



GAMMON

GAMMON INDIA LIMITED

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

To

The Members
Gammon India Limited

Dear Sir / Madam,

Abstract and Memorandum under Section 302 of the Companies Act, 1956.

The Board of Directors ("Board") of Gammon India Limited ("Company") at its meeting held on 12th May, 2011 has re-appointed Mr. Abhijit Rajan as the Chairman & Managing Director of the Company, for a further period of five (5) years w.e.f 17th May, 2011, subject to the approval of the members in a general meeting and on such terms and conditions, including remuneration as may be set out in the agreement to be entered into between the Company and Mr. Abhijit Rajan.

As required under Section 302 of the Companies Act, 1956, an abstract of the terms of re-appointment of Mr. Abhijit Rajan as the Chairman & Managing Director of the Company is appended herewith together with a Memorandum signifying the nature of the concern or interests of the Directors:-

- I. Re-appointment of Mr. Abhijit Rajan as the Chairman & Managing Director will, inter-alia, be on the following terms and conditions:
 1. **Designation:** Chairman & Managing Director.
 2. **Period:** Five (5) years with effect from 17th May, 2011 to 16th May, 2016.
- II. In consideration of the performance of his duties, Mr. Abhijit Rajan shall be entitled to receive salary and commission and perquisites as stated below:

Remuneration

(i)	Salary	:	In the scale of ₹ 5,000,000/- (Rupees Fifty Lacs only) per month to ₹ 10,000,000/- (Rupees One Crore 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 may be 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. Abhijit Rajan shall not be paid sitting fees for attending meetings of the Board or any Committee thereof of the Company.

PART A:

- (i) Mr. Abhijit Rajan shall also be entitled to perquisites like furnished/unfurnished accommodation or HRA, gas, electricity, water, medical re-imbusement, and Leave Travel Concession for self and family, club fees, personal accident insurance etc. in accordance with the rules of the Company.
- (ii) Valuation of perquisites shall be done as per the Income-Tax rules, wherever applicable.

PART B:

- (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity not exceeding half a month's salary for each completed year of service subject to a maximum limit as specified in Payment of Gratuity Act, 1972

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. Abhijit Rajan.

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, the same shall be subject to the provisions of Part II of Schedule XIII of the Companies Act, 1956.

This may be treated as an Abstract of the terms of the Agreement to be entered into between the Company and Mr. Abhijit Rajan pursuant to Section 302 of the Companies Act, 1956.

Mr. Abhijit Rajan 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**

Place : Mumbai

Dated : 27th May, 2011

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