



GAMMON INDIA LIMITED

[CIN No.L74999MH1922PLC000997]

Registered Office: Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025, India.

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COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF GAMMON INDIA LIMITED

Day	:	Friday
Date	:	6 th January, 2017
Time	:	2.00 P.M IST
Venue	:	Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025
E-voting	:	Commencing on 3 rd January, 2017 at 9.00 A.M. IST and ending on 5 th January, 2017 at 5.00 P.M. IST

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 991 OF 2016**

In the matter of the Companies Act, 1956 (1 of 1956) (or any re-enactment thereof upon effectiveness of the Companies Act, 2013);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement

BETWEEN

Gammon India Limited ('GIL' or 'the Transferor Company')

AND

Gammon Engineers and Contractors Private Limited ('GECPL' or 'the Transferee Company')

AND

Their Respective Shareholders and Creditors

GAMMON INDIA LIMITED,)
(CIN : L74999MH1922PLC000997) a Company)
incorporated under the Companies Act,)
1913 having its registered office at Gammon)
House, Veer Savarkar Marg, Prabhadevi,)
Mumbai – 400 025, India) **Applicant Company**

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF
GAMMON INDIA LIMITED, THE APPLICANT COMPANY**

To,

The Equity Shareholders of Gammon India Limited ("GIL" or "the Applicant Company")

TAKE NOTICE that by an Order made on 2nd December, 2016, in the above Company Summons for Direction No. 991 of 2016, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of Gammon India Limited, the Applicant Company, be convened and held at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025 on Friday, 6th day of January 2017 at 2.00 P.M. IST, for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Gammon India Limited ('GIL' or 'the Transferor Company') and Gammon Engineers and Contractors Private Limited ('GECPL' or 'the Transferee Company') and their Respective Shareholders and Creditors ('the Scheme' or 'this Scheme').

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be convened and held at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025 on Friday, 6th day of January 2017 at 2.00 P.M. IST, at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025 not later than 48 hours before the time of the aforesaid meeting.

TAKE FURTHER NOTICE that in addition to the Court Convened Meeting, the Applicant Company also seeks the approval of its Equity Shareholders to the Scheme by way of e-voting pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') in the manner prescribed under Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. Abhijit Rajan, Chairman and Managing Director of the Applicant Company and failing him, Mr. Chandrahas Dayal, Independent Director of the Applicant Company

and failing him, Mr. Vardhan Dharkar, Chief Financial Officer of the Applicant Company to be the Chairman of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013, the Scheme of Arrangement, Observation Letters issued by the National Stock Exchange of India Limited and BSE Limited, Valuation Report, Fairness Opinion, Complaints Report, Form of Proxy and Attendance Slip are enclosed.

Place: Mumbai

Date: 3rd December, 2016

Sd/-

Abhijit Rajan

Chairman appointed for the meeting

Registered Office:

Gammon House, Veer Savarkar Marg,
Prabhadevi, Mumbai - 400 025, Maharashtra, India

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH MEMBER NEED NOT BE A MEMBER OF THE APPLICANT COMPANY. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and/ or holding in aggregate not more than 10% of the total share capital of the Applicant Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Applicant Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative) at the Equity Shareholders meeting. The authorized representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.
3. All alterations made in the form of proxy should be initialed.
4. The Notice and Explanatory Statement is being sent to all the Equity Shareholders, whose names appeared in the records of the Applicant Company as on 2nd December, 2016.
5. Registered Equity Shareholders are informed that in case of joint holders attending the meeting, joint holder whose name stands first in the Register of Members and in his/ her absence by the next named Member of the Applicant Company in respect of such joint holding will be entitled to vote.
6. Shareholders are requested to hand over the enclosed Attendance Slip duly signed in accordance with their specimen signature(s) registered with the Applicant Company for admission to the meeting hall. Shareholders who hold shares in dematerialized form are requested to bring in their Client ID and DP ID numbers for identification.
7. The notice of the Court Convened Meeting of the Applicant Company is also posted on the website of the Applicant Company i.e. www.gammonindia.com and on the website of CDSL i.e. www.cdslindia.com.
8. Voting through electronic means:
 - a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company is pleased to provide its members the facility to exercise their right to vote by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).
 - b. During the e-voting period, members of the Applicant Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Saturday, 31st December, 2016 may cast their vote electronically.
 - c. The e-voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on Saturday, 31st December, 2016.

The instructions for shareholders voting electronically are as under:

- (i) The voting period commences on Tuesday, 3rd day of January 2017 at 9.00 A.M. IST and ends on Thursday, 5th day of January 2017, at 5.00 P.M. IST. During this period shareholders of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 31st December, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Applicant Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to mail at helpdesk.evoting@cdslindia.com.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Applicant Company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or Applicant Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Applicant Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN No. 161209001 for GAMMON INDIA LIMITED.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based

mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

9. General Instructions

- The voting rights of shareholders shall be in proportion to their shares as on 31st December, 2016.
- The Applicant Company has appointed Mr. Vidyadhar Chakradeo of M/s. V. V. Chakradeo & Co., Practicing Company Secretary (Membership No. 3382) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Applicant Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- The results declared along with the Scrutinizers Report shall be placed on the Applicant Company’s website i.e. www.gammonindia.com and on the website of CDSL i.e. www.cdslindia.com within two days of the passing of the resolution and the same will be communicated to BSE Limited and The National Stock Exchange of India Limited, where the shares of the Applicant Company are listed.
- The Resolution shall be deemed to be passed on the date of the Court Convened Meeting of the Applicant Company, subject to receipt of requisite number of votes in favour of the resolution.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 991 OF 2016**

In the matter of the Companies Act, 1956 (1 of 1956) (or any re-enactment thereof upon effectiveness of the Companies Act, 2013);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement

BETWEEN

Gammon India Limited ('GIL' or 'the Transferor Company')

AND

Gammon Engineers and Contractors Private Limited ('GECPL' or 'the Transferee Company')

AND

Their Respective Shareholders and Creditors

GAMMON INDIA LIMITED,
(CIN : L74999MH1922PLC000997) a Company)
incorporated under the Companies Act, 1913 having)
its registered office at Gammon House, Veer Savarkar)
Marg, Prabhadevi, Mumbai – 400 025, India).....Applicant Company

**EXPLANATORY STATEMENT PURSUANT TO SECTION 393 OF THE COMPANIES ACT, 1956
AND SECTION 102 OF THE COMPANIES ACT, 2013**

1. Pursuant to an Order dated 2nd December, 2016, passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of Gammon India Limited, the Applicant Company, is being convened and held at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025 on Friday, 6th day of January 2017 at 2.00 P.M. IST for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Gammon India Limited ('GIL' or 'the Transferor Company') and Gammon Engineers and Contractors Private Limited ('GECPL' or 'the Transferee Company') and their Respective Shareholders and Creditors ('the Scheme' or 'this Scheme'). The resolution to be submitted at the said meeting will read as follows:

“RESOLVED THAT pursuant to the provisions of Sections 391 to 394 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 and subject to the Memorandum of Association and Articles of Association of the Company and subject to the sanction of the Hon'ble High Court of Judicature at Bombay or such other competent authority and subject to the approval of the CDR lenders, creditors, Central Government and any other statutory / regulatory authorities as may be required and based on the recommendation of the Audit Committee, the proposed arrangement embodied in the Scheme of Arrangement between Gammon India Limited ('GIL' or 'Company') and Gammon Engineers and Contractors Private Limited ('GECPL') and their respective shareholders and creditors laid before the meeting be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution), be and are hereby authorized to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Scheme and to accept such modification and / or conditions, if any, which may be required and / or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme.”

2. In addition to the Court Convened Meeting of the Equity Shareholders of the Applicant Company, to seek their approval pursuant to Sections 391 to 394 of the Companies Act, 1956, approval of the Equity Shareholders of the Applicant Company is also sought by way of e-voting as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations').
3. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, *inter-alia*, providing for the Slump Exchange of the Civil EPC Undertaking of Gammon India Limited into Gammon Engineers and Contractors Private Limited which has been approved by the Board of Directors of the Applicant Company at its meeting held on July 21, 2016, is attached to this explanatory statement and forms part of this statement.
4. In this statement, GAMMON INDIA LIMITED is hereinafter referred to as 'GIL' or 'the Transferor Company' or 'the Applicant Company' and GAMMON ENGINEERS AND CONTRACTORS PRIVATE LIMITED is hereinafter referred to as 'GECPL' or 'the Transferee Company'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.

5. The background of the Applicant Company is as under:

- a. The Applicant Company was incorporated in the State of Maharashtra on 15th June, 1922, under the provisions of the Companies Act, 1913, under the name and style of "J. C. Gammon (Bombay) Limited". Thereafter, on 3rd December, 1923, its name was changed to "J. C. Gammon Limited". Thereafter, on 25th June, 1954, its name was changed to "Gammon India Private Limited". Subsequently, the name of the Applicant Company was changed to "Gammon India Limited" on 19th May, 1962.
- b. The main objects of the Applicant Company are as under:
 - i. To acquire as a going concern, take over and work, upon such terms as may appear conducive to the interest of the Company the business heretofore carried on in the Presidency of Bombay by John Charles Gammon and all the machinery, plant, furniture, fixtures, stock-in-trade, goodwill, assets and effects thereto specified in the Agreement referred to in Article 3 of the Articles of Association of the Company; and to pay therefore in cash or shares of the Company or partly in one and partly in the other, and to undertake all the liabilities of the said John Charles Gammon in connection with such business; and with the object aforesaid to adopt, become parties to, enter into and carry into effect, all such agreements, guarantees, deeds and instruments as maybe necessary or as may be deemed advisable or proper; and in particular to become parties to, enter into and carry into effect with or without modification the Agreement which has already been prepared and is referred to in Article 3 of the Articles of Association.
 - ii. To construct, execute, carry out, equip, improve, work, develop, administer, manage or control works and conveniences of all kinds, whether for any Government, Public Body, Local Authority, Company/ or individual, including, but not restricted to railways, tramways, docks, harbours, piers, wharves, canals, reservoirs, embankments, irrigations, reclamations, improvement, sewage, drainage, sanitary, water, gas. Electric light, telephonic, telegraphic and power supply, works, and hotels, warehouses, markets, buildings and all other works or conveniences of public or private utility; and generally to carry on the business of builders and contractors, reinforced concrete specialists, engineers, architects, surveyors, estimators and designers in all their respective branches.
 - iii. To purchase for investment or resale, and to traffic in land and house or other property of any tenure any interest therein, and to create, sell and deal in freehold and leasehold ground rents, and to make advances upon the security of land or house or other property or any interest therein, and generally to deal in traffic by way of sale, lease, exchange or otherwise with land and house property and any other property whether immovable or movable, and to develop and turn to account any land acquired by or in which the Company is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, fitting up and improving buildings, and by planting, paving, draining, letting on building lease or building agreement, and by advancing money to and entering into contracts and arrangements, of all kinds with builders, tenants and others.
- c. The Registered Office of the Applicant Company is situated at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025, Maharashtra.

- d. The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on September 30, 2016 is as under:

Particulars	Amount Rs. (in crs)
Authorised Share Capital	
74,710,000,000 Equity Shares of Rs. 2/- each	14,942.00
3,000,000 6% Optionally Convertible Preference shares of Rs. 350/- each	105.00
Total	15,047.00
Issued Share Capital	
370,427,845 Equity Shares of Rs. 2/- each	74.08
Subscribed and fully paid up Share Capital	
368,847,305 Equity Shares of Rs. 2/- each	73.77
Share Forfeiture account	
Money received in respect of 1,70,948 Right shares of Rs. 10/- each forfeited	0.34
Total	74.11

Note:

- i) Issued share capital includes 7,25,800 equity shares of Rs. 2/- each kept in abeyance.
- ii) Share forfeiture amount includes Rs. 0.26 Crore of Share Premium collected on application in respect of forfeited shares.

Subsequent to September 30, 2016, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Applicant Company.

6. The Applicant Company is an Engineering, Procurement and Construction Company with presence across all sectors of civil engineering, design and construction. It has been one of the largest physical infrastructure construction companies in India. The Applicant Company has a track record of building iconic landmark structures. The Applicant Company's area of operations include - civil engineering, procurement and construction in transportation (highways, railways, metro rail, ports, bridges & flyovers), power generation (thermal, industrial and cogeneration plants, nuclear and hydro energy, cooling towers and chimney), Transmission & Distribution (design, engineering and procurement), environmental engineering (water treatment), irrigation, high rise building etc.,.
7. The equity shares of the Applicant Company are listed on the BSE Limited and National Stock Exchange of India Limited.
8. **The background of GECPL is as under:**
 - a. GECPL was incorporated in the State of Maharashtra on 17th December, 2014, under the name and style of 'Nikias Metals Private Limited'. Subsequently, on July 20, 2016, the name of the Transferee Company was changed to 'Gammon Engineers and Contractors Private Limited'.
 - b. The objects of GECPL are as under:
 - i. "To extract, refine, alter, improve, buy, sell, import, export and deal in nickel, copper, cobalt, manganese, lead, gold, silver, brass, and all other non-ferrous metals, alloys, ash, scrap, chemical compounds and minor metals.
 - ii. To manufacture, process, fabricate, draw, roll, re-roll, buy, sell, import, export and deal in bars, rods, flats, rounds, ingots, strips, wires, plates, parts, components in all shapes made of ferrous and non-ferrous metals.
 - iii. To manufacture, process, mine, extract, recycle, refine, alter, improve, trade, buy, sell, import, export and deal in all ferrous and non-ferrous metals.
 - iv. To construct, execute, carry out, equip, improve, work, develop, administer, manage or control works and conveniences of all kinds, whether for any Government, Public Body, Local Authority, Company/or individual, including, but not restricted to railways, tramways, docks, harbours, piers, wharves, canals, reservoirs, embankments, irrigations, reclamation, improvement, sewage, drainage, sanitary, water, gas. electric light, telephonic, telegraphic, Chimneys, cooling towers and power supply, works, and hotels, warehouses, markets, buildings and all other works or conveniences of public or private utility and generally to carry on the business of builders, contractors, EPC contractors, project consultants, reinforced concrete specialists, engineers, architects, surveyors, estimators and designers in all their respective branches."
 - c. The registered office of GECPL is situated at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025, Maharashtra, India.

- d. The authorized, issued, subscribed and paid up share capital of GECPL as on September 30, 2016 is as under.

Particulars	Amount Rs.
Authorised Share Capital	
25,00,000 Equity shares of Rs. 10/- each	2,50,00,000
Total	2,50,00,000
Issued, Subscribed and Paid-up Share Capital	
1,00,000 Equity shares of Rs. 10/- each	10,00,000
Total	10,00,000

Subsequent to September 30, 2016, there has been no change in the authorized, issued, subscribed and paid-up share capital of GECPL.

9. Rationale for the Scheme

The Scheme, *inter-alia*, deals with the transfer of the Civil Engineering, Procurement and Construction business ('Civil EPC Undertaking') from the Transferor Company to the Transferee Company and various other matters consequential to or otherwise integrally connected with the above, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 in the manner provided for in the Scheme. Transfer of the Civil EPC Undertaking by GIL to GECPL would help in achieving the desired operating structure and shall *inter-alia* have the following benefits

- To create a sector focused company;
- To enable investment by a strategic investor;
- Ring-fence businesses from each other; and
- Deleverage the balance sheet of GIL.

10. The Proposed Scheme was placed before the Board of Directors of the Applicant Company and GECPL on July 21, 2016, wherein the Valuation Report from Independent Chartered Accountant, SSPA & Co, Chartered Accountants and Fairness Opinion of an Independent Merchant Banker, Saffron Capital Advisors Private Limited, a Category-I Merchant Banker, were also placed before the respective Boards.

11. The salient features of the Scheme are as follows:

- a. The Scheme envisages transfer of the Civil EPC Undertaking of the Applicant Company into GECPL;
- b. The whole of the Civil EPC Undertaking (excluding Civil EPC Contracts not forming part of the undertaking and which are listed in Schedule I to the Scheme) shall, stand transferred to and vested in and/or deemed to be transferred to and vested in GECPL as a going concern so as to vest in GECPL all the rights, title and interest pertaining to the Civil EPC Undertaking;
- c. Consideration to be discharged by GECPL by way of issue of 1,18,85,714 (One crore eighteen lac eighty five thousand seven hundred and fourteen) fully paid up new equity shares of Rs. 10 (Rupees Ten) each of GECPL;
- d. Appointed date is July 1, 2016 or such other date as may be fixed or approved by the High Court;
- e. The Scheme of Arrangement would become effective from the Appointed Date but shall be operative from the Effective Date;
- f. Equity shares of GECPL issued as consideration of the Slump Exchange, will not be listed on any Stock Exchange;
- g. On the Scheme becoming effective, the Applicant Company shall account as under:
 - Shall reduce the book value of assets and liabilities pertaining to the Civil EPC Undertaking as on the Appointed Date from its books of accounts;
 - Shall record all the Equity Shares received pursuant to this Scheme at cost;
 - The difference between the aggregate of the Equity Shares recorded as per 6.1.2 of the Scheme and the book value of liabilities of the Civil EPC Undertaking as per 6.1.1 of the Scheme as reduced by the book value of assets of the Civil EPC Undertaking as per 6.1.1 of the Scheme, shall be debited/ credited to the Profit & Loss Account.
- h. On the Scheme becoming effective, GECPL shall account as under:
 - GECPL shall record the Equity Shares issued by it to the Applicant Company pursuant to this Scheme at fair value;
 - GECPL shall record all the assets and liabilities pertaining to the Civil EPC Undertaking being transferred and vested pursuant to the Scheme at fair values.
 - The difference, being the excess of value of the assets and liabilities pertaining to the Civil EPC Undertaking in terms of paragraph 6.2.2 of the Scheme above and the amount credited as per Clause 6.2.1 of the Scheme, shall be credited to Capital Reserve of GECPL. The shortfall, if any, shall be debited to Goodwill Account of GECPL.

- i. The Scheme is and shall be conditional upon and subject to:
- The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and creditors of the Applicant Company and the members and / or creditors of GECPL as may be directed by the High Court of Judicature at Bombay or any other competent authority, as may be applicable;
 - The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Companies Act, 1956 and any other provision of the Companies Act, 1956 or Companies Act, 2013 as may be applicable;
 - Certified or authenticated copies of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Mumbai by the Applicant Company and GECPL;
 - Sanctions and approvals including but not limited to in principle approvals, sanctions of any person or any governmental authority or any Stock Exchanges as may be required by law or under contract in respect of this Scheme being obtained.
- j. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by GECPL.

12. The proposed scheme of arrangement would not have any adverse impact on the financial position or the business of the Applicant Company and would not be prejudicial to the interest of its shareholders.

The features set out above being only the salient features of the Scheme the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

13. The shareholding pattern of the Applicant Company Pre and Post Arrangement is given below :

Sr. No	Description	Pre-Arrangement (as on September 30, 2016)		Post-Arrangement	
		No. of Equity Shares	%	No. of Equity Shares	%
(A)	Shareholding of Promoter and Promoter Group:				
	Indian				
	Individuals/Hindu Undivided Family	8189479	2.22	8189479	2.22
	Bodies Corporate	36131240	9.78	36131240	9.78
	Sub Total	44320719	11.99	44320719	11.99
	Foreign – Body Corporate	3086435	0.84	3086435	0.84
	Sub Total	3086435	0.84	3086435	0.84
	Total Shareholding of Promoter and Promoter Group (A)	47407154	12.83	47407154	12.83
(B)	Public Shareholding:				
	Institutions	249154004	67.42	249154004	67.42
	Non-Institutions:				
	Individuals:				
	Individual Shareholders holding nominal share capital upto Rs. 2 lakh	32397494	8.77	32397494	8.77
	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh	4578774	1.24	4578774	1.24
	Any Others (Bodies Corporate/Trusts/OCBs/NRIs etc.)	36035679	9.75	36035679	9.75
	Sub Total	73011947	19.76	73011947	19.76
	Total Public shareholding (B)	322165951	87.17	322165951	87.17
	Total (A) + (B)	369573105	100	369573105	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
	Non-Promoter and Non-Promoter Group	0	0	0	0
	Non Public	0	0	0	0
	Sub Total	0	0	0	0
	Total (A) + (B) + (C)*	369573105	100	369573105	100

* Includes 7,25,800 equity shares of Rs. 2/- each kept in abeyance.

14. The pre and post Scheme shareholding pattern of GECPL based on shareholding pattern is given below:

Sr. No	Description	Pre-Arrangement (as on September 30, 2016)		Post-Arrangement	
		No. of Equity Shares	%	No. of Equity Shares	%
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian				
	Individuals/Hindu Undivided Family*	1	0	1	0
	Bodies Corporate	99999	100	57145713	100
	Sub Total	100000	100	57145714	100
	Total Shareholding of Promoter and Promoter Group (A)	100000	100	57145714	100
(B)	Public Shareholding				
	Institutions	0	0	0	0
	Non-Institutions				
	Bodies Corporate	0	0	0	0
	Individuals	0	0	0	0
	Individual Shareholders holding nominal share capital upto Rs. 2 lakh	0	0	0	0
	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh	0	0	0	0
	Any Others (Specify)				
	Non Resident Indians	0	0	0	0
	Sub Total	0	0	0	0
	Total Public shareholding (B)	0	0	0	0
	Total (A) + (B)	100000	100	57145714	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
	Non-Promoter and Non-Promoter Group				
	Public	0	0	0	0
	Sub Total	0	0	0	0
	Total (A) + (B) + (C)	100000	100	57145714	100

* held as nominee of a Body Corporate

15. The Directors of the Applicant Company and of GECPL may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the Directors of the Companies have any material interest in the proposed Scheme.

16. (a) The extent of the shareholding of the Directors/ Key Managerial Personnel of the Applicant Company in the Applicant Company and GECPL either singly or as nominee as on September 30, 2016 is as under:

Sr. No.	Name of the Director / Key Managerial Personnel	Designation	Equity shares held in the Applicant Company	Equity shares held in GECPL
1.	Mr. Abhijit Rajan	Chairman & Managing Director	8172459	0
2.	Mr. Ajit B. Desai	Executive Director & Chief Executive Officer	4500	0
3.	Mr. Digambar Bagde	Deputy Managing Director (Transmission & Distribution) Business	817472	0
4.	Mr. Chandrahas C. Dayal	Independent Director	1500	0

(b) The extent of the shareholding of the Directors and Key Managerial Personnel of GECPL in the Applicant Company and GECPL is as under:

Sr. No.	Name of the Director / Key Managerial Personnel	Designation	Equity shares held in the Applicant Company	Equity shares held in GECPL
1	Mahendra U. Shah	Director	500	1

17. In accordance with Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of the Applicant Company had on July 21, 2016 recommended the proposed Scheme of Arrangement for approval of the Board of Directors of the Applicant Company and the same was approved inter-alia taking into account:

- i) The Valuation Report from Independent Chartered Accountant, SSPA & Co, Chartered Accountants;
- ii) The Fairness Opinion issued by Saffron Capital Advisors Private Limited on the fairness of the Valuation Report;
- iii) Statutory Auditors certificate dated July 29, 2016 issued by Natvarlal Vepari & Co., Statutory Auditors of the Applicant Company, in relation to the accounting treatment prescribed in the Scheme;

In view of the above, a report by the Audit Committee recommending the proposed Scheme was furnished to the National Stock Exchange of India Limited and BSE Limited on August 31, 2016.

18. In terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has received Observation Letters issued by the National Stock Exchange of India Limited and BSE Limited on November 10, 2016, conveying their "No Objection" for filing the Scheme with the Hon'ble High Court of Judicature at Bombay.

19. The financial position of the Applicant Company will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Scheme as the assets of the Applicant Company post the Scheme, will be far more than its liabilities and as such sufficient to discharge the liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the Applicant Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

20. SEBI has passed orders against GIL, the Chairman and the Managing Director of GIL, Mr. Abhijit Rajan from accessing capital market till 21-12-2007 and against Mr. Abhijit Rajan. Mr. Rajan preferred an appeal against SEBI order dated July 13, 2016 for violations of Insider Trading Regulations before the Securities Appellate Tribunal (SAT) on 26th August, 2016. In respect of Order dated 28.02.2011 passed against Mr. Naval Chaudhary an Independent Director under the provisions of Insider Trading Regulations, Mr. Choudhary has paid the penalty against the said order. Further, SEBI had also issued a show cause notice to Mr. Atul Kumar Shukla an Independent Director on the Board of GIL, in his capacity as an Independent Director of Horizon Infrastructure Limited for non compliance of the Listing Agreement in case of Horizon Infrastructure Limited, to which written submissions have been made by him. No further communication has been received by him from SEBI till date. Mr. Shukla has resigned from the Board of Horizon Infrastructure Limited on 29th June, 2009.

Ms. Urvashi Saxena, an Independent Director of GIL, was included in the list of willful defaulters by the Reserve Bank of India as an Independent Director on the Board of M/s. Winsome Diamonds and Jewellery Limited and Orbit Corporation Limited. Ms. Saxena has already resigned from the Board of both the aforementioned companies. Further, RBI has also deleted Ms. Saxena's name from the list of willful defaulters.

21. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 and the like of the Companies Act, 1956 and corresponding sections of the Companies Act, 2013 in respect of the Applicant Company.

22. There are approximately 37 winding up petitions pending against the Applicant Company.

23. Inspection of the following documents may be had by the Equity Shareholders of the Applicant Company at its registered office up to one day prior to the date of the meeting between 11:00 A.M. IST and 1:00 P.M. IST on all working days (except Saturdays, Sundays and public holidays):

- a. Copy of the Order dated 2nd December, 2016 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 991 of 2016 directing the convening of the meeting of the Equity Shareholders of the Applicant Company.
- b. Scheme of Arrangement.
- c. Memorandum and Articles of Association of the Applicant Company and of GECPL.

- d. The Audited Financial Statements of the Applicant Company for last three financial years ended March 31, 2016.
- e. The Audited Financial Statements of GECPL for last two financial years ended March 31, 2016.
- f. Copies of the resolution passed by the Board of Directors of the Applicant Company and GECPL approving the Scheme.
- h. Copy of the No Objection / Observation letters relating to the Scheme issued by the National Stock Exchange of India Limited and BSE Limited dated November 10, 2016.
- i. Complaints Report dated September 26, 2016 filed with National Stock Exchange of India Limited and BSE Limited.
- j. Copy of Net Worth Certificate dated August 2, 2016 issued by Bhutada Jain & Gatagat, Chartered Accountants certifying the Net Worth of GIL, pre and post the Slump Exchange.
- k. Copy of the Valuation Report dated July 20, 2016 issued by SSPA & Co., Chartered Accountants.
- l. Copy of the Fairness Opinion dated July 20, 2016 issued by Saffron Capital Advisors Private Limited.
- m. List of winding up proceedings pending against the Applicant Company.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 and Section 102 of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained from the Registered Office of the Applicant Company and/or at the office of the Advocates M/s. Hemant Sethi & Co., 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai - 400 071.

Place: Mumbai

Date: 3rd December, 2016

Sd/-

Abhijit Rajan

Chairman appointed for the meeting

Registered Office:

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

**SCHEME OF ARRANGEMENT
BETWEEN
GAMMON INDIA LIMITED ('GIL' or 'Transferor Company')
AND
GAMMON ENGINEERS AND CONTRACTORS PRIVATE LIMITED ('GECPL' or 'Transferee Company')
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(Under Sections 391 to 394 of the Companies Act, 1956 or any re-enactment thereof) ("the Scheme")**

(A) PREAMBLE

This Scheme of Arrangement is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013 for the transfer of the Civil EPC Undertaking (*defined hereinafter*) of Gammon India Limited ('GIL' or 'Transferor Company'), a company incorporated under the Act (hereinafter defined) with registered office at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025 and engaged in, *inter alia*, the business of civil engineering, design and construction of power transmission and distribution limited into Gammon Engineers And Contractors Private Limited ('GECPL'), a company incorporated under the Act and which is 100% legally and beneficially held by GIL through its wholly owned subsidiary "Gammon Retail Infrastructure Private Limited" with registered office at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025.

The Company vide a business transfer agreement dated July 21, 2016 (the '**BTA**'), has agreed to transfer one of the undertakings relating to Civil EPC business, defined therein as the Identified Business ("**BTA Undertaking**") to GECPL. Pursuant to this Scheme the Company proposes to transfer the Transferred Undertaking to GECPL as part of the effort to consolidate the entire Civil EPC business in GECPL.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) DESCRIPTION OF THE SCHEME

In furtherance of the understanding between the Transferor Company and the Transferee Company, this Scheme, *inter alia*, deals with the Transfer of the Civil EPC Undertaking from the Transferor Company to the Transferee Company (more particularly described in Part II of this Scheme) and various other matters consequential to or otherwise integrally connected with the above, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 in the manner provided for in this Scheme.

(C) RATIONALE FOR THE SCHEME

1. Transfer of the Civil EPC Undertaking by GIL to GECPL would help in achieving the desired operating structure and shall *inter alia* have the following benefits:
 - i. To create sector focused company;
 - ii. To enable investment by strategic investor;
 - iii. Ring-fence businesses from each other; and
 - iv. Deleverage the balance sheet of GIL.

(D) Parts of the Scheme:

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with Slump Exchange of Civil EPC Undertaking into GECPL;
- (iii) **PART III** deals with general terms and conditions and other miscellaneous provisions applicable to this Scheme.

**PART I
DEFINITIONS AND SHARE CAPITAL**

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 "**Act**" or "**the Act**" means the Companies Act, 1956 and/or the Companies Act, 2013 (as the case may be and to the extent applicable) as in force from time to time; it being clarified that as on the date of approval of this Scheme by the Board of Directors of GIL and GECPL, Sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions

of the Companies Act, 1956 / Companies Act, 2013 as may be in force;

- 1.2 **“Applicable Law”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction, (b) administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any governmental authority or recognized stock exchange, and (c) international treaties, conventions and protocols, as may be in force from time to time;
- 1.3 **“Appointed Date”** means the closing of the business hours on 1st day of July, 2016 or such other date as may be fixed or approved by the High Court;
- 1.4 **“Civil EPC Business”** means Civil Engineering, Procurement and Construction business carried on by the Transferor Company in roads, hydro-power, nuclear power, tunnels, bridges but excluding other contracts as listed in Schedule I.
- 1.5 **“Civil EPC Undertaking”** means the Transferred Undertaking as a going concern, with all properties, pre-qualifications, rights and powers and all debts, liabilities, duties and obligations comprised in and/ or pertaining to the Transferred Undertaking as on the Appointed Date, including:
- (i) all properties and assets, movable and freehold and leasehold immovable, including the immovable properties relating to BTA undertaking allowed to be used by the buyer therein, including right to use the premises called ‘Gammon House’ without payment of any license fee for a period of 2 (two) years from the Appointed Date, real and personal, tangible and intangible, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated; as on the Appointed Date relating to the Transferred Undertaking, leases, tenancies and agencies of the Transferor Company relating to the Transferred Undertaking, plant and machineries, electrical installations, vehicles, equipments, furnitures, investments, sundry debtors, inventories, other current assets, cash and bank balances, bills of exchange, deposits, loans and advances (including recoverable from identified subsidiaries), and other assets as appearing in the books of account of the Transferor Company in relation to the Transferred Undertaking;
 - (ii) all other interests or rights (including claims, arbitration awards, etc.) or accumulated experience and performance qualifications, including financial, technical and other qualifications, in or arising out of or relating to the Civil EPC Business together with all respective powers, interests, charges, privileges, benefits, entitlements, building plans, drawings (including approvals obtained for such drawings or any pending applications made for approvals), industrial and other registrations, licenses, quotas, brands and trademarks, including trademark **“Gammon”** (subject to the right of GIL and its Group Companies to use the trademark “Gammon” without payment of any fees or royalty to GECPL for a period of two years from the Effective Date, subsequent to which the trademark may be used by GIL and its Group Companies based on mutual discussions with the Parties and also GIL changing its name within six months of the Effective Date of the Scheme), patents, copyrights, other intellectual property rights, liberties, easements and advantages, subsidies, grants, taxes, tax credits/ incentives (including but not limited to credits/ incentives in respect of sales tax, value added tax, turnover tax, excise duty, service tax etc.), tax holiday benefits and other benefits appertaining to the Transferred Undertaking and/or to which the Transferor Company is entitled to in respect of the Transferred Undertaking of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts, sub-contracting agreements entered into with the GECPL and engagements relating to the Transferred Undertaking;
 - (iii) powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, facsimile connections and installations, utilities, electricity, water and other services, and all other interests in connection with or relating to the Transferred Undertaking;
 - (iv) all debts, liabilities, duties, funded and non-funded facilities, bank guarantees, letters of credit and obligations of the Transferor Company in relation to the Transferred Undertaking including loans / borrowings secured on investment in identified subsidiaries being transferred and further including liabilities (including those arising in future) on account of loans, sundry creditors, sales tax, bonus, gratuity and other taxation and contingent liabilities of the Transferor Company pertaining to or relatable to the Transferred Undertaking;
 - (v) all employees of the Transferor Company engaged in or in relation to the Transferred Undertaking, on the date immediately preceding the Effective Date; and
 - (vi) all books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records, whether in physical or electronic form, directly or indirectly in connection with or relating to the Transferred Undertaking.

Provided that the Transferor Company will have the right to access the books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records pertaining to the Civil EPC Undertaking in case required in any legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, even after coming into effect of the Scheme and the Trasferee Company shall be obliged to provide such documents and other records to the Transferor Company.

- 1.6 **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 16 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme. Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the “Effective Date”;
- 1.7 **“High Court”** means the High Court of Judicature at Bombay or such other authority having jurisdiction in the matter and shall include the National Company Law Tribunal, if and when applicable;
- 1.8 **“Remaining Business of GIL” or “Remaining Undertaking of GIL”** means all the undertakings, businesses, activities and operations of GIL, including the premises called ‘The Gammon House’ but excluding the Civil EPC Undertaking (as defined in Clause 1.5 above)
- 1.9 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Honorable High Court or this Scheme with such modification(s), if any made, as per Clause 15 of the Scheme;
- 1.10 **“Stock Exchanges”** means BSE Limited and The National Stock Exchange of India Limited;
- 1.11 **“Transferred Undertaking”** means the Civil EPC Business excluding the BTA Undertaking and other contracts as per Schedule I

1A Construction

- 1A.1 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Civil EPC Undertaking or whether it arises out of the activities or operations of the Civil EPC Undertaking shall be decided by mutual agreement between the Board of Directors of GIL and GECPL.
- 1A.2 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996, other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1 The authorized, issued, subscribed and paid-up share capital of GIL as on March 31, 2016 is as under:

Share Capital	Amount in Rs. Crores
Authorized Share Capital	
74,710,000,000 Equity Shares of Rs. 2 each	14,942.00
3,000,000 6% Optionally Convertible Preference Shares of Rs. 350/- each	105.00
Total	15,047.00
Issued Share Capital	
366,303,349 Equity Shares of Rs. 2 each, fully paid up	73.26
Total	73.26
Subscribed and Fully Paid up Capital	
364,722,809 Equity Shares of Rs. 2 each, fully paid up	72.94
Share Forfeiture Account	
Money received in respect of Right Shares of Rs.10/- each forfeited	0.34
Total	73.28

The shares of GIL are listed on Stock Exchanges.

2.2 The authorized, issued, subscribed and paid-up share capital of GECPL as on March 31, 2016 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
1,00,000 Equity Shares of Rs.10/- each	10,00,000
Total	10,00,000
Issued, Subscribed and Paid-up Share Capital	
1,00,000 Equity Shares of Rs.10/- each, fully paid-up	10,00,000
Total	10,00,000

Subsequent to the above date, the Board of Directors of the Company have approved the increase of authorized share capital of the Company from Rs. 10,00,000/- to Rs. 250,00,000/-. As on the date of approval of the Scheme by the Board of Directors of the Companies, the entire share capital of GECPL is 100% legally and beneficially held by GIL through its wholly owned subsidiary "Gammon Retail Infrastructure Private Limited.

3. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date, but shall be operative from the Effective Date.

PART II

SLUMP EXCHANGE OF CIVIL EPC UNDERTAKING INTO GECPL

4. **SLUMP EXCHANGE**

4.1 On and from the Effective Date the Civil EPC Undertaking shall be transferred to and vested in GECPL as a going concern from the Appointed Date, as detailed in Clause 4.2 below, against issue of shares specified in Clause 5 hereinafter.

4.2 **TRANSFER AND VESTING OF CIVIL EPC UNDERTAKING**

Upon the Scheme becoming effective, with effect from the Appointed Date, the Civil EPC Undertaking shall, in accordance with Sections 391 to 394 of the Act and all other applicable laws, if any, stand transferred to and vested in or be deemed to be transferred to and vested in GECPL on a going concern basis and in the following manner:

- 4.2.1. all the assets of Civil EPC Undertaking, except for the portions specified in Clauses 4.2.2 and 4.2.3 below, of whatsoever nature and where so ever situated and incapable of passing by manual delivery and/or endorsement or otherwise, shall, under the applicable provisions of Sections 391 and 394 and all other provisions, if any, of the Act, without any further act or deed be transferred to and vested in and/or deemed to be transferred to and vested in GECPL.
- 4.2.2. All the moveable assets including cash in hand, if any, of Civil EPC Undertaking, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed as the case may be to GECPL. On such delivery or endorsement and delivery, the same shall become the property of GECPL to the end and intent that the ownership and property therein passes to GECPL on such handing over in pursuance of the provisions of Section 394 of the Act.
- 4.2.3. in respect of the moveable properties of Civil EPC Undertaking other than specified in Clause 4.2.2 above and any intangible assets, including sundry debtors, loans receivable, advances, if any, recoverable in cash or kind or for value to be received, bank balances and deposits, if any, with the government, semi-government, local and other authorities and bodies, companies, firm, individuals, trusts, etc., GECPL may itself or require GIL and GIL shall upon such requisition from GECPL, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, give notices in such form as it may deem fit and proper, to each person, debtors or depositors, as the case may be, that pursuant to the High Court having sanctioned the Scheme, the said debt, loan receivable, advance or deposit be paid or made good or held on account of GECPL as the person entitled thereto to the end and intent that the right of GIL to recover or realize all such debts (including the debts payable by such persons or depositors to GIL) stands transferred to and vested in GECPL and that appropriate entries should be passed in their respective books to record the aforesaid change.
- 4.2.4. all debts, liabilities, duties, obligations of every kind, nature and description including all excise duty, custom duty, sales tax, value added tax, service tax and other government and semi government liabilities of Civil EPC Undertaking shall also, under the provisions of Sections 391 and 394 of the Act without any further act or deed be transferred to and assumed by or deemed to be transferred to and assumed by GECPL so as to become as

from the Appointed Date the debts, liabilities, duties, obligations of GECPL. It is hereby confirmed that the debts, liabilities and obligations of GIL pertaining to the BTA Undertaking, have been transferred to GECPL pursuant to the BTA.

- 4.2.5. The transfer and vesting of the Civil EPC Undertaking as aforesaid of GIL, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof.

Provided that in so far as the assets comprised in the Civil EPC Undertaking are concerned, the security and charge over such assets relating to any loans or liabilities pertaining to the Remaining Undertaking of GIL shall, without any further act or deed, be released from such encumbrance and shall no longer be available as security in relation to such loans or liabilities.

Provided further that in so far as the assets comprised in the Remaining Undertaking of GIL are concerned, the security over such assets relating to the loans, borrowings, debts and financial assistance pertaining to the Civil EPC Undertaking shall, without further act, instrument or deed, along with any guarantees, indemnities, or undertakings provided by GIL in relation to the Civil EPC Undertaking, be released and discharged from the obligations and security relating to the same. With effect from the Appointed Date and upon the Scheme becoming effective, GECPL undertakes to meet, discharge and satisfy the loans, borrowings, debts and financial assistance pertaining to the Civil EPC Undertaking.

Provided also that the transfer and vesting of loans / liabilities shall continue to have encumbrances confined only to the relevant assets of the Civil EPC Undertaking or part thereof and no such encumbrances shall extend over or apply to any asset(s) of GECPL. Similarly, GECPL shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the encumbrances in respect of such indebtedness of GECPL shall not extend or be deemed to extend or apply to the assets so vested.

- 4.2.6. Without prejudice to the generality of the forgoing, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licenses, consents, registrations, approvals, municipal permissions, industrial licenses, registrations, privileges, easements and advantages, facilities, rights, powers and interest (whether vested or contingent), of every kind and description of whatsoever nature in relation to the Civil EPC Undertaking, to which GIL is a party to or to the benefit of which GIL may be eligible and which are subsisting or having effect immediately before the Appointed Date shall stand transferred to and vested in or shall be deemed to be transferred to and vested in GECPL as if the same were originally given or issued to or executed in favour of GECPL, and the rights and benefits under the same shall be available to GECPL. Further, GIL shall execute such further deeds or documents as may be required to give effect to this Clause.
- 4.2.7. The work experience, qualifications, capabilities, logistics, turnover record and track record with National & International Companies, Central and State Government / Non-Government agencies / bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of the Transferor Company acquired by reason of completion of various projects and works pertaining to the Civil EPC Undertaking and certificates of completion of projects and works pertaining to Civil EPC Undertaking issued by clients of the Transferor Company shall be deemed to be part of and belonging to GECPL and shall for all purposes be regarded as the work experience, qualifications, capabilities, logistics, turnover record and track record (including technical parameters, past performance, track record, financials, etc.) and certificates of completion of GECPL.
- 4.2.8. All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of GIL (in relation to Civil EPC Undertaking) after the Effective Date shall be accepted by the banker(s) of GECPL and credited to the account of GECPL, if presented by GECPL or received through electronic transfers. Similarly, the banker(s) of GECPL shall honour all cheques / electronic fund transfer instructions issued by GIL (in relation to Civil EPC Undertaking) for payment after the Effective Date. If required, the bankers of GIL and GIL shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of GIL by GECPL in relation to the Civil EPC Undertaking for such time as may be determined to be necessary by GECPL for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of GECPL.
- 4.2.9. Upon the Scheme becoming effective, GIL and GECPL are expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

- 4.2.10. Any tax liabilities under the service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/duties/levies of Civil EPC Undertaking whether provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date or not shall be transferred to GECPL.
- 4.2.11. Any refund / credit, under the service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations in relation to the Civil EPC Undertaking arising consequent to the assessment made on GIL whether recorded in the accounts as on the date immediately preceding the Appointed Date or not shall belong to GECPL upon this Scheme becoming effective.
- 4.2.12. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation service tax, excise duty, central sales tax, applicable state value added tax etc.) to which Civil EPC Undertaking is entitled to in terms of applicable laws, shall be available to and vest in GECPL, upon this Scheme coming into effect.

5. ISSUE OF SHARES

- 5.1. Upon coming into effect of the Scheme, GECPL shall issue and allot 1,18,85,714 (One crore Eighteen Lakh Eighty Five Thousand Seven Hundred and Fourteen) fully paid up equity shares of Rs.10/- each to the Transferor Company.
- 5.2. Equity shares to be issued by GECPL to the Transferor Company as above shall be subject to the Memorandum and Articles of Association of GECPL and shall rank *pari passu* with the existing equity shares of GECPL in all respects including dividends.
- 5.3. GECPL shall, if necessary and to the extent required, increase its authorized share capital to facilitate the issue of equity shares under this Scheme.
- 5.4. Approval of this Scheme by the shareholders of GECPL shall be deemed to be the due compliance with the provisions of Section 42/62 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by GECPL to the Transferor Company, as provided in this Scheme.
- 5.5. The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 13, 14, 180 and 186 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

6. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY AND GECPL

6.1. IN THE BOOKS OF THE TRANSFEROR COMPANY

Upon the Scheme becoming effective, the Transferor Company

- 6.1.1. shall reduce the book value of assets and liabilities pertaining to the Civil EPC Undertaking as on the Appointed Date from its books of accounts;
- 6.1.2. shall record all the Equity Shares received pursuant to this Scheme at cost;
- 6.1.3. the difference between the aggregate of the Equity Shares recorded as per 6.1.2 and the book value of liabilities of the Civil EPC Undertaking as per 6.1.1 as reduced by the book value of assets of the Civil EPC Undertaking as per 6.1.1, shall be debited/ credited to the Profit & Loss Account.

6.2. IN THE BOOKS OF GECPL

Upon the Scheme becoming effective,

- 6.2.1. GECPL shall record the Equity Shares issued by it to the Transferor Company pursuant to this Scheme at fair value;
- 6.2.2. GECPL shall record all the assets and liabilities pertaining to the Civil EPC Undertaking being transferred and vested pursuant to the Scheme at fair values.
- 6.2.3. The difference, being the excess of value of the assets and liabilities pertaining to the Civil EPC Undertaking in terms of paragraph 6.2.2 above and the amount credited as per Clause 6.2.1, shall be credited to Capital Reserve of GECPL. The shortfall, if any, shall be debited to Goodwill Account of GECPL.

7. FUND RAISING BY ISSUE OF SHARES / OTHER INSTRUMENTS BY TRANSFEREE COMPANY

- 7.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from raising funds by issue of new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

PART III
GENERAL TERMS AND CONDITIONS

8. TRANSACTIONS UPTO THE EFFECTIVE DATE

8.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) The Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Civil EPC Undertaking and shall stand possessed of their properties and assets relating to the Civil EPC Undertaking for and in trust for the Transferee company and all the profits / losses accruing on account of the Civil EPC Undertaking shall for all purposes be treated as profits / losses of the Transferee company.
- (b) All the debts, liabilities, duties, obligations, taxes etc. as aforesaid of the Civil EPC Undertaking incurred/contracted during the period commencing from the Appointed Date till the Effective Date shall be deemed to have been incurred/contracted by the Transferee company and shall be deemed to be the debts, liabilities and obligations of the Transferee company and further that it shall not be necessary to obtain consent of any person in order to give effect to the provisions of this clause.
- (c) The Transferor Company shall not without the prior written consent of the Board of Directors of the Transferee company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the Civil EPC Undertaking any part thereof except in the ordinary course of its business.
- (d) The Transferor Company shall not vary the terms and conditions of service of its permanent employees relating to the Civil EPC Undertaking except in the ordinary course of its business.
- (e) The Transferee company shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which they may require to carry on the business of the respective Civil EPC Undertaking. Further, the Transferor Company shall extend all assistance to the Transferee company, if requested by the Transferee company, in obtaining the said consents, approvals and sanctions.
- (f) Any payments made or benefits received by GIL in respect of the Civil EPC Undertaking shall be deemed to have been made or received, as the case may be, for and on behalf of GECPL and GIL shall be entitled to recover such expenses from GECPL or obligated to pass on the benefits to GECPL. Similarly, any payments made or benefits received by GECPL in respect of the Remaining Undertaking of GIL shall be deemed to have been made or received, as the case may be, for and on behalf of GIL and GECPL shall be entitled to recover such expenses from GIL or obligated to pass on the benefits to GIL.

8.2 With effect from the date of approval to the Scheme by Board of Directors of the Transferor Company and the Transferee company until the Effective Date, the Transferor Company shall preserve and carry on the business and activities of Civil EPC Undertaking with reasonable diligence and business prudence and the Transferor Company shall not, without the prior consultation with the Transferee company, alienate, charge or otherwise deal with or dispose of the Civil EPC Undertaking or any part thereof or recruit any new employee (in each case except in the ordinary course of business) or employees; further, the Transferor Company shall not engage in any corporate restructuring exercise including any merger and/or demerger or substantial expansion of the Civil EPC Undertaking without prior written consent of the Transferee company.

9. EMPLOYEES

9.1 On the Scheme becoming effective, all employees of the Civil EPC Undertaking in service on the Effective Date, shall be deemed to have become employees of the Transferee company respectively with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee company shall not be less favorable than those applicable to them with reference to the Civil EPC Undertaking on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Civil EPC Undertaking shall be decided by Board of Directors of Transferor Company.

9.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Civil EPC Undertaking shall be deemed to have been created by the Transferee company in place of Transferor Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as

per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company in relation to such fund or funds shall become those of the Transferee company. It is clarified that the services of the employees of the Civil EPC Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

10. LEGAL PROCEEDINGS

- 10.1 All legal proceedings of whatsoever nature by or against Transferor Company pending and/or arising before the Effective Date and relating to the Civil EPC Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.
- 10.2 After the Appointed Date, if any proceedings are taken against Transferor Company in respect of the matters referred to in the sub-clause 10.1 above, Transferor Company shall defend the same in accordance with advise and instructions of the Transferee company at the cost of the Transferee company, and the Transferee company shall reimburse and indemnify Transferor Company against all liabilities and obligations incurred by Transferor Company in respect thereof.
- 10.3 The Transferee company undertake to have all legal or other proceedings initiated by or against Transferor Company referred to in Clause 10.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee company as the case may be, to the exclusion of Transferor Company and Transferor Company shall extend all assistance in such transfer into the Transferee company' name, if required by the Transferee company.

11. CONTRACTS, DEEDS, ETC.

- 11.1 Notwithstanding anything to the contrary contained in any contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Civil EPC Undertaking of the Transferor Company to which Transferor Company is a party or to the benefit of which Transferor Company may be eligible, shall continue in full force and effect against or in favour of the Transferee company, and may be enforced effectively by or against the Transferee company as fully and effectually as if, instead of Transferor Company, the Transferee company had been a party thereto from inception.
- 11.2 The Transferee company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee company shall be deemed to be authorised to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Transferor Company.
- 11.3 It is hereby clarified that (i) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Civil EPC Undertaking to which Transferor Company is a party to, cannot be transferred to the Transferee company for any reason whatsoever, Transferor Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee company; and (ii) if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature relate to the Civil EPC Undertaking as well as Transferor Company (pursuant to the transfer of the Civil EPC Undertaking), Transferor Company and the Transferee company shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

12. REMAINING UNDERTAKING

- 12.1 The Remaining Undertaking and all the assets, properties, rights, liabilities and obligations thereto shall continue to belong to and be vested in and be managed by Transferor Company and the Transferee company shall have no right, claim or obligation in relation to the Remaining Undertaking. From the Appointed Date, Transferor Company shall carry on the activities and operations of the Remaining Undertaking distinctly and as a separate business from the Civil EPC Undertaking.
- 12.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Transferor Company under any statute, whether pending on the Appointed

Date or which may be instituted at any time thereafter, and in each case pertaining to the Remaining Undertaking shall be continued and enforced by or against Transferor Company after the Effective Date. The Transferee company shall in no event be responsible or liable in relation to any such legal or other proceeding against Transferor Company.

- 12.3 The Transferor Company will have the right to access the books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records pertaining to the Civil EPC Undertaking in case required in any legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, even after coming into effect of the Scheme and the Trasferee Company shall be obliged to provide such documents and other records to the Transferor Company.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Civil EPC Undertaking as above and the continuance of proceedings by or against Transferor Company in relation to the Civil EPC Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that the Transferee company accept and adopt all acts, deeds and things done and executed by Transferor Company in respect thereto as done and executed on their behalf.

14. APPLICATION TO HIGH COURT

The Transferor Company and the Transferee company shall as may be required make applications and/or petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court for sanction of this Scheme and all matters ancillary or incidental thereto.

15. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee company, by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). The Transferor Company and the Transferee company by their respective Boards are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for in relation to carrying out the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. However any modification or amendment to the Scheme after the High Court has sanctioned the scheme will require the prior approval of the High Court.

16. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 16.1 The requisite consent, approval or permission of the Central Government including Stock Exchanges and Securities and Exchange Board of India;
- 16.2 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;
- 16.3 The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Act;
- 16.4 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 company.

17. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or the Scheme not being sanctioned by the High Court or such other competent authority and / or the Order not being passed as aforesaid before September 30, 2017 or within such further period or periods as may be agreed upon between GIL and GECPL by their respective Board of Directors or any committee thereof (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to

any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

19. REGULATORY

SEBI has passed orders against GIL, the Chairman and the Managing Director of GIL, Mr. Abhijit Rajan from accessing capital market till 21-12-2007 and against Mr. Abhijit Rajan. Mr. Rajan preferred an appeal against SEBI order dated July 13, 2016 for violations of Insider Trading Regulations before the Securities Appellate Tribunal (SAT) on 26th August, 2016 and in respect of Order dated 28.02.2011 passed against Mr. Naval Chaudhary an Independent Director under the provisions of Insider Trading Regulations. Mr. Choudhary has paid the penalty against the said order. Further, SEBI had also issued a show cause notice to Mr. Atul Kumar Shukla an Independent Director on the Board of GIL, in his capacity as an Independent Director of Horizon Infrastructure Limited for non compliance of the Listing Agreement in case of Horizon Infrastructure Limited, to which written submissions have been made by him. No further communication has been received by him from SEBI till date. Mr. Shukla has resigned from the Board of Horizon Infrastructure Limited on 29th June, 2009.

Ms. Urvashi Saxena, an Independent Director of GIL, was included in the list of willful defaulters by the Reserve Bank of India as an Independent Director on the Board of M/s. Winsome Diamonds and Jewellery Limited and Orbit Corporation Limited. Ms. Saxena has already resigned from the Board of both the aforementioned companies. Further, RBI has also deleted Ms. Saxena's name from the list of willful defaulters.

20. REPEALS AND SAVINGS

Any matter filed with Registrar of Companies, Regional Director, Income Tax authority or the Central Government under the Companies Act, 1956, before the notification of the corresponding provisions under the Companies Act, 2013 and not fully addressed at that time shall be concluded by the Registrar of Companies, Regional Director Income Tax authority or the Central Government, as the case may be, in terms of the Act. Any direction or order given by the Hon'ble High Court under the provisions of the Companies Act, 1956 and any act done by the Company based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the Companies Act, 2013. Accordingly, the provisions of the Companies Act, 2013, shall not apply to acts done by the Company as per direction or order of the Hon'ble High Court sanctioning the Scheme.

Schedule I
Details of Other Contracts not forming part of the Civil EPC Business

Sr. No	Job Code	Job Name
1	8208	Sewa HEP
2	8725	Rangit HEP
3	8727	AP Irrigation: Pranhita
4	8801	Pravara Power Plant - Onshore supply
5	9220	Nagai Thermal Power Plant
6	8528	Gajol Hilli Road Project
7	8616	Jajpur Civil Works for JSSL
8	8712	Karnataka Road Works (Pkg 4&5) (8712&8713)
9	8836	Brahmaputra Pipeline
10	8837	Ramanmandi Pipeline
11	8905	Bahadurgarh Tikrikalam Pipeline
12	CMRL	Chennai Metro Project (8942/43/9017)
13	9014	KSHIP (SH-76)
14	9020	Patna Buxar Road Project
15	9118	Patna Buxar Road
16	8809	Wankaner Water Supply
17	8812	Marthapur Intake project
18	6701	Barnar Dam
19	6904	Sikar Pilani Road
20	7201	Tezpur Pile Foundation Works
21	7618	Adavinainar Koil Masonary Dam
22	7705	Hathidah Tt Foundation
23	7710	Srisailam L Bank Canal
24	7909	TARAPUR INTAKE & DISCHARGE
25	8009	Bihar Road Works
26	8012	Rajamundhry Dharmavaram
27	8023	Agra Makhanpur Road Works
28	8101	Kamakhaya Water Supply
29	8106	DOLPHIN JETTIES
30	8110	Chennai Water Supply Project
31	8215	Surendranagar Water Supply Scheme
32	8307	Paradip Haldia Pipeline
33	8310	Construction of Soft Ground Tunnel
34	8319	Independent Water & Power At Sohar
35	8451	Koyali Ratlam Pipeline
36	8501	Siliguri Pipeline
37	8914	Runwal Greens & Chestnut Bldg
38	8447	Neelkanth Kingdom
39	8932	Runwal Elegante,Mumbai
40	8913	Salarpuria Gold Towers, Karnataka
41	8938	Sattva OMR - Magnificia, Bangaluru
42	8939	Sattva Galleria, Bangaluru
43	9011	Shrishti development CBD Bhopal
44	9113	Shrishti development CBD Bhopal-Material
45	9104	Godrej Platinum Bldg work
46	9117	Nathani Heights
47	8816	Bongaigaon Pile & Well Foundn.
48	9012	Kolkata Metro – 2
49	8917	Tapi Cable Stayed Bridge, Surat
50	8521	Cable Stayed Bridge Chambal
51	8946	Rainbow Andheri
52	8923	HDIL WHISPERING TOWERS MULUND

Sr. No	Job Code	Job Name
53	8920	NOVOTEL HOTEL, MUMBAI
54	8910	Godrej Cypress
55	8904	RNA ADDRESS
56	8902	RNA EXOTICA
57	8843	Galleria Mall, Bengaluru
58	8815	GSTAAD Hotel project
59	8708	GODREJ HILL KALYAN (W)
60	8606	Hotel 'The Leela Palace', Chennai
61	8541	Chennai Grade Separators
62	8527	Gurupriya Bridge
63	8524	BC-13 part Desgn & construct 3 elevated stations - Delh MRTS Project
64	8523	8523 - Design & Construction Of Viaduct And Structural Work Of Three Elevated Stations I.E. Noida
65	8506	Tower 'G' (Hotel) at Knowledge Park, Bangalore
66	8459	Army Station Alwar
67	8446	Godrej Woodsman Estate,Bangalore
68	8438	Army Station Jodhpur
69	8420	Construction of DU'S For DHP (Army) Jaisalmer Package I & II
70	8419	Maralihalla Pump House
71	8320	DMRC Viaduct at Indraprastha
72	8312	Dwelling Units for DHP(Army) Jaipur - Package I & II
73	8214	8214 - Construction of ROB at Domoria Pull in Jalandhar, Punjab
74	8105	900 L.I.G. HOUSES ON TURNKEY BASIS FOR DDA - NEW DELHI
75	8021	LIBRARY AND COMPUTER CENTRE BUILDING AT IIT - GUWAHATI
76	8007	8007 - 20 BRIDGES ON NH-60 IN ORISSA & W.BENGAL (PACKAGE OR/WB-I)
77	8006	8006 - 47 BRIDGES ON NH-5 IN ORISSA - (PACKAGE OR V)
78	8001	SUTLEJ BRIDGE
79	7918	DMRC VIADUCT : KOHAT ENCLAVE - RITHALA SECTION
80	7915	ELEVATED STRUCTURE (VIADUCT) ON TRINAGAR - KOHAT ENCLAVE
81	7910	VASAI CREEK BRIDGE NO 73
82	7905	LUDHIANA ROAD OVER BRIDGE
83	7808	BEAS BRIDGE & VIADUCT AT RAMSHILLA (H.P)
84	7717	J.J.Flyover Bridge
85	7714	MINIFLYOVERS IN CHENNAI CITY PACKAGE - II
86	7706	DELHI - NOIDA BRIDGE PROJECT
87	7104	NARMADA BRIDGE - CHANDOD
88	BHSG	BANDRA HOUSING PROJECT
89	9205	Panipat
90	8716	8716- Construction of 275m High Multiflue RCC Chimney at Tiroda, Dist. Gondia, Maharashtra
91	8935	8935:EXECUTION OF CIVIL WORKS PERTAINING TO ASH DISPOSAL PUMP HOUSE, ASH SLURRU TRENCHES ETC. FOR NTECL'S VALLUR THERMAL POWER PROJECT (3 X 500MW) – ASH HANDLING SYSTEM PACKAGE
92	8936	8936:Civil Works for CW system of 2X500 MW NTPL- Tuticorin project
93	8948	8948 - Civil Works of AWRS & LWWT System for Vallur Thermal Power Project, Vallur, Chennai
94	MS01	MS01-Miscellaneous Job
95	ERD1	ERD1-Energy Refurbishment Account (GACTEL jobs) in Bank or Cash class
96	9022	9022-Design, Construction, Installation, Commissioning, Management, Operation & Maintenance of Intake, RWPH, 220MLD Water Treatment Plant & Water Supply Distribution Network in Patna (Bihar) under the JNNURM Scheme on DBO basis.
97	6603	KAWAS COOLING TOWER
98	6607	CHANDRAPUR COOLING TOWERS
99	6908	RAICHUR NATURAL DRAUGHT COOLING TOWERS STAGE - III (UNIT 5 & 6)
100	7004	DEO AUEDUCT
101	7006	PANIPAT COOLING TOWER - STAGE IV (REVIVED)
102	7301	BUDGE BUDGE CIVIL WORK FOR ASH HANDLING PLANT
103	7302	PATA I.D. COOLING TOWER AND WATER TREATMENT PLANT FOR LPG RECOVERY UNIT

Sr. No	Job Code	Job Name
104	7401	MUZAFFARPUR CHIMNEY
105	7601	RAICHUR MULTIFLUE R.C. CHIMNEY STATE - III (UNITS 5 & 6)
106	7611	NEELACHAL CIVIL WORKS
107	7805	NEYVELI NATURAL DRAFT COOLING TOWERS FOR NEYVELI - TPS - 1 EXPANSION
108	7814	MECHANICAL WORKS FOR THE BANDRA INFLUENT & EFFLUENT DISPOSAL PROJECT
109	7820	I.I.T. ACADEMIC COMPLEX PHASE - II
110	8014	IDCT AT CHENNAI FOR CPCL
111	8015	CIVIL WORKS FOR CCW & ASW PUMP HOUSE PACKAGE FOR NPCILps TAPP p 3&4
112	8016	CONSTRUCTION OF TWO MULTIPURPOSE BERTHS AT VISAKHAPATNAM PORT TRUST IN THE STATE OF A.P. ON BOT
113	8018	KOTA I.D. COOLING TOWERS - MECHANICAL WORKS
114	8019	KOTA I.D. COOLING TOWERS - CIVIL WORKS
115	8213	8213 - Natural Draught Cooling Tower & 275 Tall Chimney for 1 X 500 MW Bellary TPP for BHEL
116	8216	Supply of Cooling Tower Package For Vindhychal STPP
117	8217	8217 - Erection of Cooling Tower Package For Vindhychal STPP
118	8301	8301 - Natural Draught Cooling Tower For New Parli Power Project For MSEB
119	8304	8304 - Natural Draught Cooling Tower For Rajasthan Atomic Power Project - 5&6
120	8327	8327 - PARAS TPS - CONSTRUCTION OF NATURAL DRAFT COUNTER FLOW COOLING TOWER
121	8331	Design,Engineering, Manf. & supply of 1 No. Cooling Tower for tata Sponge Iron Ltd. at Joda, Orissa
122	8332	Unloading, Shifting of material,erection & comissioning of 1 no. of cooling tower for Tata Sponge
123	8423	8423 & 8424 - Design, Engg, Of 2 Nos. IDCTFor Unit # 7 & 8,Chandrapura Tps, Dvc, Jharkhand
124	8435	8435 - Contract For 3 Cooling Towers Civil Works For 1100mw Sugen CCPP At Akhakhol Near Surat,Gujrat
125	8442	8442 - Design,Engineering,Supply, Erection and Commi. of Cooling Tower Fans unit 3,4,5 Nashik TPS
126	8445	8445 - Neyveli - TPS II Expn.(2x25 MW) NDCT & RCC Chimney (A06) Pckg.
127	8454	8454 - Design, Engg, Mfg & Supply of Cooling Tower at New Delhi
128	8456	8456 - Erection of IDCT including complete civil, C&I work for 1 X 250 MW unit #5 at Santaldih
129	8512	8512-Supply & Erection of Cooling tower at National Steel Plant, Jeddah, Saudi Arabia
130	8515	8515 - Civil Works for Jindal Steel plant at Bellary.
131	8516	8516 - Neyveli-Barsingsar Project (2X125 MW) - IDCT & RCC Chimney (RA6) Package
132	8531	8531 - Supply of all material & equipment of cooling tower at baruauini TPS
133	8532	8532 - Repairing & Installation of Cooling Tower at Barauni TPS
134	8542	8542 - Civil Works for Wire Rod Mill & Bar Mill Projects for JSW Steel Limited
135	8546	8546 - Work of Cooling Tower for IPP Project Located at Jharsuguda in the State of Orissa
136	8601	8601 - Civil Works - Cement Plant for Expansion Project at Torangallu
137	8604	8604 - Paras Expn. Project - Construction of ND Counter Flow Cooling Tower with Film Type Fill
138	8613	8613 - Replacement of Splash Bars in Stage-I Cooling Towers at NTPC Korba
139	8624	8624 - Supply of Cooling Towers for Korba Super Thermal Power Project
140	8642	8642 - RTPP Stage-III Construction of Induced Draft Cooling Tower at V.V.Reddy Nagar, Kadapa, AP
141	8702	8702 - Construction of Factory Buildings for Cement Plant at Nallalingayapalli Village, Kadapa
142	8804	8804 - DESIGN, DETAILED ENGINEERING, SUPPLY, SHOP INSPECTION & TESTING, PACKING NDCT
143	8906	8906-REPLACEMENT OF SPLASH BARS IN STAGE I & II COOLING TOWERS FOR KORBA SUPER THERMAL POWER PROJECT
144	8944	8944 - PERIPHERAL STORM WATER DRAINAGE SYSTEM 2X600 MW
145	8918	8918-SERVICES&PREPARTION OF PILE HEADS FOR 1NOS. OF NDCT FOR THE 382.5 MW UNOSUGEN CCPP
146	8921	8921-SITE PREPARATION AND PILING WORKS DGEN IN DAHEJ
147	9002	9002 - GCW I For 6X660 Mw Sasan Umpp Sasan
148	9003	9003 - Construction Of Channel For Raw Water Intake At Rihand Reserviour For 6X660 Mw Sasan Ultra Mega Power Project, Sasan, Madhya Pradesh.
149	9006	9006-Construction of Chimney work for 5X270 MW Thermal Power Project at Sinnar, Nashik
150	9007	9007-Construction of Chimney work for phase II 5X270 MW Thermal Power Project at Nandgaonpeth, Amravati.
151	9213	BPCL
152	9218	NPCIL

DCS/AMAL/MD/605 /2016-17
November 10, 2016

The Company Secretary
Gammon India Ltd.
Gammon House,
Veer Savarkar Marg,
Prabhadevi, P O Box No 9129 ,
Mumbai - 400025, Maharashtra.

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement Gammon India Limited and Gammon Engineers and Contractors Private Limited

We are in receipt of Draft Scheme of Arrangement between Gammon India Ltd and Gammon Engineers and Contractors Pvt. Ltd.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated November 9, 2016, has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***“Company to ensure that information submitted by company vide email dated October 06, 2016 and October 28, 2016 pertaining to Mr. Abhijit Rajan, Mrs. Urvashi Saxena, Mr. Naval Choudhary and Mr. Atul Kumar Shukla are disclosed in the Scheme under the heading “action taken by SEBI / RBI”.*”**
- ***“To duly comply with various provisions of the Circulars.”***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the Circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager

Ref: NSE/LIST/93391

November 10, 2016

The Company Secretary
Gammon India Limited
Gammon House, Veer Savarkar Marg,
Post Box No. 9129, Prabhadevi
Mumbai - 400025

Kind Attn.: Ms. Gita Bade

Dear Madam,

Sub: Observation letter for draft Scheme of Arrangement between Gammon India Limited and Gammon Engineers and Contractors Private Limited and their respective shareholders and creditors

This has reference to draft Scheme of Arrangement between Gammon India Limited (GIL, Transferor Company) and Gammon Engineers and Contractors Private Limited (GECPL, Transferee Company) and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956.

Based on our letter reference no. NSE/LIST/87403 submitted to SEBI and pursuant to SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated November 09, 2016, has given following comments on the draft Scheme of Arrangement:

“a. The Company shall ensure that information submitted by the company, Gammon India Limited vide email dated October 06, 2016 and October 28, 2016 pertaining to Mr. Abhijit Rajan, Mrs. Urvashi Saxena, Mr. Naval Choudhary and Mr. Atul Kumar Shukla are disclosed in the scheme under the heading “action taken by SEBI/RBI”.

b. The Company shall duly comply with various provisions of the Circulars.”

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon’ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from November 10, 2016, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:



- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2) (b) of SCRR, 1957, wherever applicable, and;
- f. Complaints Report as per SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For **National Stock Exchange of India Limited**

Kautuk Upadhyay
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Kautuk Rohit Upadhyay
Date: Thu, Nov 10, 2016 19:25:43 GMT+05:30
Location: NSE

SSPA & CO.

Chartered Accountants

1st Floor, "Arjun", Plot No. 6 A,

V. P. Road, Andheri (W),

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STRICTLY PRIVATE & CONFIDENTIAL

July 20, 2016

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

**The Board of Directors
Gammon Engineers and Contractors Private Limited**
Gammon House,
Veer Savarkar Marg, Prabhadevi,
Mumbai 400 025.

Re: Recommendation of fair equity consideration for the purpose of proposed Slump Exchange of 'Civil Engineering, Procurement and Construction Undertaking' of Gammon India Limited into Gammon Engineers and Contractors Private Limited.

Dear Sirs,

As requested by the management of Gammon Engineers and Contractors Private Limited (hereinafter referred to as "GECPL" or "the Transferee Company") and Gammon India Limited (hereinafter referred to as "GIL" or "the Transferor Company"), we have undertaken the valuation exercise of equity shares of GECPL and of "Civil Engineering, Procurement and Construction Undertaking" of GIL (hereinafter referred to as "Civil EPC Undertaking") for recommending the fair equity consideration for the purpose of proposed Slump Exchange of "Civil Engineering, Procurement and Construction Undertaking" of GIL into GECPL.

1. PURPOSE OF VALUATION

- 1.1 We have been informed that the Board of Directors of GIL and GECPL (hereinafter collectively referred to as "Companies") are considering a proposal for transfer of the "Civil EPC Undertaking" of GIL pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, to the extent applicable ("Scheme of Arrangement"). Subject to necessary approvals, Civil EPC Undertaking would be transferred to GECPL with effect from the Appointed Date of July 1, 2016 ("Appointed Date"). In consideration for the Slump Exchange of Civil EPC Undertaking into GECPL, equity shares of GECPL would be issued to GIL.



- 1.2 In this regard, SSPA & Co., Chartered Accountants ("SSPA") have been appointed by the management of the Companies (hereinafter referred to as the "Management") to carry out valuation of Civil EPC Undertaking and the equity shares of GECPL with a view to recommend fair equity consideration of equity shares of GECPL 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 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.
- 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. CIVIL ENGINEERING PROCUREMENT AND CONSTRUCTION UNDERTAKING

- 2.2.1. Civil Engineering Procurement & Construction Undertaking of GIL (hereinafter referred to as the "Civil EPC Undertaking" or the "Undertaking") is one of the largest EPC contractor associated with various landmark projects in India. Civil EPC Undertaking have expertise in roads, tunnels, bridges, buildings, flyovers, hydro-power and nuclear power and are also one of biggest construction turnkey contractors.
- 2.2.2. Civil EPC Undertaking as defined in the Scheme of Arrangement is provided in Annexure I to this report.
- 2.2.3. We have been informed that the Management is proposing to transfer Civil EPC Undertaking to GECPL. We have been further informed that GIL and GECPL will be entering into a Business Transfer Agreement on July 21, 2016 pursuant to which GIL will transfer one of the undertakings relating to Civil EPC Business to GECPL with effect from July 1, 2016. GIL and GECPL will enter into a Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956, with Appointed Date of July 1, 2016 pursuant to which the remaining Civil EPC business will also stand transferred to GECPL.



2.3. GAMMON ENGINEERS AND CONTRACTORS PRIVATE LIMITED

- 2.3.1. GECPL, formerly known as Nikias Metal Private Limited, was incorporated on December 17, 2014. GECPL is engaged in the business of providing consultancy services relating to ferrous and non-ferrous metals, however GECPL is now proposed to be engaged in business of engineering, procurement and construction business.
- 2.3.2. We have been informed that as on the Appointed Date, GECPL is not a subsidiary of GIL, but GIL has subsequently acquired 100% stake in GECPL through its wholly subsidiary Gammon Retail Infrastructure Private Limited.
- 2.4. We have been informed that GIL and an investor, namely G. P. Group, Thailand ("Investor") have entered into an Investment Agreement, pursuant to which, Investor will be investing in Civil EPC Undertaking by investing approx. INR 150.00 crores for 75% in GECPL.

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:

- (a) Management certified Position of Assets and Liabilities of Civil EPC Undertaking as at June 30, 2016.
- (b) Management certified provisional Balance Sheet and Profit & Loss Account of GECPL for 3 months ended June 30, 2016.
- (c) Projected Profit & Loss Account, working capital and capex requirements of Civil EPC Undertaking for nine months period ended March 31, 2017 and financial years (FY) 2017-18 to 2021-22 as provided by the Management.
- (d) Draft Scheme of Arrangement u/s 391 to 394 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.
- (h) Information available in public domain.



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/ Civil EPC 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/ Civil EPC Undertaking and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies / Civil EPC Undertaking including any significant changes that have taken place or are likely to take place in the financial position of the Companies/ Civil EPC 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 GIL, 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/ Civil EPC Undertaking 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 transfer, generally the following approaches are adopted:
- (a) the "Underlying Asset" approach
 - (b) the "Income" approach; and
 - (c) the "Market" approach
- 5.2. We understand from the Management that GECPL has recently commenced operations and has not attained sustainable level of operations. Further the Management, is unable to estimate reasonable business plan of GECPL. Thus we have thought fit to value GECPL using the "Underlying Asset" approach.
- 5.3. Since Civil EPC Undertaking is not separately listed on any stock exchange, market approach is not applicable in the present valuation exercise. Considering the aforesaid, we have thought fit to value Civil EPC Undertaking using the "Income" approach.

5.4. UNDERLYING ASSET APPROACH

- 5.4.1. In case of the "Underlying Asset" approach, the value is determined by dividing the net assets of a company/business based on the estimated balance sheet as on the Appointed Date by the number of shares.
- 5.4.2. Valuation of net assets is calculated with reference to the historical cost of the assets owned by a company. Such value usually represents the minimum value or a support value of a going concern.
- 5.4.3. Since the shares are valued on a "going concern" basis and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the realizable or replacement value of the assets. The operating assets have therefore been considered at their book values.



5.4.4. The underlying net assets value as arrived above is divided by the outstanding number of equity shares to arrive at the value per share of GECPL.

5.5. INCOME APPROACH

Under the "Income" approach, Civil EPC Undertaking has been valued using Discounted Cash Flow (DCF) method.

5.5.1. 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.

5.5.2. 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.

5.5.3. 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.

5.5.4. Appropriate adjustment has been made for loan funds to arrive at the equity value of the Undertaking.

6. RECOMMENDATION

6.1. The fair basis of Slump Exchange of Civil EPC Undertaking into GECPL 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 Civil EPC Undertaking and the "Underlying Asset" approach for arriving at the value of the shares of GECPL.

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. We have divided equity value of Civil EPC Business by per share value of GECPL to arrive at the fair equity share consideration.
- 6.4. 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 Civil EPC Undertaking works out to 1,18,85,714 equity shares of INR 10 each of GECPL.

Thank you,
Yours faithfully,

SSPA & Co.



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

Place: Mumbai

Annexure I

"Civil EPC Undertaking" means the Transferred Undertaking as a going concern, with all properties, pre-qualifications, rights and powers and all debts, liabilities, duties and obligations comprised in and/or pertaining to the Transferred Undertaking as on the Appointed Date, including:

- i. *all properties and assets, movable and freehold and leasehold immovable, including the immovable properties relating to BTA undertaking allowed to be used by the buyer therein, including right to use the premises called 'Gammon House' without payment of any license fee for a period of 2 (two) years from the Appointed Date, real and personal, tangible and intangible, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situated; as on the Appointed Date relating to the Transferred Undertaking, leases, tenancies and agencies of the Transferor Company relating to the Transferred Undertaking, plant and machineries, electrical installations, vehicles, equipments, furnitures, investments, sundry debtors, inventories, other current assets, cash and bank balances, bills of exchange, deposits, loans and advances (including recoverable from identified subsidiaries), and other assets as appearing in the books of account of the Transferor Company in relation to the Transferred Undertaking;*
- ii. *all other interests or rights (including claims, arbitration awards, etc.) or accumulated experience and performance qualifications, including financial, technical and other qualifications, in or arising out of or relating to the Civil EPC Business together with all respective powers, interests, charges, privileges, benefits, entitlements, building plans, drawings (including approvals obtained for such drawings or any pending applications made for approvals), industrial and other registrations, licenses, quotas, brands and trademarks, including trademark "Gammon" (subject to the right of GIL and its Group Companies to use the trademark "Gammon" without payment of any fees or royalty to GECPL for a period of two years from the Effective Date, subsequent to which the trademark may be used by GIL and its Group Companies based on mutual discussions with the Parties and also GIL changing its name within six months of the Effective Date of the Scheme), patents, copyrights, other intellectual property rights, liberties, easements and advantages, subsidies, grants, taxes, tax credits/ incentives (including but not limited to credits/ incentives in respect of sales tax, value added tax, turnover tax, excise duty, service tax etc.), tax holiday benefits and other benefits appertaining to the Transferred Undertaking and/or to which the Transferor Company is entitled to in respect of the Transferred Undertaking of*



- whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts, sub-contracting agreements entered into with the GECPL and engagements relating to the Transferred Undertaking;*
- iii. powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, facsimile connections and installations, utilities, electricity, water and other services, and all other interests in connection with or relating to the Transferred Undertaking;*
 - iv. all debts, liabilities, duties, funded and non-funded facilities, bank guarantees, letters of credit and obligations of the Transferor Company in relation to the Transferred Undertaking including loans / borrowings secured on investment in identified subsidiaries being transferred and further including liabilities (including those arising in future) on account of loans, sundry creditors, sales tax, bonus, gratuity and other taxation and contingent liabilities of the Transferor Company pertaining to or relating to the Transferred Undertaking;*
 - v. all employees of the Transferor Company engaged in or in relation to the Transferred Undertaking, on the date immediately preceding the Effective Date; and*
 - vi. all books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records, whether in physical or electronic form, directly or indirectly in connection with or relating to the Transferred Undertaking.*
 - vii. Provided that the Transferor Company will have the right to access the books, records, files, papers, computer software alongwith their licenses, manuals and backup copies, drawings, data catalogues, and other data and records pertaining to the Civil EPC Undertaking in case required in any legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, even after coming into effect of the Scheme and the Transferee Company shall be obliged to provide such documents and other records to the Transferor Company.*



**Fairness Opinion on 'Valuation Report' issued by SSPA & Co. on the proposed
Slump Exchange of the 'Civil EPC Undertaking' of Gammon India Limited into
Gammon Engineers And Contractors Private Limited**

Prepared by



Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point,
Andheri-Kurla Road, J. B. Nagar,
Andheri East, Mumbai – 400059.
Ph: +91-22-4082 0906 Fax: +91-22-4082 0999

July 20, 2016

SEBI Registered Category I Merchant Banker

SEBI Registration No: INM000011211

Notice to Reader

This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a fairness opinion on "Valuation Report" issued by SSPA & Co. on the proposed Slump Exchange of the 'Civil EPC Undertaking' of Gammon India Limited into Gammon Engineers And Contractors Private Limited by way of a "Scheme of Arrangement" of Gammon India Limited ("GIL" or "Company" or "Transferor Company") and Gammon Engineers And Contractors Private Limited ("GECPL" or "Transferee Company) and their respective shareholders and creditors ("the Scheme" or 'this Scheme' or 'Scheme'). This report is issued pursuant to Regulation 11, 37 and 94 of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Valuation Report dated July 20, 2016 prepared by SSPA & Co, Chartered Accountants (Firm Registration No. 128851W) having their head office situated at 1st Floor, "Arjun" Plot No. 6A, V.P. Road, Andheri (W), Mumbai – 400 058] for the Scheme and information and explanation provided to it, the accuracy where of has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of the past working results and Saffron has relied upon the information provided to it as set out in audited and working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification of such assets and liabilities.

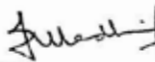



We hereby give our consent to upload the Fairness Opinion on the website of the company, present and disclose the Fairness Opinion in the general meetings of the shareholders of GIL and GECPL, the Stock Exchanges, the Registrar of Companies and any other government authorities pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this Report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a Fairness Opinion on Valuation Report issued for the Scheme and may not be applicable or referred to or quoted in any other context.

For **Saffron Capital Advisors Private Limited**

Authorised Signatory

Introduction and Scope of Assignment

1. Transferor Company – Gammon India Limited or “GIL”:

GIL is one of 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.

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.

The Shares of GIL are listed on The National Stock Exchange of India Limited and BSE Limited.

2. Civil Engineering Procurement and Construction Undertaking

Civil EPC Undertaking means the engineering procurement and construction business of GIL to be transferred to GECPL, through the Scheme, on a going concern basis which includes all properties, assets, right and interests therein, powers and facilities of every kind, Performance Qualifications, debts, duties and obligations etc as more specifically defined in the draft Scheme.

We have been informed that the Management is proposing to transfer Civil EPC Undertaking to its step down 100% subsidiary, GECPL. GIL and GECPL have entered into a Business Transfer Agreement dated July 21, 2016 pursuant to which GIL will transfer one of the undertakings relating to the Civil EPC Business to GECPL with effect from July 1, 2016. The remaining Civil EPC business of GIL will be transferred to GECPL by way of the Scheme.



3. Transferee Company – Gammon Engineers and Contractors Private Limited or “GECPL”:

GECPL, formerly known as Nikias Metal Private Limited, was incorporated on December 17, 2014. GECPL is a step down 100% subsidiary of GIL with registered office at Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025.

4. Capital Structure

4.1 The authorized, issued, subscribed and paid-up share capital of GIL as on March 31, 2016 is as under:

Share Capital	Amount in Rs. Crores
Authorized Share Capital	
74,710,000,000 Equity Shares of Rs. 2 each	14,942.00
3,000,000 6% Optionally Convertible Preference Shares of Rs. 350/- each	105.00
Total	15,047.00
Issued Share Capital	
366,303,349 Equity Shares of Rs. 2 each, fully paid up	73.26
Total	73.26
Subscribed and Fully Paid up Capital	
364,722,809 Equity Shares of Rs. 2 each, fully paid up	72.94
Share Forfeiture Account	
Money received in respect of Right Shares of Rs.10/- each forfeited	0.34
Total	73.28

4.2 The authorized, issued, subscribed and paid-up share capital of GECPL as on March 31, 2016 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
1,00,000 Equity Shares of Rs.10/- each	10,00,000



Share Capital	Amount in Rs.
Total	10,00,000
Issued, Subscribed and Paid-up Share Capital	
1,00,000 Equity Shares of Rs.10/- each, fully paid-up	10,00,000
Total	10,00,000

Subsequent to the above date, the Board of Directors of the Company have approved the increase of authorized share capital of the Company from Rs. 10,00,000/- to Rs. 2,50,00,000/-. As on the date of approval of the Scheme by the Board of Directors of the Companies, the entire share capital of GECPL is 100% legally and beneficially held by GIL through its wholly owned subsidiary "Gammon Retail Infrastructure Private Limited.

5. The Scheme of Arrangement is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 / Companies Act, 2013 for the transfer of the Civil EPC Undertaking of GIL into GECPL.
by way of Slump Exchange.
6. Transfer of the Civil EPC Undertaking by GIL to GECPL would help in achieving the desired operating structure and shall inter alia have the following benefits:
 - To create sector focused company;
 - To enable investment by strategic investor;
 - Ring-fence businesses from each other; and
 - Deleverage the balance sheet of Gammon India Limited.
7. Valuation has been decided based on the Valuation Report dated July 20, 2016 prepared by SSPA & Co, Chartered Accountants (Firm Registration No. 128851W) having their head office situated at 1st Floor, "Arjun" Plot No. 6A, V.P. Road, Andheri (W), Mumbai – 400 058].



8. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged to give a Fairness Opinion on Valuation Report issued for the proposed Scheme of Arrangement of GIL. The valuation mentioned herein reflects our independent opinion which is arrived at based on the information provided to us.



Exclusions and Limitations

- In this connection, Saffron has been requested by GIL to submit a report by giving a Fairness Opinion on Valuation Report issued by SSPA & Co. for the proposed Scheme.
- We have prepared the Fairness Opinion on the basis of the following information provided to us / collated by us from publicly available sources, like website of BSE/NSE:
 - a) Draft Scheme of Arrangement provided by GIL
 - b) Valuation Report issued by SSPA & Co, Chartered Accountants and
 - c) Such other information and explanations as we require and which have been provided by the management of the company
- Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.
- Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.



Key Extracts of Valuation Report of SSPA & Co, Chartered Accountants

As requested by the management of Gammon Engineers and Contractors Private Limited (hereinafter referred to as "GECPL") and Gammon India Limited (hereinafter referred to as "GIL"), we have undertaken the valuation exercise of equity shares of GECPL and of 'Civil Engineering, Procurement and Construction Undertaking' of GIL (hereinafter referred to as the "Civil EPC Undertaking") for recommending the fair equity consideration for the purpose of proposed Slump Exchange of "Civil Engineering, Procurement and Construction Undertaking" of GIL into GECPL.

We have been informed that the Board of Directors of GIL and GECPL (hereinafter collectively referred to as "Companies") are considering a proposal for transfer of the "Civil EPC Undertaking" of GIL pursuant to provisions of Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, to the extent applicable ("Scheme of Arrangement"). Subject to necessary approvals, Civil EPC Undertaking, would be transferred to GECPL with effect from the Appointed Date of July 1, 2016 ("Appointed Date"). In consideration for Slump Exchange of Civil EPC Undertaking into GECPL, equity shares of GECPL would be issued to GIL.

For the purpose of valuation for transfer, generally the following approaches are adopted:

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

We understand from the Management that GECPL has recently commenced operations and has not attained sustainable level of operations. Further the Management, is unable to estimate reasonable business plan of GECPL. Thus we have thought fit to value GECPL using the "Underlying Asset" approach.

Since Civil EPC Undertaking is not separately listed on any stock exchange, market approach is not applicable in the present valuation exercise. Considering the aforesaid, we have thought fit to value Civil EPC Undertaking using the "Income" approach.



UNDERLYING ASSET APPROACH

In case of the "Underlying Asset" approach, the value is determined by dividing the net assets of a company/business based on the estimated balance sheet as on the Appointed Date by the number of shares.

INCOME APPROACH

Under the "Income" approach, Civil EPC Undertaking has been valued using Discounted Cash Flow (DCF) method.

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.

RECOMMENDATION

The fair basis of transfer of Civil EPC Undertaking into GECPL 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 Civil EPC Undertaking and the "Underlying Asset" approach for arriving at the value of the shares of GECPL.

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 Civil EPC Undertaking works out to 1,18,85,714 equity shares of INR 10 each of GECPL.



Conclusion and Opinion on Valuation Report

Conclusion:

We have reviewed the valuation report and based on the information, material data made available to us, to best of our knowledge and belief, the valuation suggested by the Valuer (SSPA & Co, Chartered Accountants) for the proposed Scheme of Arrangement is **Fair and Reasonable.**





26th September, 2016

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
NSE Scrip Code: GAMMONIND EQ

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
BSE Scrip Code: GAMMONIND

Dear Sir,

Reference: Scheme of Arrangement between Gammon India Limited and Gammon Engineers And Contractors Private Limited and their respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956

Subject: Complaints report pursuant to application under Regulation 37 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") and in terms of the SEBI Circular no. CIR/CFD/CMD/16/2015 dated 30th November, 2015 ("SEBI Circular")

In continuation to our application dated August 31, 2016 under the aforementioned regulation for the proposed Scheme of Arrangement between Gammon India Limited and Gammon Engineers And Contractors Private Limited and their respective Shareholders and Creditors and pursuant to SEBI Circular, please find enclosed herewith "Complaints Report", in the prescribed format for your necessary actions.

The Complaints Report will also be uploaded on the website of the Company, i.e. www.gammonindia.com as per the requirement of the said Circular.

Request you to take the same on record and oblige.

We request you to provide necessary "No Objection" to the Scheme at the earliest so as to enable us to file the same with the Hon'ble High Court.

Thanking you.
Yours faithfully,

For **GAMMON INDIA LIMITED**


GITA G. BADE
COMPANY SECRETARY

Encl: As above

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





Complaints Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
NA			

FOR GAMMON INDIA LIMITED


GITA G. BADE
COMPANY SECRETARY

DATE: 26th September, 2016

GAMMON INDIA LIMITED

An ISO 9001 Company

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GAMMON INDIA LIMITED

CIN: L74999MH1922PLC000997

Registered Office: 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.

Tel No: 91 – 22 - 6111 4000, Fax No: 91-22-2430 0221

Email: investors@gammonindia.com, Website: www.gammonindia.com

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO 991 OF 2016**

In the matter of the Companies Act, 1956 (1 of 1956) (or any re-enactment thereof upon effectiveness of the Companies Act, 2013);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement

Between

Gammon India Limited ('GIL' or 'the Transferor Company')

AND

Gammon Engineers and Contractors Private Limited ('GECPL' or 'the Transferee Company')

AND

Their Respective Shareholders and Creditors

GAMMON INDIA LIMITED, (CIN : L74999MH1922PLC000997)

a Company incorporated under the Companies Act, 1913 having)

its registered office at Gammon House, Veer Savarkar Marg,)

Prabhadevi, Mumbai – 400 025, India)

Applicant Company

PROXY FORM

I/We, _____, the undersigned Equity Shareholder/(s) of Gammon India Limited, the Applicant Company, do hereby appoint :

1. Mr./ Ms. _____ of _____ and failing him/her;
2. Mr./ Ms. _____ of _____ and failing him/her;
3. Mr./ Ms. _____ of _____ as my/our proxy, to

act for me/us at the Court Convened Meeting of the Equity Shareholders of Gammon India Limited, to be held on Friday, 6th January, 2017 at 2.00 P.M. IST at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025 for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Gammon India Limited ('GIL' or 'the Transferor Company') and Gammon Engineers and Contractors Private Limited ('GECPL' or 'the Transferee Company') and their Respective Shareholders and Creditors ('the Scheme' or 'this Scheme') and at such meeting and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name _____ (here, 'if for', insert 'FOR'; 'if against', insert 'AGAINST', and in the latter case, strike out the words "either with or without modification" after the word 'Scheme') the said Scheme, either with or without modification*, as my/our proxy may approve.

* Strike out what is not necessary.

Dated this _____ day of _____

Name: _____

Address: _____

No. of shares held: _____

(For Demat holding)

DP Id. _____ Client Id. _____

(For Physical holding)

Folio No. _____

Signature of

Shareholder(s) : Sole holder / First holder _____

Second holder _____

Third holder _____

Signature of Proxy: _____

Notes:

1. Proxy need not be a member of the Company.
2. Alterations, if any, made in the form of proxy should be initialed.
3. Proxy form in order to be effective must be duly completed and deposited at the registered office of the Applicant Company at 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025, India, not less than 48 (Forty eight) hours before the scheduled time of the commencement of the said meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.

Affix One
Rupee
Revenue
Stamp

(Signature)

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GAMMON INDIA LIMITED

CIN: L74999MH1922PLC000997

Registered Office: 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.

Tel No: 91 – 22 - 6111 4000, Fax No: 91-22-2430 0221

Email: investors@gammonindia.com, Website: www.gammonindia.com

Attendance Slip

I hereby record my presence at the meeting of the Equity Shareholders of Gammon India Limited, convened pursuant to the Order dated 2nd December, 2016 of the Hon'ble High Court of Bombay, at Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025 on Friday, 6th day of January, 2017 at 2.00 P.M. IST.

Name and Address of
the Equity Shareholder/
Proxy (in block letters)

Folio No. :

DP ID No.* :

Client ID No.* :

No. of Share(s) held :

Signature of Equity shareholder(s)/proxy

*Applicable for Shareholders holding Shares in dematerialised form.

Notes:

- 1) Shareholders attending the meeting in person or by Proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
- 2) Shareholder/Proxy holder who desires to attend the meeting should bring his / her copy of the Notice for reference at the meeting.

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ROUTE MAP FOR VENUE OF COURT CONVENED MEETING OF THE COMPANY
Textiles Committee, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400 025.

