

REF: GPIL/NSE/BSE/2010/

Date: 23.08.2010



The Listing Department,
The National Stock Exchange Limited,
Exchange Plaza, Bandra Kurla Complex, Bandra (E),
Mumbai – 400051
Fax : 022 – 26598237/38, 26598347/48
E-mail : cmlist@nse.co.in

Dear Sirs,

SUB: ABSTRACT UNDER SECTION 302 OF THE COMPANIES ACT, 1956.

The Board of Directors of the Company, at their meeting held on August 03, 2010, subject to approval of shareholders in ensuing annual general meeting has approved the terms and conditions of re-appointment of Shri Bajrang Lal Agrawal as Managing Director and revision in remuneration of Shri Siddharth Agrawal, Executive Director and Shri Dinesh Gandhi, Executive Director (Finance) with effect from April 01, 2010.

Pursuant to clause 31 (C) of Listing Agreement, we are enclosing herewith three copies of the abstract of the terms and conditions of re-appointment of Managing Director and revision in remuneration of Executive Directors, sent to all the shareholders of the Company under section 302 of the Companies Act, 1956.

This is for your information and records please.

Thanking you,

Yours faithfully,

For **GODAWARI POWER AND ISPAT LIMITED**

Y.C. RAO
COMPANY SECRETARY

Encl: As above

CC : The Corporate Relation Department,
The Stock Exchange, Mumbai,
1st Floor, Rotunda Building, Dalal Street,
Mumbai – 400 001
Fax : 022 – 22722061/41/39/37

E-mail: corporate.relations@hscindia.com

GODAWARI POWER AND ISPAT LIMITED

(Formerly Ispat Godawari Ltd.)

core competency in core sector.

Registered Office and Works : Plot No. 428/2 Phase I, Industrial Area, Siltara - 493111, Dist. Raipur (C.G.)
Tel : 0771-4082333, 4082235, 07721-406130, 31, 407130, 9893059101, 9893059181, Fax : 0771-4082234, 07721-403701, Email : igl@hiragroupindia.com
Corporate Office : Hira Arcade, 1st Floor, Near New Bus Stand, Pandri, Raipur-492004(C.G.), Ph : 0771-4082000, 4082001, Fax: 0771-4057601



GODAWARI POWER AND ISPAT LIMITED

Registered Office: Plot No. 428/2, Phase I, Industrial Area, Siltara - 493111,
Distt: Raipur (C.G.)

ABSTRACT AND MEMORANDUM OF INTEREST PURSUANT TO THE PROVISIONS OF SECTION 302 OF THE COMPANIES ACT, 1956

To
The Members,

GODAWARI POWER AND ISPAT LIMITED

The Board of Directors ("the Board") of the Company in its meeting held on 03rd August, 2010 approved the revised terms of appointment of Mr. Bajrang Lal Agrawal, Managing Director, Mr. Siddharth Agrawal, Executive Director (Operations) and Mr. Dinesh Gandhi, Director (Finance) [Whole time Directors] of the Company as recommended by the Remuneration Committee.

As required under Section 302 of the Companies Act, 1956 ("the Act"), an abstract of the terms of appointment of Managing Director and Whole time Directors together with the Memorandum of Concern or Interest is given hereunder.

Mr. Bajrang Lal Agrawal, Managing Director:

The Board at their meeting held on 03rd August, 2010 approved the proposal for re-appointed Mr. Bajrang Lal Agrawal as the Managing Director of the Company with effect from 12th August, 2010 for a period of 5 years.

The Board also decided to increase the scale of remuneration payable to him with retrospective effect from 1st April, 2010. The appointment and variation in the scale of remuneration is subject to the approval of the Members.

Mr. Bajrang Lal Agrawal, 57 years, is an Electronic Engineer from Pandit Ravi Shankar Shukla University, Raipur. He is the promoter of the Company. He has over three decades of experience in the steel and ferro alloys industry. He has been associated with the Company since 2002.

The Board of Directors at their meeting held on 03rd August, 2010, fixed the remuneration payable to Mr. Bajrang Lal Agrawal as per the abstracts of terms given hereunder.

ABSTRACT OF TERMS:

The details of the remuneration payable to Mr. Bajrang Lal Agrawal as Managing Director are as under:

Salary: Salary in the scale of Rs. (2,50,000 – 50,000 - 5,00,000) with retrospective effect from 1st April, 2010 upto the date of cessation of Mr. Bajrang Lal Agrawal as Managing Director of the Company, i.e. upto 11th August, 2015.

Commission: Payment of Commission of sum not exceeding 1% of the net profit of the Company calculated in the manner specified in Section 198 of the Companies Act, 1956.

Bonus: Bonus up to maximum of 20% salary, payable annually or at other interval as may be decided by the Board.

Company performance linked incentive: Company performance linked payable quarterly or at other interval as may be decided by the Board.

Individual's performance linked incentive: Individual performance linked incentive, up to maximum of 60% of the fixed gross salary, payable quarterly or at other interval as may be decided by the Board.

Perquisites:

1. **Housing:** Furnished / unfurnished residential accommodation or house rent allowance up to 50% of salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
2. **Reimbursement of actual medical expenses** incurred in India and / or abroad and including hospitalization, nursing home and surgical charges for himself and family;
3. **Reimbursement of all the expenses** (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel holiday periods, whenever undertaken, whether in India or abroad.

4. Subscription or reimbursement or membership fee for clubs in India or abroad including admission and life membership fees.
5. The Company shall provide suitable conveyance facilities as may be required.
6. Personal accident insurance: as per the rules of the Company.

Other benefits:

1. Earned / Privilege leave: As per the rules of the Company.
2. Company's contribution to provident fund and super-annuation fund: As per the rules of the Company
3. Gratuity: As per the rules of the Company.
4. Encashment of leave: As per rules of the company.
5. Company car and telephone: Use of the Company's car and telephone at residence for official purpose, as per the rules of the Company.

The aggregate remuneration inclusive of salary, bonus, incentive, perquisites and other benefits payable shall always be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provision of the Companies Act, 1956.

Minimum remuneration

Where in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay the above remuneration by way of salary, commission, incentives, bonus, perquisites and other allowance as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

Memorandum of concern or interest:

None of the Directors except Mr. Bajrang Lal Agrawal himself, Mr. Om Prakash Agrawal, Mr. Narayan Prasad Agrawal, Mr. Dinesh Agrawal and Mr. Siddharth Agrawal being relatives of Mr. Bajrang Lal Agrawal may be considered as concerned or interested in the above resolution.

Mr. Siddharth Agrawal, Executive Director (Operations)

Mr. Siddharth Agrawal was appointed as Whole time Director of the Company with effect from 1st July, 2008. The Board at their meeting held on 03rd August, 2010 decided to increase the scale of remuneration payable to him with retrospective effect from 1st April, 2010. The variation in the scale of remuneration is subject to the approval of the Members.

Mr. Siddharth Agrawal, 29 years, is a Commerce graduate and Master in Business Administration. He is the promoter of the Company. He has been associated with the Company since 2006 and looking after the project implementation, procurement of raw material, plant maintenance, production activities and marketing of finished goods of the Company. The Board of Directors at their meeting held on 03rd August, 2010, fixed the remuneration payable to Mr. Siddharth Agrawal as per the abstract of terms given hereunder.

ABSTRACT OF TERMS:

The details of the remuneration payable to Mr. Siddharth Agrawal as Whole time Director are as under:

Salary: Salary in the scale of Rs. (1,75,000 –40,000 - 4,00,000) with retrospective effect from 1st April, 2010.

Commission: Payment of Commission of sum not exceeding 1% of the net profit of the Company calculated in the manner specified in Section 198 of the Companies Act, 1956.

Bonus: Bonus up to maximum of 20% salary, payable annually or at other interval as may be decided by the Board.

Company performance linked incentive: Company performance linked payable quarterly or at other interval as may be decided by the Board.

Individual's performance linked incentive: Individual performance linked incentive, up to maximum of 60% of the fixed gross salary, payable quarterly or at other interval as may be decided by the Board.

Perquisites:

1. Housing: Furnished / unfurnished residential accommodation or house rent allowance up to 50% of salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
2. Reimbursement of actual medical expenses incurred in India and / or abroad and including hospitalization, nursing home and surgical charges for himself and family;
3. Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel holiday periods, whenever undertaken, whether in India or abroad.
4. Subscription or reimbursement or membership fee for clubs in India or abroad including admission and life membership fees.
5. The Company shall provide suitable conveyance facilities as may be required.

6. Personal accident insurance: as per the rules of the Company.

Other benefits:

1. Earned / Privilege leave: As per the rules of the Company.
2. Company's contribution to provident fund and super-annuation fund: As per the rules of the Company
3. Gratuity: As per the rules of the Company.
4. Encashment of leave: As per rules of the company.
5. Company car and telephone: Use of the Company's car and telephone at residence for official purpose, as per the rules of the Company.

The aggregate remuneration inclusive of salary, bonus, incentive, perquisites and other benefits payable shall always be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provision of the Companies Act, 1956.

Minimum remuneration

Where in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay the above remuneration by way of salary, commission, incentives, bonus, perquisites and other allowance as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

Memorandum of concern or interest:

None of the Directors except Mr. Siddharth Agrawal himself, Mr. Bajrang Lal Agrawal, Mr. Om Prakash Agrawal, Mr. Narayan Prasad Agrawal and Mr. Dinesh Agrawal being relatives of Mr. Siddharth Agrawal may be considered as concerned or interested in the above resolution.

Mr. Dinesh Gandhi, Director (Finance)

Mr. Dinesh Gandhi was appointed as Whole time Director of the Company with effect from 22nd March, 2005. The Board at their meeting held on 03rd August, 2010 decided to increase the scale of remuneration payable to him with retrospective effect from 1st April, 2010. The variation in the scale of remuneration is subject to the approval of the Members.

Mr. Dinesh Gandhi, 47 years, is a qualified Chartered Accountant and Company Secretary. Mr. Gandhi has more than twenty years of experience in the steel industry, particularly in areas like accounts, finance and project

planning. He started his career at Mepco Metal Powders Limited as the Manager, Finance and was associated with them for four years. He then worked as an independent financial consultant to various industrial houses in Madhya Pradesh. Subsequently, he worked at Indore Steel & Iron Mills Limited and Shri Ishar Alloy Steels Limited for a period of seven years as the Vice President (Finance). He then joined Reliance Infocomm as the Commercial Head, Raipur and worked there for three years before joining the Company. He has been associated with the Company since February 2005.

The Board of Directors at their meeting held on 03rd August, 2010, fixed the remuneration payable to Mr. Dinesh Gandhi as per the abstract of terms given hereunder.

ABSTRACT OF TERMS:

The details of the remuneration payable to Mr. Dinesh Gandhi as Whole time Director are as under:

Salary: Salary in the scale of Rs. (1,50,000 –30,000 - 3,00,000) with retrospective effect from 1st April, 2010.

Commission: Payment of Commission of sum not exceeding 1% of the net profit of the Company calculated in the manner specified in Section 198 of the Companies Act, 1956.

Bonus: Bonus up to maximum of 20% salary, payable annually or at other interval as may be decided by the Board.

Company performance linked incentive: Company performance linked payable quarterly or at other interval as may be decided by the Board.

Individual's performance linked incentive: Individual performance linked incentive, up to maximum of 60% of the fixed gross salary, payable quarterly or at other interval as may be decided by the Board.

Perquisites:

1. Housing: Furnished / unfurnished residential accommodation or house rent allowance up to 60% of salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
2. Reimbursement of actual medical expenses incurred in India and / or abroad and including hospitalization, nursing home and surgical charges for himself and family;
3. Reimbursement of all the expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave travel holiday periods, whenever undertaken, whether in India or abroad.
4. Subscription or reimbursement or membership fee for clubs in India or abroad including admission and life membership fees.

5. The Company shall provide suitable conveyance facilities as may be required.
6. Personal accident insurance: as per the rules of the Company.

Other benefits:

1. Earned / Privilege leave: As per the rules of the Company.
2. Company's contribution to provident fund and super-annuation fund: As per the rules of the Company
3. Gratuity: As per the rules of the Company.
4. Encashment of leave: As per rules of the company.
5. Company car and telephone: Use of the Company's car and telephone at residence for official purpose, as per the rules of the Company.

The aggregate remuneration inclusive of salary, bonus, incentive, perquisites and other benefits payable shall always be subject to the overall ceilings laid down in Sections 198 and 309 and other applicable provision of the Companies Act, 1956.

Place: Raipur
Date: 20th August, 2010

Minimum remuneration

Where in any financial year, the Company incurs a loss or its profits are inadequate, the Company shall pay the above remuneration by way of salary, commission, incentives, bonus, perquisites and other allowance as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

Memorandum of concern or interest:

None of the Directors except Mr. Dinesh Gandhi himself is considered as concerned or interested in the above resolution.

For Godawari Power and Ispat Limited
Sd/-
Y.C. Rao
Company Secretary