



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 Resolutions by Postal Ballot) Rules, 2001 is hereby given that the Resolutions mentioned below are 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**:

“RESOLVED THAT pursuant to the provisions of Sections 31, 259 and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, the existing Article 123 of the Articles of Association of the Company be and is hereby amended by deleting the word ‘**Fifteen**’ and substituting in its place the word ‘**Twenty**’ and as a consequence, the permissible maximum number of Directors be increased from ‘Fifteen’ to ‘Twenty’;

RESOLVED FURTHER THAT after alteration Article 123 be read as follows:

“Article 123 Until otherwise determined by a General Meeting, the number of Directors shall not be less than three nor more than twenty.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps and give all such directions as may be in its absolute discretion deemed necessary to give effect to this resolution.”

2. 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 12th November 2005, 84th Annual General Meeting held on 26th September 2006, Resolutions passed by Postal Ballot on 27th March, 2007, 18th September, 2007, 7th October, 2008, 16th June 2009, 2nd July 2010 and 29th December, 2010 and pursuant to Section 192A of the Companies Act, 1956 (“The Act”), read with the Companies (Passing of the Resolutions 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 approval 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 Act, 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 Act:

- (i) ATSL Infrastructure Projects Limited subject to a limit of ₹ 1,000,000,000/- (Rupees One Hundred Crores Only).
- (ii) Chitoor Infra Company Private Limited subject to a limit of ₹ 500,000,000/- (Rupees Fifty Crores Only).

- (iii) Satyavedu Infra Company Private Limited subject to a limit of ₹ 500,000,000/- (Rupees Fifty Crores Only).
- (iv) Tada SEZ Private Limited subject to a limit of ₹ 500,000,000/- (Rupees Fifty Crores Only).
- (v) Tada Infra Development Company Limited subject to a limit of ₹ 500,000,000/- (Rupees Fifty Crores Only).
- (vi) Marine Project Services Limited subject to a limit of ₹ 500,000,000/- (Rupees Fifty Crores Only).
- (vii) Jaguar Projects Developers Limited subject to a limit of ₹ 1,000,000,000/- (Rupees One Hundred 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) **“RESOLVED THAT** the members hereby confirm the Corporate Guarantee/Security issued by the Company pursuant to Board Resolution dated 12th November 2010 on behalf of Gammon and Billimoria L.L.C to ICICI Bank Limited, Bahrain Branch, for an amount not exceeding USD 15.5 Million (USD Fifteen Million and Five Hundred Thousand Only);

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 authorized 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**

**Sd/-
Gita Bade
Company Secretary**

Registered Office:

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

Dated: 11th February, 2011

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 Resolutions by Postal Ballot) Rules 2001, the businesses set out in the notice above requires to be passed by postal ballot only.
3. The Board of Directors has appointed Mr. V. V. Chakradeo, Company Secretary 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 Saturday, 26th March, 2011. Any response received from the shareholders after 26th March, 2011 shall be treated as if no response is received in terms of Rule 5(f) of the Companies (Passing of the Resolutions 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 28th March, 2011 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.
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 3.00 p.m. and 5.00 p.m on all working days except on Saturdays, Sundays and other public holidays upto 26th March, 2011.

ANNEXURE TO THE NOTICE

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

Item No. 1:

The Board of your Company currently comprises of 12 (Twelve) Directors out of which 50% are independent directors. With the increase in the Company's operations and diversification into various infrastructure segments a need is felt for expanding the present Board for managing the increasing operations and also for inducting equal number of independent directors in order to comply with the provisions of Clause 49 of the Listing Agreement. The maximum permissible number of Directors as per the Articles of Association is Fifteen. The induction of new Directors will increase the Board strength beyond the maximum permissible limit and hence it is proposed to alter the existing Article 123 of the Articles of Association of the Company by substituting the word "Fifteen" appearing at the end of the said Article by the word "Twenty".

It may also be noted that as per the provisions of Section 259 of the Act, the said amendment would also require approval of the Central Government.

The Board commends the resolution for approval of the members.

A copy of the Memorandum and Articles of Association together with the proposed alteration is available for the inspection of the Shareholders on any working day except public holidays, Saturdays and Sundays between 3.00 p.m. to 5.00 p.m. upto 26th March, 2011.

None of the Directors of the Company is in any way concerned or interested in the resolution.

Item No. 2:

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:

- (i) ATSL Infrastructure Projects Limited is engaged in the business of designing, construction, operation and maintenance of road projects. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of ₹ 1,000,000,000/- (Rupees One Hundred Crores Only).
- (ii) Chitoor Infra Company Private Limited;
- (iii) Satyavedu Infra Company Private Limited; and
- (iv) Tada SEZ Private Limited

The aforementioned three Special Purpose Vehicle (SPV) companies were incorporated by Gammon Infrastructure Projects Limited ("GIPL"), a subsidiary of your Company for executing various infrastructure projects and setting up of special economic zones in the State of Andhra Pradesh. Your Company proposes to participate in these projects by way of making investments/loans/securities/guarantees to the above-mentioned companies as and when required and upto the limits specified in the above resolution.

- (v) Tada Infra Development Company Limited, a step down subsidiary of your Company, is engaged in the business of development and constructing of residential and commercial buildings, townships, housing colonies, information technology parks, software technology parks and special economic zones. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of ₹ 500,000,000/- (Rupees Fifty Crores Only).
- (vi) Marine Project Services Limited, a step down subsidiary of your Company, is engaged in the business of undertaking and execution of marine projects pertaining to ports, sea and vessels on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise and in infrastructure projects. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of ₹ 500,000,000/- (Rupees Fifty Crores Only).

- (vii) Jaguar Projects Developers Limited, a step down subsidiary of your Company, is engaged in the business of undertaking and execution of projects pertaining to roads, bridges, airports, ports, rail system, water supply projects, pipelines, housing projects and the like on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise and in infrastructure projects pertaining to ports, sea and vessels. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of ₹ 500,000,000/- (Rupees Fifty Crores Only).

Ratification of Corporate Guarantee:

Gammon and Billimoria L.L.C (GB L.L.C) is a Limited Liability Company registered in Dubai U.A.E. The Company is in operation since 2003 and is engaged in the business of Civil Engineering and Construction. The Company was set up as a Joint Venture of Gammon India Limited and B.E. Billimoria and Company Limited.

For meeting its urgent working capital requirements and other financial obligations, your Company has pursuant to Board Resolution dated 12th November 2010 approved the issue of a Corporate Guarantee in favour of ICICI Bank Limited, Bahrain Branch for an amount not exceeding USD 15.5 Million (USD Fifteen Million and Five Hundred Thousand Only) as security in connection with the credit facilities sanctioned by the said Bank to GB L.L.C.

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 of the Company held immediately after the 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 3.00 p.m. to 5.00 p.m. upto 26th March, 2011.

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.

Accordingly, the aforesaid guarantees 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 3.00 p.m. to 5.00 p.m. upto 26th March, 2011.

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**

**Sd/-
Gita Bade
Company Secretary**

Registered Office:

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

Dated: 11th February, 2011

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**GAMMON INDIA LIMITED**

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

Postal Ballot Form

Serial No.

1. Name(s) of the Shareholder(s) : _____
(in block letters) _____
(including joint holders, if any) _____

2. Registered Address of the sole/
first named Shareholder : _____

3. Registered Folio No./
DP ID No./Client ID No.* : _____
(*Applicable to investors holding
shares in dematerialized form)

4. Number of shares held : _____

5. I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for the businesses stated in the Notice of the Company by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark in the appropriate box below:

Item No.	Description	No. of Equity Shares	I/We assent to the resolution	I/We dissent to the resolution
1.	Special Resolution u/s. 31 & 259 of the Companies Act, 1956 for alteration of Article 123 of the Articles of Association of the Company.			
2.	Special Resolution u/s. 372A of the Companies Act, 1956 authorizing the Board of Directors to make investments in, acquire by way of subscription, purchase or otherwise the securities of any other body corporate, make / give loans / deposits / guarantees / securities to any other body corporate and in particular to the Companies mentioned in the Notice accompanying the Postal Ballot.			

Place : _____

Date : _____

Signature of the Shareholder

Tear Here

Instructions :

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached pre-paid self-addressed envelope. However, envelopes containing postal ballots, if sent by courier at the expense of the registered Shareholder, will also be accepted.
2. The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the Shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named Shareholder and in his absence, by the next named Shareholder.
4. Incomplete or Unsigned Postal Ballot Form will be rejected. The Scrutinizer's decisions on the validity of the Postal Ballot shall be final and binding.
5. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on Saturday, 26th March, 2011. Postal Ballot Form received after this date will be strictly treated as if the reply from the Member has not been received.
6. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Shareholders on the date of dispatch of the Notice.