GAMMON INDIA LIMITED

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

NOTICE

Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 is hereby given that the Resolutions mentioned below are proposed to be passed by Postal Ballot.

1. **Approval of the corporate debt restructuring scheme in relation to restructuring of the Company's debts.**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

"RESOLVED THAT subject to the applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of Gammon India Limited (the "**Company**"), listing agreements entered into with stock exchanges, the applicable rules, notifications, guidelines issued by the Government of India, the Reserve Bank of India and any regulatory or other appropriate authorities (including but not limited to Securities and Exchange Board of India ("**SEBI**")), and subject to approvals, permissions, sanctions and consents as may be necessary from any regulatory or other appropriate authorities (including but not limited to SEBI, the Corporate Debt Restructuring Empowered Group (the "**CDR EG**"), the Reserve Bank of India (the "**RBI**"), Government of India, etc.) which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which terms shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred under this resolution) the Company hereby approves, ratifies and confirms the corporate debt restructuring package by and between the Company and the lenders of the Company whose loans are restructured (the "**CDR Lenders**") under the corporate debt restructuring scheme, approved by the CDR EG, at its meeting held on 24th June, 2013, and communicated to the Company by the Corporate Debt Restructuring Cell (the "**CDR Cell**") vide Letter of approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 (the "**CDR LOA**") and as set forth under the master restructuring agreement dated 24th September, 2013 (the "**MRA**") executed between the Company and the CDR Lenders and the Board and/or any person authorized by the Board in respect thereof from time to time, be and is hereby authorized on behalf of the Company to discuss, negotiate, amend, if required, the terms of the CDR LOA in the manner as may be approved by and between the Company and the CDR Lenders, amend or make changes to the MRA and enter into other documents in pursuance of the CDR LOA and the MRA, implement the CDR LOA and the MRA, on the basis of the terms set out in the CDR LOA and the MRA as may be agreed between the respective parties, and execute the necessary documents for the same including, inter alia issuance of equity shares to the promoters of the Company and the CDR Lenders in terms of the CDR LOA and MRA".

2. **Increase in the Authorized Share Capital of the Company.**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs.1,760,000,000/- (Rupees One Hundred and Seventy Six Crores Only) divided into 355,000,000 (Thirty Five Crores and Fifty Lacs) equity shares of Rs. 2/- (Rupees Two Only) each aggregating to Rs. 710,000,000/- (Rupees Seventy One Crores Only) and 3,000,000 (Thirty Lacs), 6% Optionally Convertible Preference Shares of Rs. 350/- (Rupees Three Hundred and Fifty Only) each aggregating to Rs. 1,050,000,000/- (Rupees One Hundred and Five Crores Only) to Rs. 150,470,000,000/- (Rupees Fifteen Thousand and Forty Seven Crores Only) divided into 74,710,000,000 (Seven Thousand Four Hundred and Seventy One Crores) equity shares of Rs. 2/- (Rupees Two Only) each aggregating to Rs. 149,420,000,000/- (Rupees Fourteen Thousand Nine Hundred and Forty Two Cores Only) and 3,000,000 (Thirty Lacs), 6% Optionally Convertible Preference Shares of Rs. 350/- (Rupees Three Hundred and Fifty Only) each aggregating to Rs. 1,050,000,000/- (Rupees One Hundred and Five Crores Only) by creation of additional 74,355,000,000 (Seven Thousand Four Hundred Thirty Five Crores and Fifty Lacs) equity shares of Rs. 2/- (Rupees Two Only) each;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this Resolution."

3. **Amendment to the Memorandum of Association of the Company.**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant the provisions of section 16 and other applicable provisions, if any, of the Companies Act, 1956, Clauses V & VI of the Company's Memorandum of Association be and are hereby substituted with the following:

"V. The Authorized Share Capital of the Company is Rs. 150,470,000,000/- (Rupees Fifteen Thousand and Forty Seven Crores Only) divided into 74,710,000,000 (Seven Thousand Four Hundred and Seventy One Crores) equity shares of Rs. 2/- (Rupees Two Only) each aggregating to Rs. 149,420,000,000/- (Rupees Fourteen Thousand Nine Hundred and Forty Two Cores Only) and 3,000,000 (Thirty Lacs) 6% Optionally Convertible Preference Shares of Rs. 350/- (Rupees Three Hundred and Fifty Only) each aggregating to Rs. 1,050,000,000/- (Rupees One Hundred and Five Crores Only) capable of being increased or decreased in accordance with the legislative provisions for the time being in force in this behalf."

4. **Amendment to the Articles of Association of the Company.**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles 4, 125 and 151 of the Articles of Association of the Company be modified / substituted as follows:

(a) Existing Article 4 be substituted by the following:

"4. The Authorized Share Capital of the Company is Rs. 150,470,000,000/- (Rupees Fifteen Thousand and Forty Seven Crores Only) divided into 74,710,000,000 (Seven Thousand Four Hundred and Seventy One Crores) equity shares of Rs. 2/- (Rupees Two Only) each aggregating to Rs. 149,420,000,000/- (Rupees Fourteen Thousand Nine Hundred and Forty Two Cores Only) and 3,000,000 (Thirty Lacs) 6% Optionally Convertible Preference Shares of Rs. 350/- (Rupees Three Hundred and Fifty Only) each aggregating to Rs. 1,050,000,000/- (Rupees One Hundred and Five Crores Only) with the rights, privileges and conditions attaching thereto as are provided by the regulation of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

(b) Existing Article 125 be substituted by the following new article:

125 "Subject to the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force and from time to time) the Board may appoint any person as a director nominated by an institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company. All provisions relating to a nominee director as contained in the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force and from time to time) shall be applicable to such director(s).

(c) Clause (1) of existing Article 151 be modified by adding the following paragraph:

(1)(a) The Company shall remove any director from the Company's Board who, while being on the Company's Board, has been identified as a 'willful defaulter' as per the directions/guidelines issued by the Reserve Bank of India from time to time in this regard.

5. **To provide option to CDR Lenders to convert loans into equity shares.**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(3) and other applicable provisions, if any, of the Companies Act, 1956, and the Public Companies (Terms of Issue of Debentures and Raising of Loans with Option to Convert such Debentures or Loans into Shares) Rules, 1977 ("**Rules**"), and any modifications thereto, which the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), be and is hereby authorized to accept, and the consent of the Company be and is hereby accorded to the Board for the allotment of such number of Equity Shares of the face value of Rs. 2/- (Rupees Two only) each to the CDR Lenders which shall not exceed the amount of principal and interest outstanding as on the date of conversion, in accordance with the terms of the Scheme of Corporate Debt Restructuring approved by the Corporate Debt Restructuring Empowered Group (CDR EG), at its meeting held on 24th June, 2013, and communicated to the Company by the Corporate Debt Restructuring Cell vide Letter of approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14, at a price as per the SEBI rules and regulations and the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 as amended from time to time and the Master Restructuring Agreement dated September 24, 2013 entered into inter alia between the Company and the CDR Lenders, on the exercise by the CDR Lenders of the option to convert the whole or part of their loans;

The conversion by the CDR Lenders shall be in accordance with the following conditions:

(i) On receipt of the Notice of Conversion, the Company shall allot and issue the requisite number of fully paid-up Equity Shares to the CDR Lenders and such CDR Lenders shall accept the same in satisfaction of the loans of the CDR Lenders so converted, as envisaged under the CDR LOA;

(ii) The part of the said loans so converted shall cease to carry interest as from the date of conversion and the said loans shall stand correspondingly reduced. Upon such conversion, the repayment installments payable after the date of conversion as per the CDR LOA shall stand reduced proportionately by the amounts of the said loan so converted;

(iii) The Equity Shares so allotted and issued to the CDR Lenders shall rank pari passu with the existing Equity Shares of the Company in all respects, inter alia, the dividends and other distributions declared or to be declared in respect of the equity capital of the Company; and

(iv) In the event that the CDR Lenders exercise the conversion right as aforesaid, the Company shall, at its cost, apply to the stock exchanges where the shares of the Company are listed for the listing of the Equity Shares issued to the CDR Lenders as a result of the conversion and get the same listed immediately.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as

may be considered necessary or expedient for giving effect to the above resolution."

6. **Issue of equity shares to the CDR Lenders on preferential basis on conversion of Working Capital Term Loan & Funded Interest Term Loan.**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be modified or re-enacted from time to time (hereinafter referred as "**SEBI ICDR Regulations**"), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), etc., and subject to the approvals, permissions, sanctions and consents as may be necessary from such regulatory and other appropriate authorities (including but not limited to the SEBI, CDR EG, RBI, the Government of India, etc.), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents and all such other approvals (including approvals of the existing lenders of the Company), which may be agreed to by the Board of Directors (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) and in terms of and furtherance of, corporate debt restructuring scheme ("**CDR Package**") approved by the Corporate Debt Restructuring Empowered Group ("**CDR EG**"), at its meeting held on 24th June, 2013, and communicated to the Company by the Corporate Debt Restructuring Cell ("**CDR Cell**") vide Letter of approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 ("**CDR LOA**") and any modifications to the terms thereof, as agreed to by the CDR Lenders and the Company and subject to the terms of the Master Restructuring Agreement dated 24th September, 2013 ("**MRA**") executed by and between the Company and the CDR Lenders, consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, 343,804,064 (Thirty Four Crores Thirty Eight Lacs Four Thousand and Sixty Four) fully paid-up equity shares of the Company, having face value of Rs.2/- (Rupees Two Only) each, at a price of Rs. 27.05/- (Rupees Twenty Seven and Paise Five Only) for conversion of an amount not exceeding Rs. 9,299,900,000/- (Rupees Nine Hundred Twenty Nine Crores and Ninety Nine Lacs Only), in consideration of: (i) Working Capital Term Loan, as and when the same accrues and is payable to the CDR Lenders, as mentioned below, as per the MRA aggregating to Rs. 6,564,600,000/- (Rupees Six Hundred and Fifty Six Crores and Forty Six Lacs Only); (ii) Funded Interest Term Loan being interest accrued on various restructured facilities from the cut-off date, being 1st January 2013 ("Cut-off Date") until 31st March, 2014 and 31st August, 2014 aggregating to Rs. 2,735,300,000/- (Rupees Two Hundred and Seventy Three Crores and Fifty Three Lacs Only) to the CDR Lenders, as mentioned in the explanatory statement annexed hereto, whether they are members of the Company or not, by way of preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit;

RESOLVED FURTHER THAT the 'relevant date' for determining the price for the equity shares to be allotted to the CDR Lenders shall be the date of approval of the CDR Package, being 24th June, 2013;

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 74 of SEBI ICDR Regulations, the Board be and is hereby authorized to issue and allot the equity shares at a future date as agreed by the CDR Lenders and the said equity shares shall rank pari passu with the existing equity shares of the Company in all respects and the equity shares shall be subject to lock-in for such period that may be prescribed under the SEBI ICDR Regulations;

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution(s), the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including to seek listing of the equity shares to be issued and allotted and to modify, accept and give effect to any modifications in the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, CDR EG, RBI, the Government of India, etc.) and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, offer and allotment of the equity shares and to execute all such deeds, documents, writings, agreements, applications in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Members or otherwise with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors to give effect to this resolution."

7. **Issue of equity shares to the CDR Lenders on preferential basis on conversion of the balance fund based facilities.**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time

being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be modified or re-enacted from time to time (hereinafter referred as "**SEBI ICDR Regulations**"), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), etc., and subject to the approvals, permissions, sanctions and consents as may be necessary from such regulatory and other appropriate authorities (including but not limited to the SEBI, CDR EG, RBI, the Government of India, etc.), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents and all such other approvals (including approvals of the existing lenders of the Company), which may be agreed to by the Board of Directors (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) and in terms of and furtherance of, corporate debt restructuring scheme ("**CDR Package**") approved by the Corporate Debt Restructuring Empowered Group ("**CDR EG**") at its meeting held on 24th June, 2013, and communicated to the Company by the Corporate Debt Restructuring Cell ("**CDR Cell**") vide Letter of approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 ("**CDR LOA**") and any modifications to the terms thereof, as agreed to by the CDR Lenders and the Company and subject to the terms of the Master Restructuring Agreement dated 24th September, 2013 ("**MRA**") executed by and between the Company and the CDR Lenders, consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, 1,343,371,534 (One Hundred and Thirty Four Crores Thirty Three Lacs Seventy One Thousand Five Hundred and Thirty Four) fully paid-up equity shares of the Company, having face value of Rs.2/- (Rupees Two Only) each, at a price of Rs. 27.05/- (Rupees Twenty Seven and Paise Five Only) for conversion of an amount not exceeding Rs. 36,338,200,000/- (Rupees Three Thousand Six Hundred and Thirty Three Crores and Eighty Two Lacs Only), in consideration of the balance fund-based facilities, as restructured, to the CDR Lenders, as mentioned in the explanatory statement annexed hereto, whether they are members of the Company or not, by way of preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit;

RESOLVED FURTHER THAT the 'relevant date' for determining the price for the equity shares to be allotted to the CDR Lenders shall be the date of approval of the CDR Package, being 24th June, 2013;

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 74 of SEBI ICDR Regulation, the Board be and is hereby authorized to issue and allot the equity shares at a future date as agreed by the CDR Lenders and the said equity shares shall rank pari passu with the existing equity shares of the Company in all respects and the equity shares shall be subject to lock-in for such period that may be prescribed under the SEBI ICDR Regulations;

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution(s), the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including to seek listing of the equity shares to be issued and allotted and to modify, accept and give effect to any modifications in the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, CDR EG, RBI, the Government of India, etc.) and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, offer and allotment of the equity shares and to execute all such deeds, documents, writings, agreements, applications in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Members or otherwise with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors to give effect to this resolution."

8. **Increase in the borrowing limits of the Company**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

"RESOLVED THAT in supersession to all the previous resolutions passed by the members, for increasing the borrowing limits of the Company, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), to the Board of Directors (which expression shall be deemed to include any Committee/s thereof and hereinafter referred to as the "Board") for borrowing any sum or sums of moneys from time to time from any one or more banks, financial institutions and other persons, firms, bodies corporate or financial institutions, whether in India or abroad, notwithstanding that the moneys to be borrowed together with the moneys 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) so that the amount up to which the money may be borrowed by the Board of Directors and outstanding at any time shall not exceed Rs. 170,000,000,000/- (Rupees Seventeen Thousand Crores Only).

9. **Authorization for creation of security**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a Special Resolution:

"RESOLVED THAT in supersession to all the previous resolutions passed by the members, consent of the Company be and is hereby accorded pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), to the Board of Directors of the Company for mortgaging and/or charging on such terms and conditions at such time or times and in such form and manner and with such ranking as to priority (whether pari passu with subsisting charges or otherwise) as it may think fit all or some or any immovable and/or movable properties of the Company, wherever situated, both present and future and/or the whole or substantially the whole of the Company's one or more undertakings or all the undertakings, including the present and/or future properties, whether movable or immovable, comprised in any undertaking or undertakings of the Company as the case may be, in favour of the lender(s) including debenture-trustees for the holders of debentures that may be issued whether privately placed/to be placed with the financial institutions, banks, bodies corporate and others with power to the lender(s) or debenture-trustees to take over the management of the business and concern of the Company in certain events and upon the terms and conditions decided/to be decided by the Board of Directors of the Company, together with interest thereon or additional interest, cumulative interest, liquidated damages, remuneration of debenture-trustees, if any, premium, if any on redemption/ pre-payment costs, charges, expenses and all other moneys payable by the Company to the lender(s) or debenture-trustees and to the holders of debentures/bonds in terms of the availment of loans or issue of the said debentures/ bonds subject to the maximum amount of Rs. 170,000,000,000/- (Rupees Seventeen Thousand Crores Only) including the charges subsisting;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman and Managing Director, to finalize and execute the loan agreements, trust deeds and/or other deeds, documents and agreements and to do all such acts, deeds, matters and things and to take all such further steps as may in opinion of the Board of Directors (including any Committee thereof) be necessary, proper or expedient for giving effect to this resolution."

By order of the Board,
For, **GAMMON INDIA LIMITED**

Sd/-
GITA BADE
COMPANY SECRETARY

Registered Office:
'Gammon House',
Veer Savarkar Marg,
Prabhadevi,
Mumbai - 400 025
Date: 25th November, 2013

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. 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 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 i.e. 5.30 p.m. on Monday, 30th December, 2013. Any response received from the shareholders after 5.30 p.m. on Monday, 30th December, 2013 shall be treated as if no response is received in terms of Rule 6(f) of the Companies (Passing of the Resolution by Postal Ballot) Rules 2011.
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. The Company is also additionally providing its members the facility of e-voting to enable members to caste their votes electronically and separate instructions have been given for members desirous of voting through this facility.
6. **Kindly note that the Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. If you are opting for e-voting, then do not vote by physical ballot and vice versa. However, in case Members cast their vote by physical ballot as well as by e-voting, then voting done through a valid physical ballot shall prevail and voting done by e-voting shall be treated as invalid.**
7. Members whose IDs are registered with the Company for receipt of documents in electronic mode under the Green Initiative of the Ministry of Corporate Affairs, are being sent Notice of Postal Ballot by e-mail and others are sent by post along with the Postal Ballot Form.
8. Members who have received the Postal Ballot Notice by e-mail and wish to vote through physical Postal Ballot Form can download the Postal Ballot Form from the link or seek a duplicate Postal Ballot Form from the Registrar & Transfer Agent, Link Intime India Private Limited or Company Secretary, Gammon India Limited, 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai 400 025, fill in the details and send the same to the Scrutinizer.

9. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed and signed in the enclosed self addressed Business Reply Envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballot, if sent by courier or registered / speed post at the expense of the Member will also be accepted.

10. **The envelopes containing duly filled in Postal Ballot Form including from those Members who have requested for the duplicate Forms, should reach the Scrutinizer not later than the close of business hours i.e. 5.30 p.m. on Monday, 30th December, 2013. The Postal Ballot Forms received after this date will be treated as if the reply from the Member has not been received.**

11. **Instructions to the Members for e-voting are as under:**

(a) In case of Members receiving email and who wish to vote through the e-voting facility

(i) Email contains your user ID and password for e-Voting. Please note that this password is an initial password.

(ii) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com

(iii) Now click on "Shareholders" to cast your votes

(iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(v) Now, fill up the following details in the appropriate boxes:

User-ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Folio Number registered with the Company
Password	Your Unique password is printed on the Postal Ballot Form.
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.

*Members who have not updated their PAN with the Company / Depository Participant are requested to use default number '**GM1379BG11**' in the PAN field or use physical Postal Ballot Form for voting.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in Physical form will then reach directly to the voting screen.

(viii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

(x) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.

(xi) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Postal Ballot Notice.

(xii) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.

(xiii) Click on the Resolution File Link if you wish to view the entire Postal Ballot Notice.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xvi) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at vvchakra@gmail.com and gita.bade@gammonindia.com with a copy marked to helpdesk.evoting@cdslindia.com.

(xvii) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.

(b) In case of Members receiving Postal Ballot Form by post and who wish to vote using the e-voting facility :

(i) Initial password is provided in the table given in the Postal Ballot Form.

(ii) Please follow all steps from Sr. No. (ii) to Sl. No. (xvi) above, to cast your vote.

Members are requested to carefully read the instructions and in case of any queries, you may refer to the QnA on

e-Voting for Members and User Manual for Shareholders to cast their votes available in the Help section of www.evotingindia.com

12. Voting rights shall be reckoned on the paid-up value of Shares registered in the name of the Members as on the date of dispatch of notice.

13. **The e-voting period commences at 9.30 a.m. on Sunday, 1st December, 2013 and ends on the close of business hours at 5.30 p.m. on Monday, 30th December, 2013. The e-voting module shall also be disabled by CDSL for voting thereafter.**

14. The Scrutinizer will submit his report to the Chairman or the Company Secretary of the Company after completion of the scrutiny of the Postal Ballot Forms. **The result of the Postal Ballot will be announced at the Registered Office of the Company situated at 'Gammon House', Veer Savarkar Marg, Prabhadevi, Mumbai 400 025 on Tuesday, 31st December, 2013.** The result of the Postal Ballot will be displayed at the Registered Office of the Company and posted on the Company's website www.gammonindia.com and communicated to the stock exchanges where the Company's shares are listed. The result of the Postal Ballot will be published in one English newspaper and one Marathi newspaper.

15. In the event the Resolution is assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of the result of Postal Ballot shall be deemed to be the date of passing of the said Resolution.

16. The Board of Directors has appointed Ms. Gita Bade - Company Secretary as the person responsible for the entire Postal Ballot process.

17. All documents referred to in the accompanying Notice and the explanatory statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 5.30 p.m. on all working days except on Saturdays, Sundays and other public holidays upto Monday, 30th December, 2013.

ANNEXURE TO THE NOTICE

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

Item No. 1:

The construction industry has been facing severe recessionary trends. Decelerated economy, slower industrial growth, delays in large PSUs projects caused delays wherein profitability of certain projects eroded on increased costs. Though, the Company was able to ward off the impact immediately due to a good order book position, the elongated recessionary pressures for last two years affected the Company which led to reduction in turnover and negative growth in Net Profit. Government inaction, delays in awarding projects, delays in clearances by various government agencies, bureaucratic apathy has led to delays in the project progress at various project sites of the Company, thereby resulting into cost overruns due to idling of manpower and equipments thereby resulting in reduction in revenue of the Construction Division. Delayed Receivables, Cash flow mismatches due to elongated Working Capital Cycle, higher interest cost, slower economic growth and high inflation were some of the reasons that led to liquidity mismatches.

In order to overcome this financial crisis the Company sought to realign its debts through the Corporate Debt Restructuring mechanism. The Company made a reference to the Corporate Debt Restructuring Cell ("CDR"). The CDR Empowered Group ("CDR EG"), at its meeting held on 24th June, 2013, examined the Company's proposal and a final debt restructuring package was approved by the CDR EG and communicated to the Company by the Corporate Debt Restructuring Cell vide its Letter of Approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 ("CDR LOA"). The salient features of the CDR package are as follows:

1. Cut-off date is 1st January, 2013.
2. Total Debt rescheduled aggregating to Rs. 14,814.17 Crores (which includes re-schedulement of Short Term Loans, Term Loans and Non Convertible debentures payable over a period of ten years). The above rescheduled debt also includes the following:
   (i) Funded interest for fifteen months period from January, 2013 to March, 2014.
   (ii) Priority loan sanctioned for meeting the immediate financial needs of the Company.
3. Waiver of penal charges from the cut-off date to the date of implementation of the package.
4. Reduction in the rate of interest by 1% for 15 (fifteen) months period from January 2013 to March, 2014.

The above rescheduled debt is secured by:

(1) Creation of charge by way of hypothecation/mortgage on the Company's entire fixed assets and current assets, both present and future, loans and advances and long term trade receivables;
(2) Personal Guarantee of the Promoter viz. Mr. Abhijit Rajan;
(3) Corporate Guarantee by Nikhita Estate Developers Private Limited, a promoter group company;
(4) Pledge of shares held by the Company in its subsidiaries viz. (a) Deepmala Infrastructure Private Limited; (b) AnsaldoCaldaie Boilers India Private Limited; (c) Transrail Lighting Limited and (iv) Gactel Turnkey Projects Limited, as provided in the MRA;
(5) Pledge of shares of Nikhita Estate Developers Private Limited ("NEDPL") by its promoters and issue of Corporate Guarantee by NEDPL; and
(6) Pledge by Promoters of their shareholding in the Company.

The Board of Directors, at its meeting held on 12th August, 2013, approved the Company's debt restructuring package as laid down in the CDR LOA. On 24th September, 2013, the Company also executed a Master Restructuring Agreement with the CDR Lenders. Pursuant to the MRA:

(a) the Promoters have brought in their contribution aggregating to Rs. 100 Crores;

(b) The Promoters have pledged their shareholding in the Company in favour of the CDR Lenders;

(c) Mr. Abhijit Rajan, Promoter executed Personal Guarantee in favour of the CDR Lenders; and

(d) The Company is in the process of creating balance securities.

The Special Resolution at Item No. 1, proposed to be passed by the shareholders, shall be deemed to be a confirmation, ratification and authorization by the shareholders of the Company in terms of the applicable provisions of the Companies Act, 1956 and Regulation 10(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, to the scheme of corporate debt restructuring as set out in the CDR LOA.

Your Directors commend passing of the special resolution at Item No. 1 of the Notice.

Except for Mr. Abhijit Rajan, being a promoter of the Company, none of the Directors of the Company are interested or concerned in the passing of the above resolution.

Item No. 2:

The present Authorized Share Capital of the Company is Rs.1,760,000,000/- (Rupees One Hundred and Seventy Six Crores Only) divided into 355,000,000 (Thirty Five Crores and Fifty Lacs) equity shares of Rs. 2/- (Rupees Two Only) each aggregating to Rs. 710,000,000/- (Rupees Seventy One Crores Only) and 3,000,000 (Thirty Lacs), 6% Optionally Convertible Preference Shares of Rs. 350/- (Rupees Three Hundred and Fifty Only) each aggregating to Rs. 1,050,000,000/- (Rupees One Hundred and Five Crores Only).

The CDR EG, at its meeting held on 24th June, 2013, approved the corporate debt restructuring package for restructuring of the Company's debts which was communicated to the Company by the Corporate Debt Restructuring Cell vide Letter of Approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 ("CDR LOA"). The Company has also executed Master Restructuring Agreement ("MRA") dated 24th September, 2013 with the CDR Lenders. As per the conditions stipulated in the CDR LOA and the MRA, the CDR Lenders have the right to convert the restructured facilities into equity shares of the Company. Also the Promoters of the Company have the option to convert their contribution into equity capital. In view of the aforesaid, it is necessary to increase the authorized share capital of the Company from Rs. 176 Crores to Rs. 15,047 Crores to provide for adequate equity capital for further issue of shares.

The Board of Directors, at its meeting held on 25th November, 2013, subject to approval of the shareholders, approved the increase in the authorized share capital of the Company from Rs. 176 Crores to Rs. 15,047 Crores.

Pursuant to Section 94 of the Companies Act, 1956, any increase in the Authorized Share Capital of the Company requires approval of the shareholders by way of an Ordinary Resolution.

Your Directors commend passing of the ordinary resolution at Item No. 2 of the Notice.

Except for Mr. Abhijit Rajan, being a promoter of the Company, none of the Directors of the Company are interested or concerned in the passing of the above resolution.

Item No. 3:

Any increase in the Authorized Share Capital of the Company requires amendment to the Company's Memorandum of Association. The resolution at Item No. 3 of the Notice is consequential with the increase in the Authorized Share Capital of the Company as given in explanatory point no. 2 above. The Board of Directors, at its meeting held on 25th November, 2013, subject to approval of the shareholders, approved the amendment to the Company's Memorandum of Association in view of increase in the authorized share capital of the Company.

Pursuant to Section 16 of the Companies Act, 1956, amendment to the Memorandum of Association requires the approval of the members by way of an Ordinary Resolution.

Your Directors commend passing of the Ordinary Resolution at Item No. 3 of the Notice.

Except for Mr. Abhijit Rajan, being a promoter of the Company, none of the Directors of the Company are interested or concerned in the passing of the above resolution.

Item No. 4:

It is proposed to amend Articles 4, 125 and 151 of the Articles of Association of the Company relating to increase in the Authorized Share Capital of the Company, appointment of nominee director(s) and removal of directors.

(a) Amendment to Article 4, relating to the authorized share capital of the Company, is consequential with the increase in the Authorized Share Capital of the Company pursuant to Item No. 2 of the explanatory statement.

(b) Pursuant to Letter of Approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 ("CDR LOA") and the Master Restructuring Agreement dated 24th September, 2013 entered into between the Company and the CDR Lenders, each of the CDR Lenders has a right to appoint/retain nominee director(s) on the Company's Board during the term of the CDR package. In order to ensure compliance with the CDR LOA and the MRA, the existing Article 125 is being replaced with new article 125 as set out in the resolution at Item No. 4(b) above.

(c) As per the restructuring documents entered into with the CDR Lenders, the Company shall not appoint any person on the Company's Board who has been identified as a 'willful defaulter' in accordance with the directions/guidelines issued by the Reserve Bank of India ("RBI") from time to time. In case any director is declared a 'willful defaulter', while being on the Company's Board, as per the said directions/guidelines issued by the RBI, then the Company shall

immediately take steps to remove such person as a director of the Company. Accordingly, Article 151 of the Articles of Association is being suitably modified so as to incorporate the aforesaid condition as a ground for removal of director(s) to ensure compliance with the restructuring documents.

The Board of Directors, at its meeting held on 25th November, 2013, subject to approval of the shareholders, approved amendments to Article Nos. 4, 125 and 151 of the Company's Articles of Association.

Pursuant to Section 31 of the Companies Act, 1956, any amendment to the Articles of Association of the Company requires the approval of the members by way of a Special Resolution.

Your Directors commend passing of the resolution at Item No. 4 of the Notice.

Except for Mr. Abhijit Rajan, being a promoter of the Company, none of the Directors of the Company are interested or concerned in the passing of the resolution at Item No. 4(a) of the Notice.

None of the Directors of the Company are interested or concerned in the passing of the resolution at Item No. 4(b) & (c) of the Notice.

Item No. 5:

As per the Letter of Approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 ("**CDR LOA**") and the Master Restructuring Agreement dated 24th September, 2013 ("**MRA**") executed by the Company with the CDR Lenders, the CDR Lenders have an option for converting the restructured facilities into equity shares of the Company in the event of the following:

(a) An option to convert the aggregate of Working Capital Term Loan and Funded Interest Term Loan, as restructured, amounting to Rs. 929.99 Crores (Rupees Nine Hundred Twenty Nine Crores and Ninety Nine Lacs Only) *at any time during the implementation of the CDR package;*

(b) An option to convert the balance restructured facilities aggregating to Rs. 138,841,800,000/- (Rupees Thirteen Thousand Eight Hundred Eighty Four Crores and Eighteen Lacs Only) *on the happening of an event of default as described in the MRA;*

(c) An option to convert 20% (twenty per cent) of such outstanding restructured facilities (as on the date of conversion) *if the restructured facilities remains outstanding beyond 7 (seven) years from the date of the CDR LOA;* and

(d) An option to convert the aggregate of the outstanding Working Capital Term Loan or Funded Interest Term Loan (as on the date of conversion) *if any portion of the Working Capital Term Loan or the Funded Interest Term Loan remains outstanding beyond 7 (seven) years from the date of the CDR LOA.*

The Board of Directors, at its meeting held on 25th November, 2013, subject to the approval of the shareholders, approved the conversion of the restructured facilities into equity shares, as aforementioned, upon the CDR Lenders exercising their option to convert the same.

Pursuant to the provisions of Section 81(3) of the Companies Act, 1956 and the Public Companies (Terms of Issue of Debentures and Raising of Loans with Option to Convert such Debentures or Loans into Shares) Rules, 1977, shareholders' approval is required for conversion of the loans, as mentioned in the above resolution, into equity shares of the Company.

Your Directors commend passing of the Special Resolution at Item No. 5 of the Notice.

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

Item Nos. 6 & 7:

As per the Letter of Approval dated June 29, 2013 bearing reference number BY.CDR(PMJ)/No. 275/2013-14 and amendment letters dated July 31, 2013 bearing reference number BY.CDR. (PMJ) No. 370 /2013-14 and August 3, 2013 bearing reference number BY.CDR. (PMJ) No. 385 /2013-14 ("CDR LOA") and the Master Restructuring Agreement dated 24th September, 2013 ("MRA") executed by the Company with the CDR Lenders, the CDR Lenders have an option for converting the restructured facilities into equity shares of the Company in the following manner:

(i) The following Lenders have an option to convert the aggregate of Working Capital Term Loan ("WCTL") and Funded Interest Term Loan ("FITL"), as restructured, amounting to Rs. 929.99 Crores (Rupees Nine Hundred Twenty Nine Crores and Ninety Nine Lacs Only) *at any time during the implementation of the CDR package:*

(Amount Rs. In Crores)

Sr. No.	Name of Lender	WCTL	FITL	Total
1.	Canara Bank	120.96	28.75	149.71
2.	ICICI Bank	95.20	-	95.20
3.	Punjab National Bank	57.54	-	57.54
4.	IDBI Bank	113.04	1.11	114.15
5.	Allahabad Bank	73.18	1.84	75.02
6.	Bank of Baroda	57.12	57.33	114.45
7.	Syndicate Bank	49.58	28.75	78.33
8.	Oriental Bank of Commerce	55.79	0.53	56.32
9.	DBS Bank	34.05	-	34.05
10.	Bank of Maharashtra	-	19.89	19.89
11.	UCO Bank	-	28.75	28.75
12.	Union Bank	-	32.34	32.34

13.	United Bank	-	35.94	35.94
14.	Karnataka Bank	-	1.31	1.31
15.	Life Insurance Corporation of India	-	26.33	26.33
16.	General Insurance Corporation	-	4.34	4.34
17.	Central Bank of India	-	2.63	2.63
18.	United India Insurance	-	2.38	2.38
19.	Indian Bank	-	1.31	1.31
	TOTAL	**656.46**	**273.53**	**929.99**

(ii) The following CDR Lenders have an option to convert the balance fund-based restructured facilities amounting to Rs. 36,338,200,000/- (Rupees Three Thousand Six Hundred and Thirty Three Crores and Eighty Two Lacs Only) on the happening of an event of default and/or any amount outstanding beyond seven (7) years from the date of the CDR LOA as mentioned in the MRA:

(Amount Rs. In Crores)

Sr. No.	Name of Lender	Balance fund based*
1.	Canara Bank	598.69
1.	Canara Bank	598.69
2.	ICICI Bank	271.58
3.	Punjab National Bank	199.54
4.	IDBI Bank	214.43
5.	Allahabad Bank	168.33
6.	Bank of Baroda	537.74
7.	Syndicate Bank	319.70
8.	Oriental Bank of Commerce	96.52
9.	DBS Bank	118.07
10.	Bank of Maharashtra	139.22
11.	UCO Bank	200.00
12.	Union Bank	225.00
13.	United Bank	250.00
14.	Karnataka Bank	10.00
15.	Life Insurance Corporation of India	200.00
16.	General Insurance Corporation	35.00
17.	Central Bank of India	20.00
18.	United India Insurance	20.00
19.	Indian Bank	10.00
	TOTAL	**3,633.82**

**The Fund based facilities include (i) Cash Credit facilities & Term Loan facilities, as restructured by the CDR Lenders; (ii) The amount of outstanding Non-Convertible Debentures; & (iii) The amount of Priority Loan granted by the CDR Lenders.*

The Board of Directors, at its meeting held on 25th November, 2013, subject to the approval of the shareholders, approved the proposal for issue of 1,687,175,598 (One Hundred and Sixty Eight Crores Seventy One Lacs Seventy Five Thousand Five Hundred and Ninety Eight) equity shares of Rs. 2/- each for an amount not exceeding Rs. 45,638,100,000/- (Rupees Four Thousand Five Hundred and Sixty Three Crores and Eighty One Lacs Only) at a price of Rs. 27.05/- (Rupees Twenty Seven and Paise Five Only) per equity share to the CDR Lenders upon the CDR Lenders exercising their option to convert the following restructured facilities in any one of the situations as explained in (i) and (ii) above:

(a) Working Capital Term Loan not exceeding Rs. 6,564,600,000/- (Rupees Six Hundred and Fifty Six Crores and Forty Six Lacs Only) & Funded Interest Term Loan not exceeding Rs. 2,735,300,000/- (Rupees Two Hundred and Seventy Three Crores and Fifty Three Lacs Only) aggregating to Rs. 9,299,900,000/- (Rupees Nine Hundred Twenty Nine Crores and Ninety Nine Lacs Only); and

(b) Balance fund-based restructured facilities not exceeding Rs. 36,338,200,000/- (Rupees Three Thousand Six Hundred and Thirty Three Crores and Eighty Two Lacs Only).

Other terms relating to issue of Equity Shares:

1. Restructured fund-based based facilities amounting to Rs. 45,638,100,000/- (Rupees Four Thousand Five Hundred and Sixty Three Crores and Eighty One Lacs Only) shall be converted into equity shares upon the CDR Lenders exercising their option to convert such restructured fund-based facilities into equity shares.
2. The Equity shares shall rank pari passu with the then existing equity shares of the Company.
3. The disclosures required pursuant to Regulation 73 of the SEBI Regulations are as follows:

(a) Objects of the Preferential Issue:

The object of the preferential issue is to comply with the CDR Package of the Company by allotment of equity shares of the Company to the CDR Lenders pursuant to the exercise of option by the CDR Lenders to convert the restructured facilities into equity shares as envisaged in the CDR LOA and the MRA.

(b) Proposal of the Promoters, directors or key management personnel of the issuer to subscribe to the offer:

None of the promoters, directors or key management persons intend to subscribe to the proposed preferential offer.

(c) Shareholding Pattern before and after the preferential issue:

The shareholding pattern of the Company before and after the preferential issue is provided below:

Sr. No.	Category of Shareholder	Pre-allotment		Post-allotment	
		No. of shares	% to paid-up capital	No. of shares	% to paid-up capital
A	Promoter & Promoter Group	47,757,154	34.99	47,757,154	2.62
B	Public Shareholding:				
	Bodies Corporate	17,654,362	12.93	17,654,362	0.97
	Financial Institutions	2,574,679	1.89	2,574,679	0.14
	FIIs	30,908,000	22.64	30,908,000	1.69
	Insurance Companies	1,255,459	0.92	107,743,444	5.91
	Mutual Fund	5,520,795	4.04	5,520,795	0.30
	Banks	107,775	0.08	1,580,795,389	86.68
	Foreign Nationals	168,570	0.12	168,570	0.01
	NRIs	661,535	0.48	661,535	0.04
	Overseas Bodies Corporate	4,684,720	3.43	4,684,720	0.26
	Public	25,207,419	18.48	25,207,419	1.38
	Sub-total (B)	88,743,314	65.01	1,829,990,929	97.38
	TOTAL	**136,500,468**	**100.00**	**1,823,676,067**	**100.00**

The pre-allotment shareholding has been given on the basis of data available as on 22nd November, 2013. Further, the aforesaid post-allotment shareholding details have been provided assuming full conversion of the outstanding fund based amounts by each CDR Lender as of the date of the Board Meeting held on 25th November, 2013. However, the actual conversion shall be dependent on the extent of conversion rights exercised by each CDR Lender.

(d) Time within which the preferential issue shall be completed:

The equity shares shall be allotted to the concerned allottees in accordance with and within the time limit specified under the SEBI ICDR Regulations.

(e) Identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issue consequent to the preferential issue:

Sr. No.	Name of Lender	Shareholding			
		Pre-allotment		Post-allotment	
		No. of shares	% to paid-up capital	No. of shares	% to paid-up capital
1.	Canara Bank	6,000	0.0044	276,678,828	15.1715
2.	ICICI Bank	-	-	135,593,346	7.4352
3.	Punjab National Bank	-	-	95,038,817	5.2114
4.	IDBI Bank	-	-	121,471,349	6.6608
5.	Allahabad Bank	-	-	89,963,031	4.9331
6.	Bank of Baroda	1,575	0.0012	241,106,935	13.2209
7.	Syndicate Bank	-	-	147,146,026	8.0686
8.	Oriental Bank of Commerce	-	-	56,502,773	3.0983
9.	DBS Bank	-	-	56,236,599	3.0837
10.	Bank of Maharashtra	230	0.0002	58,820,932	3.2254
11.	UCO Bank	65,960	0.0483	84,631,579	4.6407
12.	Union Bank of India	755	0.0006	95,135,690	5.2167
13.	United Bank of India	-	-	105,707,948	5.7964
14.	Karnataka Bank	-	-	4,181,146	0.2293
15.	Life Insurance Corporation of India	1,255,459	0.9197	84,926,439	4.6569
16.	General Insurance Corporation	-	-	14,543,438	0.7975
17.	Central Bank of India	2,930	0.0021	8,368,919	0.4589
18.	United India Insurance	-	-	8,273,567	0.4537
19.	Indian Bank	26,000	0.0190	4,207,146	0.2307
	TOTAL	**1,358,909**	**0.9955**	**1,688,534,508**	**92.5896**

The aforesaid details have been provided assuming full conversion of the outstanding amounts by each CDL Lender as of the date of the Board Meeting held on 25th November, 2013. However, the actual conversion shall be dependent on the extent of conversion rights exercised by each CDR Lender.

The proposed allottees are not part of the promoter group and hence allotment of equity shares may result in change in control of the Company.

(f) Undertaking by the Company:

Not applicable in this case.

(g) Certificate from Statutory Auditors:

M/s P. N. Vepari & Co., have certified that the issue of securities is being made in accordance with SEBI ICDR Regulations. A copy of the said certificate is open for inspection at the Registered Office of the Company between 10:00 a.m. to 5:00 p.m. on all working days (except Saturdays, Sundays and holidays) up to the date of announcement of the result of Postal Ballot.

(h) Relevant Date:

As per the terms of the CDR Package, the lenders of the Company have a right to convert certain restructured facilities into equity shares of the Company. The 'relevant date' for any allotments of equity shares contemplated under Item Nos. 6 & 7 pursuant to the CDR Package will be 24th June, 2013, being the date on which the Corporate Debt Restructuring Package was approved by the Corporate Debt Restructuring Empowered Group.

(i) Lock-in Period:

The securities allotted to the CDR Lenders shall be locked in for a period of one (1) year as per the provisions of ICDR Regulations.

Pursuant to Section 81(1A) of the Companies Act, 1956, issue of equity shares, to persons who are not members of the Company on a preferential basis, requires the approval of the shareholders by way of a special resolution.

Accordingly, the resolutions at Item Nos. 6 & 7, if approved by the shareholders, will enable the Company to issue the said equity shares to the persons as stated above on a preferential basis in compliance with the conditions stated in the CDR LOA.

Your Directors commend passing of the resolutions at Item Nos. 6 & 7 of the Notice.

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

Item No. 8:

Members are informed that presently, the Board of Directors is authorized to borrow money for the purpose of the Company's business requirements (apart from temporary loans from its bankers) upto a ceiling of Rs. 15,000 Crores. Considering the Company's business requirements and other capital expenditure as also the long term working capital requirements, it is envisaged that the existing limit of Rs. 15,000 Crores may not be sufficient. In order to enable the Board of Directors to borrow monies for the Company's business requirements, it is proposed to increase the borrowing limits of the Company from Rs. 15,000 Crores to Rs. 17,000 Crores. Members may also note that any further borrowing by the Company shall be subject to the approval of the Corporate Debt Restructuring Empowered Group.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, approval of the members is sought for authorizing the Board to borrow in excess of the paid-up capital and free reserves of the Company as set out in the resolution.

Your Directors commend the Resolution at Item No. 8 for your approval.

None of the Directors are, in any way, concerned or interested in the passing of the above Resolution.

Item No. 9:

Section 180(1)(a) of the Companies Act, 2013, provides that a company shall not sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking(s) of the Company without the consent of its members in a general meeting. And as the Company's operations are likely to increase in the near future wherein the Company would need to resort to such borrowings from the bank/financial institutions or other lenders who may insist on creation of charge/mortgage on the assets of the Company which might be considered as disposal of the Company's undertaking within the meaning of 180(1)(a) of the Companies Act, 2013, requiring the members' consent for the same. In view of the same it is proposed to increase the Board's limits for creating charge/mortgage/hypothecation on the Company's movable / immovable assets in favour of the CDR Lenders or for sale/disposal of the Company's undertaking from the existing limit of Rs. 15,000 Crores to Rs. 17,000 Crores.

Pursuant to Section 180(1)(a) of the Companies Act, 2013, approval of the members is sought for passing of the special resolution as mentioned in Item No. 9 above.

Your Directors commend the Resolution at Item No. 9 for your approval.

None of the Directors are, in any way, concerned or interested in the passing of the above Resolution.

By order of the Board,
For, **GAMMON INDIA LIMITED**
Sd/-
GITA BADE
COMPANY SECRETARY

Registered Office:
'Gammon House',
Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025
Date: 25th November, 2013

CRYSTAL +91 22 6614 0900

GAMMON

GAMMON INDIA LIMITED

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

Postal Ballot Form

Serial No.:

(1) Name and Registered address of the sole/first named Shareholder :

(2) Name(s) of Joint Shareholder(s) :

(3) Registered Folio No. / DP ID No./Client ID No.* (*applicable to investors holding shares in dematerialised 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 by sending my / our assent or dissent of 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 to approve CDR package.			
2	Ordinary Resolution u/s. 94 of the Companies Act, 1956, for increase in the Authorized Share Capital of the Company.			
3	Ordinary Resolution u/s. 16 of the Companies Act, 1956, for amendment to the Memorandum of Association of the Company.			
4	Special Resolution u/s. 31 of the Companies Act, 1956, for amendment to the Articles of Association of the Company.			
5	Special Resolution u/s. 81(3) of the Companies Act, 1956, providing for conversion of restructured debts of the Company into equity shares.			
6	Special Resolution u/s. 81(1A) of the Companies Act, 1956, issue of equity shares to the CDR Lenders on preferential basis on conversion of Working Capital Term Loan and Funded Interest Term Loan.			
7.	Special Resolution u/s. 81(1A) of the Companies Act, 1956, issue of equity shares to the CDR Lenders on preferential basis on conversion of balance fund based facilities.			
8.	Special Resolution under Section 180 (1) (c) of the Companies Act, 2013 authorizing the Board of Directors to borrow in excess of the aggregate of the paid-up capital and free reserves of the Company.			
9.	Special Resolution under Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors to create charge/mortgage/ hypothecation on all or any of the immovable properties of the Company.			

Electronic Voting Particulars

EVSN (Electronic Voting Sequence Number)	User ID	Password

Place : Mumbai

Date : .....

(Signature of the Shareholder)

INSTRUCTIONS

Please read the following instruction carefully:

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. The assent / dissent must be recorded by placing a tick mark in the appropriate column.

5. 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.

6. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on Monday, 30th December, 2013. Postal Ballot Form received after this date will be strictly treated as if the reply from the Member has not been received.

7. 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.

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