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REPORT OF THE AUDIT COMMITTEE OF GODAWARI POWER & ISPAT LTD RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF JAGDAMBA POWER & ALLOYS LTD WITH GODAWARI POWER & ISPAT LTD

Members Present in the meeting

1. Shri Biswajit Choudhuri - Chairman
2. Shri Dinesh Gandhi - Member
3. Shri Hari Shankar Khandelwal - Member

In Attendance

1. Shri Sanjay Bothra - CFO
2. Shri Y.C. Rao - Company Secretary

1. Background

1.1 A meeting of the Audit Committee of Godawari Power & Ispat Ltd ('the Company') was held on 19th February, 2018 to consider and recommend the proposed Scheme of Amalgamation of Jagdamba Power & Alloys Ltd with the Company under section 230 to 232 of the Companies Act, 2013('Act').

1.2 This report of the Audit Committee is made in order to comply with the requirements of the circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India.

1.3 The following documents were placed before the Audit Committee.

a. Draft Scheme of Amalgamation duly initialled by the Company Secretary of the Company for the purpose of identification.

b. Valuation report dated February 19, 2018 issued by Bansi S. Mehta & Co., Chartered Accountants 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 amalgamation ('Valuation Report').

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c. Fairness Report dated February 19, 2018 issued by Equirus Capital Private Limited, a SEBI Registered Merchant Banker, providing its opinion on the fairness of the valuation and share entitlement ratio.

d. Certificate dated February 19, 2018 issued by O.P. Singhania & 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 accepted in India.

2. Recommendation of the Audit Committee

The Committee reviewed the aforesaid documents, After consideration of the same and due deliberation thereon by the members of the Audit Committee, the Committee, relying upon the opinions contained in the said documents, unamiously decided to accept the valuation and the proposed Share Swap Ratio, **"For every 100 (Hundred) Equity Shares of face and paid up value of Rs. 10/- (Ten) held in Jagdamba Power and Alloys Ltd, Transferor Company, 45 (Forty Five) Equity Shares of face and paid up value of Rs. 10/- (Ten) of Godawari Power & Ispat Ltd, Transferee Company to be issued to the shareholders of the Transferor Company"**

The Audit Committee unanimously agreed to recommend the Scheme of Amalgamation of Jagdamba Power & Alloys Ltd with 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 its report and recommendation to the Board of Directors of the Company.

By Order of the Audit Committee
For Godawari Power & Ispat Ltd

Biswajit Choudhuri
Chairman
(Audit Committee)

Date: 19th February, 2018

Place: Raipur

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