

REPORT OF THE AUDIT COMMITTEE OF GODAWARI POWER AND ISPAT LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN JAGDAMBA POWER AND ALLOYS LIMITED AND GODAWARI POWER AND ISPAT LIMITED

MEMBERS PRESENT IN THE MEETING:

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| 1. Shri Biswajit Choudhuri | Chairman |
| 2. Shri B N Ojha | Member |
| 3. Shri Harishankar Khandelwal | Member |
| 4. Ms Bhavna Govindbhai Desai | Member |

IN ATTENDANCE:

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|---------------------------|-------------------------|
| 1. Shri Yarra Chandra Rao | Company Secretary |
| 2. Shri Sanjay Bothra | Chief Financial Officer |

BACKGROUND:

1. A meeting of the Audit Committee of Godawari Power and Ispat Limited ("GPIL/ The Company") was held on 24.12.2019, to consider and recommend the proposed Scheme of Arrangement between Jagdamba Power and Alloys Limited and the Company under Section 230 to 232 of the Companies Act, 2013. ("the Act").
2. This report of the Audit Committee is made in order to comply with the requirements of the circular No. CFD/DIL3/CIR/2017/21 date 10th March, 2017 issued by the Securities and Exchange Board of India.
3. The following documents were placed before the Audit Committee:
 - i) Draft Scheme of Arrangement duly initialed by the Company Secretary of the Company for the purpose of identification;
 - ii) Valuation Report dated 23rd December, 2019 issued by M/s Bansi S. Mehta & Co., Chartered Accountants, Mumbai, describing inter alia the methodology adopted by them in arriving at the



share valuation including the share entitlement ratio and setting out the details of computation of fair entitlement ratios for the proposed arrangement (“Valuation Report”)

iii) Fairness Opinion dated 24th December, 2019 issued by Equirus Capital Private Limited, a SEBI Registered Merchant Banker, providing its opinion on the fairness of the Valuation Report and the Share Entitlement Ratio.

iv) Certificate from JDS & Co, Chartered Accountants, the Statutory Auditors of the Company confirming that the accounting treatment in the draft Scheme is in accordance with the applicable accounting standards under the Companies Act, 2013 and other accounting principles generally in India.

v) Undertaking certified by the JDS & Co., Statutory Auditors of the company to the effect that para 9 (a) Annexure 1 of SEBI Circular dated 10.03.2017 shall not be applicable (i.e. the approval only by public shareholders) since no allotment is proposed to be made to any of the persons mentioned in para 9 (b) of said circular pursuant to the proposed Scheme of Arrangement.

RECOMMENDATION OF THE AUDIT COMMITTEE:

The Committee reviewed the aforesaid documents and after consideration of the same and due deliberations thereon by the members of the Audit Committee, the Committee relying upon the opinions contained in the said documents, unanimously decided to accept the Valuation and the proposed Share Swap Ratio as under:

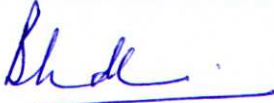
“Resulting Company shall issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company except the Resulting Company i.e. Godawari Power and Ispat Limited whose names appear in the Register of Members of the Demerged Company on the Demerger Record Date in respect of every 140 (One Hundred and Forty) Equity Shares of the face value of Rs. 10 /- each fully paid up held by him / her / it in the Demerged Company, 89 (Eighty Nine) new Equity shares of the Resulting Company of the face value of Rs.10/- each fully paid up.”



The Audit Committee unanimously agreed to recommend the Scheme of Arrangement between Jagdamba Power and Alloys Limited and the Company, to the Board of Directors of the Company for further consideration, inter alia, in pursuant to the requirements of Stock Exchanges, SEBI and other Regulatory Authorities including National Company Law Tribunal.

The Committee authorised the Chairman of the Committee to forward this report and recommendation to the Board of Directors of the Company.

By order of the Audit Committee
For Godawari Power and Ispat Limited



Biswajit Choudhuri
(Chairman)

Audit Committee

Date: 24th December, 2019

Place: Raipur

