



GODFREY PHILLIPS
—INDIA LIMITED—

GODFREY PHILLIPS INDIA LIMITED
Registered Office : Chakala, Andheri (E) Mumbai – 400 099

POSTAL BALLOT NOTICE

**PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956 READ WITH
THE COMPANIES (PASSING OF THE RESOLUTION BY POSTAL BALLOT)
RULES, 2001**

Dear Shareholder(s),

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, Notice is hereby given for seeking the approval of the members for the proposal contained in the draft resolution appended below by way of Postal Ballot. The explanatory statement pertaining to the said Resolution setting out material facts is annexed hereto along with a Postal Ballot Form for your consideration.

You are requested to carefully read the instructions printed on the back side of the Postal Ballot Form, fill up the Form, give your assent or dissent on the resolution at the end of the Form and sign and return the Form duly completed in the attached self-addressed, postage prepaid envelope so as to reach the scrutinizer before the close of working hours on 16th April, 2011.

The Company has appointed Mr. Sandeep Gandhi of M/s. Sandeep Gandhi & Co., Practicing Company Secretaries, Mumbai to scrutinize the Postal Ballots in a fair and transparent manner. The Scrutinizer will submit his final report as soon as possible after the last date of receipt for postal ballot but not later than close of Business on 27th April, 2011. The Chairman or authorised Director shall announce the result of the postal ballot on 28th April, 2011 at 4.00 p.m. at the Registered Office of the Company. The date of declaration of the postal ballot result will be taken to be the date of passing of the resolution proposed in this notice.

Members may please note that a resolution will be deemed to have been passed as a Special Resolution if the number of votes cast in favour is three times more than the number of votes cast against and would be deemed to have been passed on the 28th April, 2011.

SPECIAL RESOLUTION :

To consider and, if thought fit, to give assent or dissent to the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company and Section 309(4)(b) & other applicable provisions, if any, of the Companies Act, 1956 and subject to such permissions, sanctions if any as may be required, the approval of the members be and is hereby accorded for payment of such sum to its non-executive director, Mr. Lalit Kumar Modi, by way of commission, not exceeding one percent (1%) per annum of the net profits of the Company computed in the manner laid down in Sections 198, 349 and 350 of the Companies Act, 1956 subject to a ceiling of Rs. 110 lacs per annum for a period of three years w.e.f. 1st August, 2010.”

“RESOLVED FURTHER THAT he shall be entitled to re-imburement of entertainment, travelling and other expenses incurred for the business of the Company as per Rules of the Company.”

“RESOLVED FURTHER THAT the Board of Directors and the Company Secretary be and are hereby authorised severally to take such steps as it may consider necessary or expedient to give effect to this Resolution.”

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Mr. Lalit Kumar Modi has been a prominent member of the Board serving the Company since over last two decades. He had been serving the Company as an Executive Director in the whole-time employment of the Company. On account of some unavoidable personal reasons, Mr. Lalit Kumar Modi expressed his inability to continue in the employment of the Company w.e.f. 1st August, 2010 and accordingly, tendered his resignation as an Executive Director of the Company, which the Board has accepted with regret. Considering the strong entrepreneurial skills of Mr. Lalit Kumar Modi and valuable advice and assistance he is expected to provide to the Company specially in supporting the International Business of the Company, the Board has decided to continue his appointment as an Ordinary Director w.e.f. 1st August, 2010 and offered to remunerate him by way of commission under Section 309(4)(b) of the Companies Act, 1956. He will, however, not be on the payroll of the Company and will not be in the employment of the Company.

The approval of the members is sought for payment of commission to Mr. Lalit Kumar Modi at not more than one percent (1%) per annum of the net profits of the Company computed in the manner laid down in Sections 198, 349 and 350 of the Companies Act, 1956 for a period of three years w.e.f. 1st August, 2010, subject, however, to a ceiling of Rs.110 lacs for or in respect of any one financial year of the Company. In addition, the Company shall re-imburse to him the entertainment, travelling and other expenses incurred for business of the Company as per Rules of the Company.

As per the provisions of Section 192A(2) of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the aforesaid approval is being obtained through postal ballots.

None of the directors except Mr. K. K. Modi, Mr. Lalit Kumar Modi and Mr. Samir Kumar Modi are deemed to be personally interested in the proposed resolution.

Your approval to the resolution is solicited.

By order of the Board of Directors

**New Delhi :
29th January, 2011**

**Sanjay Gupta
Company Secretary**

**REGISTERED OFFICE :
Chakala, Andheri (E),
Mumbai – 400 099**



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POSTAL BALLOT FORM

(To be returned to Scrutinizer appointed by the Company)

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./
Client ID No.*

(Applicable to investors holding
Shares in dematerialised form)

4. No. of Shares held

5. I/We hereby exercise my/our vote in respect of the Special Resolution to be passed
through Postal Ballot for the business stated in the Postal Ballot Notice of the
Company by sending my/our assent (FOR) or (AGAINST) dissent to the said
resolution by placing the tick (✓) mark at the appropriate box below :

Description of Resolution	No. of shares	Particulars	Tick (✓) the appropriate box
Approval as per Section 309(4)(b) of the Companies Act, 1956 for payment of commission to its non-executive director, Mr. Lalit Kumar Modi, not exceeding one percent (1%) per annum of the net profits of the Company computed in the manner laid down in Sections 198, 349 and 350 of the Companies Act, 1956 subject to a ceiling of Rs. 110 lacs per annum for a term of three years w.e.f. 1st August, 2010 and for reimbursement of entertainment, travelling and other expenses incurred for business of the Company as per Rules of the Company.		I/We assent to the resolution	
		I/We dissent to the resolution	

Place :

Date:

(Signature of the Shareholder)

* P.S. FOR INSTRUCTIONS, PLEASE SEE OVERLEAF

INSTRUCTIONS

1. A Shareholder desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form (in original as no other form or photo copy thereof is permitted to be used for the purpose) and send it to the Scrutinizer in the enclosed prepaid self-addressed envelope.

However, envelopes containing Postal Ballots, if deposited in person / sent by courier/ by registered post to the Scrutinizer at the expenses of the registered shareholder will also be accepted.
2. The consent of the Shareholder must be accorded by recording the assent in the Column '**FOR**' and dissent in the Column '**AGAINST**' by placing a tick (✓) mark in the appropriate column. Members are requested to fill the form in indelible ink and not by erasable mode.
3. This postal ballot form should be completed and signed by the shareholder. In the case of joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder(s). The Signature should be as per the specimen signature registered with the Company / Depository Participants. Incomplete, unsigned and incorrect Postal Ballot Form will be rejected.
4. The right of voting by postal ballot shall not be exercised by a proxy.
5. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final and binding.
6. In case of Shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the relevant Board resolution/authorisation. A shareholder 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.
7. Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
8. The pre-paid self-addressed envelope bears the address to which duly completed postal ballot form is to be sent. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on 16th April, 2011. Forms received after this date will be treated as if no reply from the shareholder has been received.
9. The Scrutinizer's decision on the validity of a postal ballot form shall be final.
10. Voting rights shall be reckoned on the paid-up value of shares registered in the name of shareholders as on 11th March, 2011.
11. A shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed Postal Ballot Form should reach the Scrutinizer not later than the date and time specified herein above.
12. Votes will be considered invalid on any of the following grounds :
 - a. If the shareholder's signature does not tally,
 - b. If the shareholder has marked all his shares both in favour and also against the resolution,
 - c. If the postal ballot is unsigned,
 - d. If the ballot paper is received torn or defaced or mutilated to such an extent that it is difficult for the Scrutinizer to identify either the shareholder or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.