GAMMON

20th March, 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 19th March, 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, 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, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to Section 192A of the Companies Act, 1956 ("the Act"), and in partial modification of all previous resolutions, if any, passed in this regard and read with the Companies (Passing of the Resolution 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 corporates may exceed the limits prescribed under section 372A of the Act:

(i) Patna Water Supply Distribution Network Private Limited or such other name that may be granted by the Ministry of Corporate Affairs, subject to a limit of ₹ 100 Crores (Rupees One Hundred Crores Only).

(ii) Campo Puma Oriente S.A, subject to a limit of ₹ 500,00,00,000,/- (Rupees Five Hundred 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 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. Rajul Bhansali as Wholetime Director of the Company, designated as Executive Director - International

Operations for a further period of three (3) years with effect from 30th March 2012 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. Rajul Bhansali subject to the provisions of the Act;

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."

By Order of the Board of Directors
For Gammon India Limited

Gita Bade
Company Secretary

Registered Office:

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

Dated: 9th March, 2012

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 on Monday, 23rd April, 2012. Any response received from the shareholders after Monday, 23rd April, 2012 shall be treated as if no response is received in terms of Rule 5(f) of the Companies (Passing of the Resolution 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 Tuesday, the 24th day of April, 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 Monday, the 23rd day of April, 2012.

8. Information required to be provided under the Listing Agreement entered into with various Stock Exchanges, regarding the Director who are proposed to be appointed/re-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 gives 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) Bihar Urban Infrastructure Development Corporation Limited has awarded the contract for Design, Construction, Installation, Commissioning, Management, Operation & Maintenance of Intake, RWPH, 220 MLD Water Treatment Plant and Water Supply Distribution Network in Patna (Bihar) under the JNNURM Scheme on Design Build and Operate basis to "Gammon –Geo Miller Consortium", a Joint Venture between your Company and Geo Miller & Company Private Limited.

Patna Water Supply Distribution Network Private Limited is proposed to be incorporated as a Special Purpose Vehicle (SPV) for implementation of the said project.

The Company proposes to invest in/give loans to/provide securities/guarantees upto a limit of ₹ 100 Crores (Rupees One Hundred Crores Only) to the proposed SPV.

(ii) Gammon India Limited along with Joshi Technologies Inc U.S.A has formed a Company in Panama i.e Campo Puma Oriente S.A with 73.7% & 26.3% stake respectively. Campo Puma Oriente S.A. is a part of the Pegaso Consortium, Ecuador with 90% participating interest. The consortium is engaged in oil exploration and exploitation business in Ecuador, Puma Marginal Oil Field. This field was awarded to the consortium on a lease of 20 (twenty) years by PetroEcuador on 27th March, 2008. It is proposed to increase the existing limit from ₹ 400 Crores (Rupees Four Hundred Crores Only) to ₹ 500 Crores (Rupees Five Hundred Crores Only)

Considering the businesses of the companies, their proposed projects and their future potential, the Directors are of the opinion that making investments by way of subscription or otherwise, giving of loans / advances / giving guarantees and securities to the above mentioned 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 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 No. 2

Mr. Rajul Bhansali has vast experience in diverse functional areas such as finance, commercial and general management in engineering and construction industry Considering his vast experience, expertise and his contribution

to the Company, the Board, at its meeting held on 9th February 2012 re-appointed Mr. Rajul Bhansali as Wholetime Director of the Company, designated as Executive Director- International Operations of the Company for a further period of three (3) years, w.e.f. 30th March 2012 subject to the approval of the members.

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

Name of Director	**Mr. Rajul Bhansali**
Age	56
Qualifications	Commerce Graduate and Chartered Accountant
Expertise	Vast experience in diverse functional areas such as finance, commercial and general management in engineering and construction industry
Directorships held in other public companies (excluding foreign and private companies)	Gammon & Billimoria Limited Gammon Power Limited
Memberships/ Chairmanships of committees of public companies	NIL
Shareholding	NIL

The material terms of the draft Agreement pertaining to the re- appointment and remuneration of Mr. Rajul Bhansali, as a Wholetime Director are as follows:

1. **Period**: Three (3) years with effect from 30th March 2012 to 29th March 2015.
2. **Remuneration:**

(i) Salary : In the scale of ₹ 800,000/- (Rupees Eight Lacs only) per month to ₹ 1,250,000/- (Rupees Twelve Lacs Fifty Thousand 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. Rajul Bhansali shall not be paid sitting fees for attending meetings of the Board or any Committee thereof.

PART A:

(i) Mr. Rajul Bhansali shall also 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 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 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. Rajul Bhansali.

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 it 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. Rajul Bhansali is available for inspection by the Shareholders at the Registered Office of the Company on any working day except public holidays, Saturdays and Sundays between 10.00 a.m. and 5.00 p.m. upto 23rd April, 2012.

An Abstract of the terms of Agreement to be entered into between the Company and Mr. Bhansali, as required under Section 302 of the Companies Act, 1956 has already been sent to the shareholders.

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

Mr. Rajul Bhansali may be deemed to be concerned or interested in the proposed contract of his re-appointment. No other Director of the Company is concerned or interested in these terms and conditions.

By Order of the Board of Directors
For Gammon India Limited

Gita Bade
Company Secretary

Registered Office:

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

Dated: 9th March, 2012

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

GAMMON

Postal Ballot Form

Serial No. 002261

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	Ordinary Resolution u/s. 198, 269 & 309 of the Companies Act, 1956, for re-appointment of Mr. Rajul Bhansali as Wholetime Director of the Company, designated as Executive Director, International Operations of the Company			

Tear Here

Place : Mumbai
Date : _____

_____
Signature of the Shareholder

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 Monday, 23rd April, 2012. 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.

CRYSTAL (022) - 6614 0900
cfl_mum@crystalforms.com