



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 in partial modification of all previous resolutions passed in this regard 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 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 hereinafter mentioned below, 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 corporate may exceed the limits prescribed under section 372A of the Act:

- (i) Aparna Infraenergy India Limited subject to a limit of ₹ 5,000,000,000/- (Rupees Five Hundred Crores Only).
- (ii) Metropolitan Infrahousing Private Limited subject to a limit of ₹ 10,000,000,000/- (Rupees One Thousand Crores Only).
- (iii) Deepmala Infrastructure Private Limited subject to a limit of ₹ 7,500,000,000/- (Rupees Seven Hundred and Fifty Crores 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.”

2. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 372A of the Companies Act, 1956 (the “Act”) and all other applicable provisions, if any, of the Act, the members hereby confirm the issue of Corporate Guarantee by the Company on behalf of Gammon and Billimoria L.L.C to Union National Bank, Abu Dhabi Branch, for an amount not exceeding AED 52,000,000 (United Arab Dirhams Fifty Two Million Only)”.

3. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**
- “RESOLVED THAT pursuant to Section 372A of the Companies Act, 1956 and all other applicable provisions, if any, of the Act, the members hereby confirm the issue of Corporate Guarantee by the Company on behalf of Franco Tosi Meccanica S.p.A. (“FTM”), Italy to Barclays Bank PLC, Mauritius (“the said Bank”) for an amount not exceeding Euro 10,300,000/- (Euro Ten Million and Three Hundred Thousand Only) on renewal of the credit facilities of an equivalent amount by the said Bank to FTM S.p.A.”.
4. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**
- “RESOLVED THAT pursuant to Section 372A of the Companies Act, 1956 and all other applicable provisions, if any, of the Act, the members hereby confirm the issue of Corporate Guarantee by the Company on behalf of Franco Tosi Meccanica S.p.A. (“FTM”), Italy to State Bank of India, Champ Elysees, Paris Branch (“the said Bank”) for an amount not exceeding Euro 30,000,000/- (Euro Thirty Million Only) on renewal of the credit facilities of an equivalent amount by the said Bank to FTM S.p.A.”.
5. 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, read with Schedule XIII thereto, approval of the Company be and is hereby accorded to the appointment of Mr. Himanshu Parikh as Whole-time Director designated as Executive Director for a period of three (3) years with effect from 1st July, 2011 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. Himanshu Parikh;
- 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.”
6. 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 Section 314(1B) of the Companies Act, 1956 (the “Act”) read together with Director’s Relatives (Office or Place of Profit) Rules, 2003 and all 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 Board of Directors 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 on a revised remuneration in the scale of ₹ 6,000,000 p.a to ₹ 10,000,000 p.a (inclusive of all benefits) payable during a period of 3 (three) years effective from 1st April, 2011 or such date as may be approved by the Central Government ;
- 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 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: 12th August, 2011

Notes:

1. The relative Explanatory Statement pursuant to Sections 173(2) and 192A of the Companies Act, 1956 setting out all the material facts and reasons is annexed hereto.
2. The Board of Directors has appointed Mr. V. V. Chakradeo of M/s V. V. Chakradeo & Co., Company Secretaries, Mumbai 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.
3. Members are requested to carefully read the instructions printed on the attached Postal Ballot form. The 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 Thursday, 22nd September, 2011. Any response received from the shareholders after 22nd September, 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.
4. 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.
5. 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.
6. The results of the Postal Ballot will be announced on 23rd September, 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.
7. All documents referred to in the accompanying Notice and the explanatory statement are open for inspection by the members 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 22nd September, 2011.
8. Information required to be provided under Clause 49 the Listing Agreement entered into with various Stock Exchanges, regarding Mr. Himanshu Parikh who is proposed to be appointed is annexed hereto.

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:

- (i) Aparna Infraenergy India Private Limited has been incorporated by Gammon Infrastructure Projects Limited, a subsidiary of your Company, for implementation of 250 MW coal based thermal power project in Maharashtra. The Company proposes to invest/give loans/provide securities/guarantees upto a limit of ₹ 5,000,000,000/- (Rupees Five Hundred Crores Only).
- (ii) Metropolitan Infrahousing Private Limited, a subsidiary of your Company, is engaged in the business of infrastructure development and has been incorporated to carry out projects relating to real estate development. It is proposed to increase the existing limit from ₹ 5,000,000,000/- (Rupees Five Hundred Crores Only) to ₹ 10,000,000,000/- (Rupees One Thousand Crores Only).
- (iii) Deepmala Infrastructure Private Limited, a subsidiary of your Company, has been set up as a Special Purpose Vehicle for implementation of a realty project in CBD Bhopal. It is proposed to increase the existing limit from ₹ 5,000,000,000/- (Rupees Five Hundred Crores Only) to ₹ 7,500,000,000/- (Rupees Seven Hundred and Fifty Crores Only).

Considering the business of the aforesaid 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 / guarantees and securities to the aforesaid Companies will be in the interests of the Company.

As the proposed loans / guarantees / investments etc. 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 at Item No. 1 for members' approval.

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

Item Nos. 2, 3 & 4:

Gammon and Billimoria L.L.C (GB L.L.C) is a Limited Liability Company registered in Dubai U.A.E and is engaged in the business of Civil Engineering and Construction. The Company is a Joint Venture of Gammon & Billimoria Limited (a subsidiary of your Company) and B.E. Billimoria and Company Limited.

In view of business exigency, your Board, vide resolution dated 12th May, 2011, approved the issue of a Corporate Guarantee in favour of Union National Bank, Abu Dhabi Branch ("said Bank") for an amount not exceeding AED 52,000,000 (United Arab Dirhams Fifty Two Million Only) as security in connection with the credit facilities sanctioned by the said Bank to GB L.L.C.

Franco Tosi Meccanica (FTM) 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 etc. It is one of the leading manufacturers of steam and hydraulic turbines for the Power Industry.

- (a) Barclays Bank PLC, Mauritius ("the Bank") has renewed the credit facilities for an amount not exceeding Euro 10,300,000/- (Euro Ten Million and Three Hundred Thousand only) to FTM, on the security of a Corporate Guarantee of your Company.
- (b) State Bank of India, Champ Elysees, Paris Branch ("the Bank") has renewed the credit facilities for an amount not exceeding Euro 30,000,000/- (Euro Thirty Million only) to FTM, on the security of a Corporate Guarantee of your Company.

In view of business exigency, your Board, vide resolutions dated 17th March, 2011 and 25th July, 2011, approved the issue of the aforesaid Corporate Guarantees in favour of Barclays Bank PLC, Mauritius and State Bank of India, Champ Elysees, Paris Branch ("said Banks") for an amount not exceeding Euro 10,300,000/- (Euro Ten Million and Three Hundred Thousand only) and Euro 30,000,000/- (Euro Thirty Million only) respectively as security in connection with the credit facilities renewed by the said Banks respectively to FTM.

Pursuant to Section 372A of the Companies Act, 1956 the aforesaid guarantees need to be confirmed within twelve months of the Board resolution, in a general meeting of the Company.

A copy of each of the aforesaid guarantees is available for inspection by the members 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 22nd September, 2011.

Your Directors commend the Special Resolutions at Item Nos. 2 to 4 for members' approval.

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

Item No. 5:

Mr. Himanshu Parikh, a Non-Whole-time Director has vast experience in general management and has looked after various functions of the Company such as purchase, commercial and E.D.P. Considering his vast experience, expertise and his contribution to the Company, the Board, at its meeting held on 25th July 2011 appointed Mr. Himanshu Parikh as a Whole-time Director of the Company designated as Executive Director for a period of three (3) years, w.e.f. 1st July 2011 subject to the approval of the members.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

Name of Director	Mr. Himanshu Parikh
Age	52
Qualifications	B.Com
Expertise	Vast experience in diverse fields such as purchase, EDP and general management.
Directorships held in other public companies (excluding foreign and private companies)	1. Gammon Infrastructure Projects Ltd. 2. Gammon Realty Ltd. 3. Gammon Power Ltd.
Memberships/ Chairmanships of committees of public companies	Audit Committee (Member) - Gammon India Limited
Shareholding	NIL

The material terms of the draft Agreement pertaining to the appointment and remuneration of Mr. Himanshu Parikh as a Whole-time Director are as follows:

1. **Period:** Three (3) years with effect from 1st July, 2011 to 30th June, 2014.
2. **Remuneration:**
 - (i) **Salary** : In the scale of ₹ 2,100,000/- (Rupees Twenty One Lacs only) per month to ₹ 4,000,000/- (Rupees Forty Lacs 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. Himanshu Parikh shall not be paid sitting fees for attending meetings of the Board or any Committee thereof.

PART A:

- (i) Mr. Himanshu Parikh 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 as amended from time to time.

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. Himanshu Parikh.

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. Himanshu Parikh is available for inspection by the Members 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 22nd September, 2011.

This may be treated as an abstract under Section 302 of the Companies Act, 1956.

Your Directors commend the Ordinary Resolution at Item No. 5 for members' approval.

Mr. Himanshu Parikh may be deemed to be concerned or interested in the proposed contract of his appointment. No other Director of the Company is concerned or interested in the passing of the above resolution.

Item No. 6:

Mr. Harshit Rajan, relative of Mr. Abhijit Rajan, the Chairman and Managing Director of the Company, is at present holding office as Head-Procurement in the Company on remuneration of Rs.5,000,000/-per annum inclusive of all allowances and benefits applicable as per the Company policy. The aforesaid remuneration and holding of place of profit is in compliance with Section 314(1B) of the Companies Act, 1956 and in accordance with the approval received from the Ministry of Corporate Affairs, Government of India, vide their letter dated 23rd March, 2011.

Taking into consideration the duties assigned, the overall salary structure paid to senior employees within the organization as well as in comparable industries and considering the valuable contributions made by Mr. Harshit Rajan, as Head-Procurement and upon the recommendation of the Committee formed pursuant to the Director's Relatives (Office or Place of Profit) Rules, 2003, the Board of Directors considered it desirable to revise and fix the remuneration payable to Mr. Harshit Rajan during a term of 3 (three) years effective from 1st April, 2011 in the scale of ₹ 6,000,000 p.a to ₹ 10,000,000 p.a (inclusive of all benefits as per the Company policy). The payment of revised remuneration is subject to the approval of the Central Government .

Your Directors commend the Special Resolution at Item No. 6 for members' approval.

Except Mr. Abhijit Rajan, no other Director of the Company is 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: 12th August, 2011

**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 resolutions 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. 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.			
2.	Special Resolution u/s 372A of the Companies Act, 1956 to confirm the issue of Corporate Guarantee as mentioned in the Notice accompanying the Postal Ballot.			
3.	Special Resolution u/s 372A of the Companies Act, 1956 to confirm the issue of Corporate Guarantee as mentioned in the Notice accompanying the Postal Ballot.			
4.	Special Resolution u/s 372A of the Companies Act, 1956 to confirm the issue of Corporate Guarantee as mentioned in the Notice accompanying the Postal Ballot.			
5.	Ordinary Resolution u/s. 198, 269 & 309 of the Companies Act, 1956, for appointment of Mr. Himanshu Parikh as Whole-time Director of the Company.			
6.	Special Resolution u/s. 314(1B) of the Companies Act, 1956, for revision in the remuneration of Mr. Harshit Rajan, Head - Procurement.			

Place : Mumbai

Date : 12th August, 2011_____
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 Thursday, 22nd September, 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.