



GODAWARI POWER AND ISPAT LIMITED

Regd. Office: Plot No.428/2, Phase I, Industrial Area, Siltara – 493 111, Dist. Raipur (C.G.)
Corporate Office: First Floor, Hira Arcade, Near New Bus Stand Pandri, Raipur, Chhattisgarh
Tel: +91 – 771 - 4082333 / 3092333 Fax: +91 – 771 – 4082234 • Website: www.gpilindia.com

POSTAL BALLOT NOTICE

(Pursuant to Section 192A of the Companies Act, 1956)

Dear Member(s),

As the members are aware, the Company has taken various initiatives for future growth plan in the business of Company across value chain. These future plans are partially being implemented/proposed to be implemented through various subsidiary Companies, in order to derive maximum value. The increasing business operations and future growth plans of the Company necessitate restructuring of the investment limits by authorizing the Board of Directors of the Company to make loan(s) and/or to give any guarantee(s)/provide any security (ies) in connection with loan(s) made to and/or to acquire by way of subscription, purchase or otherwise the securities of subsidiary(ies)/ any body/ bodies corporate in India or abroad (existing or which may be promoted/incorporated) for global business expansion and other growth initiatives, to maximize the shareholders returns.

As per the provisions of Section 372A of the Companies Act, 1956, a company cannot, except with the permission of the Shareholders, make investment, give loan or guarantee or provide any security in excess of the limits set out therein.

The Board of Director in their meeting held on 22nd May, 2011 decided to seek shareholders approvals u/s 372A of the Companies Act, 1956 to enable the Company to give loans or guarantee, provide security or make investments in excess of the limits set out in Section 372A of the Companies Act, 1956 subject to a maximum of Rs.1000 crores and accordingly approval of the Shareholders by way of special resolutions pursuant to the provisions of said Section 372A is proposed to be sought through postal ballot. We are sending the proposed resolution and the explanatory statement thereto along with a Postal Ballot form for your consideration.

The Board has appointed Mr. Brajesh R. Agrawal, a Practicing Company Secretary, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner for increasing the powers of the Company and/or Board of Directors under section 372A of the Companies Act, 1956.

You are requested to read the instructions printed on the Postal Ballot Form and return the same duly completed, in the enclosed postage pre-paid self addressed envelope so as to reach the Scrutinizer on or before July 01, 2011.

The Scrutinizer shall submit his report to the Chairman of the Company after completion of the scrutiny and the results of the postal ballot will be announced through a press release on July 04, 2011 at corporate office of the Company at First Floor, Hira Arcade, Near New Bus Stand Pandri, Raipur, Chhattisgarh at 11.00 AM.

By order of the Board
For Godawari Power and Ispat Limited

Date: May 22, 2011
Place: Raipur

Y.C. Rao
Company Secretary

Enclosures:

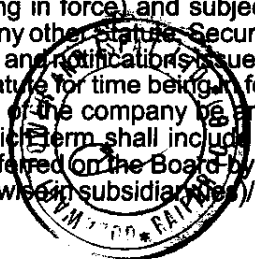
1. Resolution along with Explanatory Statement
2. Postal Ballot Form and self-addressed postage pre-paid envelope.

PROPOSED RESOLUTION TO BE PASSED THROUGH POSTAL BALLOT

Investment, Corporate Guarantee, Loan under Section 372A of Companies Act, 1956

To consider and, if thought fit, to give Assent / Dissent to the following resolution as a Special Resolution through Postal Ballot under the provisions of Section 192A of the Companies Act, 1956:

RESOLVED THAT pursuant to the provisions of Section 372A & Section 192A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to consent and approvals of Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999 or any other Statute Securities and Exchange Board of India (SEBI) or such authorities, if required and/or in accordance with the guidelines and notifications issued by SEBI, Government, etc. and such other approvals/ permissions as may be necessary under any other Statute for time being in force and subject to the approval/ consent of such appropriate authorities, if any, the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to make further loans or investment, in one or more tranches by subscription, purchase or otherwise in subsidiary(ies) or any



body/ bodies corporate in India or abroad (existing or which may be promoted/incorporated), in any kind of securities, or by providing guarantee or security in connection with a loan made by any other person to any subsidiary(ies)/ any body/ bodies corporate in India or abroad (existing or which may be promoted/incorporated) for global business expansion and other growth initiatives in excess of the limits prescribed in Section 372A of the Companies Act, 1956 but subject to a maximum limit of Rs.1000 Crores (Rupees One Thousand Crores only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalise the terms and conditions of the said investments, loans, guarantees and provision of security on behalf of the Company as it may deem fit in the interest of the Company, to take all such actions and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required to be signed, on behalf of the Company, in connection with such investments, loans, guarantees and provision of security and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

By order of the Board
For Godawari Power and Ispat Limited

Date: May 22, 2011
Place: Raipur

Y.C. Rao
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956

Investment, Corporate Guarantee, Loan under Section 372A of Companies Act, 1956

The Company is constantly reviewing opportunities for expansion of its business operations either directly or through its subsidiaries/ joint ventures/associate companies/bodies India or abroad (existing or which may be promoted) and would, therefore, be required to provide financial support by way of loan(s)/ and/or guarantee(s) and/or security(ies)/investment in securities of its subsidiaries/ joint ventures/associate companies/bodies corporate, in order to achieve greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects of such companies.

Your company is presently setting up a 50 MW Solar Thermal Power Project in the State of Rajasthan through its subsidiary M/s. Godawari Green Energy Limited(GGEL) at an estimated cost of Rs.800 crores which will be partially financed by way of equity and partially by way of bank loans etc.. Your Company has already invested Rs 120 crore approx in the equity share capital of GGEL and your company may be also required to extend corporate guarantee for securing the credit facilities proposed to be taken by said subsidiary.

Similarly your company is proposing to set up a power plant and an integrated steel plant in the State of Chhattisgarh through its subsidiaries Godawari Energy Limited and Godawari Integrated Steels (India) Limited respectively in which the company's initial investments in the form of equity are expected to be Rs.50 crores each.

The shareholders in their meeting held on 21st March, 2005 authorised the Board of directors of your Company pursuant to the provisions of section 372A of The Companies Act, 1956 to make inter corporate investments, loans, guarantees and provision security in excess of a limits mentioned in the said Section subject to a maximum of Rs. 500.00 Cores. The said limit of Rs.500 crores is likely to be exhausted taking into consideration the investments already made by the company in its other subsidiaries and associate companies and corporate guarantees given for securing the loans taken by the associate and joint venture companies.

It is, therefore, proposed that the overall limit to make loans/investments or give guarantee or provide security may be increased from existing Rs.500 crores to Rs.1000 crores taking into consideration the proposed exposure of Rs.800 crores, Rs.50 crores and Rs.50 crores respectively in M/s. Godawari Green Energy Limited, M/s. Godawari Energy Limited and M/s. Godawari Integrated Steels (India) Limited, besides existing investments/loans/guarantees etc in subsidiary/associates Companies.

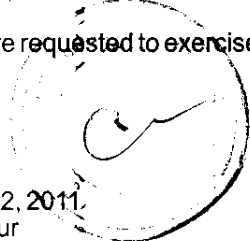
None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Pursuant to Section 372A of the Companies Act, 1956, a company cannot, except with the permission of the Shareholders, make investment, give loan or guarantee or provide any security in excess of the limits set out therein.

Your approval is sought by voting by postal ballot in terms of the provisions of Section 192A of the Companies Act, 1956 read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

Your Directors commend the resolutions for your approval. In terms of Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolutions by Postal Ballot) Rules 2001, above resolutions are being circulated for passing by Postal Ballot. It may be noted that Section 192A(4) of the Act provides that if a resolution is assented to by the requisite majority of the members by means of Postal Ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

Members are requested to exercise their vote.



Date: May 22, 2011
Place: Raipur

By order of the Board
For Godawari Power and Ispat Limited

Y.C. Rao
Company Secretary



SI No.

GODAWARI POWER AND ISPAT LIMITED

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POSTAL BALLOT FORM

1. Name(s) of 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. and 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 resolutions to be passed through postal ballot for the business stated in the Notice of the Company dated 22nd May, 2011 by conveying my/our assent or dissent to the said resolution, by placing the tick (✓) mark at the mark at the appropriate box below:

Item No.	Description of Resolution	No. of Shares	I/We assent to the resolution	I/We assent to the resolution
			FOR	AGAINST
1	Special resolution under Section 372A of the Companies Act, 1956 to authorize the Board of Directors of the Company to make any loans/investments or give guarantee or provide any security up to a limit of Rs. 1000 Crores.			

Place:

Date:

E mail ID: _____

Contact No. _____

Signature of the Member

NOTE: PLEASE READ CAREFULLY THE INSTRUCTION PRINTED OVERLEAF BEFORE EXERCISING THE VOTE.





INSTRUCTIONS

1. A member desirous of exercising his/her vote by Postal Ballot should complete this Ballot Form and send it to the Scrutinizer in the attached self addressed envelope. Postage will be borne and paid by the Company.
2. In the case where shares are held jointly, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his absence by the next named joint holder(s). There will be one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint holders.
3. In case where shares are held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authorization to vote on the postal ballot along with the postal ballot form. Where the form has been signed by a representative of the President of India or of a Government of a State, a certified copy of the nomination should accompany the postal ballot form. A member may sign the form through an attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the postal ballot form.
4. A member need not use all his/her votes nor does he/her need to cast all his/her votes in the same way.
5. The Postal ballot shall not be exercised by a Proxy.
6. Incomplete and unsigned postal ballot forms will be rejected. Duly completed postal ballot forms should reach the Scrutinizer not later than the close of working hours before 5.00 P.M on July 01, 2011 at this address Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078. Any postal ballot form received after this date will be treated as 'invalid' as if the reply from the member has not been received.
7. A member may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified above.
8. Voting rights shall be reckoned on the number of shares and paid-up value of the shares registered in the name of the Members as of the date of dispatch of the Notice to the members.
9. The Scrutinizer's decision on the validity of a Postal Ballot will be final.

