

11th May, 2018

The National Stock Exchange of India Limited

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

Scrip Code: GAMMONIND

BSE Limited

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

Scrip Code: 509550

Dear Sir,

Subject: Company Updates

This is in connection with the 'Observation Letters' from the National Stock Exchange (NSE) and BSE Limited both dated 27th April, 2018 approving the proposed Scheme of Arrangement between Gammon India Limited (GIL) and Gammon Transmission Limited (GTL) and their respective shareholders and creditors for transfer of residual EPC business of GIL to GTL.

The observation letter refers among others, to a communication from SEBI where SEBI has directed the Company to disclose in the draft scheme to be filed before the Hon'ble National Company Law Tribunal, that the Company and its directors are "wilful defaulters" under the heading "Action taken by SEBI/RBI". Such a disclosure would be factually inaccurate.

We would like to clarify that neither the RBI nor have our lenders declared the Company and/or its directors as wilful defaulters. SEBI's observations arise out of a misunderstanding of the RBI's Master Circular (Ref: No. RBI/2015-16/100 DBR.No.CID.BC.22/20.16.003/2015-16 dated July 01, 2015) ("**RBI Circular**").

Besides, the RBI Circular prescribes a procedure for identification and declaration of a person as a wilful defaulter including setting up of a Committee comprising senior officials, followed by due process including issue of a show cause notice. Needless to state, the authority to declare a person as a "wilful defaulter" rests with the banking regulator, the RBI and the concerned banks. We would like to know how SEBI and/or the NSE have come to such a conclusion without an underlying basis.

As investors are aware, while the Company has outstanding loans to banks, its Board has been involved in intense engagement with the lenders, for restructuring of their debts and the promoters have infused substantial funds into the Company. It is therefore unfortunate that at this critical juncture, SEBI has without appreciation of the facts has wrongly come to the conclusion that since the Company has outstanding loans, by virtue of that alone, the Company and its directors are wilful defaulters. SEBI's stand is contrary to RBI's Circular.

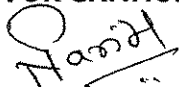
We are compelled to address this letter in the interests of our investors and other stakeholders to enable a fair and informed dealing in our securities and to ensure that the correct factual position is conveyed, should stakeholders be misled by SEBI's erroneous observations.

Please take the above on records and disseminate the same to the public.

Thanking you.

Yours faithfully,

FOR GAMMON INDIA LIMITED



NIKI SHINGADE

COMPLIANCE OFFICER GAMMON INDIA LIMITED

An ISO 9001 Company

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