

HIRA

GODAWARI POWER & ISPAT

REF: GPIL/NSE & BSE/2013/2122

Date: 03.10.2013

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Dear Sirs,

Sub: Clarification relating to PTI release in media regarding setting-up of 1 Million Ton Integrated Steel Plant at an estimated cost of Rs. 4,500 crores in Rajnandgaon District (Chhattisgarh)

With reference to the recent PTI release in media titled “GPIL to set up 1m tpy steel plant in Chhattisgarh” at an estimated cost of Rs. 4,500 crores in the District: Rajnandgaon (C.G.), we would like to clarify as under:

That the project is under initial stage of feasibility studies and a final decision relating to setting-up of the plant is yet to be taken by the Company looking to the future market forecast.

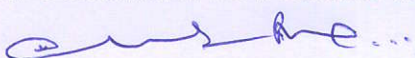
However, the Company is in the process of acquisition of land in District: Rajnandgaon (C.G.) which normally takes considerable time before we start the actual implementation of the project. The acquisition of land should not be construed as initiation of project implementation process.

Unless the market conditions improve, especially in the Steel market, it would be too early to arrive at a final confirmation / decision relating to setting-up of the said plant. Once all the initial modalities are finalized (including land acquisition and obtaining of environmental and other approvals) and concrete decision is taken by the Company, the same will be intimated to all the Stock Exchanges for dissemination to all the stakeholders.

We wish to further clarify that the company has only 2.0 lakh Tonnes of wire rod capacity including 1 lakh tonne capacity in the associate company, as against 25 lakhs tonnes wrongly reported in the media. As regards the expansion of Pelletisation capacity, the company has recently commissioned 1.2 million tonnes pellet plant and with the commissioning of this project, the installed capacity has increased to 2.4 million tonnes including 0.6 million tonnes capacity in subsidiary company. As of now there is no plan to increase this capacity and the Company do not have any major project under implementation requiring substantial capital investments.

This for your kind information please.

Thanking you,
Yours faithfully,
For **GODAWARI POWER AND ISPAT LIMITED**



COMPANY SECRETARY

Godawari Power & Ispat Limited

An ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certified company

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