



2nd April, 2016

The National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra (East),
Mumbai - 400 051

NSE CODE: GAMMONIND

BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE CODE: 509550

Dear Sir,

Sub: Outcome of the Board Meeting held on 2nd April, 2016 .

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, you are hereby informed that the Board of Directors ("Board") of the Company at its meeting held on 2nd April, 2016 which commenced at 3.30 p.m. and concluded at 5.30 pm transacted the following businesses;

1. The Board considered and accepted the proposal from GP Group, Thailand (hereinafter referred to as "Investor") to invest in the Company's Civil Engineering Procurement and Construction business ("Civil EPC") by investing in the Company's wholly owned subsidiary, Gammon Retail Infrastructure Private Limited ("GRIPL"), wherein the Civil EPC business is in the process of being transferred as part of the restructuring. GP Group is a 145 years old group in Thailand, and is headed by Mr. Kirit Shah. The group's businesses include constructions, logistics, aviation, energy supply, pharma, agro products, software, mining etc. The Board further also approved the draft of the Investment cum Shareholders Agreement ("Investment Agreement") to be entered into between the Company, the Investor and GRIPL.

The brief terms of the Investment agreement are;

- a. The Agreement shall be effective from the date it is entered into and is subject to the approval of the Lenders and the shareholders.
- b. The Investor shall invest a sum of Rs. 250 crores, of which Rs. 26 crores to be invested on consummation of Business Transfer Agreement ("BTA" executed on 12th February, 2016 between the Company and GRIPL) and balance Rs. 224 crores to be invested on consummation of the Scheme of Arrangement (for Transfer of the EPC Business into GRIPL), for acquiring upto 75% stake in GRIPL.
- c. Investor will reconstitute the Board of GRIPL to control the Board composition .

Additional information as required under Annexure I, Para A of Part A of Schedule III of the Listing Regulations

- i. Date on which the agreement for sale/disposal of subsidiary has been entered into;

The Board has approved the execution of the Investment Agreement. An intimation will be given to the exchanges on the signing of the Agreement.

- ii. Expected date of Completion – 12 months from the date of the Agreement.

GAMMON INDIA LIMITED

An ISO 9001 Company

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CIN: L74999MH1922PLC000997



iii) Whether the Investor belongs to the promoter group - The investor is not related to the promoter group.

iv) Whether the transaction would fall within related party transactions?. If yes whether the same is done at arms length.

The transaction is not a "Related Party Transaction".

2. The Board in its meeting also approved divestment of upto 30% of its shareholding in Gammon Infrastructure Projects Limited ("GIPL"), held through its wholly owned subsidiary Gammon Power Limited, such divestment to be in one or more tranches, at such times and in such manner as the Board /duly constituted Committee of Directors, may approve, on the floor of the stock exchanges, at the price prevailing on the exchanges on the date of such sale.

i) Objective of divestment; The Company currently holds approximately 56% of the equity capital of GIPL through its wholly owned subsidiary GPL. The said shares have been pledged with lenders as security for the financial facilities extended by ICICI and IDBI Bank. The Company shall use the proceeds of the sale to repay ICICI and IDBI Bank.

ii) Expected date of completion of sale/disposal; within 6 to 12 months.

iii) The sale of shares shall be to the general public through the exchanges and no shares shall be sold/disposed off to the promoter/promoter group companies.

iv) The said transaction is not a related party transaction.

The aforementioned transactions as approved by the Board are subject to the approval of the lenders, shareholders and all statutory approvals as may be necessary.

You are requested to take the aforementioned information on record.

By Order of the Board of Directors
For **GAMMON INDIA LIMITED**


GITA BADE
COMPANY SECRETARY

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