



GAMMON

GAMMON INDIA LIMITED

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

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Eighty Seventh Annual General Meeting** of the members of **Gammon India Limited** will be held on **Wednesday, 14th October 2009** 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 receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on 6% Redeemable Non Convertible Preference Shares for the year ended 31st March 2009.
3. To declare dividend on Equity Shares for the year ended 31st March 2009.
4. To appoint a Director in place of Mr. Chandrahas. C. Dayal who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Atul Dayal 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, the retiring Auditors of the Company, be and are hereby re-appointed as 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 and M/s. M. G. Shah & Associates, Chartered Accountants, be and are hereby appointed as Joint Branch Auditors of ‘Gammon India Ltd- Transmission Business Headquarters, Nagpur’ to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting and to examine and audit the books of accounts for the financial year 2009 – 2010 on such remuneration as may be fixed by the Board.”
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., the Statutory Auditors of the Company be and are hereby re-appointed as the Branch Auditors of the Company to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting and to examine and audit the books of accounts of the Company’s branch office at Muscat, Oman for the financial year 2009 – 2010 on such remuneration as may be fixed by the Board.
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 authorised 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 Auditors, any person(s) qualified to act as Branch Auditors 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 Mr. Naval Choudhary, who was appointed as an Additional Director of the Company with effect from 21st May 2009 pursuant to Section 260 of the Companies Act, 1956 (“the Act”) and Article 128 of the Articles of Association of the Company and who holds office only upto the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Act has been received from a member signifying his intention to propose Mr. Naval Choudhary as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED that Mr. Parvez Umrigar, who was appointed as an Additional Director of the Company with effect

from 1st June 2009 pursuant to Section 260 of the Companies Act, 1956 (“the Act”) and Article 128 of the Articles of Association of the Company and who holds office only upto the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Act has been received from a member signifying his intention to propose Mr. Parvez Umrigar as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED that Mr. Rohit Modi, who was appointed as an Additional Director of the Company with effect from 7th June 2009 pursuant to Section 260 of the Companies Act, 1956 (“the Act”) and Article 128 of the Articles of Association of the Company and who holds office only upto the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Act has been received from a member signifying his intention to propose Mr. Rohit Modi as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”

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

“RESOLVED that Mr. Digambar C. Bagde, who was appointed as an Additional Director of the Company with effect from 9th July,2009 pursuant to Section 260 of the Companies Act, 1956 (“the Act”) and Article 128 of the Articles of Association of the Company and who holds office only upto the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Act has been received from a member signifying his intention to propose Mr. D. C. Bagde as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”

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

“ RESOLVED that Mr. Atul Kumar Shukla, who was appointed as an Additional Director of the Company with effect from 9th July 2009 pursuant to Section 260 of the Companies Act, 1956 (“the Act”) and Article 128 of Articles of Association of the Company and who holds office only upto the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Act has been received from a member signifying his intention to propose Mr. Atul Kumar Shukla as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

14. 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, 311 and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), read with Schedule XIII thereto, the Company hereby approves the re-appointment and terms of remuneration of Mr. Rajul Bhansali as a Whole time Director designated as Executive Director-International Operations for a period of 3 (Three) years with effect from 30th March 2009, upon such terms and conditions as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Rajul Bhansali.

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.”

15. 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, 311 and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), read with Schedule XIII thereto, the Company hereby approves the appointment and terms of remuneration of Mr. Rohit Modi as a Whole time Director designated as Deputy Managing Director for a period of 5 (Five) years with effect from 7th June 2009, upon such terms and conditions as set out in the Explanatory Statement annexed to this Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Rohit Modi.

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.”

16. 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, 311 and all other applicable provisions, if

any, of the Companies Act, 1956 ("the Act"), read with Schedule XIII thereto, the Company hereby approves the appointment and terms of remuneration of Mr. Digambar C Bagde as a Whole time Director designated as Director and CEO (T & D) Business for a period of 3 (Three) years with effect from 9th July 2009, upon such terms and conditions as set out in the Explanatory Statement annexed to this Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Digambar C Bagde .

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."

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

"RESOLVED that pursuant to the provisions of section 314 of the Companies Act, 1956 ("the Act") read together with Director's Relatives (Office or Place of Profit) Rules 2003 and other applicable provisions, if any, of the Act and subject to the approval of the Central Government and such modifications and variations as the Central Government may suggest, which the directors of the Company are hereby authorized to accept, consent of the Company be and is hereby accorded to Mr. Harshit Rajan, a relative of Mr. Abhijit Rajan, Chairman and Managing Director of the Company, to hold and continue to hold an office or place of profit in the Company as Head - Procurement or with such other designation as the Board may from time to time decide with effect from 1st June 2009 on a gross remuneration not exceeding Rs.30,00,000/- (Rupees Thirty Lacs Only) per annum or such remuneration as may be approved by the Central Government."

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

"RESOLVED that pursuant to Section 309 (4) (a) of the Companies Act, 1956 ("the Act") and Article 130 of the Articles of Association of the Company and subject to the approval of the Central Government and other applicable provisions, if any, of the Act, consent of the Company be and is hereby accorded for payment of remuneration not exceeding Rs 60,00,000 (Rupees Sixty Lacs Only) per annum to be paid either on a monthly, quarterly or annual basis to Mr. Parvez Umrigar, Non- Executive Director of the Company.

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."

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

"RESOLVED that in supersession to all previous resolutions passed by the members, including the resolution passed in the 85th Annual General Meeting of the Company held on 18th September 2007, consent of the Company be and is hereby accorded pursuant to Section 293(1)(d) of the Companies Act, 1956 ("the Act") and other applicable provisions, if any, of the Act, to the Board of Directors of the Company for borrowing monies from time to time from any one or more banks, financial institutions and other persons, firms, body corporates, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained by the Company from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) provided that the total monies borrowed and outstanding at any time shall not exceed Rupees Five Thousand Crores ."

**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: 9th September 2009

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 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 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 19 above is annexed hereto.
- (d) The Register of Members and the Share Transfer Books of the Company will remain closed from 9th October 2009 to 14th October 2009 (both days inclusive).
- (e) The dividends for the period ended 31st March 2009 as recommended by the Board, if approved at the meeting, will be paid on or before 13th November 2009 to those members whose names appear in the Company's Register of Members as on 9th October 2009. In respect of shares held in electronic form, the 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) In terms of approval granted by the Central Government vide its order No. 47/560/2009-CL-III dated 17th July 2009, 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 2009.

However information such as capital reserves, assets etc. about each subsidiary as on 31st March 2009 have been separately disclosed in the Annual Report.

- (g) 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 also 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.
- (h) Members who hold shares in the dematerialised form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write folio number in the attendance slip and hand it over at the entrance of the meeting hall.
- (i) Pursuant to Section 205A of the Companies Act, 1956, the dividend not encashed or claimed within 7 (seven) 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 2002 is due for transfer on or before 1st December 2009. Members are therefore requested to verify their records and send claims, if any, for the relevant years from 2001-2002 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.

- (j) Members are requested to bring their copies of the Annual Report at the time of attending the meeting.
- (k) As per the provisions of Section 109A of the Companies Act, 1956, facility for making nomination is available to individuals holding shares in the Company. Form- 2B prescribed in this regard can be obtained from the Registrar & Share Transfer Agent of the Company.
- (l) Members are requested to send their queries, if any, at least 10 (Ten) days before the Annual General Meeting, so as to enable the Board to keep the information ready.

- (m) The shareholders are requested to address their correspondence to the Registrar and 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.
- (n) As required under Clause 49 (IV) of the listing agreement with the Stock Exchanges, the following information is provided in respect of Directors proposed to be appointed/re-appointed:

Name of Director	Mr. C. C. Dayal	Mr. Atul Dayal
Age	65 years	61 years
Qualifications	Chartered Accountant	Solicitor
Expertise	Vast professional experience and expertise in internal audit, taxation and finance.	Vast experience in legal field. His areas of expertise are Economic Laws, such as Customs & Central Excise and Corporate Law.
Directorships held in other Public Companies (excluding Foreign and Private Companies)	Gammon Information Technologies Limited STFA Piling (India) Limited Gammon Infrastructure Projects Limited Cochin Bridge Infrastructure Co. Limited Gammon & Billimoria Limited Transmetal Limited Mumbai Nasik Expressway Limited Rajahmundry Expressway Limited Andhra Expressway Limited	Pudumjee Agro Industries Limited Reliance Retail Finance Limited Reliance Petroleum Limited
Memberships/Chairmanships of committees across Public Companies	Audit Committee Gammon Infrastructure Projects Limited Transmetal Limited	Audit Committee Reliance Retail Finance Limited
Shareholding of Directors	600	Nil

Name of Director	Mr. Rohit Modi	Mr. D. C. Bagde
Age	46 years	59 years
Qualifications	Masters in Economics from Delhi School of Economics	B.E. (Civil)
Expertise	Former IAS Officer, extensive experience in Development, Planning, Financing & Execution of Infrastructure Projects and managing Infrastructure Companies	Vast professional experience and expertise in Designing and execution of Transmission lines and Railway Electrification.
Directorships held in other Public Companies (excluding Foreign and Private Companies)	Nil	Gammon Logistics Limited ATSL Infrastructure Projects Limited Gammon Projects Developers Limited Transrail Lighting Limited
Memberships/Chairmanships of committees across Public Companies	Nil	Nil
Shareholding of Directors	Nil	847332

Name of Director	Mr. Parvez Umrigar	Mr. Naval Choudhary
Age	46 years	62 years
Qualifications	B. Com, AICWA and ACA.	B.E. (Mechanical) M.B.A. from IIM Ahmedabad
Expertise	Vast experience and expertise in Strategic planning, finance, accounts, taxation and compliance.	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)	Gammon Infrastructure Projects Limited Cochin Bridge Infrastructure Company Limited Mumbai Nasik Expressway Limited Sikkim Hydro Power Ventures Limited Kosi Bridge Infrastructure Company Limited Gorakhpur Infrastructure Company Limited Sez Adityapur Limited Punjab Biomass Power Limited Haryana Biomass Power Limited Modern Tollroads Limited Gammon Logistics Limited Tidong Hydro Power Limited	Albright & Wilson Chemicals India Limited
Memberships/Chairmanships of committees across Public Companies	Audit Committee Gammon Infrastructure Projects Limited Cochin Bridge Infrastructure Company Limited Mumbai Nasik Expressway Limited Gorakhpur Infrastructure Company Limited Kosi Bridge Infrastructure Company Limited	Audit Committee Albright & Wilson Chemicals India Limited Shareholders'/Investors' Grievances Committee Albright & Wilson Chemicals India Limited
Shareholding of Directors	Nil	Nil

Name of Director	Mr. Atul Kumar Shukla	Mr. Rajul Bhansali
Age	63 years	53 years
Qualifications	Masters in Science (M.Sc.)	Commerce Graduate and Chartered Accountant
Expertise	Vast experience in the field of General Management, Marketing Management and Management Consultancy.	Vast experience in diverse functional areas such as Finance, Commercial and General Management in Engineering and Construction Industry
Directorships held in other Public Companies (excluding Foreign and Private Companies)	Deccan Infrastructure & Land Holdings Limited Dev Property Development Limited Almondz Global Securities Limited Horizon Infrastructure Limited	Gammon & Billimoria Limited Gammon Power Limited
Memberships/Chairmanships of committees across Public Companies	Audit Committee Deccan Infrastructure & Land Holdings Limited Almondz Global Securities Limited Compensation Committee Almondz Global Securities Limited	Nil
Shareholding of Directors	Nil	Nil

ANNEXURE TO NOTICE

As required by Section 173 of the Companies Act, 1956, (hereinafter referred to as “the Act”) the following Explanatory Statement sets out the material facts relating to the business mentioned under item nos. 7 to 19 of the accompanying notice dated 9th September, 2009.

Item No. 7:

The Company has its branch office styled “Gammon India Limited – Transmission Business, Headquarters, Nagpur.” It is proposed to appoint M/s. Vinod Modi & Associates, Chartered Accountants and M/s M.G.Shah and Associates, Chartered Accountants as Joint Branch auditors of the said branch for the financial year 2009-2010.

Your Directors recommend the resolution at Item No 7 for approval of the members.

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

Item No. 8:

The Company has a branch office in Muscat, Oman. M/s. Natvarlal Vepari & Co., Chartered Accountants, the Statutory Auditors were appointed as Branch Auditors for the financial year 2008-09. It is proposed to re-appoint M/s. Natvarlal Vepari & Co., Chartered Accountants, as Branch Auditors for the Oman Branch for the financial year 2009-10.

In respect of other branch offices of the Company, if any, which may be opened by the Company during the year in India as well as abroad, the shareholders are requested to authorise the Board to appoint branch auditors in accordance with the provisions of the Companies Act, 1956 in consultation with the Company's Statutory Auditors and to fix their remuneration.

Your Directors recommend the resolution at Item No 8 for approval of the members.

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

Item Nos. 9 to 13:

The following persons were inducted in the Board of the Company as Additional Directors:

1. Mr. Naval Choudhary was appointed as an Additional Director of the Company w.e.f. 21st May 2009, liable to retire by rotation.
2. Mr. Parvez Umrigar was appointed as an Additional Director of the Company w.e.f. 1st June 2009, liable to retire by rotation.
3. Mr. Rohit Modi was appointed as an Additional Director of the Company w.e.f. 7th June 2009.
4. Mr. Digambar C. Bagde was appointed as an Additional Director of the Company w.e.f. 9th July 2009.
5. Mr. Atul Kumar Shukla was appointed as an Additional Director of the Company w.e.f. 9th July 2009, liable to retire by rotation.

Pursuant to Section 260 of the Companies Act, 1956 and Article 128 of the Articles of Association of the Company, the above mentioned Directors hold office only upto the date of the forthcoming Annual General Meeting.

A Notice under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from a member of the Company in respect of each of the above mentioned Directors, signifying his intention to propose their candidature for the office of Director of the Company at the forthcoming Annual General Meeting.

A brief profile of all these Directors is given in the notes to the notice of this meeting.

The Directors are of the opinion that the appointment of these Directors will be in the best interests of the Company and recommend the passing of the Ordinary Resolutions at Item Nos 9 to 13.

Each of the aforementioned Director is deemed to be interested in the respective resolution appointing him as the Director.

Item No. 14:

Mr. Rajul Bhansali has vast experience in diverse functional areas such as finance, commercial and general management

in engineering and construction industry. Considering his experience and contribution to the Company, the Board, at its meeting held on 21st May 2009 have, subject to the approval of the members, re-appointed Mr. Rajul Bhansali as the Whole time Director of the Company designated as Executive Director – International Operations for a period of 3 (Three) years w.e.f. 30th March 2009.

The material terms and conditions relating to the appointment of Mr. Rajul Bhansali as Whole time Director are as follows:

1. Designation: Executive Director – International Operations
2. Period: 3 (Three years) with effect from 30th March, 2009.
3. Nature of Duties: The Executive Director shall devote his whole time and attention to the business of the Company, including but not limited to overseeing the International Operations of the Company and to carry out such duties as may be entrusted to him by the Chairman and Managing Director and/or the Board and as may be communicated to him.
4. Remuneration:
 - i. Remuneration: In the scale of Rs. 2,00,000/- per month to Rs. 10,00,000/- 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. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, wherein in any financial year during the currency of the tenure of the Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay to the Director, remuneration by way of salary, benefits, perquisites allowances and commission as specified herein subject to the limits specified in Schedule XIII to the Companies Act, 1956.
 - iii. 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 may be determined by the Board of Directors at the end of each financial year.
 - iv. Perquisites: Subject to the limits contained in Part II of Schedule XIII to the Companies Act, 1956, perquisites shall be payable as set out in Parts A, B and C as applicable.

PART A:

- (i) The Whole time Director 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 Payment of Gratuity Act, 1972.

The items in Part B will not be included in 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 the Whole-time Director.

The draft of the Agreement to be entered into by the Company with Mr. Rajul Bhansali 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 3.00 p.m. to 5.00 p.m. upto the date of the ensuing Annual General Meeting.

The above may be treated as an Abstract of the terms of the Agreement between the Company and Mr. Bhansali pursuant to section 302 of the Companies Act, 1956.

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

Your Directors recommend the passing of the Ordinary Resolution at Item No. 14 of the Notice.

Item No. 15:

The Board of Directors appointed Mr. Rohit Modi as an Additional Director of the Company designated as Deputy Managing Director for a period of 5 (Five) years effective from 7th June 2009, subject to the approval of the shareholders.

Mr. Rohit Modi has done Masters in Economics from Delhi School of Economics. He joined the Indian Administrative Services (IAS) in 1985 and served as an IAS Officer till 1999. During his tenure in State Government of Manipur he served as the District Collector of two Districts, apart from working as Director in the Department of Transport, Tourism, Municipal Administration, Housing & Urban Development. From 1994 to 1998, he served as Deputy Secretary, Department of Economic Affairs, Ministry of Finance, Government of India dealing with ADB, IFC, IMF and World Bank. After resigning from the IAS, he took over as the Chief Executive Officer of Tamil Nadu Road Development Company Ltd (TNRDC) from 1999-2006. From April, 2000 to September, 2001 he held additional charge as Managing Director & CEO of Mahindra Industrial Park Ltd. During the period 2004-06, he also held charge of Managing Director of Road Infrastructure Development Company of Rajasthan Ltd (RIDCOR), joint venture of Government of Rajasthan and IL&FS, where he conceived, initiated and obtained the mandate for Rajasthan Mega Highways Project. From 2006-2008, he functioned as the Chief Executive of Roads, Bridges & Airports Developmental Projects and Vice President in Larsen & Toubro Ltd (L&T). Prior to his appointment, he headed India Business Operations in Suzlon Group as President India Business.

The material terms and conditions relating to the appointment of Mr. Rohit Modi as Deputy Managing Director are as follows:

1. Designation: Deputy Managing Director
2. Period: 5 (Five years) with effect from 7th June 2009.
3. Nature of Duties: The Deputy Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Chairman and Managing Director and/or the Board and communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with the Company's business.
4. Remuneration:
 - i. Remuneration: In the scale of Rs. 6,00,000/- per month to Rs. 21,00,000/- 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. Minimum Remuneration : Notwithstanding anything to the contrary herein contained wherein in any financial year during the currency of the tenure of the Deputy Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Director remuneration by way of salary, benefits, perquisites allowances and commission as specified herein subject to the limits specified in Schedule XIII to the Companies Act, 1956.
 - iii. 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.
 - iv. Perquisites & Allowances : Subject to the limits contained in Part II of Schedule XIII to the Companies Act, 1956, perquisites shall be payable as set out in Parts A, B and C as applicable.

PART A:

- (i) The Deputy Managing Director 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. and such other allowances 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 Payment of Gratuity Act, 1972.

The items in Part B will not be included in 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 the Deputy Managing Director.

The draft of the Agreement to be entered into by the Company with Mr. Rohit Modi 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 3.00 p.m. to 5.00 p.m. upto the date of the ensuing Annual General Meeting.

The above may be treated as an Abstract of the terms of the Agreement between the Company and Mr. Modi pursuant to section 302 of the Companies Act, 1956.

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

Your Directors recommend the passing of the Ordinary Resolution at Item No. 15 of the Notice.

Item No. 16:

The Board of Directors appointed Mr. Digambar C Bagde as an Additional Director of the Company designated as Director and CEO (T & D) Business for a period of 3 (Three) years with effect from 9th July 2009, subject to the approval of the shareholders.

Mr. Digambar C. Bagde, a B.E. (Civil) has wide and varied experience of more than 33 years in designing and execution of transmission lines in India & abroad and also railway electrification in India. He was the Managing Director of erstwhile Associated Transrail Structures Limited (ATSL) (now merged with Gammon India Limited). He was also the Whole time Director of Transrail Engineering Company Ltd (TECL) for over 16 years before TECL amalgamated with ATSL. Prior to joining the Company, he has worked for 13 years with KEC International Ltd., an internationally renowned company.

The material terms and conditions relating to the appointment of Mr. Digambar C. Bagde as Whole time Director are as specified below:

1. Designation: Director and CEO (T & D) Business
2. Period: 3 (Three years) with effect from 9th July 2009
3. Nature of Duties: The Director and CEO shall devote his whole time and attention to the business of the Company's Branch namely 'Gammon India Limited - (T & D) Business' and carry out such duties as may be entrusted to him by the Chairman and Managing Director and/or the Board and communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with the Company's business.

4. Remuneration:

- i. Remuneration : In the scale of Rs. 3,00,000/- per month to Rs. 10,00,000/- 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. Minimum Remuneration : Notwithstanding anything to the contrary herein contained wherein in any financial year during the currency of the tenure of the Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay to the Director remuneration by way of salary, benefits, perquisites allowances and commission as specified herein subject to the limits specified in Schedule XIII to the Companies Act, 1956.
- iii. 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.
- iv. Perquisites and Allowances : Subject to the limits contained in Part II of Schedule XIII to the Companies Act, 1956, perquisites shall be payable as set out in Parts A, B and C as applicable.

PART A:

- (i) The Whole time Director 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. and such other allowances 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 Payment of Gratuity Act, 1972.

The items in Part B will not be included in 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 the Whole time Director.

The draft of the Agreement to be entered into by the Company with Mr. D.C.Bagde 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 3.00 p.m. to 5.00 p.m. upto the date of the ensuing Annual General Meeting.

The above may be treated as an Abstract of the terms of the Agreement between the Company and Mr. Bagde pursuant to section 302 of the Companies Act, 1956.

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

Your Directors recommend the passing of the Ordinary Resolution at Item No. 16 of the Notice.

Item No. 17:

Mr. Harshit Rajan has done his graduation in Economics from Mumbai University and his Executive MBA Programme from IIM, Ahmedabad. He has worked for Busi Impianti S.P.A. - Italy from 1996 to 1998 and was involved in the floor supervision of modulation/fabrication of machines catering to agro processing. From 1998 to 2004, he worked for Trushna Exports, an Indo Italian Joint Venture set up for manufacture of deoresins in Karnataka. His current assignment is with Gammon group, where he is involved in capital procurement, housing and commercial construction activities.

The Board of Directors at its meeting held on 21st May 2009 decided to appoint him as Head Procurement effective from 1st June 2009 on a remuneration of Rs. 30,00,000/- (Rupees Thirty Lacs only) all inclusive or such remuneration as may

be approved by the Central Government. He may be entrusted with such duties and functions with suitable re-designation(s) as may be considered appropriate from time to time by the Board/Selection Committee.

The terms of remuneration of Mr. Harshit Rajan will be on par with the employees similarly placed in the Company and comparable with industry standards.

Mr. Harshit Rajan is a relative of Mr. Abhijit Rajan, Chairman and Managing Director of the Company and therefore approval of the members pursuant to section 314 of the Companies Act, 1956 is necessary for him to hold office or place of profit in the Company.

Consequent to the approval of the Shareholders an application for the consent of Central Government will be made as required by Section 314 (1B) of the Companies Act, 1956 and the Director's Relatives (Office or Place of Profit) Rules, 2003. The Board of Directors/Selection Committee be authorized to accept such modifications, alterations, amendments as may be directed by the Central Government and accepted by Mr. Harshit Rajan.

Except Mr. Abhijit Rajan, being a relative of Mr. Harshit Rajan, no other Director is concerned or interested in the said Resolution.

Your Directors recommend the passing of the Special Resolution at Item No. 17 of the Notice.

Item No. 18:

Mr. Parvez Umrigar has been appointed as a Non-Executive Director effective from 1st June 2009. He is AICWA and ACA and has been with Gammon Group for the last ten years and has wide experience of over 17 years in areas like strategic planning, finance, accounts and taxation. Mr. Umrigar is presently the Managing Director of Gammon Infrastructure Projects Limited, a subsidiary of your Company. In his capacity as a Director of the Company he will render such services as the Board may from time to time determine and entrust to him.

It is proposed to pay a total remuneration not exceeding Rs. 60,00,000/- per annum (Rupees Sixty Lacs Only) with effect from 1st June 2009 to Mr. Umrigar for the services to be rendered by him to the Company and such remuneration would be paid either on a monthly, quarterly or annual basis as may be mutually agreed between the Board and Mr. Umrigar.

Pursuant to Section 309 (4) of the Companies Act, 1956, payment of remuneration to Mr. Umrigar requires the prior approval of the Shareholders and also the approval of the Central Government.

Except Mr. Parvez Umrigar, no other Director is concerned or interested in the said Resolution.

Your Directors recommend the passing of the Special Resolution at Item No. 18 of the Notice.

Item No. 19:

Members are informed that presently the Board of Directors is authorized to borrow monies for the purpose of the business of the Company (apart from temporary loans from its Bankers) upto a ceiling of Rupees Three Thousand Crores only. Since then the operations of the Company have considerably increased and as such it has become necessary to authorise the Board of Directors of the Company to borrow monies upto the extent of Rupees Five Thousand Crores for financing execution of various projects and other financial needs of the Company.

Pursuant to Section 293 (1) (d) of the Companies Act, 1956, approval of the members is sought for authorizing the Board to borrow money in excess of the paid-up capital and free reserves of the Company as set out in the resolution.

Your Directors recommend the Resolution at Item No.19 for member's approval.

None of the Directors are concerned or interested in the passing of the above 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: 9th September 2009



GAMMON INDIA LIMITED

Registered 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 on my / our behalf

at the **Eighty Seventh Annual General Meeting** of the Company to be held on Wednesday, the 14th day of October 2009 at 3.00 p.m. and at any adjournment thereof.

Signed this day of 2009.

Folio No.
DP ID No.
Client ID No.
No. of Shares held :

Affix a 15
Paise
Revenue
Stamp

Signature

NOTE: The duly completed Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



GAMMON INDIA LIMITED

Registered 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 Seventh 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 **Wednesday, the 14th day of October 2009** at 3.00 p.m.

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

Folio No.
DP ID No.
Client ID No.
No. of Shares held :

Signature of *Shareholder / Proxy

* Strike out whichever is not applicable