BADE
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: As above

GAMMON INDIA LIMITED

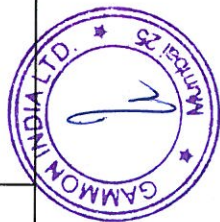
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Gammon India Limited			
Chronology of the implementation / execution of the Agreements and Scheme			
Sr. no.	Particulars	Date of execution / Passing of resolutions	Key Features
1	Business Transfer Agreement ("BTA") between Gammon India Limited ("GIL") and Transrail Lighting Limited ("TLL")	27-10-2015 (approved by Shareholders on 18th December, 2015 vide Postal Ballot)	<p>Pursuant to the BTA, the Transmission and Distribution ("T & D") undertaking specified therein the Tower manufacturing at Deoli in Maharashtra (excluding tower testing facility and store of erection and stringing equipment at Deoli, Nagpur) and conductor facility at Silvassa - i.e. "the Identified Business" along with all the assets and properties, whether tangible or intangible, rights, titles, interests, privileges, licenses and all liabilities, debts, obligations of all nature related to the Identified Business of the Company, including employees engaged therein shall be transferred to TLL as and by way of a "Slump Sale" on a going concern basis.</p> <p>Consideration for the slump sale is INR 4,37,25,000/- (Indian Rupees Four Crores Thirty Seven Lakhs and Twenty Five Thousand Only) to be discharged by way of issue of 275,000 unsecured zero coupon optionally convertible debentures ("OCD's") at a price of Rs. 159 per OCD to the Company.</p> <p>Completion Date - The date on which the Completion occurs, i.e. on fulfillment of various conditions such as :</p> <ol style="list-style-type: none"> Approval of shareholders and CDR Lenders Transfer of immovable and moveable properties Execution of deed of assignment deeds Transfer of various licenses necessary to carry on the new business. Consent of the insurers for transfer of the Insurance Policies. All the Current Assets and Current Liabilities as at the Completion Date shall be transferred to TLL. All the existing employees of the Company engaged in the Identified Business as on the Completion Date shall become employees of TLL and shall cease to be employees of the Company. Discharge the slump sale consideration by TLL. GIL to transfer all the liabilities to TLL.



GAMMON INDIA LIMITED

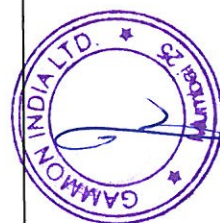
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2	Investment cum Shareholders Agreement ("SHA") between GIL, TLL & Bilav Software Pvt. Ltd ("Investor")	27-10-2015 (approved by Shareholders on 18th December, 2015 vide Postal Ballot)	<p>Pursuant to the SHA:</p> <p>1) Pursuant to the SHA, GIL to transfer 2,32,50,000(Two Crores Thirty Two lakhs) equity shares of TLL (representing 75% of the total paid capital) to Bilav Software Pvt. Ltd ("Investor") for a purchase consideration of Rs. 2,32,50,000/- (Rupees Two Crores Thirty Two lakhs and Fifty Thousand only) .</p> <p>2) Upon consummation of the Slump Sale, Bilav Software Pvt. Ltd to subscribe to 30,00,000 Zero coupon OCDs of Rs. 159 each, Rs. 42.25 /- paid-up per Debenture aggregating to INR 12,67,50,000/- . (The terms of conversion of the OCD's have been provided in the SHA).</p> <p>3) Upon the Scheme (refer point no. 3) being effective, Bilav Software Pvt. Ltd to pay INR 35,02,50,000/-(Rupees Thirty Five Crores Two Lakhs Fifty Thousand Only) (being the balance consideration of INR 116.75/- per OCD payable on 30,00,000 OCD's) to TLL to make the OCD's fully paid- up.</p> <p>(4) Pursuant to the First Amendment to the SHA (refer point no.5), the Investor will infuse in the first tranche a sum of Rs. 22,67,50,000/- (Indian Rupees Twenty Two Crores,Sixty Seven Lakhs and Fifty Thousand only) by subscribing to 30,00,000 (Thirty Lakhs) OCDs of Rs. 159/- each, Rs. 75.58 per OCD paid up at the time of issue. Balance amount of Rs. 25,02,60,000 (Indian Rupees Twenty Five crores Two lakhs Sixty thousand)payable on 30,00,000 (Thirty Lakhs) OCDs of Rs. 159 shall be payable by Bilav to TLL within 7 (seven) days of effective date of the Scheme of Arrangement .</p> <p>(5) Completion Date of SHA - 15th day from the (a) approval of the CDR Lenders for transfer of shares by GIL, release of the pledged shares and Slump Sale as envisaged in the BTA (b) Approval of shareholders of GIL.</p>
3	Scheme of Arrangement between GIL & TLL & their respective Shareholders and Creditors pursuant to Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 ("Scheme")	12-02-2016 (approved by the Board on 12/02/2016, and is subject to all approvals)	<p>The Board of Directors of GIL and TLL in their respective meeting held on 12th February, 2016, have approved the Scheme subject to necessary approvals.</p> <p>The Scheme alongwith the necessary documents has been filed with the Stock Exchanges for their approval on 23rd March, 2016.</p> <p>The Scheme provides for the transfer of the Transmission & Distribution Undertaking (T&D Undertaking as defined in the Scheme) of GIL to TLL and subsequent reduction in Share Capital of TLL.</p> <p>On approval of the Scheme, TLL will issue 7,25,000/- equity shares of Rs. 10/- each to GIL as consideration.</p>



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4	First Amendment to the BTA	Executed on 12th February, 2016 subject to approval of the shareholders	<p>As per the changes proposed by the CDR Lenders and subject to the approval of the shareholders, the Board of GIL and TLL in their respective meetings dated 12th February, 2016 have approved certain amendments to the BTA executed on 27th October, 2015.</p> <p>A copy of the Postal Ballot Notice, seeking approval of shareholders, has been submitted to the Stock Exchanges on 19th April, 2016. Postal Ballot commenced on 20th April, 2016 and will end on 19th May, 2016.</p> <p>Key Changes proposed in the First Amendment to the BTA</p> <p>1) The BTA to be Effective from January 1, 2016.</p> <p>2) All assets transferred to TLL shall be subject to any and all encumbrances related in terms of or for the benefit of the lenders as security for the debts transferred to TLL.</p> <p>3) The assets and the current assets which are being transferred as part of the Identified Business and are encumbered for securing the existing debt availed by GIL prior to the completion shall continue to be encumbered post completion and the assets of GIL that are charged to secure liabilities that are being transferred as part of the Identified Business shall continue to be so encumbered post completion until released by approval of the Scheme by the courts in favour of or for the benefit of the existing lenders.</p> <p>4) Fresh encumbrance shall be created by GIL and TLL, if so required by the lenders, over such transferred assets and current assets post Completion in favour of and for the benefit of the existing lenders to secure (i) such part of the existing debt being transferred under the Novation Agreement dated February 26, 2016 executed between GIL, TLL & Lenders; and (ii) such part of the existing debt being transferred under the proposed Scheme.</p> <p>5) TLL agrees and undertakes to create the necessary encumbrances in favor of or for the benefit of the existing lenders to their satisfaction over all assets, rights, title, interest and claims being transferred under the BTA and pursuant to the Scheme to further secure the existing debt and execute all documents, make all filings, procure all consents and priority sharing arrangements, and do all acts that may be required to create and perfect such encumbrance to the satisfaction of the existing lenders.</p>
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		<p>6) GIL agrees and undertakes to execute a deed of guarantee in favor of or for the benefit of the existing lenders as mentioned in the Novation Agreement to guarantee the due repayment of the existing debt being transferred to TLL in terms of the BTA. This guarantee will be in force till the approval of the Scheme by the Courts.</p> <p>7) TLL & GIL agree to enter into such documents and do all such acts as are required by the Existing Lenders to ensure compliance with the provisions set out above.</p>
5	<p>First Amendment to the SHA</p> <p>Executed on 12th February, 2016 subject to approval of the shareholders</p>	<p>As per the changes proposed by the CDR Lenders and subject to the approval of the shareholders, the Board of GIL and TLL in their respective meeting dated 12th February, 2016 approved certain amendments to the SHA executed on 27th October, 2015.</p> <p>A Postal Ballot Notice, seeking approval of shareholders, has been submitted to the Stock Exchanges on 19th April, 2016. Postal Ballot commenced on 20th April, 2016 and will end on 19th May, 2016.</p> <p>Key Amendments proposed in the First Amendment to the SHA</p> <p>1) The SHA to be Effective from January 1, 2016.</p> <p>2) GIL shall at all times, during the term of the SHA, continue to hold a minimum of 25% of the total equity shares in TLL, on a fully diluted basis.</p> <p>3) No transfer of shares by GIL or Bilav Software Pvt. Ltd shall prejudice any rights of CDR Lenders</p> <p>4) Bilav Software Pvt. Ltd shall not part with the control of TLL for a period of two years without the prior written consent of the CDR Lenders, other than a transfer by it of their shareholding, or any part thereof to an affiliate, which transfer shall not require such prior written consent.</p>



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<p>5) Bilav Software Pvt. Ltd would have either of the following rights on non-consummation of the Scheme:</p>		<p>i) To retain control of TLL and modify the terms of OCDs and consider the amount INR 12,67,50,000/- (India Rupees Twelve Crores Sixty Seven Lakhs Fift Thousand only) already paid as full consideration for issue of 8,25,000 (Eight Lakhs Twenty Five Thousand only) Equity Shares and the balance amount of INR 10,00,00,000 (Indian Rupees Ten crores) to be refunded to the Bilav at 11% yield provided that in the event the Bilav exercises this right, the CDR Lenders shall retain such part of, or the entire novated Indebtedness "Retained Debt" (including assessed limits corresponding to the fair valuation of TLL's assets) in TLL subject to renewal based on performance of TLL and the Company shall be bound to re-novate and hold as borrower, any part of the novated Indebtedness that the CDR Lenders do not retain in TLL;</p> <p>(or)</p> <p>ii) continue to be in control of TLL and require TLL to acquire the Gammon T&D Undertaking by, subject to procuring all approvals required from counter parties and creditors and compliance with all requirements under law, entering into a new BTA with GIL. The consideration for the said transfer to be the same as agreed by the Parties for the Scheme of Arrangement. On consummation of the new BTA, Bilav shall bring in the balance amount of INR 25,02,50,000 (Rupees Twenty Five crores Two lakh Fifty Thousand only), make the OCDs fully paid up and get the same converted into equity shares of TLL.</p>	
<p>(or)</p>		<p>iii) repayment of the OCDs held by Bilav, by TLL, at a 11% (eleven percent) yield and require GIL to repurchase the Shares of TLL from the Investor, at mutually agreed price such that the Bilav receives an yield of at least 11% (eleven percent) p.a. on the amount invested, provided that in the event the Investor exercises such rights, the GIL and TLL shall, at the request of the CDR Lenders take all the necessary steps to ensure that all the assets, rights and liabilities pertaining to the T&D Undertaking as on the date that the Scheme of Arrangement was rejected are re-transferred/renovated by TLL and re-acquired by the Company.</p>	



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6	Implementation of the Scheme	Approximate time frame 7 months from receipt of No Objection (NOC) from Stock Exchanges.	The Scheme would become effective upon receipt of various Approvals, <i>inter-alia</i> from the Stock Exchanges, Securities & Exchange Board of India, the Shareholders and Creditors of the Company and the High Court of Bombay.
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For GAMMON INDIA LIMITED



GITA BADE
COMPANY SECRETARY

Date: 09.05.2016
Place: Mumbai



GAMMON INDIA LIMITED

An ISO 9001 Company

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CIN: L74999MH1922PLC000997

BILAV SOFTWARE PRIVATE LIMITED

203-E Vastu Prestige, New Link Road, Andheri (West), Mumbai 400053
CIN No: 72200MH1989PTC054330

Beneficial Owners of Bilav Software Private Limited

as on 29th April, 2016

Sr. No	Name	Number of shares held	Amt Paid up (Rs. In lakh)	% of total
1.	Exon Laboratories Private Limited	400	.40	40.00
2.	Silvassa Estates Private Limited	400	.40	40.00
3.	Prashant Godha	100	.10	10.00
4.	Nirmal Jain	100	.10	10.00
		1000	1.00	100.00

For: M/s. Bilav Software Private Private Limited



Nirmal Jain

Director

Date: 29th April, 2016

Date: 19th May, 2016

To,
Mr. Suchit Gala – Assistant Manager
Division of Issues and Listing - 2
Corporation Finance Department
Securities and Exchange Board of India
Plot No. C 4-A, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Dear Sir,

Reference: Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and your e-mail dated April 28, 2016 and May 06, 2016

Subject: Scheme of Arrangement between Gammon India Limited ("GIL/Transferor Company") and Transrail Lighting Limited ("TLL/ Transferee Company") and their respective Shareholders and Creditors ("Scheme" or "the Scheme")

With reference to your email dated 6th May, 2016 and in continuation to our reply letter dated 4th May, 2016 seeking clarifications and necessary submissions pertaining to the Draft Scheme filed on 23rd March, 2016, we are submitting herewith the following:

- a. Latest Audited financials of TLL in the format prescribed in the NSE Checklist as Annexure I – Enclosed as **Annexure A**.
- b. Net worth of GIL as on 31st December, 2015 is Rs. 1275.54 crores as per the Net worth Certificate - Enclosed as **Annexure B**.
- c. Net worth of TLL as on 31st December, 2015 is Rs. -4.19 crores based on the Unaudited financials as on 31st December, 2015. The Net worth of TLL as on 31st March, 2016 (based on the Audited financials statement as on 31st March, 2016) is Rs. 3.02 crores– Enclosed as **Annexure C**.
- d. We would like to inform you that Mr. Naval Chaudhary, Independent Director of GIL has informed the Company regarding the Order passed against him by SEBI as per details given below:
 - Adjudication Order No. PB/AO-15/2011 dated 28.02.2011 passed under rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in respect of violation of the provisions of SEBI (Procedure



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of Insider Trading Regulations), 1992 in terms of rule 6 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 imposing penalty of Rs. 50,000/-. Mr. Chaudhary paid the penalty on 9th March, 2011.

- e. Further, we hereby confirm that no action has been taken against Mr. Atul Dayal, Independent Director of GIL, by SEBI/RBI or any other regulatory body.

Request you to take the above on record and oblige.

If you require any further clarifications / information, we would be happy to provide the same.

Thanking you.
Yours faithfully,

For **GAMMON INDIA LIMITED**


GITA BADE
COMPANY SECRETARY & COMPLIANCE OFFICER



Encl.: As above

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BHUTADA JAIN & GATAGAT CHARTERED ACCOUNTANTS

Annexure A.

ANNEXURE G2

The financial details of the transferee company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: TRANSRAIL LIGHTING LIMITED

(Rs. in Crores)

	As per Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year	3 years prior to the last Audited Financial Year
	OCT14 to MAR16 (12months)	JAN14 to SEPT14 (9months)	APR13 to DEC13 (9months)	APR12 to MAR13 (12months)
Equity Paid up Capital	31.00	31.00	31.00	31.00
Reserves and surplus	-27.98	-30.46	-29.57	-27.69
Carry forward losses	27.98	30.46	29.57	27.69
Net Worth	3.02	0.54	1.43	3.31
Miscellaneous Expenditure	0	0	0	0
Secured Loans	239.22	8.89	9.40	15.84
Unsecured Loans	4.73	48.46	45.34	44.65
Fixed Assets (Net)	123.34	44.09	45.42	46.92
Income from Operations(Net)	161.24	55.79	45.16	65.37
Total Income	182.77	63.29	51.82	75.44
Total Expenditure	180.47	64.17	53.72	81.07
Profit before Tax	2.30	-0.89	-1.90	-5.63
Profit after Tax	2.48	-0.89	-1.88	-5.62
Cash profit	7.90	0.93	-0.01	-3.33
EPS (Rs)	0.80	-0.29	-0.61	-3.50
Book value (Rs)	0.82	0.17	0.46	1.07

Date : 18.05.2016
Place : Nagpur



For Bhutada Jain & Gatagat
Chartered Accountants

Deepak N. Bhutada
Partner
M. No. 118268
FRN - 126067W

Tal. Post, Wagholi, Dist. Nashik-422001
Ph. 07122-255700
Mob. 9822111288

10, Ground Floor, Diwan Plaza,
Lokmat Square, Ramdaspeth, Nagpur-12.
Ph. 0712-6612333, Mob. 9890479299

Near Mahesh Bhavan, Innani Jin,
Karanja (Lod), Dist : Washim - 444105
M.: 9890479299

Website : www.cbajg.com

E-mail : bhutadajaingatagat@yahoo.co.in



CERTIFICATE OF PERCENTAGE TURNOVER & PROFITABILITY

1. We have verified the documents and information relating to Gammon India Limited ('GIL or 'the Company') with a view to certify the net worth, percentage turnover and profitability of the division being transferred i.e. "T&D Undertaking" vis-à-vis the other divisions of the Company.

In this regard, we have relied upon the unaudited financial statements of GIL as on December 31, 2015 & September 30, 2015, and audited financial statements of GIL as on September 30, 2014, the Scheme of Arrangement between Gammon India Limited and Transrail Lighting Limited and their Respective Shareholders and Creditors (the 'Scheme').

2. On the basis of such verification and information and explanation given to us, we certify the net worth, percentage turnover and profitability of T&D Undertaking vis-à-vis the other divisions of the Company as set out in the following tables :

INR in Crs

As on September 30, 2014						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
T&D Undertaking under BTA i.e. Transferred division	45.32	4.15	399.57	10.87	35.02	51.66
T&D Undertaking under Scheme i.e. Transferred division	60.95	5.58	652.18	17.74	(140.22)	(206.81)
Other divisions	985.78	90.27	2623.71	71.38	173.00	255.16
Total	1092.04	100	3675.45	100	67.80	100

INR in Crs

As on September 30, 2015						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
T&D Undertaking under BTA i.e. Transferred division	21.11	1.74	351.39	7.84	2.34	2.84
T&D Undertaking under Scheme i.e. Transferred division	(62.49)	(5.15)	554.87	12.39	(200.71)	(243.55)
Other divisions	1258.28	103.41	3573.77	79.77	280.78	340.71
Total	1212.90	100	4479.63	100	82.41	100

'Sai Tejus', Malgujaripura, Wardha-442001
Ph.: 07152-250700
Mob.: 9822111288

10, Ground Floor, Diwan Plaza,
Lokmat Square, Ramdaspath, Nagpur-12.
Ph.: 0712-6612333, Mob.: 9890479299

Near Mahesh Bhavan, Innani Jin,
Karanja (Lad), Dist : Washim - 444105
M.: 9890479299

Website : www.cabjg.com

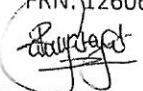

E-mail : bhutadajaingatagat@yahoo.co.in

INR in Crs

As on December 31, 2015						
Particulars	Net worth	% to total	Turnover	% to total	Profit after Tax*	% to total
T&D Undertaking under BTA i.e. Transferred division	(1.76)	(0.14)	426.55	7.96	(0.45)	1.15
T&D Undertaking under Scheme i.e. Transferred division	3.25	0.25	688.81	12.86	(217.63)	561.34
Other divisions	1274.05	99.88	4241.22	79.18	179.31	(462.49)
Total	1275.54	100	5356.57	100	(38.77)	100

Notes:

1. The aforesaid computation has been made solely as per the requirements of stock exchange for filling in connection with obtaining its "No Objection Certificate" to the Scheme and is not to be used for any other purposes.
2. Compliance with the requirements of the stock exchanges of India is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy stated in the certificate. For the purpose of this certificate, we conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special purpose issued by the Institute of Chartered Accountants of India.

<p>Place: Nagpur Date: 22.03.2016</p>	<p>For Bhutada Jain & Gatagat Chartered Accountants FRN: 126067W  CA Rajesh K. Gatagat Partner M.No. 118814</p> 
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ANNEXURE G2

The financial details of the transferee company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **TRANSRAIL LIGHTING LIMITED**

	(Rs. in Crores)			
	As per Unaudited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year	3 years prior to the last Audited Financial Year
	OCT14 to DEC15 (15months)	JAN14 to SEPT14 (9months)	APR13 to DEC13 (9months)	APR12 to MAR13 (12months)
Equity Paid up Capital	31.00	31.00	31.00	31.00
Reserves and surplus	-35.19	-30.46	-29.57	-27.69
Carry forward losses	35.19	30.46	29.57	27.69
Net Worth	-4.19	0.54	1.43	3.31
Miscellaneous Expenditure	0	0	0	0
Secured Loans	10.08	8.89	9.40	15.84
Unsecured Loans	53.67	48.46	45.34	44.65
Fixed Assets (Net)	41.11	44.09	45.42	46.92
Income from Operations(Net)	92.68	55.79	45.16	65.37
Total Income	101.03	63.29	51.82	75.44
Total Expenditure	105.75	64.17	53.72	81.07
Profit before Tax	-4.72	-0.89	-1.90	-5.63
Profit after Tax	-4.73	-0.89	-1.88	-5.62
Cash profit	-1.38	0.93	-0.01	-3.33
EPS (Rs)	-1.52	-0.29	-0.61	-3.50
Book value (Rs)	-1.35	0.17	0.46	1.07


Handwritten signature

Works :
B-1/1, MIDC, Growth Centre
Deoli, Dist. Wardha - 442 101
(Maharashtra), India
Phone : +91-7158-254401-02

Head Office :
G-55 MIDC, Butibori, Nagpur - 441 108
(Maharashtra), India
Phone : +91-7104-265761-62-63
Fax : +91-7104-265765
Website : www.transrailighting.com

Registered Office :
R : F, 3rd W : P ; 3/8, Hamilton House,
J. N. Heredia Marg, Ballard Estate, Mumbai,
Maharashtra - 400038 (INDIA)
Phone : +91 022 - 22705562
CIN : U31506MH2008PLC179012

(Formerly division of Gammon India Limited)

27th May, 2016

To,
The Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Dear Sir,

Reference: Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and your e-mail dated 20th May 2016

Subject: Scheme of Arrangement between Gammon India Limited ("GIL/ Transferor Company") and Transrail Lighting Limited ("TLL/ Transferee Company") and their respective Shareholders and Creditors ("Scheme" or "the Scheme")

With reference to your email dated 20th May, 2016 seeking clarifications and necessary submissions pertaining to the Draft Scheme filed on 23rd March, 2016, we would like to state as under:

1. Gammon India which is under a Corporate Debt Restructuring since 2013 has been facing several financial problems. Due to its inability to repay its debts to the lenders, a Strategic Debt Restructuring ("SDR") Scheme was invoked by the lenders of the Company with the reference date as 17th November, 2015. The Company continues to face severe financial stress and is facing difficulties in sustaining its business operations. The Company is in need of funds to sustain its various businesses while also ensuring that it repays the debts of the lenders. The current promoters are unable to infuse the required funds. As part of the business re-organisation to ensure continuity of business operations and with the approval of the lenders, sector focus companies are sought to be created so as to invite strategic investors who will invest in these businesses. With this in view, the Company vide a business transfer agreement dated 27th October, 2015 has transferred a part of the Transmission & Distribution Undertaking ('T&D undertaking') along with all the related assets and liabilities to TLL. Simultaneously, the Company and TLL have also executed an Investment cum Shareholders Agreement dated 27th October, 2015 with Bilav Software Private Limited ('Investor') pursuant to which the Company has transferred 75% stake in TLL to the Investor. The investor will also infuse further funds required to carry



on the transmission and distribution business. The remaining T&D Undertaking is being transferred to TLL through a Scheme of Arrangement. The Scheme would ensure consolidation of the entire T&D business in TLL, create a sector focused company and ring fence the Transmission & Distribution business from other businesses, which will enhance shareholder value, as the Company shall continue to hold 25% of the equity capital of TLL. Pursuant to the slump sale a substantial portion of the debt relating to the T&D business aggregating to Rs. 3580 crores is also transferred to TLL. To that extent the debt stands reduced in the Company which not only benefits the Company but all the stakeholders of the Company.

2. The draft Scheme envisages transfer of the T&D Undertaking to TLL, by way of a slump exchange, and TLL in turn will discharge consideration by way of issue of its shares to the Company.
3. Further, as per the Valuation Report issued by M/s. SSPA & Co., Chartered Accountants, the fair value of the T&D undertaking, as on the Valuation date i.e. December 31, 2015, is INR 11.47 crs which is equivalent to the fair value of the consideration discharged by TLL.
4. Lastly, the Company is transferring an undertaking at fair value and receiving consideration equivalent to the same. On the Scheme becoming effective, instead of holding an undertaking worth INR 11.47 crs, the Company will receive shares of an entity which holds the undertaking and the value of such shares is expected to increase in the next 3 to 5 years. The Company will continue to hold 25% of the equity capital in TLL at all times. With the infusion of fresh funds by the Investor in TLL the T&D Business will grow and will earn value for GIL shareholders, which in the current scenario would not have been possible.
5. As the transaction is effectuated at fair value, just like any other transaction done at fair value, this should not be prejudicial to the shareholders of the Company.
6. In view of the foregoing, the management is of the opinion that the Scheme will be beneficial to the shareholders of the Company as it not only reduces the liability of the Company but also ensures that the T & D Business sustains and grows and earns value for the Company and its shareholders.





Request you to take the above on record and oblige.

If you require any further clarifications/information, we would be happy to provide the same.

Thanking you.

Yours faithfully,

For GAMMON INDIA LIMITED


GITA BADE
COMPANY SECRETARY

Date: 16th June, 2016



To,
Listing Department,
Securities And Exchange Board Of India ('SEBI'),
Plot No. C-4A, G Block, Near Bank of India,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Dear Sir,

Reference: Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and our meeting at your office on June 8, 2016.

Subject: Scheme of Arrangement between Gammon India Limited ("GIL/Transferor Company) and Transrail Lighting Limited ("TLL/Transferee Company) and their respective Shareholders and Creditors ("Scheme" or "the Scheme").

With reference to our meeting at your office on 8th June, 2016 seeking clarifications pertaining to our application for approval of the Draft Scheme of Arrangement filed on 23rd March, 2016, we would like to state as under:

1. GIL which is under a Corporate Debt Restructuring since 2013 has been facing several financial problems. Due to its inability to repay debts to the lenders and the inability of the current promoters to infuse additional funds in the Company, a Strategic Debt Restructuring ("SDR") Scheme was invoked by the lenders of GIL with the reference date as 17th November, 2015. GIL continues to face severe financial stress and is facing difficulties in sustaining its various business operations.

GIL is in need of funds to sustain its various businesses while also ensuring that it repays the lenders. Without further infusion of funds, it nearly seems difficult for GIL to complete existing projects and bid for future projects and therefore there does not seem to be any scope for expansion. Any delay in completion of projects further impacts their financial position. Therefore, induction of investor in the whole business or any part thereof is inevitable for GIL for infusion of funds.

2. GIL is engaged in business of Civil Engineering, Procurement and Construction ("EPC"), Transmission & Distribution ("T&D business") and Real Estate business. Ajanma Holdings Private Limited ('Investor') (incorporated as Bilav



Software Private Limited) is desirous of investing only in the T & D business of GIL, thereby necessitating the need for segregation of the T&D business from GIL into a separate entity viz. TLL. Therefore, as a part of the business re-organization to ensure continuity of business operations and with the approval of the shareholders and the lenders, sector focus companies are sought to be created so as to invite strategic investors who will invest in these businesses. As regards T&D business, part of the business along with related assets and liabilities ('BTA Business'), which can be immediately transferred, has been transferred through a Business Transfer Agreement ('BTA') dated 27th October, 2015 ('BTA') and further modified by an amendment to the BTA on 12th February, 2016. The remaining T & D Business is proposed to be transferred through the Scheme ('Retained T & D Business').

3. The business being transferred through the BTA and the Scheme are both valued by M/s. SSPA & Co., Chartered Accountants. As per the Valuation Report, the fair value of the BTA Business, as on the valuation date i.e December 31, 2015, is Rs. 4,37,25,000 (Rupees Four Crores Thirty Seven lakhs and Twenty Five Thousand only) and that of the retained T & D business being transferred through the Scheme is Rs.11,47,00,000 (Rupees Eleven Crores and Forty Seven lakhs only). Thus, fair value of the entire T & D business being transferred is Rs. 15,84,25,000 (Rupees Fifteen Crores Eighty Four Lakhs and Twnety Five Thousand Only).
4. Pursuant to the BTA and the Scheme, the Company's CDR debt of Rs. 505,00,00,000 (Rupees Five Hundred and Five crores only) (fund based) and non-fund based debt of Rs. 3350,00,00,000 (Rupees Three Thousand Three Hundred and Fifty crores) is being transferred to TLL thereby substantially reducing the debt in GIL. It is important to note that the Investor, besides investing a total of Rs. 50,00,00,000 (Rupees Fifty Crores) is also taking over the aforementioned debts.
5. Simultaneously, GIL and TLL have also executed an Investment cum Shareholders Agreement ('SHA') dated 27th October, 2015 and further modified by an amendment to the SHA on 12th February, 2016. Pursuant to the SHA:
 - GIL has transferred 2,32,50,000 shares of TLL (75%) to the Investor for a consideration of Rs. 2,32,50,000/- (Rupees Two crores thirty two lakhs and fifty thousand only). On the Scheme becoming effective, these shares will be reduced to 1,50,000 shares.



- Upon consummation of the BTA, the Investor will infuse in the first tranche a sum of Rs. 22,67,50,000/- (Indian Rupees Twenty Two Crores, Sixty Seven Lakhs and Fifty Thousand only) by subscribing to 30,00,000 (Thirty Lakhs) OCDs of Rs. 159/- each, Rs. 75.58 per OCD paid up at the time of issue. Balance amount of Rs. 25,02,60,000 (Rupees Twenty Five crores Two lakhs Sixty thousand only) payable on 30,00,000 (Thirty Lakhs) OCDs of Rs. 159/- shall be payable by the Investor to TLL within 7 (seven) days of effective date of the Scheme of Arrangement.
 - TLL has issued 2,75,000 OCDs of RS.4,37,25,000 /- (Rupees Four Crores Thirty Seven Lakhs and Twenty-five Thousand only) to GIL as consideration for the BTA.
6. On the Scheme being sanctioned by the High Court, the OCD's held by GIL and the Investor would be converted into equity shares at the same time, so as to ensure that the proportionate shareholding of GIL and the Investor in TLL would be 25:75 (GIL - 25% and TLL - 75%) at all times as may be permitted by the CDR lenders.
 7. As mentioned earlier the Retained T & D Business together with the assets and liabilities will be transferred to TLL through the said Scheme. The Scheme would ensure consolidation of the entire T&D business in TLL, create a sector focused company and ring fence the Transmission & Distribution business from other businesses. Investment by the investor and adequate banking support will further enable the T & D Business to grow and expand which will enhance shareholder value. The funds infused by the Investor will enable smooth carrying on the transmission and distribution business which would ensure continuity of the business and enhance value for both GIL and its stakeholders.
 8. The draft Scheme envisages transfer of the Retained T & D Business to TLL, by way of a slump exchange, and TLL in turn will discharge consideration by way of issue of its shares to GIL resulting in transfer of the Business at its fair value of Rs. 11,47,00,000 (Rupees Eleven Crores and Forty Seven lakhs only).
 9. GIL will transfer the entire undertaking to TLL at fair value and the investor is also investing in TLL based on such fair value. Thus, on the Scheme becoming effective, instead of holding an undertaking worth Rs. 15,84,25,000 (Rupees Fifteen Crores



Eighty Four Lakhs and Twenty Five Thousand Only), GIL will hold shares of the entity company, which holds the undertaking, having value of Rs. 15,84,25,000 (Rupees Fifteen Crores Eighty Four Lakhs and Twenty Five Thousand Only). Therefore, it is clearly evident that, in spite of dilution of control over business, GIL stakeholder's value has not gone down. Further, in view of availability of funds for operation, the value of such shares is expected to substantially increase in the next 3 to 5 years. GIL will continue to hold 25% of the equity capital in TLL at all times. With the infusion of fresh funds by the Investor in TLL the T & D Business will grow and will earn value for GIL shareholders, which in the current scenario would not have been possible.

10. As the transaction is effectuated at fair value, just like any other transaction done at fair value, this transaction is not prejudicial to the shareholders of GIL, but is in the interest of shareholders as this transactions provides scope for value enhancement going forward, without any dilution currently.

11. In view of the foregoing, the management is of the opinion that the Scheme will be beneficial to the shareholders of GIL as it not only reduces the debt burden on GIL but also ensures that the T & D Business sustains and grows and earns value for GIL and its shareholders.

Request you to kindly take the aforementioned on record and oblige.

If you require any further clarifications / information, we would be happy to provide the same.

Thank you.

Yours faithfully,

For GAMMON INDIA LIMITED


GITA BADE
COMPANY SECRETARY & COMPLIANCE OFFICER