



GAMMON INFRASTRUCTURE PROJECTS LIMITED

Date: February 29, 2016

To
The Manager – DCS
National Stock Exchange of India Limited
Exchange Plaza , C-1, Block - G ,
Bandra – Kurla Complex, Bandra East,
Mumbai – 400001

Dear Sir,

Sub: UPDATE ON DIVESTMENT TRANSACTION DEAL WITH BROOKFIELD
Ref : Scrip Code - 532959, Scrip ID – GAMMNINFRA

It is hereby informed to the Exchange that earlier the Company had intimated on August 27, 2015 signing of Share Purchase Agreement (SPA) for disinvestment of the Company's entire shareholding held directly and/or through nominees in **nine project Companies (Project SPVs)** to BIF India Holdings Pte Ltd. ('**Brookfield**'), as per **Annexure A** enclosed.

The said SPA / transaction was, at the time, subject to approval from the National Highways Authority of India ("NHAI"), consents from the Project SPV lenders, approval of the shareholders of Gammon Infrastructure Project Limited ("GIPL"), and satisfaction of certain condition precedent.

Based on receipt of approvals from the NHAI, consents from the SPV lenders, approvals from GIPL shareholders, and satisfaction of conditions precedent on 6 SPVs (AEL, REL, GICL, KBICL, MNEL and AIIPL ("**First Tranche Project SPVs**") out of the 9 SPVs, the first tranche of the transaction has been successfully concluded today.

The three remaining Project SPVs covered under the transaction (VGRPPL, PREL and SHPVL) will be transacted on satisfaction of the relevant conditions precedent and this has been incorporated by way of an amended SPA.

Key Commercial Terms of the Transaction for Gammon Infrastructure Projects Limited:

(A) FIRST TRANCHE PROJECT SPVs, viz:

Andhra Expressway Limited (AEL) (100% subsidiary)
Rajahmundry Expressway Limited (REL) (100% subsidiary)
Kosi Bridge Infrastructure Company Limited (KBICL) (100% subsidiary)
Gorakhpur Infrastructure Company Limited (GICL) (100% subsidiary)
Mumbai Nasik Expressway Limited (MNEL) (approx. 80% subsidiary)
Aparna Infraenergy India Private Limited (AIIPL) (100% subsidiary)



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#	Parameter	Value	Remarks
1a	Cash to be received towards equity	INR 138 crore	<ul style="list-style-type: none"> This amount has been received today after successful completion of the transaction under First Tranche Project SPVs
1b	Repayment of Inter Corporate Deposits given by GIPL to AIPL & GICL	INR 242 crore	<ul style="list-style-type: none"> An amount of INR 30 crores has been received today after successful completion of the transaction under First Tranche Project SPVs INR 161 crores deposited in escrow account today, to be received after release and transfer of shares of the First Tranche Project SPVs pledged against working capital facilities availed by GIPL from banks INR 51 crores deposited in escrow account today, to be received after release and transfer of shares of the First Tranche Project SPVs pledged against project loan facilities availed by the Project SPVs
1	Aggregate cash received by GIPL (= 1a + 1b)	INR 380 crore	<ul style="list-style-type: none"> This is after closing adjustments of INR 24 crore.
2	Waiver of advances given by Project Companies to GIPL	INR 285 crore	<ul style="list-style-type: none"> Waiver of INR 285 crores received
3	Additional cash expected to be received by GIPL	INR 100 crore	<ul style="list-style-type: none"> Upon crystallization of certain milestones in future
4	Outstanding liabilities getting reduced	INR 87 crore	
5	Past contingent receivables for GIPL	75% of all such receivables of First Tranche Project SPVs excluding GICL and 85% of all such receivables in case of GICL, whose estimated value is nearly INR 1000 crore subject to realization	<ul style="list-style-type: none"> To receive in the coming years The percentage share of 85%, with respect to GICL, is an improvement of terms in the Amended and Restated SPA, which was earlier 75% in the SPA executed on 27th August 2015.
6	Project debt transferred with Project SPVs	INR 1365 crore	<ul style="list-style-type: none"> Consolidated Debt of GIPL will stand reduced from 4013 crores to 2648 crores
7	Obligation to purchase JV Partner's 20% stake in MNEL.	INR 72 crore	<ul style="list-style-type: none"> JV Partner's stake transferred to the purchaser in compliance with the Company Law Board order.



REMAINING (SECOND TRANCHE) PROJECT SPVs,viz:

Vijayawada Gundugolanu Road Project Private Limited (VGRPPL) (100% subsidiary)
Sikkim Hydro Power Ventures Limited (SHPVL) (100% subsidiary)
Pravara Renewable Energy Limited (PREL) (100% subsidiary)

#	Parameter	Value	Remarks
1a	Cash to be received towards equity	INR 31 crore	• Subject to closing adjustments, if any
1b	Repayment of Inter Corporate Deposits given by GIPL to VGRPPL, PREL & SHPVL	INR 129 crore	
1	Aggregate cash to be received by GIPL (= 1a + 1b)	INR 160 crore	
2	Further interest receivable	To be computed on Second Tranche completion	• This amount of INR 160 crores plus any further capital infused by GIPL will be repaid to GIPL on completion, along with an interest of 11.5% p.a. from today.

- Note: The total cash received / to be received = INR 380 crores for First Tranche Project SPVs + INR 24 crores of closing adjustment for First Tranche Project SPVs + INR 160 crores for the remaining project SPVs totaling to INR 563 crores post rounding off, which we had announced on 27th August 2015.

It is hereby specifically informed that there have been no material changes in any of the key financial terms of the said transaction as per amended SPA save and except as aforesaid.

Yours truly,

For Gammon Infrastructure Projects Limited

Kishor Kumar Mohanty
Managing Director
 Encl : Annexure A



Date: August 27, 2015

To
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block -G, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400051

Dear Sir,

Sub: Outcome of Board Meeting

Ref : Scrip Code - 532959, Scrip ID - GAMMNINFRA

The Board of Directors of the Company at its meeting held on August 27, 2015, inter alia, has transacted the following:

1. The current financial year of the Company shall be for a period of 18 (Eighteen) months i.e. from October 01, 2014 to March 31, 2016, to align and comply with the provisions of the Companies Act, 2013, subject to the approval of the Registrar of Companies, Mumbai.
2. The Board has approved disinvestment of the Company's entire shareholding held directly and/or through nominees in the following Nine project Companies (project SPVs) to BIF India Holdings Pte Ltd. jointly held by funds managed by Brookfield Asset Management and its affiliates ('Brookfield') and Core Infrastructure India Fund Pte Ltd.

Project Company	Project Description
Aparna Infraenergy India Private Limited (100% subsidiary)	250 MW coal fired plant in Chandrapur, State of Maharashtra located at Nagpur. Construction on the project is at pre development stage.
Sikkim Hydro Power Ventures Limited (100% subsidiary)	Build, own, operate and transfer of a 66 MW "run of the river" hydropower project at Rimbi Khola, a tributary of Rangit River, in the State of Sikkim. Project is under development.
Pravara Renewable Energy Limited (100% subsidiary)	Build, own, operate and transfer of a 30 MW co-generation power plant in Ahmednagar District, State of Maharashtra. Project is completed expected to be operational soon.
Andhra Expressway Limited (100% subsidiary)	Strengthening of existing 2 lane 47kms road from KM 253 to 300 and widening thereof to a four lane on a build own transfer basis under concession from NHAI in the Dharmavaram Tuni section on NH-5 Andhra Pradesh. Project is already operational.

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Rajahmundry Expressway Limited (100% subsidiary)	Strengthening of existing 2 lane from KM 200 to 253 and widening of 4 lane dual carriageway on build, operate and transfer basis from Vijaywada to Vishakhapatnam on NH-5 in the State of Andhra Pradesh under concession from NHAI. Project is already operational.
Kosi Bridge Infrastructure Company Limited (100% subsidiary)	Design, construction, finance and management of 4 lane bridge across Kosi river including approaches from 155 km to 165 km on NH-57 in the State of Bihar under concession from NHAI. Project is already operational.
Gorakhpur Infrastructure Company Limited (100% subsidiary)	Design, construction, finance and maintenance of highway from 0km to 32km at Gorakhpur bypass on NH28 in the State of Uttar Pradesh under concession from NHAI. Project is already operational.
Mumbai Nasik Expressway Limited (approx. 80% subsidiary)	Strengthening of existing 2 lane road and widening it into four lane divided highway from Vadape to Gonde on NH-3 from 440 km to 539 km under concession from NHAI. Project also included construction of a new road i.e. Kasara bypass for Mumbai bound traffic movement. Project is already operational.
Vijayawada Gundugolanu Road Project Private Limited (100% subsidiary)	Six laning of four lane Vijayawada- Gundugolanu section of NH5 from km 1076.48 to km 1022.48 including new construction of new six lane Hanuman junction bypass and 4 lane Vijayawada bypass in State of Andhra Pradesh under NHDP Phase V. Project is under expansion.

Key terms of the transaction:

- The consideration towards equity comprises of cash consideration of approx. Rs. 192 crore and a waiver of advances to GIPL of Rs. 285 crore;
- The project SPVs being taken over will repay the inter corporate deposits of approx. Rs. 371 crore given by GIPL to the Project SPVs;
- Aggregate cash inflows for GIPL on account of divestment would be approx. Rs. 563 crore subject to closing adjustments;
- Additional cash inflow of upto Rs. 100 crore may be realized by GIPL upon crystallization of certain milestones in future.



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- GIPL will also benefit further from:
 - The outstanding liabilities to the tune of Rs. 87 crore will stand reduced
 - and
 - 75% of past contingent receivable may also be received by the Company when realized.

The transaction is subject to necessary shareholders, lenders and regulatory approvals and satisfaction of certain contractual conditions.

3. The Board has also recommended divestment of 50% shareholding of Vizag Seaport Private Limited for a consideration of Rs 62.5 crore in favor of Lastin Infrastructure Projects Limited, an affiliate of an existing shareholder, Lastin Group. The Company will continue to hold 23.76% shareholding.

The transaction is subject to necessary shareholders, lenders and regulatory approvals.

4. The Board has accorded its consent to obtain approval of the shareholders for the proposed divestments by means of a Postal Ballot in accordance with the due process of law.

Yours truly,

For **Gammon Infrastructure Projects Limited**

Kishor Kumar Mohanty
Managing Director