

Summary of Valuation Report along with basis of valuation

1. The management of Godawari Power & Ispat Ltd ('Resulting Company') and Jagdamba Power & Alloys Ltd ('Demerged Company') have appointed Bansi S. Mehta & Co, Chartered Accountants, Mumbai as independent valuer to recommend a fair ratio of allotment of equity shares of Transferee Company to the Equity Shareholders of Transferor Company on the proposed Scheme of Amalgamation.
2. For the purpose of arriving at the share entitlement ratio, the valuation report was obtained in terms of the SEBI Scheme Circular No. LIST/COMP/02/2017-18 dated May 29, 2017 issued by the BSE and circular No. NSE/CML/2017/12 dated June 1, 2017 issued by the NSE.
3. The valuer has considered Market Price ('MP'), Earning based Approach and Cost Approach to determine the fair value of the shares of the companies.
4. However, considering the nature of transaction contemplated in the Scheme, the valuer has also considered EV/EBIDITA, PE approach and PAT Capitalization approach.
5. In case of Resulting Company, the price derived under SEBI (ICDR) Regulation, 2009 is lower than the fair value per share calculated by the valuer and the price considered for the ratio of allotment of shares is average of assets based method, earning based method, and market price method was Rs. 233.44. In case of Demerged Company the Value per share was arrived at Rs.148.44 based on earning based method.
6. A fairness opinion dated 24th December 2019 was issued by Equirus Capital Private Limited, a SEBI Registered Merchant Banker, explaining the rationale for their opinion as to the fairness of the share entitlement ratio from a financial point of view.
7. Accordingly the share entitlement ratio of 89 (Eighty Nine) Equity shares of the face value and paid-up value of Rs.10 (Rupees 10) each of Resulting Company to 140 (One Hundred and Forty) Equity Shares of the face value and paid-up value of Rs. 10 (Rupees Ten) each of demerged company has been arrived at and approved by the Audit committee and Board of Directors of the resulting company and the Board of Directors of the Demerged company .