GAMMON

27th July, 2012

The Listing Department
The National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor,
Plot No. C / 1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051.

Sub: Submission of Postal Ballot Notice.

Dear Sir,

In accordance with Clause 31 of the Listing Agreement, we enclose herewith three (3) copies of the Postal Ballot Notice which was dispatched to the shareholders on 27th July, 2012.

Kindly acknowledge receipt of the same.

Thanking you.

Yours faithfully,
For GAMMON INDIA LIMITED

GITA BADE
COMPANY SECRETARY

Encl.: As above

GAMMON INDIA LIMITED

GAMMON

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

   "RESOLVED THAT pursuant to Section 192A of the Companies Act, 1956 ("the Act"), read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, consent of the Company be and is hereby accorded to the Board of Directors ("the Board") of the Company pursuant to Section 372A 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 investments in / give loans / provide guarantee(s) from time to time and in particular to enter into the transactions of the above nature with the company 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 corporates may exceed the limits prescribed under section 372A of the Act:

   i. Brookfield Multiplex Gammon India LLP subject to a limit of ₹ 10,000,000/- (Rupees One Crore Only).

   RESOLVED FURTHER THAT the aforesaid investment / loans / advances / guarantees 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 an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), read with Schedule XIII thereto as amended from time to time, approval of the Company be and is hereby accorded to the re-appointment of Mr. D. C. Bagde as Wholetime Director of the Company, designated as Deputy Managing Director – Transmission & Distribution Business for a further period of five (5) years with effect from 9th July 2012, not liable to retire by rotation and 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 re-appointment in such manner as may be agreed between the Board and Mr. D. C. Bagde subject to the provisions of the Act;

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

3. To consider and if thought fit, to pass 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, as amended from time to time, and all other applicable provisions, if any, of the Act, consent of the Company be and is hereby accorded to

Ms. Ruchi Bagde, a relative of Mr. D. C. Bagde - Whole-time Director of the Company, to hold and continue to hold an office or place of profit in the Company as Management Trainee on a stipend not exceeding ₹ 3,50,000/- per annum (Rupees Three Lacs and Fifty Thousand only) (inclusive of all benefits) effective from 30th May, 2012, for a period of one (1) year;

RESOLVED FURTHER THAT the Board be and is hereby authorized 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

Sd/-
Gita Bade
Company Secretary

Registered Office:

'Gammon House',
Veer Savarkar Marg,
Prabhadevi,
Mumbai – 400 025.

Dated: 16th July, 2012

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 Postal Ballot form, duly completed and signed, should be returned in the enclosed self-addressed, postage prepaid envelope, directly to the Scrutinizer so as to reach him on or before the close of working hours on Tuesday, 28th August, 2012. Any response received from the shareholders after Tuesday, 28th August, 2012 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. 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 Wednesday, the 29th day of August, 2012 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 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 Tuesday, 28th August, 2012.

8. Information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding Mr. D. C. Bagde who is proposed to be appointed/re-appointed is set out in the Explanatory Statement.

ANNEXURE TO THE NOTICE

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

Item No. 1:

Members are hereby informed that the consortium of Gammon India Limited and Brookfield Multiplex (India) Private Limited (the "Consortium") has bagged the contract for Civil Works & Architectural finishes for Nathani Heights, a high rise building project at Mumbai Central, Mumbai from Nathani Parekh Constructions Private Limited. The contract value is approximately ₹ 367 Crores.

The consortium partner, Brookfield Multiplex (India) Private Limited ("BMIPL") is engaged in the construction and maintenance of buildings. BMIPL has constructed large-scale and complex landmark buildings, commercial structures and infrastructure projects and has delivered major high rise projects across Australia, the Middle East, Asia, Europe and Canada.

It is proposed to execute this project through a Special Purpose Vehicle to be set up as a Limited Liability Partnership ("LLP") styled as "*BROOKFIELD MULTIPLEX GAMMON INDIA LLP*" with Gammon India Limited and Brookfield Multiplex (India) Private Limited as the partners having participation interest in the ratio of 50:50 each.

The Company proposes to invest in / give loans / provide guarantees pursuant to Section 372A of the Companies Act, 1956 up to an amount not exceeding ₹ 1,00,00,000/- Crores (Rupees One Crore Only) as its contribution in the LLP.

As the proposed investment exceeds 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 investment 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.

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 No. 2:

Members are informed that as the term of office of Mr. D. C. Bagde – Whole-time Director was due to expire on 8th July, 2012, the Board of Directors, at its meeting held on 15th May, 2012 has, subject to the approval of the shareholders, approved the re-appointment of Mr. Bagde as Whole-time Director of the Company designated as Deputy Managing Director – Transmission & Distribution Business for a further period of five (5) years w.e.f. 9th July, 2012.

Mr. Bagde has vast experience and expertise in designing and execution of transmission lines and railway electrification.

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of Director	**Mr. D. C. Bagde**
Age	62
Qualifications	Bachelor in Civil Engineering
Expertise	Vast experience and expertise in designing and execution of transmission lines and railway electrification.
Directorships held in other public companies (excluding foreign and private companies)	i) SAE Transmission India Limited ii) Gammon Logistics Limited iii) Gammon Projects Developers Limited iv) ATSL Infrastructure Projects Limited v) Transrail Lighting Limited vi) Tada Infra Development Company Limited vii) Jaguar Projects Developers Limited viii) Pataliputra Highway Limited
Memberships / Chairmanships of committees of public companies	NIL
Shareholding (No. of Shares)	817,472

The material terms of the Draft Agreement pertaining to the re-appointment and remuneration of Mr. D. C. Bagde, as a Wholetime Director of the Company designated as Deputy Managing Director – Transmission & Distribution Business are as follows:

1. **Period** : 5 years effective from 9th July, 2012 to 8th July, 2017.

2. **Remuneration** :

   (i) Salary : In the scale of ₹ 10,00,000/- (Rupees Ten Lacs only) per month to ₹ 20,00,000/- (Rupees Twenty 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. Bagde shall not be paid sitting fees for attending meetings of the Board or any Committee thereof.

PART A:

(i) Mr. Bagde shall be entitled to perquisites like furnished/unfurnished accommodation or HRA, gas, electricity, water, medical re-imbursement, 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 Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

(ii) Gratuity not exceeding half a month's salary for each completed year of service subject to a maximum limit as specified in the Payment of Gratuity Act, 1972 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. Bagde.

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.

Your Directors are of the opinion that re-appointment of Mr. Bagde as Whole-time Director is essential and will be in the best interests of the Company.

This may be regarded as an abstract pursuant to Section 302 of the Companies Act, 1956.

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

Your Directors commend the passing of the Ordinary Resolution at Item No. 2 for members' approval.

Item No. 3:

Ms. Ruchi Bagde is a Commerce graduate pursuing the Chartered Accountancy course conducted by the Institute of Chartered Accountants of India.

The Board of Directors has, at its meeting held on 15th May, 2012, decided to appoint her as Management Trainee effective from 30th May, 2012 on a stipend not exceeding ₹ 3,50,000/- per annum (Rupees Three Lacs and Fifty Thousand only) inclusive of all benefits. Ms. Ruchi Bagde shall assist in managing accounts of foreign branches, tax audit and finalization of accounts on quarterly and annual basis.

The terms of appointment of Ms. Ruchi Bagde are at par with the employees similarly placed in the Company and are comparable with industry standards.

Ms. Ruchi Bagde is the daughter of Mr. D. C. Bagde – Whole-time Director of the Company and therefore approval of the members pursuant to section 314 of the Companies Act, 1956 is necessary for her to hold an office or place of profit in the Company.

Except Mr. D. C. Bagde, being a relative of Ms. Ruchi Bagde, no other Director is concerned or interested in the said Resolution.

Your Directors commend the passing of the Special Resolution at Item No. 3 for members' approval.

By Order of the Board of Directors
For Gammon India Limited

Sd/-
Gita Bade
Company Secretary

Registered Office:

'Gammon House',
Veer Savarkar Marg,
Prabhadevi,
Mumbai – 400 025.

Dated: 16th July, 2012

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

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Postal Ballot Form

Serial No. 20003

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 by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark in the appropriate box below:

Item No.	Description	No. of Equity Shares	I/We assent to the resolution	I/We dissent to the resolution
1	Special Resolution u/s. 372A of the Companies Act, 1956, authorizing the Board of Directors to make investments in / give loans / provide guarantees to Brookfield Multiplex Gammon India LLP.			
2	Ordinary Resolution u/s. 198, 269 & 309 of the Companies Act, 1956, for re-appointment of Mr. D. C. Bagde as Wholetime Director of the Company, designated as Deputy Managing Director- Transmission & Distribution Business.			
3	Special Resolution u/s. 314(1B) of the Companies Act, 1956, for appointment of Ms. Ruchi Bagde, relative of Mr. D. C. Bagde - Wholetime Director to an office or place of profit in the Company.			

E-mail id : _____
Place : _____
Date : _____

_____
Signature of the Shareholder

NOTE : PLEASE SEND YOUR POSTAL BALLOT FORM IN THE ENVELOPE ENCLOSED HEREWITH.

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 decision on the validity of the Postal Ballot Form shall be final and binding.

5. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on Tuesday, 28th August, 2012. Postal Ballot Form received after this date will be strictly treated as if the reply from the Member has not been received. Facility of voting through Electronic mode is not being provided by the Company.

6. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Shareholders on the date of the Notice.