



GAMMON

# GAMMON INDIA LIMITED

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

## NOTICE

Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 is hereby given that the Resolution mentioned below is proposed to be passed by Postal Ballot.

1. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

(A) **“RESOLVED THAT** in partial modification of all previous resolutions including the Resolutions passed by the Members at the Extra-Ordinary General Meeting held on 12<sup>th</sup> November 2005, 84<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September 2006, Resolutions passed by Postal Ballot on 27<sup>th</sup> March, 2007, 18<sup>th</sup> September, 2007, 7<sup>th</sup> October, 2008, 16<sup>th</sup> June 2009 and 2<sup>nd</sup> July 2010 and pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, consent of the Company be and is hereby accorded to the Board of Directors (“the Board”) of the Company pursuant to Section 372A of the Act and all other applicable provisions if any of the Act and subject to all such consents, sanctions and approvals as may be necessary to make / give from time to time any loan(s) / revolving loans / advances / deposits to any other body corporate / make investments in, acquire by way of subscription, purchase or otherwise the securities of any other body corporate and to give any guarantee and/or provide any security (including by way of pledge of shares or other securities held by the Company in any other body corporate) in connection with a loan made by any other person to or to any other person by, any body corporate, from time to time and in particular to enter into the transactions of the above nature with the companies hereafter mentioned, in any one or more combination(s) thereof, the monetary limits of which may be in excess of the limits prescribed under Section 372A of the Companies Act, 1956, notwithstanding that the aggregate of all the investments, loans, guarantees or securities so far given and/or proposed to be given, to and/or securities so far acquired or to be acquired in all bodies corporates may exceed the limits prescribed under section 372A of the Companies Act, 1956:

- 1) Franco Tosi Turbines Private Limited subject to a limit of Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only);
- 2) AnsaldoCaldaie Boilers India Private Limited subject to a limit of Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only);
- 3) AnsaldoCaldaie - GB Engineering Private Limited subject to a limit of Rs. 100,00,00,000/- (Rupees One Hundred Crores Only);
- 4) Franco Tosi Meccanica S.p.A subject to a limit of Rs. 1000,00,00,000/- (Rupees One Thousand Crores only);
- 5) Gammon Projects Nigeria Limited, subject to a limit of Rs.200,00,00,000/- (Rupees Two Hundred Crores Only);
- 6) Franco Tosi Hydro Private Limited subject to a limit of Rs.100,00,00,000/- (Rupees One Hundred Crores Only);
- 7) Sadelmi Energy Contractor Private Limited subject to a limit of Rs.100,00,00,000/- (Rupees One Hundred Crores Only);
- 8) Sadelmi India Power Private Limited subject to a limit of Rs.100,00,00,000/- (Rupees One Hundred Crores Only);
- 9) SAE Transmission India Limited subject to a limit of Rs.100,00,00,000/- (Rupees One Hundred Crores Only);
- 10) Bright Power Projects (India) Private Limited subject to a limit of Rs.100,00,00,000/- (Rupees One Hundred Crores Only);
- 11) Gammon Structures LLC or such other name as may be granted by The Delaware Division of Corporations, U.S.A. subject to a limit of Rs.100,00,00,000/- (Rupees One Hundred Crores Only)
- 12) Acquisition of 15% Secured Redeemable Debentures of PAL-Peugeot Limited from Metropolitan Infrahousing Private Limited for a consideration not exceeding Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only.)



Provided that no loan / advance to any body corporate shall be made by the Company, at a rate of interest lower than the prevailing bank rate or such other rate as may be prescribed by the relevant authorities from time to time;

- (B) The members hereby confirm the Corporate Guarantee/Security to be issued by the Company pursuant to Board Resolution dated 12<sup>th</sup> November 2010 on behalf of its Italian subsidiary Franco Tossi Meccanica S.p.A. (FTM) to IDBI Bank Limited, Dubai for an amount not exceeding USD 30,000,000/- (USD Thirty Million Only) as security in connection with the credit facilities of equivalent amount sanctioned by the said Bank to FTM.

**RESOLVED FURTHER THAT** the aforesaid loans / advances / deposits / investments / guarantees / securities etc. be made/given by the Company out of the share capital, internal accruals, loans raised or debentures issued and / or to be raised / issued by the Company and such other means;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle any question, doubt or difficulty that may arise in relation to the above and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution or otherwise considered appropriate by the Board."

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

**GITA BADE  
COMPANY SECRETARY**

*Registered Office:*

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

Dated: 12<sup>th</sup> November 2010

**Notes:**

1. The relative Explanatory Statement pursuant to Sections 173(2) and 192(A) of the Companies Act, 1956 setting out all the material facts and reasons is annexed hereto.
2. In terms of Section 192 (A) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001, the business set out in the notice above requires to be passed by postal ballot only.
3. The Board of Directors has appointed Mr. Chaitanya C. Dalal, Chartered Accountant as the Scrutinizer for conducting the Postal Ballot process in accordance with the law and in a fair and transparent manner. The Postal Ballot Form and the self-addressed business reply envelope are enclosed for use of members.
4. Members are requested to carefully read the instructions printed on the attached Postal Ballot form. The Postal Ballot form, duly completed and signed, should be returned in the enclosed self addressed, postage prepaid envelope, directly to the Scrutinizer so as to reach him on or before the close of working hours on 28<sup>th</sup> December 2010. Any response received from the shareholders after 28<sup>th</sup> December 2010 shall be treated as if no response is received in terms of Rule 5(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules 2001.
5. The shareholders are requested to exercise their voting rights by using the attached Postal Ballot form only. No other form or photocopy of the form is permitted.
6. After completion of scrutiny of the Postal Ballot forms, the Scrutinizer will submit his report to the Chairman or any other Director specially authorized by the Board of Directors of the Company.
7. The results of the Postal Ballot will be announced on 29<sup>th</sup> December 2010 at 11.30 a.m. at the Registered Office of the Company and will be published in the newspapers. The results will also be displayed on the Company's website viz. [www.gammonindia.com](http://www.gammonindia.com)
8. All documents referred to in the accompanying Notice and the explanatory statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 5.00 p.m on all working days except on Saturdays, Sundays and other public holidays upto 28<sup>th</sup> December 2010.



## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) AND 192A OF THE COMPANIES ACT, 1956

#### Item No. 1:

Your company being one of the leading players in the Infrastructure Industry has been pursuing various growth opportunities in its core sector i.e infrastructure, both in India and abroad and would like to further expand and diversify its business interests. As a means of achieving greater financial flexibility and for ensuring speedy implementation of various infrastructure projects it is therefore proposed that the Board of Directors of the Company be authorized to give loans, advances, Inter-Corporate Deposits, make investments, provide guarantees to bodies corporate including its subsidiaries / group / associate companies / joint ventures etc in the course of business as mentioned in the proposed resolution and as detailed below:

- a) Franco Tosi Turbines Pvt Ltd, is engaged in the business of manufacture of steam & hydraulic turbines, Pumps and Balance of Plant for the Power Industry. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only).
- b) Ansaldoaldiae Boilers India Private Limited a subsidiary of the Company is engaged in the business of designing, procuring, manufacturing, erection, commissioning and maintenance of Steam Generation Units, Boilers, Heat Recovery Steam Generators and other specialized boilers. It is proposed to increase the existing limit from Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crores only) to Rs. 500,00,00,000/- (Rupees Five Hundred Crores only).
- c) Ansaldoaldiae - GB Engineering Private Limited is engaged in the business of designing, procuring, manufacturing, erection, commissioning and maintenance of Steam Generation Units, Boilers, Heat Recovery Steam Generators and other specialized boilers. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of 100,00,00,000/- (Rupees One Hundred Crores Only).
- d) Franco Tosi Meccanica S.p.A., Italy one of the prominent names in Italian mechanical industry is a subsidiary of your Company. The Company is based in Legnano in North Italy. The product range of the company includes Steam Turbines, Hydraulic Turbines, Pumps, Balance of Plant. It is one of the leading manufacturers of steam and hydraulic turbines for the Power Industry. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of 1000,00,00,000/- (Rupees One Thousand Crores Only).
- e) Gammon Projects Nigeria Limited is a Company set up to bid and execute various infrastructure Projects in Nigeria. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of 100,00,00,000/- (Rupees One Hundred Crores Only).
- f) Franco Tosi Hydro Private Limited is engaged in the design, manufacture, assembly and commissioning of steam turbines for any generation or cogeneration projects in conventional thermal, combined cycle, waste incineration, biomass burning as well as any other industrial applications. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of 100,00,00,000/- (Rupees One Hundred Crores Only).
- g) Sadelmi Energy Contractor Private Limited is engaged in the business of Engineering, Procurement & Construction (EPC) and Balance of Plant (BOP), utilities Mechanical, Electrical & Plumbing (MEP) and Infrastructure projects Contractors. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of 100,00,00,000/- (Rupees One Hundred Crores Only).
- h) Sadelmi India Power Private Limited is engaged in the business of EPC and Balance of Plant, Utilities MEP and Infrastructure Projects and consulting engineers in sectors like Steam Power Plants, Gas Turbine and Combined Cycle Power Plants. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of 100,00,00,000/- (Rupees One Hundred Crores Only).
- i) SAE Transmission India Limited is engaged in the business of mechanical, electrical, structural, civil and consulting engineers and design, survey, foundation erecting, stringing commissioning of power transmission line, railway electrification, substation, as well as manufacture, produce, buy, sell, or deal in all power transmission line materials and railway electrification materials. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of 100,00,00,000/- (Rupees One Hundred Crores Only).
- j) Bright Power Projects (India) Private Limited is a Company engaged in the business of railway electrification projects. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of 100,00,00,000/- (Rupees One Hundred Crores Only).



- k) Gammon Structures LLC, is proposed to be set up in Delaware, USA and will act as the holding company for a tower manufacturing company that will be set up in Mexico. The Company proposes to invest/give loans/ provide securities/guarantees upto a limit of 100,00,00,000/- (Rupees One Hundred Crores Only).
- l) Metropolitan Infrahousing Private Limited ("MEPL") currently holds 15% Secured Redeemable Debentures of PAL-Peugeot Limited ("PPL") (a company which is currently under liquidation) aggregating to approximately Rs. 130 crores. These Debentures are secured by a mortgage on the movable and immovable assets of PPL. The Company expects to earn unpaid accrued interest from the surplus resulting from sale of mortgaged assets by the Official Liquidator after discharging the statutory liabilities of PPL. In view of the same, the Board has proposed to acquire these debentures for an amount not exceeding Rs. 150,00,00,000/- (Rupees One Hundred and Fifty Crores only) from Metropolitan Infrahousing Private Limited.

#### **Ratification of Corporate Guarantee:**

Franco Tosi Meccanica S.p.A. (FTM), Italy one of the prominent names in Italian mechanical industry is a subsidiary of your Company. The Company is based in Legnano in North Italy. The product range of the company includes Steam Turbines, Hydraulic Turbines, Pumps, Balance of Plant. It is one of the leading manufacturers of steam and hydraulic turbines for the Power Industry.

For meeting its urgent working capital requirements and other financial obligations, your Company has pursuant to Board resolution dated 12<sup>th</sup> November 2010, approved the issue of a Corporate Guarantee in favor of IDBI Bank Limited, Dubai for an amount not exceeding USD 30,000,000/- (USD Thirty Million Only) as security in connection with the credit facilities of equivalent amount sanctioned by the said Bank to FTM.

Pursuant to Section 372A of the Companies Act, 1956 such guarantees can be given if the Board Resolution authorizing to give such guarantee in accordance with the provisions of the Section is confirmed within 12 months of the Board resolution, in a general meeting or the Annual General Meeting of the Company held immediately after passing of the Board Resolution, whichever is earlier. Accordingly, the aforesaid guarantee and relevant Board resolution require confirmation of the members, copies of which are available for inspection at the Registered Office of the Company on any working day except public holidays, Saturdays and Sundays between 10.00 a.m. to 5.00 p.m. upto 28<sup>th</sup> December 2010.

Considering the business of the above said Companies, proposed projects and their future potential, the Directors are of the opinion that making investments by way of subscription or otherwise, giving of loans / advances / giving guarantees and securities to the aforesaid Companies will be in the interests of the Company.

As the proposed loans / guarantees / investments etc. may exceed the limits as stipulated under Section 372A of the Companies Act, 1956, it is necessary to obtain by way of a Special Resolution the previous approval of the members for this purpose.

The loans / guarantees / investments etc. proposed to be made by your Company shall be provided out of the share capital, internal accruals, loans raised or debentures issued and/or raising of funds in the form of term loans or such other mode as may be decided by the Board subject to approvals, as may be required from the Financial Institutions/Banks. However any such loans will not be made at a rate below the prevailing bank rate. These will be provided for project cost, working capital and other business requirements of the aforesaid companies.

Your Directors commend the Special Resolution for members approval. None of the Directors of the Company is in any way concerned or interested in the resolution.

Members are requested to communicate their assent or dissent in writing on the Postal Ballot form sent herewith in accordance with the instructions set out therein.

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

**GITA BADE  
COMPANY SECRETARY**

*Registered Office:*

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

Dated: 12<sup>th</sup> November 2010