

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS OF THE COMPANY PAYS UTMOST IMPORTANCE ON THE BROAD PRINCIPLES OF CORPORATE GOVERNANCE. THE COMPANY IS COMPLYING WITH ALL THE DISCLOSURE NORMS AND REQUIREMENTS UNDER CLAUSE 49 OF THE STOCK EXCHANGE LISTING AGREEMENT.

1. Company's philosophy on Corporate Governance

Code of Corporate Governance is the means of achieving Corporate Objectives. The Company believes that maintenance of Code of Corporate Governance is essential for economic growth of the Company and protecting the interest of all the Stakeholders. Therefore, the Company is trying its best to follow the Code of Corporate Governance.

2. Board of Directors

The Board of Directors has a combination of Executive and Non-Executive Directors. The Board comprises of five Whole-time Directors (the Managing Director and four Executive Directors) and five Non-executive Directors. The Chairman of the Board is an Independent Director. Four of the Non-executive Directors are Independent Directors. Accordingly, the composition of the Board is in conformity with the Listing Agreement.

Except the Managing Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956.

2.1 The names and categories of the Directors on the Board and also the number of Directorships and Committee Memberships held by them during 2012-13 in other Companies are as under:

Name of the Directors	Category of Directors	No. of other Director-ship held#	No. of Board Meetings attended	Last AGM attended	No. of other Board committees member/ chairman***
Mr. B. Choudhuri	Chairman Non Executive Independent	07	05	Present	06
Mr. B.L. Agrawal	Managing Director - Executive	05	05	Present	01
Mr. Dinesh Agrawal	Executive	06	03	Absent	Nil
Mr. Abhishek Agrawal	Executive	01	03	Present	Nil
Mr. Dinesh Gandhi	Executive	03	05	Present	02
Mr. Vinod Pillai	Executive	02	04	Present	Nil
Mr. Siddharth Agrawal*	Non-Executive	07	03	Present	02
Mr. Shashi Kumar	Independent	Nil	04	Absent	Nil
Mr. B. N. Ojha	Independent	04	05	Present	03
Mr. Harishankar Khandelwal**	Independent	01	02	Present	Nil

* Appointed w.e.f. 11.08.2012

** Appointed w.e.f. 11.08.2012

*** Includes membership/chairmanship of Audit Committee & Shareholders/Investors Grievance Committees only.

Other Directorship excludes Directorship in Private Limited Companies.

Changes in the composition of Directors during the year:

Shri Siddharth Agrawal, and Harishankar Khandelwal have been appointed as Non-Executive Director on the Board of the Company with effect from 11.08.2012.

Shri Dinesh Agrawal, a Non-Executive Director on the Board of the Company, has been appointed as Whole Time Director of the Company with effect from 11.08.2012.

There has been no other change in the directorship of the Company during the period under review.

2.2 Number of Board Meetings held

During the year 2012-13, the Board met 05 times and agenda papers were circulated well in advance of each meeting to the Board of Directors. In order to ensure fruitful deliberations at the meetings, the Board of Directors of your Company is provided with all relevant information on various matters related to the working of the Company. The dates on which Meetings of the Board of Directors were held and the number of Directors present in each meeting are given in Table 2 below:

Sl. No.	Date of Meeting	No. of Directors Present
1	22.05.2012	06
2	11.08.2012	07
3	29.09.2012	08
4	03.11.2012	09
5	09.02.2013	09

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct. The Annual

Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer (CEO).

3. Audit Committee

The Audit Committee consists of one executive Director and two Independent Directors. The Audit Committee comprises of following Directors:

Sl. No.	Name	Designation
1	Mr. Biswajit Choudhuri	Chairman (Independent Director)
2.	Mr. B. N. Ojha	Member (Independent Director)
3.	Mr. Dinesh Gandhi	Member (Executive Director - Finance)

The committee met Four times during the year 2012-13 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Status	Meetings attended
1. Mr. Biswajit Choudhuri	Chairman (Independent Director)	04
2. Mr. B. N. Ojha	Member (Independent Director)	04
3. Mr. Dinesh Gandhi	Member (Executive Director - Finance)	04

All the members of the Audit Committee are financially literate as required by the revised Clause 49 of the Listing Agreement and Mr. Dinesh Gandhi is having accounting or related financial management expertise.

The functioning and terms of reference of the Audit Committee:

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the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 292A of the Companies Act, 1956, and Listing Agreements with the Stock Exchanges as are in force/ applicable from time to time.

Subsidiary Companies

The Board of Directors has nominated the Independent Directors on the Board of following Subsidiary Companies, as per details given below:

Sl. No.	Name of Subsidiary Company	Nature of Business	Name of Independent Director	Net Sales ₹ in crore	Net Profit ₹ in crore
1.	Ardent Steel Ltd.	Manufacturer of Iron Ore Pellets	Shri B.N. Ojha	407.88	30.43
2.	Hira Ferro Alloys Ltd.	Ferro Alloys	Shri Biswajit Choudhuri		
3.	Godawari Green Energy Ltd.	Solar Power	Shri B.N. Ojha has been proposed to be appointed.	Yet to Start Commercial Operations.	N.A.

The Company has other subsidiary Companies namely Godawari Integrated Steels (India) Ltd, Godawari Energy Ltd, Godawari Clinkers & Cement Limited, Krishna Global Minerals Limited etc, which are under various stage of projects development and have not yet started Commercial operations. The Board shall nominate Independent Directors in due course as per requirement of listing agreement.

The minutes of the Board meetings of Subsidiary Companies are being regularly put up before the Board and the Audit Committee for review.

Disclosure

Basis of related party transaction

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of material individual transactions with related parties are placed before the audit committee for review. There are no material transactions with related parties, which require separate disclosure. A comprehensive list of transactions, entered into with the related parties as required by the Accounting Standards (AS) 18 issued by the Institute of Chartered Accountants of India, is given at note No.30 of the accounts in the Annual Report.

Disclosure of accounting treatment

The Company has followed all relevant accounting standards while preparing the financial statements and statement of accounts have been drawn in compliance of all applicable accounting standards.

Risk Management

The risk management issues are discussed in detail in the report of Management Discussion and Analysis. The Company has taken necessary steps for risk management and the system is being strengthened on a continuous basis.

Proceeds from public issues, right issues, preferential issues etc

Your Company has issued 50,00,000 Equity Share warrants on preferential basis to M/s Hira Infra-Tek Limited (HITL), a promoter group Company, at a price of ₹130/- per share u/s 81(1A) of the Companies Act, 1956. Each warrant shall be convertible into one equity share of ₹10/- each within a period of 18 months from the date of allotment.

During the year under review, HITL has exercised the right for conversion of 10,00,000 share warrant into 10,00,000 equity shares and the Company has allotted the same to HITL. The funds raised from the allotment of aforesaid warrants/ conversion of warrants into equity shares have been utilised for ongoing capital expenditure of the Company and its Subsidiary Companies and other general corporate purpose.

Details of non-compliance by the Company, penalties and strictures imposed etc.:

The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/ stricture was imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets during the last one year from the date of its listing on the stock exchanges.

4. Remuneration Committee

The Remuneration Committee consists of one Executive Director and two Independent Directors. The detailed composition of the members of the Remuneration Committee at present is given below:

1. Mr. Shashi Kumar : Chairman (Independent Non-Executive Director)
2. Mr. B. N. Ojha : Member (Independent Non-Executive Director)
3. Mr. Dinesh Gandhi : Member (Executive Director - Finance)

Remuneration of Directors

The non-executive directors are paid sitting fee of ₹15,000 for attending each Board meeting and ₹5000 for attending each Committee Meeting. The details of the remuneration paid to Wholetime and Independent Directors during financial year 2012-13 is given below:

Sl.	Name of Director	Designation	₹ in lakh
1.	Shri Biswajit Choudhuri	Chairman, Independent Director	NIL
2.	Shri B.L. Agrawal	Managing Director	128
3.	Shri Dinesh Agrawal	Executive Director	55
4.	Shri Abhishek Agrawal	Executive Director	51
5.	Shri Dinesh Gandhi	Executive Director (Finance)	47
6.	Shri Vinod Pillai	Executive Director	8.4
7.	Shri Siddharth Agrawal	Non-Executive Director	NIL
8.	Shri Shashi Kumar	Independent Director	NIL
9.	Shri B.N. Ojha	Independent Director	NIL
10.	Shri Harishankar Khandelwal	Independent Director	NIL

Disclosure of material transactions

No material transaction has been entered into by the Company with the promoters, directors or the management, their subsidiaries or relatives etc that may have a potential conflict with interest of the Company.

Insider Trading Disclosure:

Comprehensive insider trading disclosure guidelines in line with the SEBI Regulations have been adopted by the Board in which the procedure to be followed by all the key managerial persons, staff and other relevant business associates for disclosure of all security transactions of the shares of the Company.

Particulars of Directors seeking appointment / reappointment:

Particulars of Directors seeking appointment/reappointment at the ensuing Annual General Meeting to be held on 28th September, 2013 are given as under:

A	Name	Shri Biswajit Choudhuri	Shri Shashi Kumar	Shri B. N. Ojha
B	Brief resume			
	i) Age	71 years	66 years	69 Years
	ii) Qualification	B. Tech (Hons), Fellow Member of ICWAI and Indian Institute of Banking and Finance	B. Sc. (Hons)	B. E. (Electrical)
	iii) Experience in specific functional area	More than 45 years	More than 35 years	More than 40 years
	iv) Date of Appointment on the Board of the Company	25.09.2007	25.09.2007	14.06.2008

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A	Name	Shri Biswajit Choudhuri	Shri Shashi Kumar	Shri B. N. Ojha
C	Nature of expertise in specific functional	He has experience in Engineering, Banking and Finance Management. He has acted as Director and Member of various Boards and Councils. He is the Ex- CMD of United Bank of India.	He has experience in Mining industry. He is the Ex- Chairman of Coal India Limited.	He has experience in Power sector. He has been associated with NTPC, Nuclear Power Corporation of India Limited, Regional Electricity Boards, Northern Coal Field Ltd. And Diamond Valley Corporation.
D	Name(s) of other Public Limited Companies in which Directorships held	Hira Ferro Alloys Limited, Aditya Birla Chemicals (India) Limited, Hindusthan Engineering & Industries Limited, Ludlow Jute & Specialities Limited, R. V. Investment and Dealers Limited, Maithan Alloys Limited, Khaitan Electricals Limited	None	Hira Ferro Alloys Limited, Ardent Steel Limited Pragati Power Corporation Limited, Indraprastha Power Generation Company Limited
E	Chairman/Member of the Committee of the Board of Directors of the Company	Chairman of Audit Committee, Member of Risk Management Committee and Nomination Committee	Chairman of Remuneration Committee and Member of Risk Management Committee	Chairman of Shareholders / Investors Grievance Committee, Member of Audit Committee, Remuneration Committee, Risk Management Committee and Nomination Committee
F	No. of Shares of ₹10/- each held by the Directors	NIL	NIL	NIL
G	Relationship with Directors inter-se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	No Relationship with Directors	No Relationship with Directors	No Relationship with Directors

Shareholders/ Investors Grievance Committee

The Shareholders/Investors Grievance Committee consists of three Directors. The detailed composition of the members of the Shareholders/Investors Grievances Committee at present is given below:

1. Mr. B. N. Ojha : Chairman (Independent Non-Executive Director)
2. Mr. Dinesh Agrawal : Member (Executive Director)
3. Mr. Dinesh Gandhi : Member (Executive Director)

Other information to Shareholders

The location, date and time of the last three Annual General Meetings were as under:

Year	Date	Time	Venue
2009-2010	25.09.2010	03.00 p.m.	Plot No. 428/2, Phase I, Industrial Area, Siltara, Raipur (C.G.)
2010-2011	30.09.2011	03.00 p.m.	Plot No. 428/2, Phase I, Industrial Area, Siltara, Raipur (C.G.)
2011-2012	29.09.2012	12.30 p.m.	2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)

Special Resolution passed in previous three Annual General Meetings:

At the Annual General Meeting of the Company held on 30th September, 2011, Special Resolution for approval of remuneration payable to Shri Abhishek Agrawal as Chief Executive (Operations) with effect from 1st April, 2011 was passed unanimously.

General Information

1. Annual General Meeting:

Date	28th September, 2013
Time	12.30 pm.
Venue	Corporate Office of the Company at 2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.) - 492001

2. Financial Calendar (2013-2014) (tentative):

Board Meeting (for Financial Result)-

Quarter ending on 30th June 2013 : On or before August 14, 2013

Half-year ending on 30th September 2013 : On or before November 15, 2013

Quarter ending on 31st December 2013 : On or before February 15, 2014

Year ending on 31st March 2014 : On or before May, 31 2014

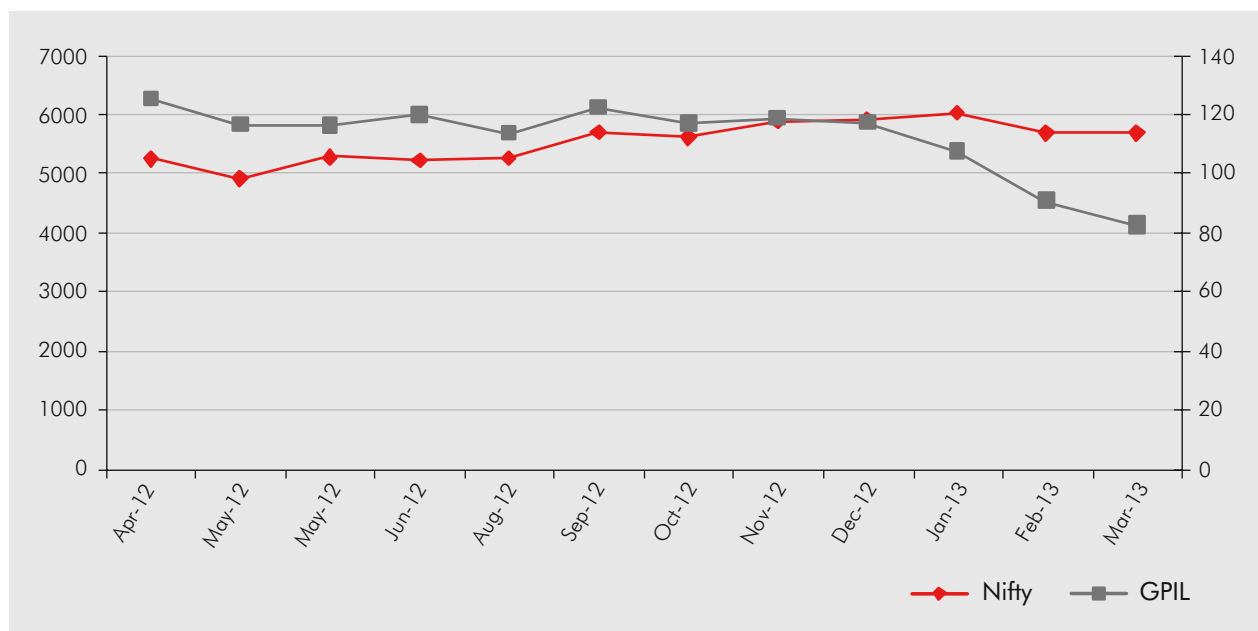
3. **Date of Book Closure** : 20th to 28th September, 2013.

4. **Dividend Payment Date** : Within 20 days of declaration

5. **Listing on Stock Exchange** : The shares of the Company are Listed with National Stock Exchange and Stock Exchange, Mumbai.

6. **Stock Code** : NSE : GPIL
BSE : 532734
ISIN : INE177H01013

7. Market Price Data



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8. The monthly high and low quotations of shares traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited are as follows:

Month	NSE		BSE	
	High	Low	High	Low
April, 2012	131.50	106.40	131.80	106.30
May, 2012	131.60	105.55	128.40	105.90
June, 2012	121.10	111.85	121.45	111.00
July, 2012	136.45	115.20	136.25	115.00
August, 2012	136.00	112.10	133.80	112.10
September, 2012	126.40	111.00	128.00	111.00
October, 2012	128.05	113.00	128.20	113.65
November, 2012	129.85	113.70	130.00	113.00
December, 2012	124.50	115.60	123.75	115.55
January, 2013	125.25	106.90	125.90	106.65
February, 2013	109.00	90.00	108.50	89.65
March, 2013	97.40	79.40	95.00	79.75

9. **Registrar and Transfer Agent :** M/s. Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai 400 078

Ph: 022-25963838 Fax: 022-25946969

Email: isrl@linkintime.co.in • Website: www.linkintime.co.in

10. **Share transfer system:**

The Company's shares can be dematerialised with the depositories namely CDSL or NSDL through the Depository Participants. The Company's shares are compulsorily traded in the demat mode. Therefore, the investors/shareholders are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DPs) directly to the Share Transfer Agents. Any delay on the part of the DPs to send the DRF and the Share Certificates beyond 15 days from the date of generation of DRN by the DP will be rejected/cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agents beyond a period of 21 days. Investors/shareholders should therefore, ensure that their DPs do not delay in sending the DRF and Share Certificates to the Share Transfer Agent after generating the DRN.

11. **Distribution of Shareholding** as on 31.03.2013:

Shareholding of Nominal Value (₹)	Shareholders		Shares Held	
	Number	% to Total	Number	% to Total
Up to 5000	23,461	92.2862	24,92,015	7.6078
5001 – 10000	989	3.8903	7,91,926	2.4176
10001- 20000	451	1.7741	6,78,764	2.0722
20001 – 30000	162	0.6372	4,14,727	1.2661
30001 – 40000	71	0.2793	2,50,336	0.7642
40001 – 50000	80	0.3147	3,75,109	1.1452
50001 – 100000	99	0.3894	7,29,598	2.2274
100001 and above	109	0.4288	2,70,23,772	82.4996
Total	25,422	100	3,27,56,247	100

Shareholding Pattern as on 31st March 2013:

Sl. No.	Category	No. of Shares held	Percentage
1	Promoters (including person acting in concert)	2,12,55,853	64.89
2	Institutional Investors i.e. MFs, FIs, banks etc	21,56,910	6.58
3	Bodies Corporate	18,34,780	5.60
4	NRIs	2,61,618	0.80
5	General Public	71,75,995	21.91
6	Clearing Member / Trust	71,091	0.22
	Total	3,27,56,247	100.00

Equity Shares in the Suspense Account

As per Clause 5A of the Listing Agreement, the Company reports that 1,491 Equity Shares are lying in the suspense account as on March 31, 2013.

12. Dematerialisation of Shares:

The Company has entered into agreement with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for dematerialisation of its Shares.

13. Location of Plant, Registered Office and Corporate Office:

Plant & Registered Office
428/2, Phase-I, Industrial Area, Siltara - 493111,
Dist. Raipur, Chhattisgarh, India.
Tel: +91-771-4082333; Fax: +91-771-4082234
Website: www.gpilindia.in

Corporate Office

First Floor, Hira Arcade, New Bus Stand, Pandri,
Raipur – 492001, Chhattisgarh, India.
Tel: +91-771-4082000; Fax: +91-771-4082732,
4057601 email: gpil@gpilindia.com

Investors Relation Centre:

Godawari Power and Ispat Limited,
A-401, Lotus Corporate Park (Graham Firth Company),
Jay Coach Signal, Off Western Express Highway,
Goregaon (East), Mumbai – 400 063, India.
Tel: +91 – 22 – 40767466 / 40767474 / 40767433;
Fax: +91 – 22 – 40767440
Email: investors@gpilindia.in

14. Green Initiative in the Corporate Governance:

The Ministry of Corporate Affairs has taken a Green Initiative in the Corporate Governance by allowing paperless compliances by the Companies after considering sections 2,4,5 and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies

Act, 1956 through electronic mode, issued a Circular NO. 18/2011 dated 29.04.2011 clarified that the Company would be in compliance of sections 219(1) of the Companies Act, 1956, in case, a copy of Balance Sheet etc. is sent by electronic mail to its members subject to the fact that Company has obtained:

- E-mail address of its members for sending the Notice with Balance Sheet, Profit & Loss Account, Auditor's Report, Director's Report, and Explanatory Statement etc. through e-mail, after giving an advance opportunity to the member to register his e-mail address and changes therein from time to time with the Company or with the concerned depository.
- Company's website display full text of these documents well in advance prior to mandatory period and issue advertisement in prominent newspapers in both vernacular and English stating that the copies of aforesaid documents are available in the website and for inspection at the Registered Office of the Company during office hours. Website must be designed in a way so that documents can be opened easily and quickly.
- In cases where any member(s) has not registered his e-mail address for receiving the Balance Sheet etc. through e-mail, the Balance Sheet etc. will be sent by other modes of services as provided under Section 53 of the Companies Act, 1956.
- In case any member(s) insists for physical copies of above documents, the same should be sent to him physically, by post free of cost.

In order to support the Government in its endeavor to Go Green, your Company has decided to send the Annual Report for the Financial Year 2011-12 onwards through e-mail to all the shareholders subject to the above conditions.

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CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required in clause 49 of the listing agreement and the said certificate is contained in this annual report.

Report on Corporate Governance

This chapter, read together with the information given in the chapter titled Management Discussion and Analysis constitute compliance report on Corporate Governance during 2012-13.

For and on behalf of the Board of Directors

Place: Raipur

Date: 28th May, 2013

Chairman

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,
The Board of Directors
Godawari Power and Ispat Limited
Raipur - Chhattisgarh

We have reviewed the financial statements and the cash flow statement for the financial year 2012-13 and hereby certify that to the best of our knowledge and belief:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-13, which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls. For financial reporting and that we have evaluated the effectiveness of the internal control system for the purpose of financial reporting of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems for the purpose of financial reporting and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :-
 - a) There have been no significant changes in internal control during this year.
 - b) There have been no significant changes in accounting policies during this year.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Dated: 28th May, 2013

B.L. Agrawal
Managing Director

Dinesh Kumar Gandhi
Executive Director (Finance)