

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Eighty Ninth Annual General Meeting** of **Gammon India Limited** will be held on **Monday, 26th September, 2011** at **3.00 P.M.** at Ravindra Natya Mandir, (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai - 400 025 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm payment of interim dividend for the year 2010-11 and to declare final dividend on the Equity Shares of the Company for the year ended 31st March, 2011.
3. To appoint a Director in place of Mr. C. C. Dayal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Naval Choudhary who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Atul Kumar Shukla who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W), the retiring Statutory Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), M/s. Vinod Modi & Associates, Chartered Accountants (Firm Registration No. 111515W) and M/s. M. G. Shah & Associates, Chartered Accountants (Firm Registration No. 112561W), the retiring Joint Branch Auditors of the Company, be and are hereby re-appointed as Joint Branch Auditors of "Gammon India Limited – Transmission Business Headquarters, Nagpur" to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting to examine and audit the books of accounts for the financial year 2011-2012 on such remuneration as may be determined by the Board of Directors."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No. 106971W), the Statutory Auditors of the Company, who retire as the Branch Auditors of the Company in respect of its Branch at Muscat, be and are hereby re-appointed as the Branch Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting to examine and audit the books of accounts of the Company's branch office at Muscat, Oman for the financial year 2011-2012 on such remuneration as may be determined by the Board of Directors;

RESOLVED FURTHER THAT pursuant to the provisions of Section 228 and other applicable provisions, if any of the Act, the Board be and is hereby authorized to appoint as branch auditor of any branch office of the Company, existing including those which may be opened/acquired hereafter in India or abroad in consultation with the Company's Statutory Auditors any person qualified to act as branch auditor(s) within the provisions of Section 228 of the Act and to fix their remuneration."



9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act"), read with Schedule XIII thereto and subject to the approval of the Central Government, if any, approval of the Company be and is hereby accorded to the re-appointment of Mr. Abhijit Rajan as Chairman & Managing Director for a period of five (5) years with effect from 17th May, 2011 upon such terms and conditions as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors (the "Board") to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Abhijit Rajan;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution."

**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: 19th August, 2011

NOTES:

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
- (b) Proxies to be effective should be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
- (c) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of businesses under Item Nos. 7 to 9 is annexed hereto.
- (d) The Register of Members and the Share Transfer Books of the Company will remain closed from 21st September, 2011 to 26th September, 2011 (both days inclusive).
- (e) The dividend on equity shares as recommended by the Board for the financial year ended 31st March, 2011, if declared, will be paid on or before 25th October, 2011 to those members whose names appear in the Company's Register of Members as on 20th September, 2011. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership as per the details to be furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited for this purpose.
- (f) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from the members for change/deletion in such bank details. Please note that instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members may therefore give instructions regarding bank accounts in which they wish to receive dividend to their Depository Participants.
- (g) Members who hold shares in the dematerialized form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.

- (h) Pursuant to Section 205A of the Companies Act, 1956, the dividend not encashed or claimed within seven (7) years from the date of its transfer to the unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Accordingly, the unclaimed dividend in respect of financial year ended 31st March, 2004 is due for transfer on or before 2nd December, 2011. Members are therefore requested to verify their records and send claims, if any, for the relevant years from 2003-2004 onwards before the respective amounts become due for transfer to the said fund. In terms of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the IEPF after the said transfer.

- (i) The Ministry of Corporate Affairs, Government of India has, vide General Circular No. 2/2011 dated 8th February, 2011, provided an exemption to the companies from complying with Section 212 of the Companies Act, 1956, provided such companies publish the audited consolidated financial statements of the holding company and all its subsidiaries in the Annual Report. In view of the same, copies of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiary companies have not been attached to the Balance Sheet of the Company's accounts for the year ended 31st March, 2011. The consolidated financial statements published by the Company include the financial results of its subsidiary companies.

The Company will make available, the Annual Accounts of its subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

- (j) Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
- (k) Members are requested to send their queries, if any, at least ten (10) days before the Annual General Meeting, so as to enable the Board to keep the information ready.
- (l) The shareholders are requested to address their correspondence to the Registrar & Share Transfer Agent viz. M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400 078.
- (m) **The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued circulars allowing companies to serve all notices and correspondences to shareholders including Balance Sheet, Auditors Report etc. through electronic mode (e-mail). In support of this initiative taken by the Ministry, we propose to henceforth send documents like Notices, Balance Sheet and Auditors Report etc. to our shareholders through electronic mode, to the email addresses provided by them and made available to us by the Depositories.**

Please note that you will be entitled to be furnished, free of cost, a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto, including the Profit and Loss Account and the Auditors' Report, upon receipt of a requisition from you at any time, as a member of the Company.

Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of their electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company's Registrar & Transfer Agents, M/s. Link Intime India Private Limited by sending an e-mail to gammonindiagreen@linkintime.co.in along with details like Name, Folio No. etc.

- (n) **Information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Directors who are proposed to be appointed / re-appointed is as below.**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING
ANNUAL GENERAL MEETING
(PURSUANT TO CLAUSE 49 (IV) OF THE LISTING AGREEMENT)**

Name of Director	Mr. C. C. Dayal	Mr. Naval Choudhary
Age (years)	67	64
Qualifications	Chartered Accountant	B.E. (Mechanical), M.B.A. (IIM Ahmedabad)



Name of Director	Mr. C. C. Dayal	Mr. Naval Choudhary
Expertise	Vast professional experience and expertise in internal audit, taxation and finance.	Wide and varied experience in various management disciplines such as Strategic Planning, Marketing, Finance & Banking, and Production & Inventory Control.
Directorships held in other public companies (excluding foreign and private companies)	<ol style="list-style-type: none"> 1. Gammon Information Technologies Ltd. 2. Gammon & Billimoria Ltd. 3. Andhra Expressway Ltd. 4. Cochin Bridge Infrastructure Company Ltd. 5. Rajahmundry Expressway Ltd. 6. Mumbai Nasik Expressway Ltd. 7. STFA Piling (India) Ltd. 8. TML Industries Ltd. 9. Gammon Infrastructure Projects Ltd. 	NIL
Memberships/ Chairmanships of committees of other public companies	<ol style="list-style-type: none"> 1. Audit Committee (Chairman) - Gammon Infrastructure Projects Ltd. 2. Audit Committee (Member) - Andhra Expressway Ltd. 3. Audit Committee (Member) - Cochin Bridge Infrastructure Company Ltd. 4. Audit Committee (Member) - Rajahmundry Expressway Ltd. 5. Audit Committee (Member) - Mumbai Nasik Expressway Ltd. 	NIL
Shareholding	1,500	NIL

Name of Director	Mr. Atul Kumar Shukla	Mr. Abhijit Rajan
Age (years)	65	50
Qualifications	Masters in Science	B.Com., L.S.E. (London)
Expertise	Vast experience in the field of General Management, Marketing Management and Management Consultancy.	Industrialist with vast experience in strategic planning general management..
Directorships held in other public companies (excluding foreign and private companies)	<ol style="list-style-type: none"> 1. Almondz Global Securities Ltd. 2. Deccan Infrastructures & Land Holdings Ltd. 3. India Infoline Trustee Co. Ltd. 4. Mittal Corp. Ltd. 5. Star Union Dai-ichi Life Insurance Company Ltd. 	<p>Gammon Infrastructure Projects Ltd. Gammon & Billimoria Ltd. Gammon Cities Limited</p>
Memberships/ Chairmanships of committees of other public companies	<ol style="list-style-type: none"> 1. Audit Committee (Member) - Almondz Global Securities Ltd. 2. Audit Committee (Member) - Deccan Infrastructures & Land Holdings Ltd. 3. Audit Committee (Member) - Mittal Corp. Ltd. 4. Audit Committee (Chairman) - India Infoline Trustee Co. Ltd. 	NIL
Shareholding	NIL	1,008,365

ANNEXURE TO NOTICE

As required by Section 173 of the Companies Act, 1956 the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 7 to 9 of the accompanying Notice dated 19th August, 2011.

Item No. 7:

The Board of Directors has, at its meeting held on 19th August, 2011, approved the re-appointment of M/s. Vinod Modi & Associates, Chartered Accountants and M/s. M. G. Shah & Associates, Chartered Accountants, as Joint Branch Auditors of 'Gammon India Limited – Transmission Business Headquarters, Nagpur' to examine and audit the books of accounts for the financial year 2011-2012.

Your Directors recommend passing of the Ordinary Resolution at Item No. 7 of the Notice.

None of the Directors are concerned or interested in the passing of the above resolution.

Item No. 8:

The Board of Directors has, at its meeting held on 19th August, 2011, approved the re-appointment of M/s. Natvarlal Vepari & Co., Chartered Accountants, Statutory Auditors of the Company, as the Branch Auditors of the Company in respect of its branch at Muscat to examine and audit the books of accounts for the financial year 2011-2012.

Your Directors recommend passing of the Ordinary Resolution at Item No. 8 of the Notice.

None of the Directors are concerned or interested in the passing of the above resolution.

Item No. 9:

Members are informed that as the term of office of Mr. Abhijit Rajan, Chairman & Managing Director expired on 16th May, 2011, the Board of Directors, at their meeting held on 12th May, 2011, approved the re-appointment of Mr. Rajan as Chairman & Managing Director of the Company for a further period of five (5) years w.e.f. 17th May, 2011 subject to the approval of the shareholders.

Mr. Rajan, aged 50 years has completed his graduation in India and pursued Management Studies in Europe. He is a Director on the Board of several companies and is also a member of the Young Presidents' Organization, USA. As an industrialist, he has built his reputation on the basis of good stewardship of the Gammon Group. Under his leadership and guidance, the Company has taken great strides in terms of turnover, profits and performance. His dynamic vision, strategic focus, and entrepreneurial skills continue to guide the growth of the Company's businesses across demanding markets and competitive scenarios.

Your Directors are of the opinion that the re-appointment of Mr. Abhijit Rajan as Chairman & Managing Director is essential and will be in the best interests of the Company.

The material terms of the draft Agreement pertaining to the re-appointment and remuneration of Mr. Abhijit Rajan as Chairman & Managing Director are as follows:

1. **Designation** : Chairman & Managing Director.
2. **Period** : Five (5) years with effect from 17th May, 2011 to 16th May, 2016.
3. **Remuneration:**
 - (i) **Salary** : ₹ 6,000,000/- (Rupees Sixty Lacs Only) per month in the scale of ₹ 5,000,000/- (Rupees Fifty Lacs only) per month to ₹ 10,000,000/- (Rupees One Crore only) per month with authority to the Board to fix the salary within the scale from time to time. The increment, within the scale, will be merit based and take into account the Company's performance.
 - (ii) **Commission** : An amount by way of commission, payable annually in addition to the salary, calculated with reference to the net profits of the Company in a particular financial year, at the absolute discretion of and as maybe determined by the Board of Directors at the end of each financial year.
 - (iii) **Perquisites** : Subject to the limits contained in Part II of Schedule XIII of the Companies Act, 1956, Perquisites shall be payable as set out in Parts A, B and C as applicable.

Mr. Rajan shall not be paid sitting fees for attending meetings of the Board or any Committee thereof.
He shall not be liable to retire by rotation.

PART A:

- (i) Mr. Rajan shall also be entitled to perquisites like furnished / unfurnished accommodation or HRA, gas, electricity, water, medical re-imburement, and Leave Travel Concession for self and family, club fees, personal accident insurance etc. in accordance with the rules of the Company.
- (ii) Valuation of perquisites shall be done as per the Income-Tax rules, wherever applicable.

PART B:

- (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- (ii) Gratuity not exceeding half a month's salary for each completed year of service subject to a maximum limit as specified in The Payment of Gratuity Act, 1972

The items in Part B will not be included in the computation of the ceiling on perquisites.

PART C:

Car & Telephone:

Provision of car for use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purposes shall be billed by the Company to Mr. Abhijit Rajan.

The remuneration by way of salary, perquisites and other allowances payable in the event of loss or inadequacy of profits in any financial year during the aforesaid period shall be the same as specified above however shall be subject to the provisions of Part II of Schedule XIII of the Companies Act, 1956.

The draft of the Agreement proposed to be entered into by the Company with Mr. Abhijit Rajan is available for inspection by the Shareholders at the Registered Office of the Company on any working day except public holidays, Saturdays and Sundays between 10.00 a.m. and 5.00 p.m. upto the date of the ensuing Annual General Meeting.

An Abstract and Memorandum pertaining to the re-appointment of Mr. Abhijit Rajan as Chairman & Managing Director of the Company has already been circulated to the Members of the Company as required under Section 302 of the Companies Act, 1956.

Except Mr. Abhijit Rajan, no other Director of the Company is concerned or interested in the said resolution.

Your Directors recommend passing of the Ordinary Resolution at Item No. 9 of the Notice.

**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: 19th August, 2011



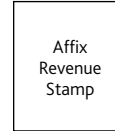
GAMMON INDIA LIMITED
 Regd. Office: Gammon House, Veer Savarkar Marg,
 Prabhadevi, Mumbai-400 025.

PROXY

I/We of
in the district of.....being a Member/Members
 of GAMMON INDIA LIMITED, hereby appoint.....
 of..... in the district of..... or failing him
of.....in the district of.....
 as my/our Proxy to vote for me/us and on my/our behalf at the Eighty Ninth Annual General Meeting of the Company, to be held on Monday, the 26th day of September, 2011 at 3.00 p.m. and at any adjournment thereof.

Signed this day of2011.

Folio No.
DP ID No.
Client ID No.



Signature

NOTE:

The Proxy duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.
 Members who have multiple folios/demat accounts with different jointholders may use copies of this proxy form.



GAMMON INDIA LIMITED
 Regd. Office: Gammon House, Veer Savarkar Marg,
 Prabhadevi, Mumbai-400 025.

ATTENDANCE SLIP

(To be filled in and handed over at the entrance of the meeting hall)

I hereby record my presence at the EIGHTY NINTH ANNUAL GENERAL MEETING of the Company to be held at RAVINDRA NATYA MANDIR (P. L. Deshpande Maharashtra Kala Academy), Sayani Road, Prabhadevi, Mumbai - 400 025 on Monday, the 26th day of September, 2011 at 3.00 p.m.

Full name of the *Shareholder / Proxy:
 (in Block Letters)

Folio No. **OR** Client / DP ID No. :

No. of Shares held :

Signature of *Shareholder / Proxy

*Strike out whichever is not applicable

NOTE:

Members who have multiple folios/demat accounts with different jointholders may use copies of this attendance slip. Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.