ANNX - 3

PROPOSED AMALGAMATION OF

JAGDAMBA POWER AND ALLOYS LIMITED

INTO

GODAWARI POWER AND ISPAT LIMITED

ACCOUNTANTS' REPORT ON RATIO OF EXCHANGE

BANSI S. MEHTA & CO.
Chartered Accountants,
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Mumbai-400 020.

GODAWARI POWER & ISPAT LTD. RAIPUR (C.G.)

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1. Introduction

1.1. Background and Terms of Engagement

There is a proposal before the Boards of Directors of Jagdamba Power and Alloys Limited ("Transferor Company") and Godawari Power and Ispat Limited ("Transferee Company") to consider the amalgamation of Transferor Company into Transferee Company, as a going concern though a scheme of arrangement under the Companies Act, 2013. Upon the said amalgamation, equity shares of Transferee Company would be issued to the shareholders of Transferor Company. This is hereinafter referred to as the Transaction.

It is proposed that the aforesaid Transaction would be through a scheme of arrangement under the Companies Act, 2013.

We have been asked by managements of Transferor Company and Transferee Company ("the Managements") to recommend a fair ratio of allotment of equity shares of Transferee Company to the equity shareholders of Transferor Company on the proposed amalgamation.

For the purpose of this Report, we have considered the Valuation Date as at February 16, 2018 being the date prior to the date of the Board Meeting to consider the Transaction and the Composite Scheme for approval. This report ("**Report**") sets out the findings of our exercise.

1.2. Profile of Transferor Company

Jagdamba Power and Alloys Limited was incorporated under Companies 1956 in the year 1999, originally in the name of Vinay Ispat Limited and name of the Company was subsequently changed to Hira Bio-fuesls Limited in 2003 and subsequently to the present name in 2004. The business activities of the Transferor Company mainly comprise of generation and sale of power. The Transferor Company has also advanced its surplus funds to group companies. The Transferor Company is mainly engaged in the business of power generation and has set up a 25MW Power Plant at Siltara Industrial Estate, Raipur and Chhattisgarh. It uses coal and dolochar to produce power. The Transferor Company has recently been granted long term coal linkages from South Eastern Coalfields Ltd under the coal linkage policy of Government of India to meet its requirement of coal for generation of power. Transferor Company is a debt free Company. Transferee Company, in order to meet its long term captive requirement of power, acquired 26% shareholding of Transferor Company in November, 2013 to become captive power consumer of Transferor Company under the Electricity Act, and concerned government authorities for permission to connect the power plant of Transferor Company to the steel plant of Transferee Company. However, required permissions were delayed and therefore, the power plant of Transferor Company has remained idle since then. The required permissions have since been obtained and process for connecting the power plant of Transferor Company with steel plant of Transferee Company in currently under progress and plant is expected to be started within next few months

It is understood from the Management of Transferor Company that it had started wire drawing business, which it has aborted. Further, Transferor Company has also advanced its surplus funds to its group companies.

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1.3. Profile of Transferee Company

Transferee Company was incorporated under the Companies Act, 1956. The registered address of Transferee Company is 428/2, Phase-I, Industrial Area, Siltara – 493111, Dist. Raipur, Chhattisgarh, INDIA. Transferee Company is engaged in the business of manufacturing of Steel and Power generation. It has an integrated Steel plant (with captive iron ore mining, pellet plant, sponge iron and finished steel manufacturing facilities with the captive power generation capacity of 73 MW) located at Siltara Industrial Estate, Raipur. Transferee Company also has 50MW Independent Power plant set up through subsidiary Company, in Rajasthan. The equity shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

In view of long term benefits and looking at synergy in operations of businesses of both the Companies and cost saving and other strategic benefits, it is now considered expedient to merge Transferor Company and Transferee Company.

1.4. SHAREHOLDING PATTERN OF COMPANIES

1.4.1. Transferee Company

The issued and subscribed equity share capital of Transferee Company as at December 31, 2017 is as under:

Particulars	Amount (in Crores)
Authorised 5,30,00,000 Equity Shares of Rs. 10/- each	53.00
Issued, subscribed and paid-up 3,52,36,247 Equity Shares of Rs. 10/- each fully paid	35.24

The aforesaid share capital is held as follows:

Sr. No.	Particulars	Percentage
1.	Promoter Group	67.36%
2.	Non-promoter Group*	32.64%
	Total	**100.00%**

**Non promoter includes Institutions*

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1.4.2. Transferor Company

The issued and subscribed equity share capital of Transferee Company as at January 31, 2018 is as under:

Particulars	Amount (in Crores)
Authorised 1,00,00,000 Equity Shares of Rs. 10/- each	10.0000
Issued, subscribed and paid-up 76,69,700 Equity Shares of Rs. 10/- each fully paid	7.6697

The aforesaid share capital is held as follows:

Sr. No.	Shareholder	Percentage
1.	Promoter Group of Transferor Company	66.04%
2.	Transferee Company	33.96%
	Total	**100.00%**

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2. Data Obtained

2.1 We have called for and obtained such data, information, etc. as were necessary for the purpose of our assignment, which have been made available to us by the Managements. **Appendix A** hereto broadly summarises the data obtained.

2.2 For the purpose of our assignment, we have relied on such data summarized in the said Appendix and other related information and explanations provided to us in this regard.

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3. Approach to Valuation

3.1 It is universally recognized that Valuation is not an exact science and that estimating values necessarily involves selecting a method or an approach that is suitable for the purpose. Courts in India have, over a period of time, evolved certain guiding principles, the most leading case being the decision of the Supreme Court in Hindustan Lever Employee's Union vs. Hindustan Lever Limited and Others [(1995) 83 Company Cases 30].

3.2 That decision endorses that a fair and proper approach for valuation of shares of companies would be to use a combination of various approaches which in that case were:

- Market Price ("**MP**") Approach;
- Net Asset Value ("**Asset Based**") Approach; and
- Earnings Capitalization Value ("**Earnings**") Approach

3.3 Another classical approach to valuation is to look at the future cash flows of the company, so as to arrive at a valuation that would, primarily, be based on the present value of such future cash flows by discounting such future cash flows using an appropriate rate of discounting. This method of valuation is popularly known as the Discounted Cash Flows Approach ("**the DCF Approach**").

3.4 The broad methodology used to arrive at the value per share of Transferee Company and the Power Business Undertaking of Transferor Company is discussed hereunder:

3.4.1 Valuation of Equity Shares of Transferee Company:

3.4.1.1 MP Approach:

This approach involves determining the value per share of a company based on the price quoted on the stock exchange.

3.4.1.1.1 As mentioned earlier, Transferee Company is a listed company with its shares listed on BSE and NSE. It is therefore, governed by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the ICDR Regulations").

3.4.1.1.2 It may be noted that post the amendment dated February 15, 2017 (Notification No. SEBI/LAD/NRO/GN/2016-17/030) in the ICDR Regulations, issuance of shares pursuant to order under sections 391 to 394 of the Companies Act, 1961 or sections 230 to 234 of the Companies Act, 2013, requires the listed entity to follow pricing conditions that apply to preferential issue, if such issue is to be made to shareholders of an unlisted company. We have given due consideration to this requirement.

3.4.1.1.3 In the present case, equity shares of Transferee Company are listed on BSE and NSE. The share price observed on NSE for Transferee Company over an appropriate period (discussed at para 3.4.1.1.4 below) as prescribed under the ICDR Regulation prior to the Relevant Date has been considered for determining

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the value of Transferee Company under the market price methodology as the traded turnover of shares of Transferee Company on NSE is higher than that on BSE.

3.4.1.1.4 For arriving at the value per share under this approach, in accordance with Regulation 76 of the ICDR Regulations, we have considered the highest of the following:

a) The average of the weekly high and low of the volume weighted average price of the equity shares during the twenty six weeks preceding the relevant date, or

b) The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

3.4.1.1.5 For the Market Value Approach, we have considered the Relevant Date[1] as February 19, 2018 (**"Relevant Date"**), being the date of the Board Meeting.

3.4.1.2 Asset Based Approach:

This approach involves determining the fair value of the company based on the assets of the company after applying a Market Value to Book Value Multiple observed from the listed comparable companies in the same industry. The broad steps adopted to arrive at a value under this approach are as under:

3.4.1.2.1 For the purpose of this approach, we have considered the consolidated balance sheet of Transferee Company for the year ended September 30, 2017.

3.4.1.2.2 Based on these numbers we have calculated the net worth for operations of Transferee Company.

3.4.1.2.3 Likewise, we have calculated net worth of listed companies operating in sector comparable to Transferee Company ("Comparables"). Thereafter, we have calculated the Market Capitalisation of Comparables by using the same mechanism as discussed at para 3.4.1.1.4.

3.4.1.2.4 The amount so derived is adjusted for investments as per their balance sheets. The Adjusted Market Capitalisation and the Net Worth of the Comparables form a basis to calculate the Market Value to Book Value Multiple (**"the MV/BV Multiple"**) for each of the Comparables.

3.4.1.2.5 We have then computed the arithmetic mean of the MV/BV Multiple calculated for each of the Comparables above, thus arriving at the Average MV/BV Multiple.

[1] This is in accordance with the SEBI Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017

3.4.1.2.6 The Average MV/BV multiple, as calculated above, is applied to the net worth of the Undertaking as on September 30, 2017, to arrive at the Business Value of Transferee Company.

3.4.1.2.7 Such Business Value is increased by the amount of surplus assets (being investments and cash) as at December 31, 2017 to arrive at the Adjusted Business Value.

3.4.1.2.8 It is understood from the Managements that no contingent liabilities of Transferee Company are likely to crystallize.

3.4.1.2.9 The Adjusted Business Value arrived at above is divided by the number of issued, subscribed and fully paid-up equity shares to derive the value per share under this Approach.

3.4.1.3 Earnings Approach:

3.4.1.3.1 Under EV/EBIDTA Approach:

- We have considered the Profit before Tax ("**PBT**") of Transferee Company for six months ended September 30, 2017 and adjusted such profit for Non-operating and Non-recurring Expenses/Income for the period in order to arrive at the Adjusted PBT ("**Adjusted PBT**")

- To the adjusted PBT arrived at above, we have added back the amount of depreciation and finance cost to arrive at Adjusted Earnings before Interest, Tax, Depreciation and Amortisation for six months ended September 30, ,2017. We have annualized this EBITDA to arrive at the Adjusted EBITA for Transferee Company ("**Adjusted EBITDA**").

- The Adjusted EBIDTA of Comparable for six months ended September 30, 2017 has been computed on the same lines as computed for Transferee Company, and has been annualized, i.e. the same is adjusted for any non-operating and non-recurring income and expenses. Enterprise Value ("EV") of the Comparable has been arrived at by adding the amount of debt, and minority interest, if any, to the Adjusted Market Capitalisation of Comparable as computed in para 3.4.1.2.4 above. We have then computed Enterprise Value to EBITDA multiple ("**EV/EBITDA multiple**") for Comparables.

- We have applied the average EV/EBITDA multiple to the Adjusted EBITDA of Transferee Company to arrive at the EV of Transferee Company.

- The value so arrived at is increased by the amount of surplus assets as at December 31, 2017 to arrive at the Adjusted Business Value. It is understood from the Managements that no contingent liabilities of Transferee Company are likely to crystallize.

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- We have divided the Business Value as computed above by the number of fully paid, issued and subscribed equity shares of Transferee Company as on the Valuation Date to derive the value per share under this method.

3.4.1.3.2 Under PE Approach:

- We have considered the PBT of Transferee Company for six months ended September 30, 2017 after adjusting it for non-operating and non-recurring income and expenses and have annualized the same.

- Adjusted the aforesaid Adjusted PBT by the amount of tax outflow to derive the Adjusted PAT for Transferee Company.

- The Adjusted Profit after Tax of Comparables for period ended September 30, 2017 has been computed on the same lines as computed for Transferee Company and has been annualized, i.e. the same is adjusted for any non-operating and non-recurring income and expenses. A Market Value to adjusted PAT Multiple ("the PE Multiple") of Comparable is applied to the Adjusted PAT of Transferee Company to arrive at its Business Value.

- The value so arrived at is increased by the amount of surplus assets as at December 31, 2017 to arrive at the adjusted Business Value. It is understood from the Management that none of the contingent liabilities are likely to crystallize as at the Valuation Date.

- We have divided such Adjusted Business Value by the number of fully paid, issued and subscribed equity shares of Transferee Company as on the Valuation Date to derive the value per share under the PE Approach.

3.4.1.3.3 Under PAT Capitalization Approach:

- To derive the value under this approach, we have considered the Adjusted Profit after Tax arrived at PE Approach above.

- The adjusted PAT, as discussed above, is capitalized using the expected growth rate and cost of equity for Transferee Company to arrive at its Business Value.

- The value so arrived at is increased by the amount of surplus assets as at December 31, 2017 to arrive at the Adjusted Business Value. It is understood from the Management that none of the contingent liabilities are likely to crystallize.

- We have divided the Adjusted Business Value as computed above by the number of fully paid, issued and subscribed equity shares of Transferee Company as on the Valuation Date to derive the value per share under this method.

3.4.1.3.4 Under EBIT Capitalization Approach:

- We have arrived at the EBIT of Transferee Company by adding back interest to the Adjusted PBT arrived at under the PE Approach.
- Such EBIT is then reduced by the amount of tax to arrive at the adjusted Earnings after tax ("EBIT after Tax").
- The adjusted EBIT after Tax so computed is capitalized using the expected growth rate and weighted average cost of capital for Transferee Company to arrive at its Enterprise Value.
- The Enterprise value so arrived at is increased by the amount of surplus assets as at December 31, 2017 and reduced the borrowings as at December 31, 2017 to arrive at the Business Value as at the Valuation Date. . It is understood from the Management that none of the contingent liabilities are likely to crystallize (if any).
- We have divided the Business Value as computed above by the number of fully paid, issued and subscribed equity shares of Transferee Company to derive the value per share under this method.

3.4.1.4 DCF Approach:

As discussed earlier, this approach involves determining value of a company based on its future expected cash flows. It may be noted that the industry in which Transferee Company operates is a cyclical industry imposing difficulty on projecting the future cash flows. We have therefore, not considered the DCF Approach for valuation.

3.4.1.5 Fair Value of Transferee Company

To derive a value under the earnings approach, we have applied equal weights to EV/EBITDA Approach, PE Approach, PAT Capitalization Approach and EBIT Capitalization Approach.

We have arrived at the fair value of the Transferee Company by applying higher weights to values computed under the Earnings Approach and the Market Value Approach and a lower weight to the value derived under the Asset Based Approach.

We observe that the fair value arrived at, by us is lower than the market value per share. Therefore, in accordance with Regulation 76 of ICDR Regulations, the price considered for the ratio of allotment of shares would be the market price.

3.4.2 Valuation of Transferor Company:

3.4.2.1 MP Approach:

As discussed earlier, MP Approach involves determining the value per share based on its quoted price. However, equity shares of Transferor Company are not listed on the stock exchange and therefore, MP Approach cannot be used to determine its value per share.

3.4.2.2 Asset Based Approach:

As discussed earlier, this approach involves determining value of the company based on its asset base by applying a multiple based on comparable companies. However, it is understood from the Management that Transferor Company was not carrying out operations from April 1, 2015 on account of the capacity of 25MW not being commercially viable to enter into power purchase agreement with state grid and delay in permission to connect the power plant of Transferor Company to the steel plant of Transferee Company directly.
Thus, its balance sheet is not considered comparable to the other companies in similar sphere of operations. Therefore, we have not considered the asset base approach to derive the value of Transferor Company.

3.4.2.3 Earnings Approach:

Transferor Company consists of Power Business Undertaking, aborted wire drawing operations and loans given to group companies. We have valued the Power Business Undertaking based on EV/EBITDA Approach, PE Approach and PAT Capitalization Approach. To the value so arrived at, we have added the value of the assets of the other businesses to derive the value of Transferor Company. The broad methodology to derive the value under each of the approaches is discussed hereunder:

3.4.2.3.1 Under EV/EBIDTA Approach:

- We have considered the Profit before Tax of the Power Business Undertaking for the year to end March 31, 2019 and have discounted the same to arrive at the present value of maintainable profit before tax (**"PBT"**).

- To the above PBT, we have added back the amount of depreciation and finance cost to arrive at Earnings before Interest, Tax, Depreciation and Amortisation (**"EBITDA"**).

- The Adjusted EBIDTA of Comparables of Transferor Company is computed by annualizing the EBITDA for the six months ended September 30, 2017, and after adjusting for any non-operating and non-recurring income and expenses. Enterprise Value ("EV") of the Comparables has been arrived at by adding the amount of debt, and minority interest, if any, to the Adjusted Market Capitalisation of Comparables (computed using the methodology

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described at para 3.4.1.2.4 above). We have then computed Enterprise Value to EBITDA multiple for Comparables of Transferor Company. To this multiple, we have applied a discount on account of non-marketability as shares of Transferor Company are not listed on any stock exchange (**"EV/EBITDA multiple"**).

- We have applied the average EV/EBITDA multiple to the Adjusted EBITDA of The Power Business Undertaking to arrive at the EV of the Power Business Undertaking.

- The value so arrived at is increased by the amount of surplus assets as at January 31, 2018 (including the surplus working capital (As informed by the Management) and Cenvat credit) to arrive at the Business Value of the Power Business Undertaking.

- To this value, we have added the net-worth of aborted wire drawing operations and the loans given to group companies to derive the Business Value of Transferor Company.

- It is understood from the Management that none of the contingent liabilities are likely to crystallize as at the Valuation Date.

- We have then divided the Business Value of Transferor Company by its existing number of fully paid-up equity shares to derive the value per share of Transferor Company as at the Valuation Date under this Approach.

3.4.2.3.2 Under PE Approach:

- We have considered the PAT for the Power Business Undertaking for year to end on March 31, 2019 and have discounted the same to arrive at its present value (**"Adjusted PAT"**).

- The Adjusted Profit after Tax of Comparables of Transferor Company for six months ended September 30, 2017 has been annualized after adjusting for any non-operating and non-recurring income and expenses. A Market Value to adjusted PAT Multiple ("the PE Multiple") of Comparables (after adjusting for discount on account of non-marketability of shares of Transferor Company), is applied to the Adjusted PAT of Power Business Undertaking to arrive at its Business Value.

- The value so arrived at is increased by the amount of surplus assets as at January 31, 2018 (including the surplus working capital (As informed by the Management) and Cenvat credit) to arrive at the Business Value of the Power Business Undertaking.

- To this value, we have added the net-worth of aborted wire drawing operations and the loans given to group companies to derive the Business Value of Transferor Company.

- It is understood from the Management that none of the contingent liabilities are likely to crystallize as at the Valuation Date.

- We have then divided the Business Value of Transferor Company by its existing number of fully paid-up equity shares to derive the value per share of Transferor Company as at the Valuation Date.

3.4.2.3.3 Under PAT Capitalization Approach:

- To derive the value under this approach, we have considered the Adjusted Profit after Tax of Transferor Company arrived at under the PE Approach above.

- The adjusted PAT, as discussed above, is capitalized using the expected growth rate and cost of equity for Transferor Company to arrive at its Business Value.

- The value so arrived at is increased by the amount of surplus assets as at January 31, 2018 (including the surplus working capital (As informed by the Management) and Cenvat credit) to arrive at the Business Value of the Power Business Undertaking.

- To this value, we have added the net-worth of aborted wire drawing operations and the loans given to group companies to derive the Business Value of Transferor Company.

- It is understood from the Management that none of the contingent liabilities are likely to crystallize as at the Valuation Date.

- We have then divided the Business Value of Transferor Company by its existing number of fully paid-up equity shares to derive the value per share of Transferor Company as at the Valuation Date.

- The aforesaid value per share is discounted on account of non-marketability of shares of Transferor Company to derive the value per share under this approach.

3.4.2.3.4 Under EBIT Capitalization Approach:

- This approach involves determining value of the Power Business Undertaking based on Earnings before interest and after tax. It is understood from the Managements that the borrowings pertaining to the Power Business Undertaking will be paid off before the proposed Appointed Date for Demerger. Therefore, the maintainable Earnings before Interest and after tax of Transferor Company would be the same as its profit after tax. Therefore, this method would give the same result as PAT Capitalization Approach, and is therefore, only academic in the current case.

3.4.2.4 Fair Valuation of the Transferor Company:

To derive the fair value per share of Transferor Company we have given equal weights to the values arrived at under the EV/EBITDA approach, PE Approach and PAT Capitalization Approach.

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4. Valuation and Conclusion

Based on the foregoing data, considerations and steps followed, we consider that the fair ratio of exchange would as follows:

"For every **100 (Hundred)** Equity shares of face and paid up value of Rs 10/- (Ten) held in Transferor Company, **45 (Forty Five)** Equity shares of face and paid up value of Rs. 10/- (Ten) in Transferee Company to be issued to the equity shareholders of Transferor Company".

It may herein be noted that the Stock Exchanges have issued a Circular to the Listed Companies (e.g. BSE Circular LIST/COMP/02/2017-18 dated May 29, 2017) ("the Circular"), on advice by SEBI, laying down the format in which the valuation report shall display the workings, relative fair value per share and fair share exchange ratio. The disclosure in the format suggested by the stock exchange is as under:

Particulars	Transferee Company		Transferor Company	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	358.34	1	Not Applicable	See Para 3.4.2.2 above
Earnings Approach	355.19	2	230.68	1
Market Approach	508.03	2	Not Applicable	See Para 3.4.2.1 above
Relative Value per share	508.03*		230.68	
Exchange Ratio (rounded off)				

** We observe that the average fair value arrived at, by us is lower than the market value per share. Therefore, in accordance with Regulation 76 of ICDR Regulations, the price considered for the ratio of allotment of shares of Transferee Company would be the price determined based on Market Approach.*

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5. Limitations and disclaimers

5.1 Our Report is subject to the scope of limitations detailed hereinafter. Our Report is to be read in totality and not in parts.

5.2 As such this Report is to be read in totality and not in parts.

5.3 Our valuation is based on the information furnished to us being complete and accurate in all material respect. The same is based on the estimates of future financial performance as projected by the Managements, which represents their view of reasonable expectations at the point in time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material.

5.4 Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We have evaluated and performed checks on the projections provided but have not performed any audit, review or examination of any of the historical information used and therefore, we do not express any opinion with regard to the same. However, we have broadly reviewed the projections for their acceptability before using the same for valuation.

5.5 The information presented in the Report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of that process could change the information herein and, therefore, the valuation materially.

5.6 The Report is meant for the purpose mentioned in Para 1.1 and should not be used for any purpose other than the purpose mentioned therein. This Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

5.7 Our Report should be used only by the Managements and by no other person. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

5.8 The projected working results of Transferor Company are those as prepared by the Managements and furnished to us for the purposes of the Report. We accept no responsibility for them, or the ultimate accuracy and realization of the forecasts.

5.9 We have relied on the judgment made by the Managements and, accordingly, our valuation does not consider the assumption of contingent liabilities materialising (other than those specified by the Managements and the Auditors). If there were any omissions, inaccuracies or misrepresentations of the information provided by the Managements, then this may have the effect on our valuation computations.

5.10 No investigation of Transferee Company & Transferor Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets.

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Therefore, no responsibility is assumed for matters of a legal nature. The report is not, nor should it be construed, as our opining or certifying the compliance with the provisions of any law including company and taxation laws or as regards any legal, accounting or taxation implications or issues.

5.11 We have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.

5.12 Our valuation is based on the market conditions and the regulatory environment that existed around the time of the valuation date.

5.13 We have not carried out any physical verification of the assets and liabilities of the Transferee Company and the Transferor Company, and take no responsibility for the identification of such assets and liabilities.

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6. Gratitude

We are grateful to the Managements for making information and particulars available to us, often at a short notice, without which our assignment would not have been concluded in a time-bound manner.

PLACE: MUMBAI

BANSI S. MEHTA & CO.

DATE: FEBRUARY 19, 2018

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Appendix A: Broad Summary of Data Obtained

From the Managements

1. Projected Financial Statements of the Power Business Undertaking for year to end March 31, 2019.
2. Divisional unaudited financial statements of Transferor Company for the period ended January 31, 2018.
3. Shareholding pattern of Transferor Company as on January 31, 2018.
4. Audited Financial statements of Transferor Company for the year ended March 31, 2017.
5. Break-up of investments of Transferee Company as at September 30, 2017.
6. Market value of mutual funds and Cash Balance of Transferee Company as at December 31, 2017.
7. Answers to specific questions and issues raised by us after examining the foregoing data.

From publicly available sources

1. The Risk free rate of return used in the calculation of cost of equity is taken from Reserve Bank of India website.
2. ACE TP for establishing comparability.
3. Website of Transferee Company, Transferor Company and Comparable Companies for their financial statements and business background.
4. Websites of NSE and BSE.

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