


JAGDAMBA POWER AND ALLOYS LIMITED

Regd. Office & Corporate Office: Hira Arcade, Hira Group of Company New Bus Stand Raipur,
Chhattisgarh, 492001

Works: 129, Munrethi Raod, Phase II, Siltara, Raipur Chhattisgarh, 493111

Web Site: <http://godawaripowerispat.com/>, Email Id: co.secretary@hiragroup.com

CIN: U27104CT1999PLC013744 Contact No.: 0771-4082775/85 Fax: 0771-4082776

**MEETING OF THE SECURED CREDITORS
OF
JAGDAMBA POWER AND ALLOYS LIMITED**

(convened pursuant to an order dated 26th July, 2021 passed by the Hon'ble National Company Law Tribunal, Bench at Cuttack)

MEETING:

Day	:	Monday
Date	:	20 th September, 2021
Time	:	11:00 A.M.
Venue	:	Hira Arcade, Hira Group of Companies, New Bus Stand, Pandri, Raipur, Chhattisgarh, 492001

INDEX

Sr. No.	Contents	Page No.
1.	Notice convening the meeting of the Secured Creditors of Jagdamba Power and Alloys Limited under the provisions of Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	1-5
2.	Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	6-33
3.	Annexure 1 Scheme of Arrangement of Jagdamba Power and Alloys Limited ('the Demerged Company') With Godawari Power and Ispat Limited ('the Resulting Company') and their respective shareholders under section 230 to 232 of the Companies Act, 2013	34-58
4.	Annexure 2 Valuation Report dated 23 rd December, 2019 issued by M/s. Bansil S. Mehta & Co. Chartered Accountants.	59-76
5.	Annexure 3 Fairness Opinion dated 24 th December, 2019 issued by Equirus Capital Private Limited.	77-79
6.	Annexure 4 Copy of Observation letter dated 13 rd April, 2020 from BSE Limited to Godawari Power & Ispat Limited.	80-81

7.	Annexure 5 Copy of Observation letter dated 15 th April, 2020 from National Stock Exchange of India Limited (NSE) to Godawari Power & Ispat Limited.	82-83
8.	Annexure 6 Complaints Report dated 12 th February, 2020 and 04 th March, 2020 submitted by Godawari Power & Ispat Limited to BSE Limited and the National Stock Exchange of India Limited, respectively.	84-87
9.	Annexure 7 Summary of the Valuation Report including the basis of valuation.	88
10.	Annexure 8 Report adopted by the Board of Directors of Jagdamba Power and Alloys Limited in its meeting held on 24 th December, 2019 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	89-90
11.	Annexure 9 Report adopted by the Board of Directors of Godawari Power & Ispat Limited in its meeting held on 24 th December, 2019 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	91-96
12.	Annexure 10 Audited Financial Statement of Godawari Power & Ispat Limited for the year ended 31 st March, 2021.	97-118
13.	Annexure 11 Audited Financial Statement of Jagdamba Power and Alloys Limited for the year ended 31 st March, 2021.	119-130
14.	Annexure 12 Abridged Prospectus of Jagdamba Power and Alloys Limited.	131-140

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
CUTTACK BENCH, CUTTACK**

COMPANY SCHEME APPLICATION NO CA(CAA)No. 324/CB/2020

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 of 2013)

AND

In the matter of application under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Scheme of Arrangement of Jagdamba Power and Alloys Limited ('the Demerged Company') With Godawari Power and Ispat Limited ('the Resulting Company')

Jagdamba Power and Alloys Limited, company incorporated under the Companies Act, 1956, having its registered office at Hira Arcade, Hira Group of Company, New Bus Stand, Raipur, Chhattisgarh

.... APPLICANT / DEMERGED COMPANY

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS
OF THE APPLICANT COMPANY**

To,

All the Secured Creditors of Jagdamba Power and Alloys Limited ("JPAL" or the "Applicant Company"):

NOTICE is hereby given that by an Order dated 26th day of July, 2021 (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench at Cuttack ("**NCLT**") has directed a meeting to be held of the Secured Creditors of the Applicant Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement for Demerger of Power Business undertaking of Jagdamba Power & Alloys Ltd (the Demerged Company) into Godawari Power and Ispat Limited (the Resulting Company) and their respective Shareholders ("**Scheme**").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the Secured Creditors of the Applicant Company will be held on Monday, 20th day of September, 2021 at 11:00 A.M. (IST) at Hira Arcade, Hira Group of Companies, New Bus Stand, Pandri, Raipur, Chhattisgarh, 492001 to transact the following business and the following resolution will be considered with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the observation letters issued by each of the National Stock Exchange of India Limited, dated 15th April, 2020 and BSE Limited dated 13th April, 2020 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Cuttack ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ("**Board**")), which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement for Demerger of Power Business undertaking of Jagdamba Power & Alloys Ltd (the Demerged Company) into Godawari Power and Ispat Limited (The Resulting Company) and their respective Shareholders ("**Scheme**") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

The undersigned CS. Brajesh R. Agrawal (FCS 5771 CP 5649) has been appointed as the Chairman of the NCLT Convened Meeting of Secured Creditors including for any adjournment or adjournments thereof by NCLT.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Dated this day of 16th August, 2021
Registered office:
Hira Arcade, Hira Group of Company
New Bus Stand, Raipur, Chhattisgarh
492001

CS. Brajesh R. Agrawal
(Chairman appointed for the aforesaid NCLT
Convened Meeting)

Notes:

1. NCLT by its Order has directed NCLT Convened Meeting of the Secured Creditors of the Applicant Company shall be held at Hira Arcade, Hira Group of Companies, New Bus Stand, Pandri, Raipur Chhattisgarh, 492001 on Monday, the 20th day of September, 2021 at 11:00 A.M. (IST) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme.
2. Secured Creditors of the Applicant Company may attend and vote either in person or by proxy or in the case of a body corporate, by a representative authorized at the NCLT Convened Meeting of the Secured Creditors of the Applicant Company. The authorized representative of a body corporate may attend and vote at the NCLT Convened Meeting of the secured creditors of the Applicant Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the NCLT Convened Meeting of the Secured Creditors, duly certified to be a true copy by a director, the manager, the secretary or other authorized officer of such body corporate, is deposited at the Corporate office at First Floor, Hira Arcade, Near New Bus Stand, Pandri Raipur, Chhattisgarh 492001 not later than 48 (forty eight) hours before the scheduled time of the commencement of the NCLT Convened Meeting of the Secured Creditors of the Applicant Company.
3. A Secured Creditor or his proxy or authorized representative, as the case may be, attending the meeting, is requested to bring the copy of the notice to the meeting and produce the Attendance Slip, duly completed and signed at the entrance of the meeting venue.
4. An individual Secured Creditor or the authorized representative of the Secured Creditor (in case such Secured Creditor is a body corporate) or the proxy should carry a copy of their valid and legible identity proof (i.e. PAN Card/Aadhaar Card/Passport/Driving License/Voter ID Card) to the meeting.
5. Form of Proxy is annexed to this Notice and can also be obtained free of charge from the registered office of the Applicant Company.

6. All alterations made in the Form of Proxy should be initialed.
7. Secured Creditors whose names appear on the list of Secured Creditors as on 30.06.2020 will be considered for the purpose of voting at the meeting.
8. The voting rights of Secured Creditors shall be in proportion to the principal amount due to the Secured Creditors as on the 30.06.2020.
9. In compliance with the provisions of 230 read with Section 232 of the Companies Act, 2013 the Applicant Company has provided the facility of voting by ballot or polling paper at the meeting to enable the Secured Creditors, to consider and approve the Scheme by way of the aforesaid resolution.
10. The Notice along with the form of proxy of the NCLT Convened Meeting of the secured creditors together with the documents is being sent in electronic mode to all the Secured Creditors who have registered their e-mail ids with the Applicant Company or by registered post or by courier or by speed post or by hand delivery, to those Secured creditors who were the Secured Creditors of the applicant company as on 30.06.2020. The Notice will also be displayed on the website of the Applicant Company <http://godawaripowerispat.com/>. The Applicant Company is required to furnish a copy of the Scheme within one day of any requisition of the Scheme being made by any Secured Creditors, to Applicant Company by e-mail at shweta.sharma@jpal.co.in
11. CS Rahul Agrawal Practicing Company Secretary (ACS 61842, CP 23142) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
12. The Scrutinizer shall within a stipulated period from the conclusion of the NCLT Convened Meeting of the secured creditors unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
13. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be considered approved by the Secured Creditors only if the Scheme is approved by majority in number representing three-fourths in value of the Secured Creditors, of Applicant Company, voting by way of Ballot/Polling papers at the meeting.
14. The Explanatory Statement pursuant to section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 is annexed hereto
15. Any queries/grievances in relation to the voting by ballot or polling papers may be addressed to CS Shweta Sharma, Company Secretary of the Applicant Company at the Registered Office of the Company at Hira Arcade, Hira Group of Company, New Bus Stand, Raipur (C.G.) 492001 or through email to shweta.sharma@jpal.co.in. CS Shweta Sharma, Company Secretary of the Applicant Company can also be contacted at +91 771 4082770.

Dated this day of 16th August, 2021
Registered office:
Hira Arcade, Hira Group of Company
New Bus Stand, Raipur, Chhattisgarh
492001

CS. Brajesh R. Agrawal
(Chairman appointed for the aforesaid NCLT
Convened Meeting)

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
CUTTACK BENCH, CUTTACK**

**COMPANY SCHEME APPLICATION NO. CA(CAA)NO. 324 /CB/2020
IN THE MATTER OF THE COMPANIES ACT, 2013 (18 of 2013)**

AND

In the matter of application under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Scheme of Arrangement of Jagdamba Power and Alloys Limited ('the Demerged Company') With Godawari Power and Ispat Limited ('the Resulting Company')

Jagdamba Power and Alloys Limited, company incorporated under the Companies Act, 1956, having its registered office at Hira Arcade, Hira Group of Company, New Bus Stand, Raipur, Chhattisgarh

.... APPLICANT / DEMERGED COMPANY

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the order dated 26th July, 2021 passed by the Hon'ble National Company Law Tribunal, Bench at Cuttack (the "NCLT"), in Company Scheme Application No. CA(CAA)NO. 324 /CB/2020 ("Order"), a meeting of the Secured Creditors of Jagdamba Power and Alloys Limited (hereinafter referred to as the "**Applicant Company**" or the "**Demerged Company**" or "**JPAL**" as the context may admit) will be held on Monday, 20th day of September, 2021 at 11:00 A.M. (IST) at Hira Arcade, Hira Group of Companies, New Bus Stand, Pandri, Raipur, Chhattisgarh, 492001 for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement for Demerger of Power Business undertaking of Jagdamba Power & Alloys Ltd (the Demerged Company) into Godawari Power and Ispat Limited (the Resulting Company) ("Scheme") (as the context may admit) and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**"). JPAL and GPIL are together referred to as the "**Companies**". A copy of the Scheme, which has been, approved by the Board of Directors of the Applicant Company at their respective meetings held on 24th December, 2019, is enclosed as **Annexure 1**. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "**Rules**").
3. The quorum for the aforesaid NCLT Convened meeting of the Secured Creditors of the Applicant Company shall be as prescribed under section 103 of the Companies Act, 2013. As per the Order of the NCLT and direction there if no quorum is present within the 15 minutes from the commencement of the meeting then in such event the Secured Creditors present shall constitute the quorum.
4. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be considered approved by the Secured Creditors only if the Scheme is approved by majority in number representing three-fourths in value of the Secured Creditors, of Applicant Company, voting by way of Ballot/Polling papers at the meeting.

Particulars of Jagdamba Power & Alloys Limited (JPAL)

5. Jagdamba Power and Alloys Limited the JPAL/Demerged Company was incorporated as a Public Limited Company under the Companies Act, 1956, on 16th September, 1999 in the name of Vinay Ispat Limited in the State of Chhattisgarh. The name of the Company has been changed from Vinay Ispat Limited to Hira Bio Fuels Limited and obtained a fresh Certificate of Incorporation dated 14th January, 2003 consequent on change of name from the Registrar of Companies, Madhya Pradesh & Chhattisgarh. The name of the company has been further changed to its present name i.e. Jagdamba Power and Alloys Limited and obtained a fresh Certificate of Incorporation dated 6th April, 2004 consequent upon change of name from the Registrar of Companies, Madhya Pradesh & Chhattisgarh. The CIN of the Company is U27104CT1999PLC013744. There has been no further change in the name of JPAL in the last five (5) years. The Permanent Account Number of JPAL is AABCH2706E. The equity shares of JPAL are not listed on any stock exchanges.
6. The Registered Office of JPAL is situated at Hira Arcade, Hira Group of Company, New Bus Stand, Pandri, Raipur-492 001, Chhattisgarh. There has been no change in the Registered Office address of JPAL in last five (5) years. The e-mail address of JPAL is co.secretary@hiragroup.com
7. The objects for which JPAL has been established are set out in its Memorandum of Association. The main object of JPAL are, inter alia, as follows:
 - To produce, generate, transmit, transform, store, utilize, Electrical Energy, Thermal Energy, Bio Energy, Solar Energy, Hydro Power, Bio Power, Bio Gas, Producer Gas, Coal Gas, Natural Gas, Hydrogen Gas, Global Gas, Oxygen Gas, Nitrogen Gas, Fuel Gas, Coal gassified Gas, Steam Water Gas, Methane Gas, Petroleum Gas, RLH Gas and Fuel Gases and Electricity necessary for the purpose of the Business of the Company and to buy or sell to M.P.E.B, NTOC, National Grid, Industries, Government or/ and Private Consumers resulting from the process from ancillary to such generation, production and making of electricity, energy, gases and if required to convert the generated by products, wastes, effluents and emissions into saleable materials like Coke, Ash, Bricks, Briquettes, Charcoal, Cinders, Tar, Creosote Oils, Phenols, Benzens, Zxylenes, Carbolic Acid, Gypsum and other chemicals or distilled products and by- products and to otherwise deal with and to dispose of the same and to take all steps incidentals or required in respect of the same and to produce, extract, prepare, manufacture, purchase, utilize, refine or turn to account carbon, graphite, synthetic or natural coal, petroleum substances in all their various forms and derivatives and their products by products and ancillary products.
 - To carry on in India or elsewhere the business of manufacturing, producing, altering, converting, processing, treating, improving, manipulating, extruding, milling, sidling, cutting, casting, forging, rolling and re-rolling of all shapes, sizes, varieties, specification, dimensions, descriptions and strength of iron and steel products, including bars, rods, structures, profiles, pipes, sheets, castings, wires, rolling metals, girders, channels, angles, road, ingots, flat, slabs, torsteels, bright bars, shafting, beams, rounds, squares, hexagons, octagons, foils, joints, crane parts, furnace parts, deformed bars, their products, by-products and allied materials, goods, articles and things made of all grades of iron steel, alloy steel, special steel, sponge iron, pig iron, wrought iron or any combination thereof with any other ferrous or non-ferrous materials and to act as agent, broker, distributors, stockiest, importer, exporter, buyer, seller, job-worker, converter, consultant, supplier, vendor or otherwise.
 - To carry on in India or anywhere in the world the business to produce, commercialize, extract, mine, exploit, develop, distribute, derive, discover, dig, blast, grade, handle, manipulate, operate, organize, prepare, promote, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessionaire, consultant, mine owner, quarry owner, loader, unloader, transporter, collaborator, job worker or otherwise to deal in all types of minerals, their concentrates, compounds, products, by products, derivatives, mixtures, ingredients & residues available on planet of the earth i.e. on land, water or otherwise including iron ore, dolomites, coal, lime, bauxite ore, copper ore, mine, thorium ore, rare earth ore, monazite, sumerskite, alienate, chrome ore, manganese ore, lead, tin, magnesium, gypsum, stones and other allied goods, present or future. There has been no change in the object clause of JPAL in the last 5 years.
8. JPAL is engaged in the business of generation of power and has set up a 25MW Captive Power Plant at Industrial Area, Siltara, Raipur, Chhattisgarh. By virtue of the Shareholding pattern, JPAL is an Associate of GPIL.

9. The Authorised, Issued, Subscribed and Paid up Share Capital of JPAL as on 31st day of March 2021 and as on date is as follow:

Share Capital	Amount in Rs.
Authorised Share Capital	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid Up Capital	
76,69,700 Equity Shares of Rs.10/- each	7,66,97,000
TOTAL	7,66,97,000

Subsequent to 31st March, 2021, there is no change in the Authorized, issued, subscribed and paid up share capital of JPAL.

Particulars of Godawari Power and Ispat Ltd (GPIL)

10. Godawari Power and Ispat Limited (GPIL) the Applicant/Resulting Company was incorporated as a Public Limited Company under the Companies Act, 1956, on 21st September, 1999 in the name of Ispat Godawari Limited in the State of Chhattisgarh. The name of the Company has been changed to its present name i.e. Godawari Power and Ispat Limited and obtained a fresh Certificate of Incorporation dated 20th June, 2005 consequent on change of name from the Registrar of Companies, Madhya Pradesh & Chhattisgarh. The CIN of the Company is L27106CT1999PLC013756. There has been no further change in the name of GPIL in the last five (5) years. The Permanent Account Number of GPIL is AAACI7189K. The shares of GPIL are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
11. The Registered Office of GPIL is situated at Plot No. 428/2, Phase 1, Industrial Area, Siltara, Dist Raipur, Chhattisgarh, 493111. There has been no change in the registered office address of GPIL in the last five (5) years. The e-mail address of GPIL is yarra.rao@hiragroup.com.
12. The objects for which GPIL has been established are set out in its Memorandum of Association. The main objects of GPIL are as follows:
- To carry on in India or elsewhere the business of manufacturing, producing, altering, converting, processing, treating, improving, manipulating, extruding, milling, sliding, cutting, casting, forging, rolling and re-rolling of all shapes, sizes, varieties, specifications, dimensions, descriptions and strength of iron and steel products including bars, rods, structures, profiles, pipes, sheets, casting, wires, rolling metals, girders, channels, angle, rolls, ingots, flats, slabs, tor-steels, bright bars, there products, shafting, beams rounds, squares, hexagons, octagons, foils, joints deformed bars their products, byproducts and allied materials, foods, articles and thing made of all grades of iron steels, alloy steel, special steel or any combination thereof with any other ferrous or non-ferrous materials and to act as agent, broker, distributors, stockists, importer, exporter, buyer, seller, job worker, converter, consultant, supplier, vendor or otherwise.
 - To carry on in India and/or abroad the business to produce, generate, process, transform, formulate, buy, sell, or in any way deal in, acquire, store, pack, transport, distribute, dispose off, utilize Electrical Energy, Thermal Energy, Bio Energy, Solar Energy, Hydro Power, Bio Gas, Coal Gas, Natural Gas, Hydrogen Gas, Steam Water Gas, Methane Gas, Petroleum Gas, RLH Gas and Fuel Gases of all or any other kind and to convert and/or to otherwise deal with or dispose off the generated by products, wastes, effluents and emissions into saleable materials like coke, Ash, Bricks Briquettes, Charcoal, Cinders, Tar, Carbolic Acids, Gypsum and other chemical or distilled products.

There has been no change in the object clause of GPIL in the last 5 years.

13. The brief description of some of the major businesses being carried out by GPIL along with its subsidiaries, joint ventures and associates are as under:

GPIL is having an integrated steel manufacturing unit with facilities ranging right from captive iron ore mining to production of iron ore pellets, sponge iron, steel billets, rolled products, wires, ferro alloys and captive power plant.

GPIL has started commercial operations in Fiscal 2001 with sponge iron capacity of 105,000 TPA and have gradually scaled up the value chain from processing iron ore to producing steel and a wide range of value added products such as iron ore pellets, sponge iron, steel billets, rolled products (TMT & Wire rod), ferro alloys and various long steel products like MS rounds in coil (wire rods) and hard black wires.

GPIL's manufacturing facilities include palletisation plant, sponge iron division, steel melting shop, ferro alloys division, wire drawing and captive power generation capacity.

GPIL is having two subsidiaries namely M/s. Godawari Green Energy Limited (GGEL), and M/s. Godawari Energy Limited (GEL) and Four associates namely M/s. Hira Ferro Alloys Limited (HFAL), M/s. Jagdamba Power and Alloys Limited (JPAL) M/s. Ardent Steel Private Limited (ASPL) (Formerly known as Ardent Steel Limited) and M/s. Chhattisgarh Ispat Bhumi Limited (CIBL) and two joint ventures namely M/s. Raipur Infrastructure Company Limited (RICL) and M/s. Chhattisgarh Captive Coal Mining Private Limited (CCCMPL).

GGEL is having a 50 MW Solar Thermal Power Plant in the State of Rajasthan and ASPL is having a Iron Ore Pellet Plant of 0.6 MTPA in the State of Odisha, HFAL is engaged in manufacture of Ferro Alloys, Captive Power Generation, Bio Mass Power Plant and Wind Mill with plant capacities of 60,500 MTPA, 20 MW, 8.5 MW and 1.5 MW respectively. JPAL is having a Power Generation Unit with 25 MWs Capacity in the State of Chhattisgarh which is being proposed to be merged. CIBL is engaged in the business of Infrastructural Development in the Industrial area in Raipur and maintenance thereof.

The other subsidiary namely M/s. Godawari Energy Limited and joint ventures M/s. Raipur Infrastructure Company Limited and M/s. Chhattisgarh Captive Coal Mining Private Limited are at present not engaged in any operations.

14. The Authorised, Issued, Subscribed and Paid up Share Capital of GPIL as on 31st March 2021 and as on date is as follows:

Share Capital	Amount in Rs.
Authorised Share Capital	
4,98,00,000 Equity Shares of Rs. 10/- each	49,80,00,000
32,00,000 Preference Shares of Rs. 10/-each	3,20,00,000
Total	53,00,00,000
Issued, Subscribed and Paid Up Capital	
3,52,36,247 Equity Shares of Rs. 10/- each	35,23,62,470
Out of the above paid up share capital 11,25,000 Equity shares of Rs. 10/- each are held in trust on behalf of the Company and therefore as per the prevailing IND-AS the said shares are reduced from the present paid up capital aggregating to Rs. 1,12,50,000/-	1,12,50,000
Amount as shown in the Audited Financial Statement for the year ended 31st March, 2021	34,11,12,470

15. Subsequent to 31st March, 2021 there is no change in the Authorised, issued, subscribed and paid up share capital of GPIL.

Description and Objective of the Scheme

16. The Scheme provides for, inter alia,

- I. The demerger of Power Business Undertaking of Jagdamba Power & Alloys Ltd, the Demerged Company into Godawari Power and Ispat Limited, Resulting Company
- II. Various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

17. The objective is stated in Clause C of the Scheme and is as under:

The demerger of Power Business Undertaking (*defined hereinafter*) of the Demerged Company into Resulting Company would *inter alia* have the following benefits:

- a. With the complete integration of the Demerged Undertaking with Resulting Company, the captive power generation capacity of the Resulting Company will stand enhanced to 98 MW and thereby availability of much needed additional 25MW of power capacity, to meet the shortfall of electricity requirement of Resulting Company, assuring uninterrupted power supply to its steel making units at competitive cost, leading to increase in capacity utilisation of its steel melting plant and cost savings through operating leverage. It is pertinent to mention that no fresh coal based power generation capacity addition is allowed in the plant location of Resulting Company on account of environmental and pollution restriction and therefore the 25 MW power generation plant of Demerged Company is much required for smooth and efficient operations of the Steel Business Resulting Company.
- b. The Demerged Company currently has business interest in diverse businesses such as Electricity, Investment & Financing activities and other allied activities. With a view to achieve greater management focus in other business activities, Demerged Company proposes to demerge its business interest in the Demerged Undertaking and vest the same in the Resulting Company.
- c. The consolidation of operations of the Power Business of Demerged Company and the Resulting Company by merging the Demerged Undertaking into Resulting Company, will lead to a more efficient utilisation of capital, administrative and operational rationalization and promote organisational efficiencies. It will help achieve cost efficiency that will enhance the financial efficiencies and help achieve economies of scale, reduction in overheads and improvement in various other operating parameters.
- d. Integration would result in maximising overall shareholder value, improving the competitive position and enabling to unlock the economic value of both the entities.
- e. Improved organisational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- f. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

Major Developments / Actions post announcement of the Scheme

18. There are no major developments / actions have taken place since announcement of the scheme.

Corporate Approvals

19. The proposed Scheme was placed before the Board of Director of JPAL at its meeting held on 24th day of December, 2019. The Board of Director took into account the Valuation Report, dated 23rd December, 2019, issued by M/s. Banssi S. Mehta & Co. ("**Valuation Report**") and the fairness opinion, dated 24th December, 2019, provided by Equirus Capital Private Limited, a Category I Merchant Banker, ("**Fairness Opinion**"). A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection at the website of the company at <http://godawaripowerispat.com/>. A copy of the Fairness Opinion is enclosed as **Annexure 3**.
20. The Scheme along with the Valuation Report was placed before the Board of Directors of JPAL, at its meeting held on 24th December, 2019. Based on the aforesaid, the Board of Directors of have approved the Scheme. The meeting of the Board of Directors of JPAL, held on 24th December, 2019, was attended by 4(Four) directors (namely Shri Alok Agrawal, Shri Niket Khandelwal, Shri Arun Poddar and Shri Om Prakash Goyal) and Shri Alok Agrawal, being part of the Promoter Group, abstained from voting on the resolution in respect of the Scheme. None of the directors of JPAL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of JPAL who attended and voted at the meeting.
21. The Scheme along with the Valuation Report was placed before the Board of Directors of GPIL, at its meeting held on 24th December, 2019. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of GPIL. Based on the aforesaid, the Board of Directors have approved the Scheme. The meeting of the Board of Directors of GPIL, held on 24th December, 2019, was attended by 9 (Nine) directors (namely Shri Biswajit Choudhuri, Shri B.N. Ojha, Shri Shashi Kumar, Shri Abhishek Agrawal, Shri Siddharth Agrawal, Shri Vinod Pillai , Shri Dinesh Kumar Gandhi, Shri Harishankar Khandelwal and Miss Bhavna Govindbhai Desai) and Shri Abhishek Agrawal, and Shri Siddharth Agrawal, being part of Promoter Group, abstained from voting on the resolution in respect of the Scheme. None of the directors of GPIL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of GPIL who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

22. BSE has been appointed as the designated stock exchange by GPIL for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. GPIL has received observation letters regarding the Scheme from BSE and NSE on 13th day of April, 2020 and 15th day of April, 2020 respectively. In terms of the observation letters of BSE and NSE, inter alia, conveyed their no objection for filing the Scheme with the Hon'ble National Company Law Tribunal with a note that the observations of the SEBI shall be incorporated in the Company Petition to be filed with the NCLT. Copies of the observation letters, dated 13th day of April, 2020 and 15th day of April, 2020 received from BSE and NSE respectively, are enclosed as **Annexure 4** and **5**.
23. As required by the SEBI Circular, GPIL had filed the complaints report with both BSE and NSE, on 12th February, 2020 and 04th March, 2020 respectively. This report indicates GPIL has received no complaints. A copy of the complaints report submitted by GPIL to NSE and BSE, dated 12th February , 2020 and 04th March,, 2020are collectively enclosed as **Annexure 6 (Colly)**.
24. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
25. The Joint Company Application along with the annexure thereto (which includes the Scheme) was filed on 26th November, 2020 with the NCLT.

26. This notice convening Meeting of the Secured creditors of the Applicant Company along with aforesaid documents are placed on the website of the Company viz. <http://godawaripowerispat.com/>

Salient extracts of the Scheme

27. The salient extracts of the Scheme are as Under:

1. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by **the NCLT or by any Governmental Authority** shall be effective from the Appointed Date but shall be operative from the Effective Date.

2. SHARE CAPITAL

2.1. DEMERGED COMPANY:

The share capital of the Demerged Company as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT IN RS.
<u>AUTHORISED SHARE CAPITAL:</u>	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
TOTAL	10,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL:</u>	
76,69,700 Equity Shares of Rs.10/- each	7,66,97,000
TOTAL	7,66,97,000

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company.

2.2. RESULTING COMPANY

The share capital of the Resulting Company as on March 31, 2019 is as follows:

PARTICULARS	AMOUNT IN RS.
<u>AUTHORISED SHARE CAPITAL</u>	
4,98,00,000 Equity Shares of Rs. 10/- each	49,80,00,000
32,00,000 Preference Shares of Rs. 10/-each	3,20,00,000
TOTAL	53,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</u>	
3,52,36,247 Equity Shares of Rs. 10/- each	35,23,62,470
Out of the above paid up share capital 11,25,000 Equity shares of Rs. 10/- each are held in trust on behalf of the Company and therefore as per the prevailing IND-AS the said shares are reduced from the present paid up capital aggregating to Rs. 1,12,50,000/-	1,12,50,000
Amount as shown in the Audited Financial Statement for the year ended 31st March, 2019	34,11,12,470

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Resulting Company.

PART II – DEMERGER

SECTION 1- TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

3. TRANSFER OF ASSETS

- 3.1. With effect from the Effective Date the Demerged Undertaking (including all the estate, assets, rights including claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of Clause 3 of Part II of the Scheme in relation to the mode of transfer and vesting and pursuant to the provisions of Section 232(3) of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 3.2. In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement and delivery, the same shall stand so transferred by the Demerged Company upon the coming into effect of the Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 3.3. In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clause 5.2 above, the same shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged from the Demerged Company and deemed to be transferred to and vested in the Resulting Company upon the coming into effect of Part II of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 3.4. All assets, rights, title, licenses, interest and investments of the Demerged Company in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 3.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties (including in each case, any applications made therefore) of the Demerged Company in relation to the Demerged Undertaking, shall, pursuant to Section 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company with effect from the Appointed Date.

4. CONTRACTS, DEEDS, ETC.

- 4.1. Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.
- 4.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or

other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

- 4.3. Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, permissions, licenses, approvals, certificates, insurance covers, clearances, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company.
- 4.4. Without prejudice to the aforesaid, it is clarified that if any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.

5. TRANSFER OF LIABILITIES

- 5.1. Upon the coming into effect of the Scheme, all loans raised and used, debts, liabilities, duties and obligations (including the liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 5.2. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 5.3. All loans raised and used and all debts, liabilities, duties and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 5.4. In so far as the existing Encumbrance in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the such loans, borrowings, debts, liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of such loans, borrowings, debts, liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- 5.5. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to such loans, borrowings, debts,

liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company), shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

- 5.6. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 5.7. Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.
- 5.8. It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 5.9. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

6. EMPLOYEES

- 6.1. Upon the coming into effect of this Scheme, all Employees of the Demerged Undertaking shall become the employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Employees with the Demerged Company shall also be taken into account, and paid by the Resulting Company as and when the same become payable.
- 6.2. In so far as the provident fund and gratuity fund and any other funds or benefits if any created by the Demerged Company inter alia for the Employees are concerned (collectively referred to as the "Funds"), the funds and such investments made by the Funds which are referable to the Employees in terms of sub-Clause 6.1 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions pertaining to the Employees shall be transferred to the Funds created by the Resulting Company.
- 6.3. In relation to any other fund created or existing for the benefit of the Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme, funds, bye laws, etc. in respect of such Employees.
- 6.4. In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the employees of the Remaining Business.

- 6.5. In relation to those Employees who are not covered under the provident fund trust of the Demerged Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees.
- 6.6. In relation to any other fund created or existing inter alia for the benefit of the Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees.
- 6.7. In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held for the benefit of the employees of the Remaining Business.

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 7.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be replaced/ added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.
- 7.2. If any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-Clause 7.1 above, it shall defend the same in accordance with any reasonable and prudent advice provided by the Resulting Company at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 7.3. The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company in relation to Demerged Undertaking referred to in sub-Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.

SECTION 2: CONDUCT OF BUSINESS

8. The Demerged Company, with effect from the Appointed Date and up to and including the Effective Date:
 - 8.1. shall be carrying on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;
 - 8.2. all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company;
 - 8.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the

Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company; and

- 8.4. the Demerged Company shall carry on the Remaining Business in terms of Section 3 of Part II of this Scheme distinctly and as a separate business from the Demerged Undertaking.

SECTION 3 - REMAINING BUSINESS

9. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
10. All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Business.
11. If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-Clause 7.1 above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
12. With effect from the Appointed Date and up to and including the Effective Date:
- 12.1. the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- 12.2. all profits accruing to the Demerged Company thereon or losses arising or incurred by it including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company;
- 12.3. all assets acquired and all liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of the Scheme

SECTION 4 – CONSIDERATION

13. The provisions of this Section 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
14. Upon the Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this Scheme, the Resulting Company shall, without any further act or deed, 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, and 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 (Rupees Ten) 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 (Rupees 10) each fully paid up.
15. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company. Upon issue of shares by the Resulting Company to the Shareholders of the Demerged Company as per clause 16 of the scheme, the company shall be in compliance with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the

Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (LODR) Regulations, 2015.

16. The issue and allotment of new equity shares by the Resulting Company to the Shareholders of the Demerged Company pursuant to Clause 15 above is an integral part of this Scheme.
17. In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share of the Resulting Company, then the Resulting Company shall not issue fractional shares to such member but shall instead consolidate all such fractional entitlements to which the members of the Demerged Company may be entitled on the issue and allotment of equity shares of the Resulting Company and allot consolidated equity shares to a trustee nominated by the Resulting Company in that behalf.
18. The trustee nominated by the Resulting Company under Clause 18 above shall, at its discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements. The shares issued pursuant to Clause 14 of Part II above ("New Shares"), shall be issued to the shareholders of the Demerged Company in demat form, that is, dematerialized shares unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Resulting Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of Resulting Company, then the Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.
19. The New Shares to be issued by the Resulting Company in respect of the shares of the Demerged Company the allotment or transfer of which is held in abeyance under Applicable Law, shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Resulting Company.
20. Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged Company and the Resulting Company, allotment of shares in terms of Clause 14 of Part II above shall be done within 45 days from the Demerger Record Date.
21. The New Shares allotted and issued in terms of Clause 14 of Part II above, shall be listed and/or admitted to trading on the Stock Exchanges after obtaining the requisite approvals. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges.
22. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
23. Till the listing of the equity shares of the Resulting Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Resulting Company which may affect status of the approval of the stock exchanges to this Scheme.
24. Approval of the Scheme by the shareholders of Godawari shall be deemed to be due compliance of the provisions of section 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder for the issue and allotment of the Equity shares by Godawari to the shareholders of Jagdamba as provided hereinabove.

PART III

SECTION 5 - GENERAL TERMS AND CONDITIONS:

25. **ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

- 25.1. The book value of all assets and liabilities pertaining to the Demerged Undertaking, which ceased to be assets and liabilities of Demerged Company, shall be reduced by Demerged Company from the respective assets and liabilities.

The differences i.e. the excess / shortfall of the book value of the assets of the Demerged Undertaking over the book value of the liabilities transferred shall be debited/credited respectively, to the 'Retained Earnings/Capital Reserve (Reserves & Surplus) of the Demerged Company.

- 25.2. Notwithstanding anything above, the Board of Directors of the Demerged Company is authorized to account for any of the above mentioned transactions or any matter not dealt with under this clause in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and generally accepted accounting principles.

26. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

- 26.1. The Resulting Company shall record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their fair values as on the Appointed Date immediately before the Appointed Date in accordance with the provisions of section 2(19AA) of the IT Act;
- 26.2. The Resulting Company shall credit its equity share capital account with the face value of New Shares issued in accordance with Clause 14 of Part II of this Scheme.
- 26.3. The difference between the value of new equity shares issued under Clause 14 of Part II and the face value of New Shares Issued by the Resulting Company will be credited to securities premium account of the Resulting Company.
- 26.4. The difference between the value of new equity shares issued under Clause 14 of Part II and the fair value of assets and liabilities (refer sub-clause (1) above) shall be debited to goodwill or as the case may be credited to capital reserve.
- 26.5. Further, acquisition related costs will also be accounted in accordance with the requirements of the said Ind AS
- 26.6. The inter-se loans and advances, receivables, payables and other dues outstanding if any, between the Demerged Company and the Resulting Company in relation to the Demerged Undertaking appearing in the books of accounts of the respective companies shall be taken over and cancelled.

27. Notwithstanding the accounting treatment mentioned above, the Demerged Company and the Resulting Company, in consultation with their statutory auditors, are authorized to account for this Scheme and effect thereof in any manner whatsoever as may be deemed fit in accordance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013.

28. TAXES

All taxes (including income tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, GST, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by Power Business Undertaking of the Resulting Company and shall, in all proceedings, be dealt with accordingly.

Upon the Scheme becoming effective, the Demerged Company and Resulting Company are also expressly permitted to revise income tax returns, goods and service tax returns and other tax returns and to claim refunds and / or credits etc. pursuant to the provisions of the Scheme.

Notwithstanding the method of accounting adopted by the Resulting Company, the losses /depreciation of the Demerged Undertaking of the Demerged Company will be allowed to be taken over by the Resulting company for

the purpose of computing “book profit” under the provisions of section 115JB of the Income Tax Act, 1961 or any other applicable provisions introduced by any Finance Act

29. SCHEME CONDITIONAL ON

This Scheme is conditional upon and subject to:

- 29.1. the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite order of the National Company Law Tribunal, Cuttack Bench, Cuttack being obtained.
- 29.2. The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular, on terms acceptable to the Demerged Company and the Resulting Company.
- 29.3. such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
- 29.4. the Certified copies of the NCLT Order referred to in this Scheme being filed with the Registrar of Companies, Chhattisgarh by the Demerged Company and the Resulting Company.
- 29.5. In the event of this Scheme failing to take effect by 31st March, 2021 or such later date as may be agreed by the respective Boards of Directors, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or employees or any other person. In such case, the Resulting Company shall bear all costs and expenses.

SECTION 6 - OTHER TERMS AND CONDITIONS

30. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends in normal course, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, as applicable.
31. The Equity shares of the Resulting Company to be issued and allotted to the Equity shareholders of the Demerged Company as provided in Clause 16 hereof shall be entitled to dividends from the date of allotment.
32. The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.
33. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the boards of directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively.

34. APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL

The Demerged Company and the Resulting Company shall make necessary applications before the National Company Law Tribunal, Cuttack Bench, Cuttack for the sanction of this Scheme under Sections 230 to 232 of the Act.

35. TREATMENT OF THE SCHEME FOR THE PURPOSES OF IT ACT

The Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the IT Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of the said section shall prevail and the Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the IT Act. Such modification will however not affect other parts of the Scheme.

36. MODIFICATIONS OF SCHEME

- 36.1. The Demerged Company and the Resulting Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.
- 36.2. However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the NCLT and the same shall be subject to powers of the NCLT under the Act.
- 36.3. For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Demerged Company and the Resulting Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.
- 36.4. The Demerged Company and Resulting Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

37. SEVERABILITY

If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Demerged Company and the Resulting Company in writing, affect the validity or implementation of the other provisions of this Scheme. If any provision of this Scheme hereof is invalid, ruled illegal by any court or tribunal of competent jurisdiction or unenforceable under present or future Applicable Laws, then it is the intention of the Parties that such provision shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such provision shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for such Parties the benefits and obligations of the Scheme, including but not limited to such provision.

38. COSTS

Upon the sanction of this Scheme by the NCLT all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Demerger shall be borne by the Resulting Company.

Note: You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Other matters

28. Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 7**.
29. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Applicant Companies are open for inspection at the website of the company at <http://godawaripowerispat.com/>
30. Under the Scheme, an arrangement is sought to be entered into between GPIL and its Equity Shareholders. Upon the effectiveness of the Scheme, GPIL shall issue and allot the equity shares of GPIL to the shareholders of JPAL, based on the Share Exchange Ratio i.e. GPIL will issue and allot, to every equity shareholder of JPAL, holding fully paid-up equity shares in the JPAL and whose names appear in the register of members of the JPAL on the Record Date to be announced by the Board of the Company, in respect of every 140 (One Hundred and Forty) Equity Shares of the face value of Rs. 10 (Rupees Ten) 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 (Rupees 10) each fully paid up.
31. Under the Scheme, an arrangement is sought to be entered into between JPAL and its Equity Shareholders. Upon the effectiveness of the Scheme, GPIL shall issue and allot equity shares, based on the Share Exchange Ratio.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of GPIL or JPAL. No compromise is offered under the Scheme to any of the creditors of and the liability of the creditors of GPIL or JPAL, under the Scheme, is neither being reduced nor being extinguished.

As on date, JPAL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, JPAL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under Clause 8.00 of the Scheme, on and from the Effective Date, GPIL undertakes to engage the Employees of JPAL, on the same terms and conditions on which they are engaged by JPAL without any interruption of service and in the manner provided under Clause 8.1.1 of the Scheme. In the circumstances, the rights of the Employees of JPAL, engaged in, would in no way be affected by the Scheme.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of JPAL.

Upon the effectiveness of the Scheme, the Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of JPAL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest financial or otherwise in the Scheme except to the extent of the equity shares held by them in GPIL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in JPAL. The Scheme on the material interest of the Directors and Key Managerial Personnel is not any different from the effect on other shareholders of the Applicant Company and/or JPAL.

32. As far as the Equity shareholders of GPIL are concerned the promoter shareholding will reduce and the shareholding of the Non Promoter shareholders will increase, there will be no dilution in their shareholding.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of GPIL. No compromise is offered under the Scheme to any of the creditors and the liability of the creditors of GPIL, under the Scheme, is neither being reduced nor being extinguished. There is no effect on any of the creditors including debentures and debenture trustees.

Under the Scheme, no rights of the Employees of the GPIL are being affected. The services of the Employees under the Scheme, shall continue on the same terms and conditions on which they were engaged by GPIL.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of GPIL. Further no change in the Board of Directors of the company is envisaged on account of the Scheme.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of GPIL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in GPIL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in JPAL to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The shareholding of the Company Secretary and Chief financial Officer of the Company and their respective relatives is less than 2% of the paid-up share capital of each of the Companies.

33. The Scheme does not involve any capital or debt restructuring and therefore the requirement to disclose details of capital or debt restructuring is not applicable.
34. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of JPAL and GPIL have in their separate meetings held on 24th December, 2019, have adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders amongst others. Copy of the Reports adopted by the respective Board of Directors of JPAL and GPIL are enclosed as **Annexure 8** and **Annexure 9** respectively.
35. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.
36. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.
37. The copy of the proposed Scheme has been filed by the GPIL and JPAL before the concerned Registrar of Companies in form GNL-1 on 03.08.2021 vide SRN No T33732223 and SRN No. T33732090 respectively.
38. The Audited Financial Statement of GPIL and JPAL for the period ended 31st March, 2021 are enclosed as Annexure 10 and Annexure 11, respectively.
39. As per the books of accounts GPIL and JPAL, the amount due to the Secured creditors as on 31st March, 2021 is Rs. 5,34,07,53,951 and Rs. 24,49,802 respectively and that of the unsecured creditors is Rs. 2,39,33,84,431 and Rs. 4,48,60,560 respectively.

40. The name and addresses of the Promoters of JPAL including their shareholding in the Companies as on the date of the order of the Hon'ble Tribunal i.e. 26th July, 2021 are as under:

Sr.No.	Name and address of Promoters and Promoter Group	GPIL		JPAL	
		No. of Shares of Rs.10/- each	%	No. of Shares of Rs. 10/- each	%
PROMOTERS					
1.	Shri Alok Agrawal Sushila, 5 Park Avenue, Choubey Colony, Raipur (C.G.)	0	0.00	2333000	30.42
2.	Shri Amit Agrawal Sushila, 5 Park Avenue, Choubey Colony, Raipur (C.G.)	0	0.00	1791400	23.36
3.	Smt Nisha Agrawal Sushila, 5 Park Avenue, Choubey Colony, Raipur (C.G.)	0	0.00	100	0.001
4.	Smt Richa Agrawal Sushila, 5 Park Avenue, Choubey Colony, Raipur (C.G.)	0	0.00	100	0.001
5.	Amit Agrawal (HUF) Sushila, 5 Park Avenue, Choubey Colony, Raipur (C.G.)	0	0.00	100	0.001
6.	Sagar Energy and Steels Private Limited E-14, First Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.) 492001	0	0.00	940000	12.26
	Total	0	0.00	5064700	66.04

41. The name and addresses of the Promoters of Godawari Power and Ispat Limited including their shareholding in the Companies as on the date of the order of the Hon'ble Tribunal i.e. 26th July, 2021 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	GPIL		JPAL	
		No. of Shares of Rs.10/- each	%	No. of Shares of Rs.10/- each	%
PROMOTERS					
1.	Shri Bajrang Lal Agrawal Siddharth, Geeta Nagar, Raipur (C.G.) 492001	1731398	4.91	0	0.00
2.	Shri Narayan Prasad Agrawal Om Kutir, Fafadih, Jail Road, Raipur (C.G.) 492001	769346	2.18	0	0.00
3.	Shri Hanuman Prasad Agrawal Om Kutir, Jail Road, Fafadih, Raipur (C.G.) 492001	1255000	3.56	0	0.00

4.	Shri Dinesh Agrawal Near Pahalazani Hospital, Anupam Nagar, Raipur (C.G.) 492007	1846347	5.24	0	0.00
PROMOTER GROUP					
5.	Bajrang Lal Agrawal HUF Siddharth, Geeta Nagar, Choubey Colony, Raipur (C.G.) 492001	2738932	7.77	0	0.00
6.	Shri Kumar Agrawal Om Kutir, Jail Road, Raipur (C.G.) 492001	1460678	4.14	0	0.00
7.	Shri Siddharth Agrawal Siddharth, Geeta Nagar, Raipur (C.G.) 492001	94000	0.27	0	0.00
8.	Shri Abhishek Agrawal Siddharth, Geeta Nagar, Raipur (C.G.) 492001	85000	0.24	0	0.00
9.	Shri Vinay Agrawal Om Kutir, Jail Road, Phaphadih, Raipur (C.G.) 492001	975466	2.77	0	0.00
10.	Shri Pranay Agrawal House No.S-3, Samarpan, Anupam Nagar, In Front of Mata Laxmi Nursing Home, Raipur (C.G.) 492001	246958	0.70	0	0.00
11.	Shri Prakhar Agrawal Samarpan S-3, Anupam Nagar, Near Mata Laxmi Nursing Home, Shankar Nagar, Raipur(C.G.) 492001	232500	0.66	0	0.00
12.	Smt Sarita Devi Agrawal Siddharth, Geeta Nagar, Raipur(C.G.) 492001	1525729	4.33	0	0.00
13.	Smt Kanika Agrawal Om Kutir, Jail Road, Phaphadih, Raipur (C.G.) 492001	716100	2.03	0	0.00
14.	Smt Reena Agrawal Om Kutir, Jail Road, Phaphadih, Raipur (C.G.) 492001	1001000	2.84	0	0.00
15.	Smt Madhu Agrawal Om Kutir, Jail Road, Phaphadih, Raipur (C.G.) 492001	1050000	2.98	0	0.00
16.	Late Suresh Agrawal* Matri Chhaya, Fafadih, Raipur(C.G.) 492001	625000	1.77	0	0.00
17.	Narayan Prasad Agrawal HUF Om Kutir, Jail Road, Raipur(C.G.) 492001	475000	1.35	0	0.00
18.	Dinesh Agrawal HUF Near Pahalazani Hospital, Anupam Nagar, Raipur (C.G.) 492001	839059	2.38	0	0.00
19.	Suresh Kumar Agrawal HUF Bastar Bada, Jail Road, Raipur (C.G.) 492001	778171	2.21	0	0.00
20.	Radheshyam Agrawal HUF Matri Chhaya, Jail Road, Phaphadih, Raipur (C.G.) 492001	480000	1.36	0	0.00
21.	Hanuman Prasad Agrawal HUF	50000	0.14	0	0.00

	Om Kutir, Jail Road, Fafadih, Raipur (C.G.) 492001				
22.	Dinesh Kumar Gandhi (GPIL Beneficiary Trust) A/701 Lakshchandi Heights, CHS Ltd, Gokuldharm, Opp Gen A K V Marg, Goregaon East, Mumbai (M.H.) 400063	1125000	3.19	0	0.00
23.	Hira Cement Limited 572, Urla Industrial Area, Raipur	214517	0.61	0	0.00
24.	Hira Infra Tek Limited Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.) 492001	1790652	5.08	0	0.00
25.	Hira Ferro Alloys Limited 567 B Urla Industrial Area, Raipur (C.G.) 493221	1200000	3.41	0	0.00
26.	Alok Ferro Alloys Limited C/O Hira Group, Hira Arcade, Pandri, Raipur (C.G.) 492001	480000	1.36	0	0.00
	Total	23785853	67.50	0	0.00

*Under process of transmission in the name of his legal heirs.

42. The details of the Directors of JPAL as on 26th July, 2021 are as follows:

Sr. No.	Name of Director	Address	DIN
1	Shri Alok Agrawal	Flat No. 1002, Rameshwaram CHS Anant Patil Marg, Near Kirti College, Prabhadevi, Mumbai (M.H.) 400 028	00494805
2	Shri Arun Poddar	B-402, Sapphire Greens, Amaseoni Raipur 492001 (C.G.) 492001	02992106
3	Shri Niket Khandelwal	A 403 Natura Appartment Daldal Seoni Road Raipur (C.G.) 492001	06361486

43. The details of the Directors of GPIL as on 26th July, 2021 are as follows:

Sr. No.	Name of Director	Address	DIN
1	Shri Biswajit Choudhuri	14/3/3 Nandalal Jew Road, Kalighat, S.O Kolkata, Kolkata (W.B.) 700026	00149018
2	Shri Bajrang Lal Agrawal	Siddharth, Geeta Nagar, Choubey Colony, Raipur (C.G.) 492001	00479747
3	Shri Dinesh Kumar Agrawal	Samarpan S-3 Anupam Nagar, Near Mata Laxmi Nursing Home, Shankar Nagar, Raipur (C.G.) 492007	00479936
4	Shri Abhishek Agrawal	Siddharth, Geeta Nagar, Choubey Colony, Opp. Vora House, Raipur (C.G.) 492001	02434507
5	Shri Vinod Pillai	Plot No.18, Vidhansabha Road, Sapphire Green, Aamaseoni Raipur (C.G.) 492001	00497620
6	Shri Dinesh Kumar Gandhi	A-701 Lakshchandi Heights, Krishna Vatika Road, Gokuldharm, Goregaon (East) Mumbai (M.H.) 400063	01081155
7	Shri Siddharth Agrawal	Siddharth, Geeta Nagar, Choubey Colony, Raipur	02180571

		(C.G) 492001	
8	Shri Shashi Kumar	5RC, Rukmani Parasmani, 92/1 Moulana Abul Kalam, Azad Sarani, Kolkata (W.B.) 700054	00116600
9	Shri Harishankar Khandelwal	1, Emerald Silver Spring, Phase 2, By Pass Raod, Mundla, Nayata Indore (M.P.) 452020	00330891
10	Shri Bhriugu Nath Ojha	Ojha House No. C-102, Air Liners, CGHS Gaytri Apartment, Plot No.27, Sector 10, Dwarka, Delhi 110075	02282594
11	Miss Bhavna Govindbhai Desai	C/o 1101, 11 th Floor, Fortune Royals, Plot No. 96 97 Road No. 7, P B Sule Marg, Sewree Wadala North, Wadala, Mumbai (M.H.) 400031	06893242
12.	Shri Prakhar Agrawal	Samarpan S-3, Anupam Nagar, Near Mata Laxmi Nursing Home, Shankar Nagar, Raipur Chattisgarh-492007	07547965

44. The details of the shareholding of the Directors and the Key Managerial Personnel of JPAL in GPIL and JPAL as on 26th July, 2021 are as follows:

Name of Director and KMP	Position	Equity Shares held in JPAL	Equity Shares held in GPIL
Shri Alok Agrawal	Managing Director	2333000	0
Shri Arun Poddar	Whole Time Director	0	0
Shri Niket Khandelwal	Director	0	0
Ms. Shweta Sharma	Company Secretary	0	0
Shri M Chandra Mohan Rao	Chief Financial Officer	0	0

45. The details of the shareholding of the Directors and the Key Managerial Personnel of GPIL in JPAL and GPIL as on 26th July, 2021 are as follows:

Name of Director and KMP	Position	Equity Shares held in GPIL	Equity shares in JPAL
Shri Biswajit Choudhuri	Director	0	0
Shri Bajrang Lal Agrawal	Managing Director	1731398	0
Shri Dinesh Kumar Agrawal	Whole Time Director	1846347	0
Shri Abhishek Agrawal	Whole Time Director	85000	0
Shri Vinod Pillai	Whole Time Director	0	0
Shri Prakhar Agrawal	Whole Time Director	232500	0
Shri Dinesh Kumar Gandhi	Director	18000	0
Shri Siddharth Agrawal	Director	94000	0
Shri Shashi Kumar	Director	0	0
Shri Harishankar Khandelwal	Director	1000	0
Shri Bhriugu Nath Ojha	Director	0	0
Miss Bhavna Govindbhai Desai	Director	218,000	0
Shri Sanjay Bothra	Chief Financial Officer	0	0
Shri Yarra Chandra Rao	Company Secretary	50	0

46. The Pre & Post -Arrangement shareholding pattern of JPAL as on 30th June, 2021 and the Pre and Post-Arrangement (expected) shareholding pattern of GPIL as on 30th June, 2021 are as under:

a. Pre & Post Arrangement shareholding pattern of JPAL as on 30th June, 2021:

Sr. NO	Category	Pre - Arrangement		Post -Arrangement	
		No. of fully paid up equity shares held	Shareholding as a % of total no. of shares	No. of fully paid up equity shares to be held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	4124700	53.78	4124700	53.78
(b)	Body Corporate	940000	12.26	940000	12.26
(c)	Trust	0	0	0	0
	Sub-Total (A)(1)	5064700	66.04	5064700	66.04
(2)	Foreign				
(a)	Body Corporate (through GDRs)	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	5064700	66.04	5064700	66.04
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Funds	0	0	0	0
(b)	Foreign Portfolio Investors	0	0	0	0
(c)	Financial Institutions/ Banks	0	0	0	0
(d)	Insurance Companies	0	0	0	0
(e)	Foreign Institutional Investors (FII's)	0	0	0	0
	Sub Total (B)(1)	0	0	0	0
(2)	Central Government/State Government(s)/ President of India	0	0	0	0
	Sub Total (B)(2)	0	0	0	0
(3)					
(a)	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs	0	0	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0	0	0
(b)	NBFCs Registered with RBI	0	0	0	0
(c)	Overseas Depositories (Holding GDRs)	0	0	0	0
(d)	Any Other				
	Trusts	0	0	0	0
	Hindu Undivided Family	0	0	0	0
	Overseas Corporate Bodies	0	0	0	0
	Non Resident Indians (Repatriation)	0	0	0	0
	Clearing Members	0	0	0	0

	Non Residents Indians (Non-Repatriation)	0	0	0	0
	Bodies Corporate	2605000	33.96	2605000	33.96
	Non Residents Indians	0	0	0	0
	Other Director	0	0	0	0
	Sub Total (B)(3)	2605000	33.96	2605000	33.96
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	2605000	33.96	2605000	33.96
	Total Shareholding (A+B)	76,69,700	100.00	76,69,700	100.00

b. Pre and post Arrangement (expected) shareholding pattern of GPIL as on 30th June, 2021:

Sr. No	Category	Pre - Arrangement		Post -Arrangement	
		No. of fully paid up equity shares held	Shareholding as a % of total no. of shares	No. of fully paid up equity shares to be held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group				
-1	Indian				
(a)	Individuals/Hindu Undivided Family	18975684	53.85	18975684	49.34
(b)	Body Corporate	3685169	10.46	3685169	9.58
(c)	Trust	1125000	3.19	1125000	2.93
	Sub-Total (A)(1)	23785853	67.50	23785853	61.85
-2	Foreign				
(a)	Body Corporate (through GDRs)	0	0	0	0.00
	Sub-Total (A)(2)	0	0	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	23785853	67.50	23785853	61.85
(B)	Public Shareholding				
-1	Institutions				
(a)	Mutual Funds	302663	0.86	302663	0.79
(b)	Foreign Portfolio Investors	404723	1.15	404723	1.05
(c)	Alternate Investment Fund	5093	0.01	5093	0.01
(d)	Financial Institutions/ Banks	0	0.00	0	0.00
(e)	Insurance Companies	43090	0.12	43090	0.11
(f)	Foreign Institutional Investors (FII's)	0	0.00	0	0.00
	Sub Total (B) (1)	755569	2.14	755569	1.96
-2	Central Government/State Government(s)/ President of India	0	0	0	0
	Sub Total (B)(2)	0	0	0	0

-3					
(a)	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs	5271639	14.96	5271767	13.71
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	2696924	7.65	5318864	13.83
(b)	NBFCs Registered with RBI	450	0.00	450	0.00
(c)	Overseas Depositories (Holding GDRs)	0	0	0	0.00
(d)					
	Trusts	1047	0.00	1047	0.00
	IEPF	14880	0.04	14880	0.04
	Hindu Undivided Family	525573	1.49	525637	1.37
	Overseas Corporate Bodies	0	0.00	0	0.00
	Non Resident Indians (Repatriation)	139657	0.40	139657	0.36
	Clearing Members	78626	0.22	78626	0.20
	Non Residents Indians (Non-Repatriation)	91565	0.26	91565	0.26
	Bodies Corporate	1539808	4.37	2137379	5.56
	Non Residents Indians	0	0.00	0	0.00
	Other Director or Directors Relative	237000	0.67	237000	0.67
	LLP	97656	0.28	97656	0.25
	Sub Total (B)(3)	10694825	30.35	14272285	37.11
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	11450394	32.50	14670096	38.15
	Total Shareholding (A+B)	35236247	100.00	38455949	100.00

47. There will be no change in capital structure of JPAL post demerger and the pre and post capital structure of JPAL (assuming the continuing capital Structure as on 26th July, 2021 being date of the Order) is as under:

Share Capital	Amount in Rs.
Authorised Share Capital	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid Up Capital	
76,69,700 Equity Shares of Rs. 10/- each	7,66,97,000
Total	7,66,97,000

The pre and Post-Arrangement (expected) capital structure of GPIL will be as follows (assuming the continuing capital Structure as on 26th July, 2021 being date of the Order):

PRE ARRANGEMENT

	Amount (Rupees)
Authorised Share Capital	
4,98,00,000 Equity Shares of Rs.10/- each	49,80,00,000
32,00,000 Preference Shares of Rs.10/- each	3,20,00,000
Total	53,00,00,000
Issued, Subscribed and Paid Up Capital	
3,52,36,247 Equity Shares of Rs.10/- each*	34,11,12,470
Total	34,11,12,470

[*Note: The issued, subscribed and paid up share capital of the Resulting Company is Rs. 35,23,62,470/- divided into 3,52,36,247 Equity Shares of Rs. 10/- each fully paid up. Out of these 3,52,36,247 Equity Shares 11,25,000 Equity Shares have been held by the Resulting Company itself in the name of its Trustee as Trust Shares. As per the Indian Accounting Standards, the amount of share capital pertaining these 11,25,000 Equity Shares of Rs. 10/- each has been reduced from the issued, subscribed and paid up share capital on the liabilities side and from the investments on the asset side of the balance sheet. Hence the amount of issued, subscribed and paid up share capital is Rs. 34,11,12,470 (i.e. Rs. 35,23,62,470-1,12,50,000).

POST ARRANGEMENT (EXPECTED)

	Amount (Rupees)
Authorised Share Capital	
4,98,00,000 Equity Shares of Rs.10/- each	49,80,00,000
32,00,000 Preference Shares of Rs.10/- each	3,20,00,000
Total	53,00,00,000
Issued, Subscribed and Paid Up Capital	
3,84,55,949 Equity Shares of Rs.10/- each*	37,33,09,490
Total	37,33,09,490

[*Note: The issued, subscribed and paid up share capital of the Resulting Company will be Rs. 38,45,59,490 /- divided into 3,84,55,949 Equity Shares of Rs. 10/- each fully paid up. Out of these 3,84,55,949 Equity Shares 11,25,000 Equity Shares have been held by the Resulting Company itself in the name of its Trustee as Trust Shares. As per the Indian Accounting Standards, the amount of share capital pertaining these 11,25,000 Equity Shares of Rs. 10/- each has been reduced from the issued, subscribed and paid up share capital on the liabilities side and from the investments on the asset side of the balance sheet. Hence the amount of issued, subscribed and paid up share capital Rs. 37,33,09,490 (i.e. Rs. 38,45,59,490 – Rs. 1,12,50,000)

48. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
49. The following documents will be open for inspection by the Secured Creditors of the Applicant Company at its Registered Office at Hira Arcade, Hira Group of Company, New Bus Stand, Raipur (C.G.) 492001 between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting and are also available at the website of the company : <http://godawaripowerispat.com/> :

- i. Copy of the final order passed by NCLT Cuttack Bench in the Company Scheme Application **CA(CAA)No. 324/CB/2020** dated 26th July, 2021 directing GPIL to, inter alia, convene the meeting of its secured creditors;
- ii. Copy of the Company Scheme Application **CA(CAA)No. 324/CB/2020** along with annexure filed by GPIL & JPAL before NCLT Cuttack Bench;
- iii. Copy of the Memorandum and Articles of Association of GPIL and JPAL respectively;
- iv. Copy of the Financial Statement of GPIL and JPAL for the financial years ended 31st March 2021;
- v. Copy of the Register of Directors' shareholding of each of the Companies;
- vi. Copy of Valuation report dated 23rd December, 2019 submitted by M/s. Bansi S. Mehta & Co. Chartered Accountants;
- vii. Copy of the Fairness Opinion, dated 24th December, 2019 issued by Equirus Capital Private Limited, to the Board of Directors of GPIL.
- viii. Copy of the Audit Committee Report, dated 24th December, 2019 of GPIL
- ix. Copies of the resolutions, both dated 24th December, 2019, passed by the respective Board of Directors of GPIL and JPAL approving the Scheme;
- x. Copy of the Statutory Auditors' certificate on Accounting Treatment dated 24th December, 2019 issued by M/s JDS & Co., Chartered Accountants to GPIL
- xi. Copy of the Statutory Auditors' certificate on accounting treatment dated 24th December, 2019 issued by M/s JDS & Co., Chartered Accountants to JPAL.
- xii. Copy of the complaints report, dated 12th February, 2020 and 04th March, 2020 submitted by GPIL to BSE and NSE;
- xiii. Copy of the no adverse observation / objection letter issued by BSE and NSE, dated 13th day of April, 2020 and 15th day of April, 2020 respectively, to GPIL
- xiv. Summary of the Valuation Report including the basis of valuation;
- xv. Copy of Form No. GNL-1 filed by GPIL and JPAL with the concerned Registrar of Companies along with challan dated 03.08.2021 with SRN No T33732223 and SRN No. T33732090 respectively evidencing filing of the Scheme;
- xvi. Copy of the certificate, dated 24th October, 2020, issued by JDS & Co., Chartered Accountants, certifying the amount due to the secured and unsecured creditors of GPIL as on 30.06.2020
- xvii. Copy of the certificate, dated 24th October, 2020, issued by M/s JDS & Co., Chartered Accountants, certifying the amount due to the secured and unsecured creditors of JPAL as on 30.06.2020.
- xviii. Copy of the Scheme; and Copy of the Reports dated 24th day of December, 2019 adopted by the Board of Directors of GPIL and JPAL respectively, pursuant to the provisions of section 232(2)(c) of the Act.

50. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules.
51. After the Scheme is approved, by the Secured Creditors of JPAL it will be subject to the approval/sanction by NCLT.

Dated this day of 16th August , 2021
Registered office:
Hira Arcade, Hira Group of Company
New Bus Stand, Raipur, Chhattisgarh
492001

CS. Brajesh R. Agrawal
(Chairman appointed for the aforesaid NCLT
Convened Meeting)

ANNEXURE - 1

**SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 to 232
OF THE COMPANIES ACT, 2013
BETWEEN
JAGDAMBA POWER AND ALLOYS LIMITED
... DEMERGED COMPANY
AND
GODAWARI POWER & ISPAT LIMITED
... RESULTING COMPANY
AND
THEIR RESPECTIVE SHAREHOLDERS**

A) PREAMBLE

This Scheme of Arrangement (herein after referred to as "Scheme") is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act (*defined hereinafter*), as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the IT Act (*defined hereinafter*), as may be applicable, for the demerger of the Demerged Undertaking (*defined hereinafter*) of Demerged Company (*defined hereinafter*) into the Resulting Company (*defined hereinafter*) on a going concern basis.

This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

B) DESCRIPTION OF THE RESULTING COMPANY AND THE DEMERGED COMPANY

- a. Godawari Power & Ispat Limited (hereinafter referred to as "Resulting Company" or "Godawari"), was incorporated by the Registrar of Companies, Madhya Pradesh & Chhattisgarh - Gwalior (M.P.), vide Certificate of Incorporation No. 10-13756 of 1999 on September 21, 1999 initially as a public limited company under the name Ispat Godawari Limited. The Registrar of Companies, Madhya Pradesh & Chhattisgarh- Gwalior (M.P.) issued the Certificate for Commencement of Business on November 15, 1999. Subsequently, the name of the Company was changed to Godawari Power and Ispat Limited and the Registrar of Companies; Madhya Pradesh & Chhattisgarh- Gwalior (M.P.) issued a fresh Certificate of Incorporation dated June 20, 2005 consequent to change of name having CIN L27106CT1999PLC013756. The Resulting Company is engaged in the business of steel manufacturing and has an integrated Steel plant with the captive power generation plant with a capacity of 73 MW. The shares of the Resulting Company are listed on BSE Ltd and National Stock Exchange of India Ltd.
- b. Jagdamba Power And Alloys Limited (hereinafter referred to as "Demerged Company" or "Jagdamba") was originally incorporated under the Companies Act, 1956 on 16th September, 1999 under the name and style of "Vinay Ispat Limited" having Certificate of Incorporation No. 10-13744 of 1999 and obtained Commencement of Business certificate on 29th November, 1999. The name of the Company was changed to "Hira Bio Fuel Limited" on 14th January, 2003. Subsequently the name was further changed to its present name i.e. "Jagdamba Power And Alloys Limited" on 06th April, 2004 having CIN U27104CT1999PLC013744. Jagdamba is engaged in various businesses including generation of Electricity having a thermal power plant of 25MW, Investment & Financing activities and Wire drawing activities. Godawari has invested into the Share Capital of the Jagdamba and is presently holding 33.96% of total paid up share capital of Jagdamba. Jagdamba is a net debt free- Company. It uses coal and dolochar to produce power. Jagdamba has recently been granted long term coal linkages from South Eastern Coalfields Ltd under coal linkage policy of Government of India, to meet its requirement of coal for generation of power. The Electricity generated by Jagdamba is presently being supplied to Godawari as captive arrangement.

C) RATIONALE AND OBJECT OF THE SCHEME

The demerger of Power Business Undertaking (*defined hereinafter*) of the Demerged Company into Resulting Company would *inter alia* have the following benefits:

- a. With the complete integration of the Demerged Undertaking with Resulting Company, the captive power generation capacity of the Resulting Company will stand enhanced to 98 MW and thereby availability of much needed additional 25MW of power capacity, to meet the shortfall of electricity requirement of Resulting Company, assuring uninterrupted

power supply to its steel making units at competitive cost, leading to increase in capacity utilisation of its steel melting plant and cost savings through operating leverage. It is pertinent to mention that no fresh coal based power generation capacity addition is allowed in the plant location of Resulting Company on account of environmental and pollution restriction and therefore the 25 MW power generation plant of Demerged Company is much required for smooth and efficient operations of the Steel Business Resulting Company.

- b. The Demerged Company currently has business interest in diverse businesses such as Electricity, Investment & Financing activities and other allied activities. With a view to achieve greater management focus in other business activities, Demerged Company proposes to demerge its business interest in the Demerged Undertaking and vest the same in the Resulting Company.
- c. The consolidation of operations of the Power Business of Demerged Company and the Resulting Company by merging the Demerged Undertaking into Resulting Company, will lead to a more efficient utilisation of capital, administrative and operational rationalization and promote organisational efficiencies. It will help achieve cost efficiency that will enhance the financial efficiencies and help achieve economies of scale, reduction in overheads and improvement in various other operating parameters.
- d. Integration would result in maximising overall shareholder value, improvising the competitive position and enabling to unlock the economic value of both the entities.
- e. Improved organisational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- f. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

In view of the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company have considered it desirable and expedient to demerge the Demerged Undertaking of the Demerged Company and vest the same with the Resulting Company, in order to benefit the stakeholders of both the companies.

Accordingly, the Board of Directors of the Demerged Company and the Resulting Company have formulated this Scheme of Arrangement for the transfer and vesting of the Demerged Undertaking with and into the Resulting Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

D) PARTS OF THE SCHEME

This Scheme of Arrangement is divided into the following parts

- (a) **Part I** deals with the definitions and share capital;
- (b) **Part II** deals with Demerger of Power Business Undertaking of Jagdamba;
- (c) **Part III** deals with the general terms and conditions applicable to this Scheme.

PART 1

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1. **“Act” or “The Act”** means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
- 1.2. **“Applicable Law”** means (a) all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of any applicable country and/or jurisdiction; (b) writ, injunction, directions, directives, judgment, arbitral award, decree, orders or approvals of, or agreements with, any Governmental Authority or recognized stock exchange.
- 1.3. **“Appointed Date”** would mean 1st April, 2019 or such other date as may be fixed or approved by the National Company Law Tribunal, Cuttack Bench, Cuttack.

- 1.4. **“Board of Directors” or “Board”** in relation to each of the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Demerger, the Scheme and/or any other matter relating thereto.
- 1.5. **“BSE”** means BSE Limited.
- 1.6. **“CIN” means Corporate Identity Number**
- 1.7. **“Demerged Company” means Jagdamba Power and Alloys Limited, a company** incorporated under the Companies Act, 1956 and having its registered office at Hira Arcade, Near New Bus Stand, Pandri , Raipur, Chhattisgarh.
- 1.8. **“Demerged Undertaking”** means the Power business Undertaking of the Demerged Company, which shall include business, activities and operations pertaining to the generation of power (hereinafter also referred to as “Power Business Undertaking”) of the Demerged Company on a going concern basis, and shall mean and include, without limitation:

All assets and properties of the Power Business Undertaking including all assets whether situated in India or abroad, (whether movable or immovable), related liabilities pertaining thereto including contingent liabilities, liabilities not accrued, not recognized or not provided for in the books of accounts of the Demerged Company.

Without prejudice to the generality of the above, the Demerged Undertaking shall include in particular:

- i. all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including offices, structures, workshop, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used exclusively and solely for the purpose of and in relation to the Power Business Undertaking and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- ii. all assets, as are movable in nature and exclusively and solely pertaining to and in relation to the Power Business Undertaking, whether present or future or contingent, tangible or intangible including goodwill, whether recorded in the books or not, in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, tools, plants, vehicles, inventory and stock in trade, wherever lying, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other Persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit;
- iii. all permits, licenses, permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively and solely to the Power Business Undertaking;
- iv. all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/ license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder exclusively and solely pertaining to the Power Business Undertaking;
- v. all applications (including hardware, software, licenses, source codes, and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that in each case pertain exclusively and solely to the Power Business Undertaking including, without limitation, the intellectual properties of the Demerged Company;

- vi. all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company and exclusively and solely pertaining to or in connection with the Power Business Undertaking and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company and exclusively and solely pertaining to the Power Business Undertaking;
- vii. all tax related assets, all the credits for taxes such as sales tax, service tax, CENVAT, GST, tax deduction at source, accumulated losses and unabsorbed depreciation as per books if any as well as per the IT Act enjoyed by the Demerged Company pertaining to the Power Business Undertaking;
- viii. all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Power Business Undertaking;
- ix. all debts, liabilities, duties, taxes and obligations of the Demerged Company pertaining to the Power Business Undertaking, namely:
 - a. the debts of the Demerged Company which arises out of the activities or operations of the Power Business Undertaking;
 - b. specific loans and borrowings raised, incurred and utilized for the activities or operations of or pertaining to Power Business Undertaking;
 - c. general and multipurpose borrowings of the Demerged Company shall be allocated to Power Business Undertaking in the same proportion which the value of the assets transferred under this Scheme bears to the total value of assets of Demerged Company immediately before the demerger;
- x. All liabilities (including contingent liabilities, liabilities not accrued, not recognized or provided for in the books of accounts of the Demerged Company), present liability as accounted in the books of the Demerged Company whether secured or unsecured, pertaining to the Demerged Undertaking;
- xi. all employees of the Demerged Company employed/engaged exclusively and solely in the Power Business Undertaking as on the Effective Date; and
- xii. all legal or other proceedings of whatsoever nature relating to the Power Business Undertaking.

(Note 1: - For the purposes of this Scheme, a statement of account of the Power Business undertaking of the Demerged Company is drawn up as on the Appointed Date which gives details of assets and liabilities of the Demerged undertaking and is duly certified by Auditors of Jagdamba and the same is annexed hereto as Annexure 'A'.)

(Note 2:- In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain exclusively and solely to the Power Business Undertaking or whether it arises out of the activities or operations of the Power Business Undertaking, the same shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company.)

- 1.9. **“Demerger”** means the transfer by way of demerger of the Demerged Undertaking **to the Resulting** Company and the consequent issue of equity shares by the Resulting Company to the Shareholders of the Demerged Company as set out in this Scheme.
- 1.10. **“Demerger Record Date”** means in respect of demerger of Power Business Undertaking of Jagdamba, the date to be fixed by the Board of Directors of Jagdamba for the purpose of issue and allotment of shares by Godawari to the shareholders of Jagdamba in accordance with Clause 16 of this Scheme.
- 1.11. **“Effective Date”** means the later of the dates on which the certified copies of the orders sanctioning this Scheme , passed by the National Company Law Tribunal or such other **competent** Authority , as may be applicable, are filed with the Registrar of Companies, at Chhattisgarh by Jagdamba and Godawari.

- 1.12. **“Employees”** mean all the permanent employees of the Demerged Company employed/engaged in the Demerged Undertaking as on the Effective Date.
- 1.13. **“Encumbrance”** means any options, pledge, mortgages, liens, securities, interests, claims, charges, pre-emptive rights, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term **“Encumbered”** shall be construed accordingly.
- 1.14. **“Governmental Approvals”** means any consent, approval, authorization, waiver, permit, permission, clearance, license, exemption, no objection certificate, registration, with, of or **from** any Governmental Authority.
- 1.15. **“Governmental Authority”** means any government authority, statutory authority, regulatory authority, agency, government department, board, commission, SEBI, Stock Exchanges, administrative authority, tribunal or court or any authority (including authorities administering Taxes) or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, having or purporting to have jurisdiction on behalf of the Republic of India over the Demerged Company and/or the Resulting Company, as the context may require.
- 1.16. **“IT Act”** means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.17. **“NCLT”** means the Hon’ble National Company Law Tribunal, Cuttack Bench, Cuttack having jurisdiction in relation to the Demerged Company and the Resulting Company, or such other forum or authority as may be vested with any of the powers for approving any scheme of arrangement, compromise or reconstruction of a company under Sections 230 to 232 of the Act of the above mentioned tribunal under the Act.
- 1.18. **“NCLT Order”** means all order(s) passed by the NCLT sanctioning the Scheme and includes any orders passed by NCLT or any other Governmental Authority’s order(s) for extension of time or condonation of delay in filing of the requisite forms with the Registrar of Companies in relation to this Scheme, if applicable.
- 1.19. **“NSE”** means National Stock Exchange of India Limited.
- 1.20. **“Parties”** shall mean collectively the Demerged Company and the Resulting Company, and **“Party”** shall mean each of them, individually.
- 1.21. **“Person”** means any individual or other entity, whether a corporation, firm, company, joint venture, trust, association, organization, partnership or proprietorship, including any governmental agency or regulatory body.
- 1.22. **“Registrar of Companies”** means the Registrar of Companies, Chhattisgarh having jurisdiction over the Demerged Company and the Resulting Company.
- 1.23. **“Remaining Business”** with respect to the Demerged Company **means** the business, employees, assets and liabilities of the Demerged Company other than comprised in the Demerged Undertaking.
- 1.24. **“Resulting Company”** means Godawari Power & Ispat Limited, a Company incorporated under the Companies Act, 1956 and having its office at Plot no.428/2, Phase I, Industrial Area, Siltara-493111, District Raipur, Chhattisgarh.
- 1.25. **“Rupees” or “Rs.” or “INR”** means the lawful currency of India
- 1.26. **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Governmental Authorities.
- 1.27. **“SEBI”** means the Securities and Exchange Board of India.
- 1.28. **“SEBI Circular”** means (i) circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, (ii) circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, (iii) circular No. CFD/ DIL3/CIR/2017/105 dated September 21, 2017, (iv) circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.
- 1.29. **“Stock Exchanges”** means BSE and NSE collectively.
- 1.30. **“Tax” or “Taxes”** means and include any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax), GST, excise duty, VAT, CST, service tax, octroi, local body tax and customs duty, duties, charges, fees, levies or other similar assessments by or payable to Governmental Authority, including in relation to (i) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (ii) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof.

2. INTERPRETATION

- 2.1. In addition to the above terms, certain terms may be defined elsewhere in this Scheme and wherever such terms are used in this Scheme, they shall have the meaning so assigned to them.
- 2.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and any other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 2.3. All references in this Scheme to statutory provisions shall be construed as meaning and including references to:
- 2.3.1. any statutory modification, consolidation or re-enactment made after the date of approval this Scheme by the Board of Directors of the Demerged Company and the Resulting Company and for the time being in force;
- 2.3.2. all subordinate legislation made from time to time under that provision (whether or not amended, modified, reenacted or consolidated);
- 2.3.3. all statutory instruments or orders made pursuant to a statutory provision;
- 2.3.4. any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- 2.4. References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 2.5. Headings, subheadings, titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the schedules hereto and shall be ignored in construing the same.
- 2.6. References to clauses, and schedules are, unless the context otherwise requires, references to clauses, and schedules to this Scheme.
- 2.7. Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 2.8. Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.
- 2.9. The words "include" and "including" are to be construed without limitation.
- 2.10. The singular shall include the plural and vice versa; and references to one gender include all genders.
- 2.11. Any phrase introduced by the terms including in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

3. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or by any Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

4.1. DEMERGED COMPANY:

The share capital of the Demerged Company as on March 31, 2019 is as follows:

Particulars	Amount in Rs.
AUTHORISED SHARE CAPITAL:	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
TOTAL	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
76,69,700 Equity Shares of Rs.10/- each	7,66,97,000
TOTAL	7,66,97,000

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Demerged Company.

4.2. RESULTING COMPANY

The share capital of the Resulting Company as on March 31, 2019 is as follows:

Particulars	Amount in Rs.
AUTHORISED SHARE CAPITAL	
4,98,00,000 Equity Shares of Rs. 10/- each	49,80,00,000
32,00,000 Preference Shares of Rs. 10/-each	3,20,00,000
TOTAL	53,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	
3,52,36,247 Equity Shares of Rs. 10/- each	35,23,62,470
Out of the above paid up share capital 11,25,000 Equity shares of Rs. 10/- each are held in trust on behalf of the Company and therefore as per the prevailing IND-AS the said shares are reduced from the present paid up capital aggregating to Rs. 1,12,50,000/-	1,12,50,000
Amount as shown in the Audited Financial Statement for the year ended 31st March, 2019	34,11,12,470

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorized, issued, subscribed and paid-up capital of the Resulting Company.

PART II – DEMERGER

SECTION 1- TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

5. TRANSFER OF ASSETS

- 5.1. With effect from the Effective Date the Demerged Undertaking (including all the estate, assets, rights including claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of Clause 5 of Part II of the Scheme in relation to the mode of transfer and vesting and pursuant to the provisions of Section 232(3) of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 5.2. In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement and delivery, the same shall stand so transferred by the Demerged Company upon the coming into effect of the Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 5.3. In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clause 5.2 above, the same shall, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged from the Demerged Company and deemed to be transferred to and vested in the Resulting Company upon the coming into effect of Part II of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 5.4. All assets, rights, title, licenses, interest and investments of the Demerged Company in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 5.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties (including in each case, any applications made therefore) of the Demerged Company in relation to the Demerged Undertaking, shall, pursuant to Section 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company with effect from the Appointed Date.

6. CONTRACTS, DEEDS, ETC.

- 6.1. Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.
- 6.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- 6.3. Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, permissions, licenses, approvals, certificates, insurance covers, clearances, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company.
- 6.4. Without prejudice to the aforesaid, it is clarified that if any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.

7. TRANSFER OF LIABILITIES

- 7.1. Upon the coming into effect of the Scheme, all loans raised and used, debts, liabilities, duties and obligations (including the liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 7.2. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 7.3. All loans raised and used and all debts, liabilities, duties and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.
- 7.4. In so far as the existing Encumbrance in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the such loans, borrowings, debts, liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been

Encumbered in respect of such loans, borrowings, debts, liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

- 7.5. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to such loans, borrowings, debts, liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company), shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 7.6. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 7.7. Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.
- 7.8. It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 7.9. Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

8. EMPLOYEES

- 8.1. Upon the coming into effect of this Scheme, all Employees of the Demerged Undertaking shall become the employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Employees with the Demerged Company shall also be taken into account, and paid by the Resulting Company as and when the same become payable.
- 8.2. In so far as the provident fund and gratuity fund and any other funds or benefits if any created by the Demerged Company inter alia for the Employees are concerned (collectively referred to as the "Funds"), the funds and such investments made by the Funds which are referable to the Employees in terms of sub-Clause 8.1 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions pertaining to the Employees shall be transferred to the Funds created by the Resulting Company.
- 8.3. In relation to any other fund created or existing for the benefit of the Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such Scheme, funds, bye laws, etc. in respect of such Employees.
- 8.4. In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the employees of the Remaining Business.

- 8.5. In relation to those Employees who are not covered under the provident fund trust of the Demerged Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees.
- 8.6. In relation to any other fund created or existing inter alia for the benefit of the Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees.
- 8.7. In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held for the benefit of the employees of the Remaining Business.

9. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 9.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be replaced/ added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.
- 9.2. If any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-Clause 9.1 above, it shall defend the same in accordance with any reasonable and prudent advice provided by the Resulting Company at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 9.3. The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company in relation to Demerged Undertaking referred to in sub-Clause 9.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.

SECTION 2: CONDUCT OF BUSINESS

10. The Demerged Company, with effect from the Appointed Date and up to and including the Effective Date:
- 10.1. shall be carrying on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;
- 10.2. all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company;
- 10.3. any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company; and
- 10.4. the Demerged Company shall carry on the Remaining Business in terms of Section 3 of Part II of this Scheme distinctly and as a separate business from the Demerged Undertaking.

SECTION 3 - REMAINING BUSINESS

11. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
12. All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Business.
13. If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-Clause 9.1 above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
14. With effect from the Appointed Date and up to and including the Effective Date:
 - 14.1. the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - 14.2. all profits accruing to the Demerged Company thereon or losses arising or incurred by it including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company;
 - 14.3. all assets acquired and all liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of the Scheme

SECTION 4 – CONSIDERATION

15. The provisions of this Section 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
16. Upon the Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this Scheme, the Resulting Company shall, without any further act or deed, 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, and 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 (Rupees Ten) 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 (Rupees 10) each fully paid up.
17. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company. Upon issue of shares by the Resulting Company to the Shareholders of the Demerged Company as per clause 16 of the scheme, the company shall be in compliance with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (LODR) Regulations, 2015.
18. The issue and allotment of new equity shares by the Resulting Company to the Shareholders of the Demerged Company pursuant to Clause 16 above is an integral part of this Scheme.
19. In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share of the Resulting Company, then the Resulting Company shall not issue fractional shares to such member but shall instead consolidate all such fractional entitlements to which the members of the Demerged Company may be entitled on the issue and allotment of equity shares of the Resulting Company and allot consolidated equity shares to a trustee nominated by the Resulting Company in that behalf.
20. The trustee nominated by the Resulting Company under Clause 19 above shall, at its discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively

entitled to the same in proportion to their fractional entitlements. The shares issued pursuant to Clause 16 of Part II above ("New Shares"), shall be issued to the shareholders of the Demerged Company in demat form, that is, dematerialized shares unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Resulting Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of Resulting Company, then the Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.

21. The New Shares to be issued by the Resulting Company in respect of the shares of the Demerged Company the allotment or transfer of which is held in abeyance under Applicable Law, shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Resulting Company.
22. Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged Company and the Resulting Company, allotment of shares in terms of Clause 16 of Part II above shall be done within 45 days from the Demerger Record Date.
23. The New Shares allotted and issued in terms of Clause 16 of Part II above, shall be listed and/or admitted to trading on the Stock Exchanges after obtaining the requisite approvals. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the Stock Exchanges.
24. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
25. Till the listing of the equity shares of the Resulting Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Resulting Company which may affect status of the approval of the stock exchanges to this Scheme.
26. Approval of the Scheme by the shareholders of Godawari shall be deemed to be due compliance of the provisions of section 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder for the issue and allotment of the Equity shares by Godawari to the shareholders of Jagdamba as provided hereinabove.

PART III

SECTION 5 - GENERAL TERMS AND CONDITIONS:

27. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

- 27.1. The book value of all assets and liabilities pertaining to the Demerged Undertaking, which ceased to be assets and liabilities of Demerged Company, shall be reduced by Demerged Company from the respective assets and liabilities.

The differences i.e. the excess / shortfall of the book value of the assets of the Demerged Undertaking over the book value of the liabilities transferred shall be debited/credited respectively, to the 'Retained Earnings/Capital Reserve (Reserves & Surplus) of the Demerged Company.

- 27.2. Notwithstanding anything above, the Board of Directors of the Demerged Company is authorized to account for any of the above mentioned transactions or any matter not dealt with under this clause in accordance with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and generally accepted accounting principles.

28. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

- 28.1. The Resulting Company shall record the assets and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their fair values as on the Appointed Date immediately before the Appointed Date in accordance with the provisions of section 2(19AA) of the IT Act;
- 28.2. The Resulting Company shall credit its equity share capital account with the face value of New Shares issued in accordance with Clause 16 of Part II of this Scheme.

- 28.3. The difference between the value of new equity shares issued under Clause 16 of Part II and the face value of New Shares Issued by the Resulting Company will be credited to securities premium account of the Resulting Company.
- 28.4. The difference between the value of new equity shares issued under Clause 16 of Part II and the fair value of assets and liabilities (refer sub-clause (1) above) shall be debited to goodwill or as the case may be credited to capital reserve.
- 28.5. Further, acquisition related costs will also be accounted in accordance with the requirements of the said Ind AS
- 28.6. The inter-se loans and advances, receivables, payables and other dues outstanding if any, between the Demerged Company and the Resulting Company in relation to the Demerged Undertaking appearing in the books of accounts of the respective companies shall be taken over and cancelled.
29. Notwithstanding the accounting treatment mentioned above, the Demerged Company and the Resulting Company, in consultation with their statutory auditors, are authorized to account for this Scheme and effect thereof in any manner whatsoever as may be deemed fit in accordance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013.

30. **TAXES**

All taxes (including income tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, GST, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, sales tax, excise duty, custom duty, service tax, GST, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by Power Business Undertaking of the Resulting Company and shall, in all proceedings, be dealt with accordingly.

Upon the Scheme becoming effective, the Demerged Company and Resulting Company are also expressly permitted to revise income tax returns, goods and service tax returns and other tax returns and to claim refunds and / or credits etc. pursuant to the provisions of the Scheme.

Notwithstanding the method of accounting adopted by the Resulting Company, the losses /depreciation of the Demerged Undertaking of the Demerged Company will be allowed to be taken over by the Resulting company for the purpose of computing "book profit" under the provisions of section 115JB of the Income Tax Act, 1961 or any other applicable provisions introduced by any Finance Act

31. **SCHEME CONDITIONAL ON**

This Scheme is conditional upon and subject to:

- 31.1. the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite order of the National Company Law Tribunal, Cuttack Bench, Cuttack being obtained.
- 31.2. The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular, on terms acceptable to the Demerged Company and the Resulting Company;
- 31.3. such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
- 31.4. the Certified copies of the NCLT Order referred to in this Scheme being filed with the Registrar of Companies, Chhattisgarh by the Demerged Company and the Resulting Company.
- 31.5. In the event of this Scheme failing to take effect by 31st March, 2021 or such later date as may be agreed by the respective Boards of Directors, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or employees or any other person. In such case, the Resulting Company shall bear all costs and expenses.

SECTION 6 - OTHER TERMS AND CONDITIONS

32. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends in normal course, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, as applicable.

33. The Equity shares of the Resulting Company to be issued and allotted to the Equity shareholders of the Demerged Company as provided in Clause 16 hereof shall be entitled to dividends from the date of allotment.
34. The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.
35. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the boards of directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively.
36. **APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL**
- The Demerged Company and the Resulting Company shall make necessary applications before the National Company Law Tribunal, Cuttack Bench, Cuttack for the sanction of this Scheme under Sections 230 to 232 of the Act.
37. **TREATMENT OF THE SCHEME FOR THE PURPOSES OF IT ACT**
- The Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the IT Act. If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of Applicable Law or for any other reason whatsoever, the provisions of the said section shall prevail and the Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the IT Act. Such modification will however not affect other parts of the Scheme.
38. **MODIFICATIONS OF SCHEME**
- 38.1. The Demerged Company and the Resulting Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.
- 38.2. However no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the NCLT and the same shall be subject to powers of the NCLT under the Act.
- 38.3. For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Demerged Company and the Resulting Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.
- 38.4. The Demerged Company and Resulting Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.
39. **SEVERABILITY**
- If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Demerged Company and the Resulting Company in writing, affect the validity or implementation of the other provisions of this Scheme. If any provision of this Scheme hereof is invalid, ruled illegal by any court or tribunal of competent jurisdiction or unenforceable under present or future Applicable Laws, then it is the intention of the Parties that such provision shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such provision shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for such Parties the benefits and obligations of the Scheme, including but not limited to such provision.
40. **COSTS**
- Upon the sanction of this Scheme by the NCLT all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Demerger shall be borne by the Resulting Company.

JDS & Co.

Chartered Accountants

6-Central Avenue, Choube Colony,
Raipur – 492001 (Chhattisgarh)
Tel : 0771-4041236, 4061216
e-mail : jdscoiraipur@gmail.com

INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF DIRECTORS OF
JAGDAMBA POWER & ALLOYS LIMITED**

Report on the Interim Condensed Standalone Financial Statements

We have audited the accompanying Interim Condensed Standalone Financial statements of **JAGDAMBA POWER & ALLOYS LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at September 30, 2019, and the Condensed Statement of Profit and Loss (including Other Comprehensive Income), the condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the six months period then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim condensed standalone financial statements").

Management's Responsibility for the Interim Condensed Standalone Financial Statements

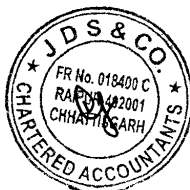
The company's Board of Directors is responsible for the preparation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility to express an opinion on these interim condensed standalone financial statements based on our audit.

We conducted our audit of the interim condensed standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim condensed standalone financial statements are free from material misstatement.



JDS & Co.

Chartered Accountants

6-Central Avenue, Choube Colony,
Raipur – 492001 (Chhattisgarh)
Tel : 0771-4041236, 4061216
e-mail : jdscoiraipur@gmail.com


An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the interim condensed standalone financial statements. The procedures selected depend on auditor's judgement, including the assessment of the risks of material misstatement of the interim condensed standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the interim condensed standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the interim condensed standalone financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed standalone financial statements.

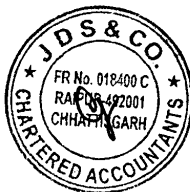
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed standalone financial statements give a true and fair view in conformity with Ind AS 34 and accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2019, and its profit, total comprehensive income, changes in equity and its cash flows for the six months period ended on that date.

For JDS & Co.
(ICAI Firm Regn. No.018400C)
Chartered Accountants


Vijay Advani
Partner

Membership number: 432878



Raipur, 24th December, 2019

UDIN: 20432878AAAAAC9310



JAGDAMBA POWER & ALLOYS LIMITED
Interim Condensed Standalone Balance Sheet as at 30th September, 2019

Particulars	As at 30.09.2019	As at 31.03.2019
ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	165,778,509	175,434,407
(b) Capital work-in-progress	23,266,675	4,196,573
(c) Financial assets		
(i) Investments	2,039,974	1,877,838
(ii) Loans	366,558,780	355,439,620
(iii) Other Financial Assets	28,045,270	28,045,270
(d) Deferred tax assets (net)	24,234,197	21,812,942
(e) Other non-current assets	2,833,754	2,828,754
	<u>612,757,159</u>	<u>589,635,404</u>
(2) Current-assets		
(a) Inventories	112,115,131	145,129,442
(b) Financial assets		
(i) Bank, Cash and cash equivalents	5,412,255	7,214,136
(c) Current tax assets (Net)	-	5,737,386
(d) Other current assets	182,833,163	151,831,505
	<u>300,360,549</u>	<u>309,912,469</u>
Total Assets	913,117,708	899,547,873
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	76,697,000	76,697,000
(b) Other equity	655,368,568	636,526,878
Liabilities		
(1) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	29,272,659	34,251,293
(b) Provisions	1,105,182	879,377
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	3,151,094	816,931
(ii) Trade Payables		
- Micro enterprises and small enterprises	-	-
- Other than Micro enterprises and small enterprises	34,226,611	29,544,351
(iii) Other Financial Liabilities	2,726,366	2,760,835
(b) Other current liabilities	106,774,899	118,012,123
(c) Provisions	59,085	59,085
(d) Current tax liabilities (Net)	3,736,244	-
Total Equity and Liabilities	913,117,708	899,547,873

As per our report of even date

For JDS & Co.

(ICAI Firm Reg. No.018400C)

Chartered Accountants

Per *Vijay* Jadwani

Partner

Membership No.432878

Place : Raipur

Date : 24.12.2019

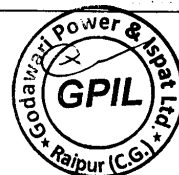


**For and on behalf of the Board of
Directors of Jagdamba Power & Alloys
Limited**

Niket
Niket Khandelwal
Director

Arun
Arun Poddar
Director

Shweta
Shweta Sharma
Company Secretary



JAGDAMBA POWER & ALLOYS LIMITED

Interim Condensed Standalone Statement of Profit or Loss for the six months ended 30th September, 2019

	30.09.2019	30.09.2018
	Rs.	Rs.
INCOME		
Revenue from operations	226,644,466	41,557,281
Other Income	16,327,842	17,996,907
TOTAL REVENUE (I)	242,972,308	59,554,188
EXPENDITURE		
Cost of raw material and component consumed	153,464,657	30,241,369
(Increase)/Decrease in stock of finished goods	(159,076)	(24,184)
Employees benefits expenses	14,951,086	4,628,180
Finance costs	971,725	539,870
Depreciation expenses	9,765,808	9,397,916
Other Expenses	43,922,869	29,050,193
TOTAL EXPENDITURE (II)	222,917,069	73,833,344
Profit/(loss) before tax	20,055,239	(14,279,156)
Tax expenses		
Current tax	3,736,244	-
Deferred Tax	(2,449,475)	(8,028,407)
Total tax expenses	1,286,769	(8,028,407)
Profit/(loss) for the period	18,768,470	(6,250,749)
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss	(60,696)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	16,886	-
B (i) Items that will be reclassified to profit or loss	162,136	(2,028)
(ii) Income tax relating to items that will be reclassified to profit or loss	(45,106)	422
Total Comprehensive Income for the period (XIII+XIV)(Comprising)	18,841,690	(6,252,355)
Earnings per equity share [nominal value of share @ Rs 10/- (30th September, 2018" Rs 10/-)]		
Basic	2.46	(0.82)
Diluted	2.46	(0.82)

As per our report of even date

For JDS & Co.

(ICAI Firm Reg. No.018400C)

Chartered Accountants

[Signature]
Per Vijay Jadwani
Partner

Membership No.432878

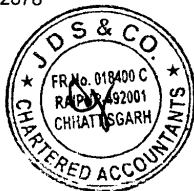
For and on behalf of the Board of Directors of Jagdamba Power & Alloys Limited

[Signature]
Niket Khandelwal
Director

[Signature]
Arun Poddar
Director

[Signature]
Shweta Sharma
Company Secretary

Place : Raipur
Date : 24.12.2019



JAGDAMBA POWER & ALLOYS LIMITED
Interim Condensed Standalone Statement of changes in Equity for the Six months ended 30th September, 2019

Particulars	Equity Share Capital	Reserves & Surplus	Other Comprehensive Income		Total Other Equity
		Retained Earnings	Equity Instruments through Other Comprehensive Income (Net of Tax)	Other items of Other Comprehensive Income (Gain/Loss on employee benefit) (Net of Tax)	
Balance as of April 1, 2018	76,697,000	634,197,772	208,012	-	711,102,784
Equity Instruments through Other Comprehensive Income (Net of Tax)			(1,606)		(1,606)
Profit/(loss) for the period		(6,250,749)			(6,250,749)
Balance as of September 30, 2018	76,697,000	627,947,023	208,012	-	704,852,035

Particulars	Equity Share Capital	Retained Earnings	Other Comprehensive Income		Total Other Equity
			Equity Instruments through Other Comprehensive Income (Net of Tax)	Other items of Other Comprehensive Income (Gain/Loss on employee benefit) (Net of Tax)	
Balance as of April 1, 2019	76,697,000	636,149,663	464,836	(87,621)	713,223,878
Actuarial Gain/Loss on employee benefit (Net of Tax)				(43,810)	(43,810)
Equity Instruments through Other Comprehensive Income (Net of Tax)			117,030		117,030
Profit/(loss) for the period		18,768,470			18,768,470
Balance as of September 30, 2019	76,697,000	654,918,133	581,866	(131,431)	732,065,568

The accompanying notes are integral part of the financial statements.

As per our report of even date

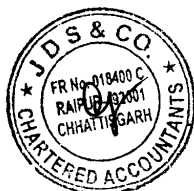
For JDS & Co.

(ICAI Firm Reg. No.018400C)

Chartered Accountants

Per *Vijay Jadwani*
Partner
Membership No.432878

Place : Raipur
Date : 24.12.2019



For and on behalf of the Board of Directors of Jagdamba Power & Alloys Limited

Niket Khandelwal
Niket Khandelwal
Director

Arun Poddar
Arun Poddar
Director

Shweta Sharma
Shweta Sharma
Company Secretary



JAGDAMBA POWER & ALLOYS LIMITED

Interim Condensed Standalone Statement of Cash Flows for the six months ended 30th September, 2019

	30.09.2019 Rs	30.09.2018 Rs
Cash Flow from operating activities		
Profit/(loss) before tax	20,055,239	(14,279,156)
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation	9,765,808	9,397,916
Provision for Gratuity	30,350	-
Interest Expenses	971,725	539,870
Interest Income	(16,179,170)	(17,996,907)
Changes in assets and liabilities		
Trade payables	4,682,260	14,807,637
Other current liabilities	(11,212,375)	90,883,470
Other Financial liabilities	(34,469)	473,222
Trade receivables	-	(7,812,129)
Inventories	33,014,311	7,112,602
Other non-current assets	(5,000)	(15,700,000)
Other current assets	(31,001,658)	(69,206,650)
Cash generated from/(used in) operations	10,087,021	(1,780,123)
Income Tax (Paid)/Refund	5,737,386	3,985,071
Net Cash flow from/(used in) operating activities	A 15,824,407	2,204,948
Cash flows from investing activities		
(Increase)/decrease in PPE including Capital WIP	(19,070,102)	(1,436,950)
(Increase)/Decrease in Loans	(11,119,160)	(14,336,751)
Interest received	16,179,170	17,996,907
Net cash flow from/(used in) investing activities	B (14,010,092)	2,223,206
Cash flows from financing activities		
Proceeds / (Repayment) of long-term borrowings	(4,978,634)	(1,522,581)
Proceeds / (Repayment) of short-term borrowings	2,334,163	(2,307,386)
Interest paid	(971,725)	(539,870)
Net cash flow from/(used in) financing activities	C (3,616,196)	(4,369,838)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(1,801,881)	58,316
Cash and Cash Equivalents at the beginning of the year	7,214,136	1,315,550
Cash and Cash Equivalents at the end of the period	5,412,255	1,373,866

Notes:

(a) Cash and cash equivalent include the following :		
Cash in hand	62,545	89,397
With banks- on Deposits account	1,264,168	1,226,988
- on current account	4,085,542	57,481
	5,412,255	1,373,866
(b) Previous year figures have been recast/restated wherever necessary.		
(c) Figures in brackets represent outflows.		

As per our report of even date

For JDS & Co.

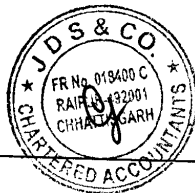
(Firm Reg. No.018400C)

Chartered Accountants

Pradeep
Per Pradeep Jadwani

Partner
Membership No.432878

Place : Raipur
Date : 24.12.2019



For and on behalf of the Board of Directors of
Jagdamba Power & Alloys Limited

Niket
Niket Khandelwal
Director

Arun
Arun Poddar
Director

Shweta
Shweta Sharma
Company Secretary



JAGDAMBA POWER & ALLOYS LIMITED
Notes to the Interim condensed standalone financial statements

1. Corporate information

The interim standalone financial statements of M/s Jagdamba Power & Alloys Limited for the six months ended 30th September, 2019 were authorised for issue in accordance with a resolution of the directors on 24.12.2019.

Jagdamba Power & Alloys Limited (the company) is a company domiciled in India and incorporated under the provisions of the Companies Act. The company is mainly engaged in Generation of Electricity and manufacturing of H.B. Wire.

2. Basis of preparation

- The Interim condensed standalone financial statements for the six months ended 30th September, 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting.
- The Interim condensed standalone financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the standalone annual financial statements as at 31st March, 2019.

3. Income Tax:

The company calculates the period Income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expenses in the interim condensed financial statement of profit or loss are :

Particulars	For the six month ended 30th September	
	2019	2018
Income tax		
Current Income tax Expenses	3,736,244	-
Deferred income tax expenses relating to origination and reversal of temporary differences	(2,449,475)	(8,028,407)
Income tax Expenses Recognised in Statement of Profit or Loss	1,286,769	(8,028,407)

4. Property, Plant and Equipment

During the six months ended 30th September, 2019, the company acquired assets with the cost of Rs.1,09,910 (the six month ended 30th September, 2018 with the cost of Rs. 14,39,961)

Assets with a net book value of Rs.Nil, were disposed of by the company during the six months ended 30th September 2019 (on 31st March 2019 of Rs.8,02,587) Resulting in a net gain/(loss) on disposal of Rs. Nil (on 31st March 2019 of Rs.40,808)

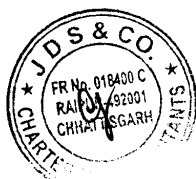


JAGDAMBA POWER & ALLOYS LIMITED
Notes to the Interim condensed standalone financial statements

5. RELATED PARTY DISCLOSURE

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30th September 2019 and 2018, as well as balances with related parties as at 30th September 2019 and 31st March 2019:

PARTICULARS	30.09.2019	30.09.2018
	Rs	Rs
Sale of finished goods to Entity with significant influence of the KMP:		
Hira Steels Ltd.	4141983	17503507
TOTAL	4141983	17503507
Purchase of materials from Entity with significant influence of the KMP:		
Hira Steels Ltd.	9672498	18277086
TOTAL	9672498	18277086
Interest paid to Entity with significant influence of the KMP:		
Tashu Reality Pvt Ltd	736646	0
TOTAL	736646	0
Remuneration/Salary paid to Key Management Personnel (KMP):		
Shri Arun Poddar	480000	480000
CS Shweta Sharma	123000	0
CS Akash Agrawal	0	120000
Unsecured loans received from Entity with significant influence of the KMP:		
Tashu Reality Pvt Ltd	0	215000
Repayment of Unsecured loans received from KMP:		
Shri Alok Agrawal	5000000	5500030
Outstanding Balances	30.09.2019	31.03.2019
Key Management Personnel:		
Shri Alok Agrawal	10589970	15589970
Entity with significant influence of the KMP:		
Tashu Reality Pvt Ltd	17061824	16325178
Hira Steels Ltd.	4579225	748710



JAGDAMBA POWER & ALLOYS LIMITED**Notes to the Interim condensed standalone financial statements****6. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS**

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

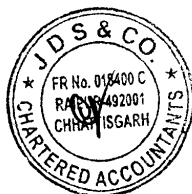
	Carrying amount As at 31.03.2019	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Loans	355439620			
Other Financial Assets	28045270			
Bank, Cash and cash equivalents	7214136	-	-	-
Total	390699026	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	1877838	-	1877838	-
Total	1877838	-	1877838	-
Financial liabilities at amortised cost:				
Long term borrowings	34251293	-	-	-
Short term borrowings	816931	-	-	-
Trade payables	29544351	-	-	-
Other financial liabilities (current)	2760835	-	-	-
Total	67373410	-	-	-



JAGDAMBA POWER & ALLOYS LIMITED
Notes to the Interim condensed standalone financial statements

	Carrying amount			
	As at 30.09.2019	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Loans	366558780	-	-	-
Other Financial Assets	28045270	-	-	-
Bank, Cash and cash equivalents	5412255	-	-	-
Total	400016305	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	2039974	-	2039974	-
Total	2039974	-	2039974	-
Financial liabilities at amortised cost:				
Long term borrowings	29272659	-	-	-
Short term borrowings	3151094	-	-	-
Trade payables	34226611	-	-	-
Other financial liabilities (current)	2726366	-	-	-
Total	69376730	-	-	-

During the reporting period ending 30th September, 2019 and 31st March, 2019, there were no transfers between Level 1 and Level 2 fair value measurements.



JAGDAMBA POWER & ALLOYS LIMITED

Notes to the Interim condensed standalone financial statements

7. Cash and cash equivalents :

For the purpose of the interim standalone financial statement of cash flow, cash and cash equivalents are comprised of the following:

	For the six month ended 30th September	
	2019	2018
Cash at bank and in hand	4,148,087	146,878
Short term deposits	1,264,168	1,226,988
Total Cash and Cash Equivalents	5,412,255	1,373,866

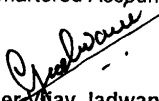
8. Contingent Liabilities not provided for, are in respect of :-

- I. Disputed liability of Rs.1027.40 lacs (As at 31.03.2019 Rs. 1027.40 Lacs) on account of demand raised by Custom and Excise department for denial of Cenvat credit availed on capital goods during July 2008 to March 2013 and equal penalty imposed, against which the company has preferred an appeal with CESTAT, New Delhi.
- II. Counter Guarantees given against the bank guarantees issued by the company's banker aggregating to Rs.256.95 lacs (As at 31.03.2019 Rs.256.95 lacs).

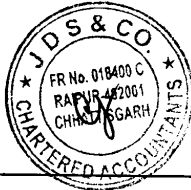
As per our report of even date

For JDS & Co.

(ICAI Firm Reg. No.018400C)
Chartered Accountants


Per Vijay Jadwani
Partner
Membership No.432878

Place : Raipur
Date : 24.12.2019



**For and on behalf of the Board of Directors of Jagdamba
Power & Alloys Limited**


Niket Khandelwal
Director


Arun Poddar
Director


Shweta Sharma
Company Secretary



PROPOSED DEMERGER OF
POWER DIVISION OF JAGDAMBA POWER AND ALLOYS LIMITED
INTO
GODAWARI POWER AND ISPAT LIMITED

BANSI S. MEHTA & CO.
Chartered Accountants,
Metro House, 3rd floor,
41, New Marine Lines,
Mumbai-400 020.

CONTENTS

1.	Introduction	2
2.	Data Obtained	5
3.	Approach to Valuation	6
4.	Valuation and Conclusion	13
5.	Limitations and disclaimers	14
6.	Gratitude	16
	Appendix A: Broad Summary of Data Obtained	17



1. Introduction

- 1.1. There is a proposal before the Boards of Directors of Jagdamba Power and Alloys Limited ("JPAL") and Godawari Power and Ispat Limited ("GPIL") to consider the demerger of the Power division of JPAL into GPIL, as a going concern through a scheme of arrangement under the Companies Act, 2013. Upon the said demerger, equity shares of GPIL would be issued to the shareholders of JPAL. This is hereinafter referred to as the Proposed Transaction.
- 1.2. We have been asked by managements of JPAL and GPIL ("the Managements") vide engagement letter dated June 19, 2019 to determine the Share Allotment Ratio of equity shares of GPIL to the equity shareholders of JPAL on the proposed demerger. For the purpose of this Report, we have considered the Valuation Date as December 23, 2019 being the date prior to the date of the Audit Committee Meeting to consider the Transaction and the Scheme for approval. This report ("Report") sets out the findings of our exercise.

1.3. Brief Profile of the Companies:

1.3.1. Profile of JPAL

Jagdamba Power And Alloys Limited was originally incorporated under the Companies Act, 1956 on 16th September, 1999. JPAL is engaged in various businesses including generation of electricity having a thermal power plant of 25MW, investment and financing activities and wire drawing activities. GPIL has invested into the Share Capital of JPAL and is presently holding 33.96% of the total paid up share capital of JPAL. The equity shares of JPAL are not listed on any stock exchange.

1.3.2. Profile of the Power Division of JPAL

Power Division of JPAL has a thermal power plant of 25MW. It uses coal and dolochar to produce power. JPAL has recently been granted long term coal linkages from South Eastern Coalfields Ltd under coal linkage policy of Government of India, to meet its requirement of coal for generation of power. The electricity generated by JPAL is being supplied to GPIL as captive arrangement.

1.3.3. Profile of GPIL

GPIL was incorporated under the Companies Act, 1956. The registered address of GPIL is 428/2, Phase-I, Industrial Area, Siltara – 493111, Dist. Raipur, Chhattisgarh, India. It is engaged in the business of manufacturing of Steel and generation of power. 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. It also has 50MW Independent Power plant set up through subsidiary Company, in Rajasthan. The equity shares of GPIL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").



This report should be read with the limitations detailed herein under

2

1.4. SHAREHOLDING PATTERN OF THE COMPANIES

1.4.1. GPIL

The share capital of GPIL as at the Valuation Date is as follows:

Particulars	Amount (in Crores)
Authorised 4,98,00,000 Equity Shares of Rs. 10/- each	49.80
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 of GPIL	67.36%
2.	Non-promoter Group*	32.64%
	Total	100.00%

*Non-promoter includes Institutions



1.4.2. JPAL

The share capital of JPAL as at the Valuation Date is as follows:

Particulars	Amount (in Crores)
Authorized 1,00,00,000 Equity Shares of R. 10/- each	10.00
Issued, subscribed and paid-up 76,69,700 Equity Shares of R. 10/- each fully paid	7.67

The aforesaid share capital is held as follows:

Sr. No.	Shareholder	Percentage
1.	Promoter Group of JPAL	66.04%
2.	GPIL	33.96%
	Total	100.00%



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



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.
- 3.2. It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. The IVS is mandatory for a valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. We have given due cognizance to the same in carrying out the valuation exercise.
- 3.3. For the purpose of arriving at the valuation, we have considered the valuation base as 'Fair Value'. Our valuation, and this Report, is based on the premise of 'going concern'. Any change in the valuation base, or the premise could have significant impact on the valuation exercise, and therefore, this Report.
- 3.4. IVS 301 on Business Valuations deals with valuation of a business and business ownership interest (i.e. it includes valuation of shares).
- 3.5. IVS 301 specifies that generally, the following three approaches for valuation of business/business ownership interest are used:
 - 3.5.1. Market Approach
 - 3.5.2. Earnings based Approach
 - 3.5.3. Cost Approach
- 3.6. The applicability of each of the above methods is discussed hereunder:

3.7. Market Price:

For GPIL:

- 3.7.1. This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. For the purpose of GPIL, we have considered the Stock Exchange where the volume of shares traded is higher.
- 3.7.2. We have determined the market price of shares of GPIL based on weighted average price on NSE for an appropriate period.

For Power Division of JPAL:

- 3.7.3. As stated in para 1.3.1 above, the equity shares of JPAL are not listed on any stock exchange and therefore, this method cannot be used to derive the fair value of the Power Division of JPAL.



This report should be read with the limitations detailed herein under

3.8. Earnings Approach:

This method involves valuing an asset based on earnings of the company. We have used the Enterprise Value to Earnings before Interest Tax, Depreciation and Amortization Multiple ("EV/EBITDA Multiple") and the Price to Earnings Multiple ("P/E Multiple") of Comparable Companies to derive the value of GPIL and Power Division of JPAL under this method.

3.8.1. Under EV/EBITDA Approach:

For GPIL:

- 3.8.1.1. We have followed the following steps to derive the value of GPIL under EV/EBITDA approach:
- 3.8.1.2. We have considered the Profit before Tax ("PBT") for Trailing Twelve Months ("TTM") ended September 30, 2019 of GPIL and adjusted such profit for Non-operating and Non-recurring Expenses/Income for the period in order to arrive at the Adjusted Profit Before Tax ("Adjusted PBT")
- 3.8.1.3. The amount of Depreciation and Interest has been added to the Adjusted PBT arrived at above to compute Adjusted Earnings before Interest, Tax, Depreciation and Amortization ("Adjusted EBITDA") for TTM ended September 30, 2019 for GPIL.
- 3.8.1.4. We have computed the Market Capitalization of Comparable Companies in similar sphere of operations as GPIL ("Comparables") for an appropriate period as at the Valuation Date. Further, we have computed the Adjusted Market Capitalization of the Comparables by reducing the amount of cash and bank balances, other surplus assets and fair value of investments from the Market Capitalization ("Adjusted Market Capitalization").
- 3.8.1.5. We have then computed the EV/EBITDA multiple for Comparables. EV of the Comparables has been arrived at by adding the amount of debt, preference share capital and minority interest, if any, to the Adjusted Market Capitalization of the Comparables.
- 3.8.1.6. The EV/EBITDA multiple derived based on Comparables is applied to the Adjusted EBITDA of GPIL to arrive at the EV of GPIL.
- 3.8.1.7. The EV of GPIL so arrived at is reduced by the amount of borrowings as at the Valuation Date and increased by the amount of non-operating cash and bank balances and fair value of investments ("surplus assets") as on the Valuation Date to arrive at the Business Value.
- 3.8.1.8. It may be noted that the Management does not expect any contingent liability to crystallise. We have therefore, not made any adjustment on this account.



This report should be read with the limitations detailed herein under

7

- 3.8.1.9. This above arrived at Business Value is then divided by the total number of equity shares for arriving at the value per share of GPIL.

For Power Division JPAL:

- 3.8.1.10. We have followed the following steps to derive the value of Power Division of JPAL under EV/EBITDA approach:
- 3.8.1.11. We have considered the projected financial statements for the year ended March 31, 2021 provided by the management. We understand from the Management that earnings for the twelve-month period ended March 31, 2019 and March 31, 2020 are not reflective of its maintainable level as the plant was partly non-operational for the both the years due to maintenance work required at the plant. As per management estimate, the plant will be fully operational for the year ended March 31, 2021. We have therefore, considered the EBITDA for twelve months period ended March 31, 2021 as the maintainable level of EBITDA.
- 3.8.1.12. We have computed the Market Capitalization of Comparable Companies in similar sphere of operations as the Power Division of JPAL ("Comparables") for an appropriate period as at the Valuation Date. Further, we have computed the Adjusted Market Capitalization of the Comparables by reducing the amount of surplus assets from the Market Capitalization.
- 3.8.1.13. We have then computed the EV/EBITDA multiple for Comparables. EV of the Comparables has been arrived at by adding the amount of debt, preference share capital and minority interest, if any, to the Adjusted Market Capitalization of the Comparables. It may herein be noted that the EBITDA of Comparables is also based on FY 2020-2021 level (based on analyst reports) to capture the industry growth and to have a like to like comparison.
- 3.8.1.14. The EV/EBITDA multiple derived based on Comparables is applied to the EBITDA of Power Division of JPAL to arrive at the EV of Power Division of JPAL.
- 3.8.1.15. The EV so arrived at is increased by the surplus assets of Power Division of JPAL as on the Valuation Date to arrive at the Business Value of Power Division of JPAL.
- 3.8.1.16. It may be noted that the Management does not expect any contingent liability to crystallise. We have therefore, not made any adjustment on this account.
- 3.8.1.17. The Business Value as arrived at above is then divided by the total number of equity shares for arriving at the value per share of Power Division of JPAL.



3.8.2. Under P/E Approach:For GPIL:

- 3.8.2.1. We have followed the following steps to derive the value of GPIL under the P/E approach:
- 3.8.2.2. From the Adjusted PBT of GPIL, we have reduced the Income Tax amount to arrive at the Adjusted Profit after Tax ("Adjusted PAT").
- 3.8.2.3. We have computed the Market Capitalization of Comparables of GPIL for an appropriate period as at the Valuation Date. Further, we have computed the Adjusted Market Capitalization of the Comparables by reducing the surplus assets from the Market Capitalization.
- 3.8.2.4. We have then computed the P/E multiple for Comparables. The P/E multiple derived based on Comparables is applied to the Adjusted PAT of GPIL to arrive at the Business Value of GPIL.
- 3.8.2.5. The Business Value so arrived at is increased by the amount of surplus assets as on the Valuation Date to arrive at the Adjusted Business Value as at the Valuation Date.
- 3.8.2.6. It may be noted that the Management does not expect any contingent liability to crystallise. We have therefore, not made any adjustment on this account.
- 3.8.2.7. This Adjusted Business Value is then divided by the total number of equity shares for arriving at the value per share of GPIL.

For Power Division of JPAL:

- 3.8.2.8. We have followed the following steps to derive the value of Power Division of JPAL under the P/E approach:
- 3.8.2.9. As mentioned earlier in para 3.8.1.11, we have considered the PAT for twelve months period ended March 31, 2021 as the maintainable level of PAT.
- 3.8.2.10. We have computed the Market Capitalization of Comparables of Power Division of JPAL for an appropriate period as at the Valuation Date. Further, we have computed the Adjusted Market Capitalization of the Comparables by reducing the amount of surplus assets from the Market Capitalization.
- 3.8.2.11. We have then computed the P/E multiple for Comparables. It may herein be noted that the PAT of Comparables is also based on FY 2020-2021 level (based on analyst reports) to capture the industry growth and have a like to like comparison.



This report should be read with the limitations detailed herein under

9

- 3.8.2.12. The P/E multiple derived based on Comparables is applied to the PAT of Power Division of JPAL to arrive at the Business Value of the Power Division of JPAL.
- 3.8.2.13. The Business Value so arrived at is increased by the amount of surplus assets of the Power Division of JPAL as on the Valuation Date to arrive at the Adjusted Business Value as at the Valuation Date.
- 3.8.2.14. This Adjusted Business Value is then divided by the total number of equity shares for arriving at the value per share of Power Division of JPAL.
- 3.8.2.15. It may be noted that the Management does not expect any contingent liability to crystallise. We have therefore, not made any adjustment on this account.

3.8.3. Under PAT Capitalization Approach:

For GPIL

- 3.8.3.1. This is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. It may be noted that the industry in which GPIL operates is a cyclical industry imposing difficulty on projecting the maintainable amount of income and expenses. Hence, we have not considered this approach for arriving at a value under PAT Capitalisation for GPIL.

For Power Division of JPAL

- 3.8.3.2. To derive the value under this approach, we have considered the Adjusted Profit after Tax arrived at P/E Approach above.
- 3.8.3.3. The adjusted PAT, as discussed above, is capitalized using the expected growth rate and cost of equity for JPAL to arrive at its Business Value.
- 3.8.3.4. The value so arrived at is increased by the amount of surplus assets as at the Valuation Date to arrive at the Adjusted Business Value. It may be noted that the Management does not expect any contingent liability to crystallise. We have therefore, not made any adjustment on this account.
- 3.8.3.5. We have divided the Adjusted Business Value as computed above by the divided by the total number of equity shares for arriving at the value per share of Power Division of JPAL.



3.9. Asset Based Approach:

For GPIL:

- 3.9.1. This approach involves determining the fair value of the company based on the assets of the company after applying a Price to Book Value Multiple ("P/B

This report should be read with the limitations detailed herein under

10

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:

- 3.9.2. For the purpose of this approach, we have considered the latest Balance Sheet of GPIL as at September 30, 2019.
- 3.9.3. Based on these numbers, we have calculated the net worth of GPIL reduced by the amount of surplus assets.
- 3.9.4. Likewise, we have calculated net worth of listed companies operating in sector comparable to GPIL ("Comparables"). Thereafter, we have calculated the Market Capitalization of Comparables by using the same mechanism as discussed at para 3.8.1.4.
- 3.9.5. The amount so derived is adjusted for investments as per their balance sheets. The Adjusted Market Capitalization and the Net Worth of the Comparables form a basis to calculate the P/B Multiple for each of the Comparables.
- 3.9.6. We have then computed the average of the P/B Multiple calculated for each of the Comparables above, thus arriving at the Average P/B Multiple.
- 3.9.7. The Average P/B multiple, as calculated above, is applied to the net worth of the GPIL as on September 30, 2019, to arrive at the Business Value of GPIL.
- 3.9.8. Such Business Value is increased by the amount of surplus assets as on the Valuation Date to arrive at the Adjusted Business Value as at the Valuation Date.
- 3.9.9. 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.
- 3.9.10. It may be noted that the Management does not expect any contingent liability as likely to crystallise. We have therefore, not made any adjustment on this account.

For Power Division of JPAL:

- 3.9.11. 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 Power Division of JPAL was not carrying out operations from April 1, 2015 on account of non-availability of commercially viable tariff therefore there was delay in permission to connect the power plant of Power Division of JPAL to the steel plant of GPIL for direct supply of power directly without using the state grid. The permission has been received since October 2018. However, the plant has undergone several maintenance expenditure. 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 Power Division of JPAL.



This report should be read with the limitations detailed herein under

3.10. Fair Value of GPIL

We have arrived at the fair value of the GPIL 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.

Attention may also be drawn to Regulation 158 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulation") which specifies that preferential issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said regulations. Further, it may be noted that Regulation 164 specifies the base price for issue of shares on a preferential basis. In the Proposed Transaction, the Power Division of JPAL, being an unlisted entity is getting demerged into a listed entity. We have therefore, given due cognizance to the base price derived using the formula prescribed under ICDR Regulations after considering the fair value of Power Division of JPAL while determining the Share Allotment ratio.

We observe that the price derived under the ICDR Regulations is lower than the fair value per share of GPIL computed by us. Therefore, we have considered the fair value per share, as computed by us to determine the ratio of allotment of shares.

3.11. Fair Valuation of the Power Division of JPAL:

We have arrived at the fair value per share of Power Division of JPAL by giving equal weights to the values arrived at under the EV/EBITDA approach, P/E Approach, PAT Capitalisation.



4. Valuation and Conclusion

Based on the foregoing data, considerations and steps followed, in our opinion the share allotment ratio would be as follows:

"For every **140 (One hundred and Forty)** Equity shares of face and paid up value of Rs. 10/- (Ten) held in Power Division of JPAL, **89 (Eighty Nine)** Equity shares of face and paid up value of Rs. 10/- (Ten) in GPIL to be issued to the equity shareholders of Power Division of JPAL".

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	GPIL (A)		Power Division of JPAL (B)	
	Value per Share	Weight	Value per Share	Weight
Asset based Method	191.54	1	-	See Para 3.9.11 Above
Earnings based Method	334.60	2	148.44	1
Market Price Method	153.23	2	-	See Para 3.7.3 above
Relative Value per share (a)		233.44		148.44
Price as per ICDR Regulation (b)		178.51		-
Relative Value per Share for the purpose of Exchange Ratio (max (a) or (b))		233.44		148.44
Exchange Ratio (B)/(A) (Rounded off)		0.636		



5. Limitations and disclaimers

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

- 5.1 As such this Report is to be read in totality and not in parts.
- 5.2 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.
- 5.3 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.
- 5.4 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.
- 5.5 The Report is meant for the purpose mentioned in Para 1.2 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. Our Report should be used only by the Managements and the fairness evaluator for the Proposed Transaction and by no other person.
- 5.6 The projected working results of Power Division of JPAL 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.
- 5.7 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.
- 5.8 No investigation of GPIL & Power Division of JPAL'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. Therefore, no responsibility is assumed for matters of a legal nature. The report is not, nor should it be construed, as us 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.



This report should be read with the limitations detailed herein under

- 5.9 We have no obligation to update this Report because of events or transactions occurring subsequent to the date of this Report.
- 5.10 Our valuation is based on the market conditions and the regulatory environment that existed around the time of the valuation date.
- 5.11 We have not carried out any physical verification of the assets and liabilities of the GPIL and the Power Division of JPAL, and take no responsibility for the identification of such assets and liabilities.



6. Gratitude

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

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W



USHMA A. SHAH
Partner
Membership No. 156423



Place: Mumbai

Date: December 23, 2019

UDIN: 19156423 AAAAAE3208

Appendix A: Broad Summary of Data Obtained

From the Managements

1. Projected Financial Statements of the Power Business of JPAL for year to end March 31, 2021.
2. Divisional unaudited financial statements of JPAL for the period ended September 30, 2019.
3. Audited financial statements of investee companies of GPIL.
4. Shareholding pattern of Power Division of JPAL as on September 30, 2019.
5. Audited Financial statements of Power Division of JPAL for the year ended March 31, 2019.
6. Surplus assets of Power Division of JPAL as at September 30, 2019.
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 GPIL, Power Division of JPAL and Comparable Companies for their financial statements and business background.
4. Websites of National Stock Exchange Limited and BSE Limited.



**Equirus Capital Private Limited**

12th Floor, C Wing, Marathon Futurex,
N. M. Joshi Marg, Lower Parel,
Mumbai - 400 013
Tel: +91-22- 4332-0600
Fax: +91-22-4332-0601

Ref No.: ECM/FO/AJ/2019-20/32

STRICTLY CONFIDENTIAL

December 24, 2019

The Audit Committee**Godawari Power and Ispat Limited**

428/2, Phase – I, Industrial Area, Siltara,
Raipur, Chhattisgarh

And

The Board of Directors**Godawari Power and Ispat Limited**

428/2, Phase – I, Industrial Area, Siltara,
Raipur, Chhattisgarh

Dear Sirs,

We refer to the engagement letter dated December 20, 2019 (“**Engagement Letter**”) whereby Godawari Power and Ispat Limited (“**Company**” or the “**Transferee Company**”) has requested Equirus Capital Private Limited (“**Equirus**”), a SEBI registered category I merchant banker, to provide a fairness opinion to the Company based on the valuation report dated December 23, 2019 (“**Valuation Report**”) issued by Banshi S. Mehta & Co. (“**Valuer**”) for the proposed composite Scheme of arrangement between Transferee Company and Jagdamba Power & Alloys Limited (“**Transferor Company**”) (herein after referred to as “**Proposed Scheme**”) under Sections 230 to 232 read with Sections 52, 66 and other applicable provisions of the Companies Act, 2013, vis-a-vis demerger of power business undertaking of Transferor Company into Transferee Company. We understand that the Proposed Scheme will be considered by the Audit Committee and the Board of Directors of the Transferee Company.

Background of the Transferee Company

The Transferee Company is a public limited company incorporated under the Companies Act, 1956 and having its registered office at 428/2, Phase-I, Industrial Area, Siltara, Raipur, Chhattisgarh. The Transferee Company is engaged in the business of steel manufacturing and has an integrated steel plant with a captive power generation plant having a capacity of 73 MW. The equity shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited (referred to as “**BSE**” and “**NSE**”, respectively, and the together as “**Stock Exchanges**”).

Background of the Transferor Company

The Transferor Company is a public limited company incorporated under the Companies Act, 1956 and having its registered office at Hira Arcade, Hira Group of Company, New Bus Stand 492001, Raipur, Chhattisgarh. The Transferor Company is engaged in the business of generation of power and allied activities, operating a 25 MW thermal power plant. The Transferee Company hold 33.96% shareholding of the Transferor Company and is a captive power consumer of the Transferor Company.

Purpose of this Fairness Opinion

The Transferee Company has appointed the Valuer to carry out a fair valuation of the Transferor Company and the Transferee Company and recommend a fair ratio of allotment of securities of the Transferee Company to the equity shareholders of the Transferor Company on the proposed demerger of power business undertaking of the Transferor Company into the Transferee Company (“**Valuation**”). In terms of the Engagement Letter, the Company has requested us to examine the Valuation Report issued by the Valuer and such other information provided by the Transferee Company

SEBI Registration No.: Category I Merchant Banker INM000011286; CIN: U65910MH2007PTC172599

Website: www.equirus.com | Email: contact@equirus.com



and issue our independent opinion as to the fairness of the Valuation, and the share swap ratio arrived at therein (“**Fairness Opinion**”) in terms of the requirements of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, with all applicable amendments thereto.

Source of information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Memorandum of association and articles of association of the Transferor Company and the Transferee Company;
2. Annual reports of the Transferor Company and Transferee Company for the last three financial years and financial ended September 30, 2019 of the Transferee Company;
3. Valuation Report issued by the Valuer along with the related workings; and
4. Draft of the Proposed Scheme of arrangement between the Transferor Company and the Transferee Company.

We have also obtained necessary explanations and such other information, which we believed were relevant to the present exercise, from the representatives of the Company.

Conclusion

Based on the facts, information and explanations relevant in the present case, our examination of the Valuation Report and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned herein below and to the best of our knowledge and belief, we are of the opinion that the share entitlement ratio of equity shares of the Transferee Company to be issued to the shareholders of the Transferor Company as on the Record Date pursuant to the Proposed Scheme, is fair.

Scope Limitations

- We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion.
- We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based.
- We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of Company or the Transferor Company and neither express any opinion with respect thereto nor accept any responsibility therefore.
- We have not made any independent verification of the demerged undertaking.
- We have not made any independent valuation or appraisal of the assets or liabilities of the Company or the Transferor Company, nor have we been furnished with any such appraisals.
- We have not made any independent valuation or appraisal of the rational of commercial arrangements already entered into by the Company or the Transferor Company which may have material impact on the share entitlement ratio.
- We have not independently verified the holding of Company in the Transferee Company and have relied upon the Proposed Scheme.
- We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by Company for the purposes of this Fairness Opinion.
- We are not experts in the evaluation of litigation or other actual or threatened claims and accordingly we have not evaluated any litigation or other actual or threatened claims.
- We have assumed that the Proposed Scheme will be approved by regulatory authorities and that the Proposed Scheme will be consummated substantially in accordance with the terms set forth in the Proposed Scheme.
- We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of Company or the Transferor Company, other than those disclosed in the information provided or considered in the Proposed Scheme.
- We understand that the management of Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.
- We have assumed that in the course of obtaining necessary regulatory or other consents or approval for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated.
- Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist, and on

SEBI Registration No.: Category I Merchant Banker INM000011286; **CIN:** U65910MH2007PTC172599

Website: www.equirus.com | **Email:** contact@equirus.com

the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Company or any of its assets, nor did we negotiate with any other party in this regard.

- In the ordinary course of business, Equirus group is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services, by itself or through its affiliates. In the ordinary course of its trading, brokerage and financing activities, any member of the Equirus group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or loans of any company that may be involved in the Proposed Scheme.
- We express no opinion whatever and make no recommendation at all as to Company's underlying decision to effect the Proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of Company will trade following the announcement of the Proposed Scheme or as to the financial performance of Company following the consummation of the Proposed Scheme.
- This Fairness Opinion is addressed to the Audit Committee and the Board of Directors of the Company solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer. The Fairness Opinion shall not be disclosed or referred to publicly or to any other third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Fairness Opinion nor its contents may be referred to or quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.
- The aforementioned limitations are in addition to the limitation set forth in our Engagement Letter.

Yours truly,

For **Equirus Capital Private Limited**



Munish Aggarwal
Director

DCS/AMAL/JR/R37/1713/2019-20

April 13, 2020

The Company Secretary,
GODAWARI POWER & ISPAT LTD.
 428/2 Phase I Siltara Indl Area, Raipur,
 Chhattisgarh, 493111

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement involving Demerger of Power Business Undertaking of Jagdamba Power and Alloys Limited with and into Godawari Power & Ispat Limited.

We are in receipt of Draft Scheme of Arrangement of Godawari Power & Ispat Limited and their respective shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 13, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that a statement is inserted in the scheme that it is in compliance with Minimum Public Shareholding (MPS) requirement on fully diluted basis."
- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- "Company shall duly comply with various provisions of the Circular."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "Company shall ensure that applicable information pertaining to unlisted company- Jagdamba Power and Alloys Limited is included in abridged prospectus as per specified format."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted

companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


Nitinkumar Pujari
Senior Manager



National Stock Exchange Of India Limited

Ref: NSE/LIST/22913_II

April 15, 2020

The Company Secretary
Godawari Power and Ispat limited
Plot No. 428/2, Phase -I,
Industrial Area, Siltara,
Raipur - 493111

Kind Attn.: Mr. Yarra Chandra Rao

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement involving Demerger of Power Business Undertaking of Jagdamba Power and Alloys Limited with and into Godawari Power and Ispat Limited and their respective shareholders.

We are in receipt Draft Scheme of Arrangement involving Demerger of Power Business Undertaking of Jagdamba Power and Alloys Limited with and into Godawari Power and Ispat Limited and their respective shareholders vide application dated January 16, 2020.

Based on our letter reference no Ref: NSE/LIST/22913 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated April 13, 2020, has given following comments:

- a. *The Company shall ensure that a statement is inserted in the scheme that it is in compliance with Minimum Public Shareholding (MPS) requirement on fully diluted basis.*
- b. *The Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.*
- c. *The Company shall duly comply with various provisions of the Circular.*
- d. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- e. *The Company is advised that applicable information pertaining to unlisted company – Jagdamba Power and Alloys Limited is included in abridged prospectus as per specified format.*
- f. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence,



Signer: Rajendra P Bhosale
Date: Wed, Apr 15, 2020 19:10:07 IST
Location: NSE



Continuation

Ref: NSE/LIST/22913_II

April 15, 2020

the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from April 15, 2020, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

2



Signer: Rajendra P Bhosale
Date: Wed, Apr 15, 2020 19:10:07 IST
Location: NSE



REF: GPIL/BSE/2020/ 4079

Date: 12.02.2020

To,
The Manager,
The Corporate Relation Department,
BSE Limited,
1st Floor, Rotunda Building,
Dalal Street, Mumbai – 400 001

Dear Sir,

Sub: Complaint Report for the proposed Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 between Jagdamba Power and Alloys Limited (hereinafter referred to as JPAL/ the Demerged Company) and Godawari Power and Ispat Limited (hereinafter referred to as GPIL/ the Resulting Company).

Ref: Our Application No. 104585, dated 16.01.2020.

With reference to the captioned subject, please find enclosed herewith the Complaint Report (**Annexure- A**), pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, in respect of the application filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement.

We would like to inform you that the Company has not received any complaint through SCORES portal nor any complaint has been received directly by the Company nor any complaint has been forwarded to the Company by the BSE Limited (BSE), during the 21 days period from the date of filing of Draft Scheme with BSE and National Stock Exchange of India Limited (NSE) and hosting of the Draft Scheme and other documents on the website of BSE and the Company.

Kindly take the same on your record and provide us necessary "No Observation Letter" at the earliest to enable us to file the Scheme of Arrangement with National Company Law Tribunal, Cuttack Bench.

Thanking You,
Yours Faithfully,
For, Godawari Power and Ispat Limited

Yarra Chandra Rao
(Company Secretary)
Encl: As above



Godawari Power & Ispat Limited

An ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified company
CIN L27106CT1999PLC013756

Registered Office and Works: Plot No. 428/2, Phase I, Industrial Area, Siltara, Raipur - 493111, Chhattisgarh, India

P: +91 771 4082333, F: +91 771 4082234

Corporate Address: Hira Arcade, Near New Bus Stand, Pandri, Raipur - 492001, Chhattisgarh, India

P: +91 771 4082000, F: +91 771 4057601

www.godawaripowerispat.com, www.hiragroup.com



Annexure-A

GODAWARI POWER AND ISPAT LIMITED

Sub: Complaint Report for the proposed Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 between Jagdamba Power and Alloys Limited (hereinafter referred to as JPAL/ the Demerged Company) and Godawari Power and Ispat Limited (hereinafter referred to as GPIL/ the Resulting Company).

PART A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

PART B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			



Godawari Power & Ispat Limited

An ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified company
CIN L27106CT1999PLC013756

Registered Office and Works: Plot No. 428/2, Phase I, Industrial Area, Siltara, Raipur - 493111, Chhattisgarh, India

P: +91 771 4082333, F: +91 771 4082234

Corporate Address: Hira Arcade, Near New Bus Stand, Pandri, Raipur - 492001, Chhattisgarh, India

P: +91 771 4082000, F: +91 771 4057601

www.godawaripowerispat.com, www.hiragroup.com



HIRA

GODAWARI POWER & ISPAT



REF: GPIL/NSE/2020/ 4100

Date: 04.03.2020

To,
Manager - Listing Compliance,
National Stock Exchange of India Limited,
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Dear Sir,

Sub: Complaint Report for the proposed Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 between Jagdamba Power and Alloys Limited (hereinafter referred to as JPAL/ the Demerged Company) and Godawari Power and Ispat Limited (hereinafter referred to as GPIL/ the Resulting Company).


Ref: Our Application No. 22913, dated 16.01.2020.
Requirement Letter No. NSE/LIST/22913 dated 03.03.2020

With reference to the captioned subject and the referred letter, we would like to inform you that the Scheme and other related documents were uploaded by NSE on its website on 10th February, 2020. Pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, in respect of the application filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is required to file Complaint Report within 7 days from the expiry of 21 days from the date of upload/ hosting on the website of NSE i.e. within 7 days from 02.03.2020.

We would like to inform you that the Company has not received any complaint through SCORES portal nor any complaint has been received directly by the Company nor any complaint has been forwarded to the Company by the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE), during the 21 days period from the date of filing of Draft Scheme with NSE and BSE and hosting of the Draft Scheme and other documents on the website of NSE, BSE and the Company i.e. 10.02.2020, 17.01.2020 and 16.01.2020, respectively. Please find enclosed the complaint report of the company as **Annexure-A**.

Kindly take the same on your record and provide us necessary "No Observation Letter" at the earliest to enable us to file the Scheme of Arrangement with National Company Law Tribunal, Cuttack Bench.

Thanking you
For, Godawari Power and Ispat Limited


Yarra Chandra Rao
(Company Secretary)
Encl: As above



Godawari Power & Ispat Limited

An ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified company
CIN L27106CT1999PLC013756

Registered Office and Works: Plot No. 428/2, Phase I, Industrial Area, Siltara, Raipur - 493111, Chhattisgarh, India

P: +91 771 4082333, F: +91 771 4082234

Corporate Address: Hira Arcade, Near New Bus Stand, Pandri, Raipur - 492001, Chhattisgarh, India

P: +91 771 4082000, F: +91 771 4057601

www.godawaripowerispat.com, www.hiragroup.com



HIRA

GODAWARI POWER & ISPAT



GODAWARI POWER AND ISPAT LIMITED

Sub: Complaint Report for the proposed Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 between Jagdamba Power and Alloys Limited (hereinafter referred to as JPAL/ the Demerged Company) and Godawari Power and Ispat Limited (hereinafter referred to as GPIL/ the Resulting Company).

PART A

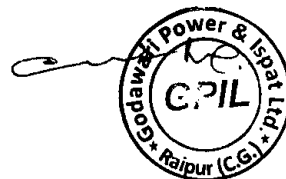
Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

PART B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

*Note: Date of Uploading on NSE website: 10.02.2020

Date of Compliance: 04.03.2020



Godawari Power & Ispat Limited

An ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 certified company
CIN L27106CT1999PLC013756

Registered Office and Works: Plot No. 428/2, Phase I, Industrial Area, Siltara, Raipur - 493111, Chhattisgarh, India
P: +91 771 4082333, F: +91 771 4082234

Corporate Address: Hira Arcade, Near New Bus Stand, Pandri, Raipur - 492001, Chhattisgarh, India
P: +91 771 4082000, F: +91 771 4057601

www.godawaripowerispat.com, www.hiragroup.com

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 .

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF JAGDAMBA POWER & ALLOYS ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 24th DECEMBER, 2019.

(1) Background

1.1 The proposed Scheme of Arrangement between Jagdamba Power and Alloys Limited (hereinafter referred to as Demerged Company or JPAL) and Godawari Power and Ispat Limited (hereinafter referred to as Resulting Company or GPIL) was approved by the Board of Directors of JPAL in their meeting held on 24th December, 2019. Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement on Equity Shareholders, Key Managerial Personnel (KMPs), Promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the Equity Shareholders.

1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Companies Act, 2013.

1.3 The Following documents were placed before the Board :-

- A Draft Scheme duly initialed by the Managing Director for the purpose of identification.
- B Valuation Report dated 23rd day of December, 2019 of M/s. Bansi S. Mehta & Co. ("the Valuer"), Independent Chartered Accountants ("Valuation Report").
- C Fairness Opinion dated 24th day of December, 2019 prepared by M/s. Equirus Capital Private Limited, SEBI Registered Merchant Banker, providing the Fairness Opinion on the share exchange ratio ("Fairness Opinion") as recommended by M/s Bansi S. Mehta & Co., the Valuer.
- D Certificate dated 24th December 2019, issued by JDS & Co, Chartered Accountants, the Statutory Auditors of the Company as required under section 232(3) of the Companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.



2. Effect of the Scheme of arrangement on Equity Shareholders (promoter shareholder and non-promoter shareholder), employees and KMPs of JPAL.
 - 2.1 Upon the Scheme coming into effect the Resulting Company shall, in consideration of the arrangement between the Demerged Company and the Resulting Company, will issue and allot, to every Equity Shareholder of the Demerged Company (Except to the Resulting Company itself towards the shares held by it in the Demerged Company), holding fully paid-up Equity Shares in the Demerged Company and whose names appear in the register of members of the Demerged Company on the Record Date, 89 Equity Shares of Rs.10 each of the Resulting Company, credited as fully paid-up for every 140 Equity Shares of Rs.10 each fully paid-up, held by such shareholder in the capital of the Demerged Company ("Share Exchange Ratio").
 - 2.2 Further, no new shares will be issued to the Resulting Company pursuant to the effect of this Scheme.
 - 2.3 The Key managerial Personnel of the Company (KMP's) shall continue as KMP of the Company after effectiveness of the Scheme.
 - 2.4 No special valuation difficulties were reported.

Date: December 24, 2019

Place: Raipur



Shou Sengul
CHAIRMAN

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GODAWARI POWER AND ISPAT LIMITED ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 24th DECEMBER, 2019.

1. The Board of Directors ('Board') of the Company at their meeting held on 24th December, 2019 had approved a draft of the proposed Scheme of Arrangement between Jagdamba Power and Alloys Limited ('Demerged Company') and Godawari Power and Ispat Limited ('Company/Resulting Company') and their respective shareholders.

Pursuant to this Scheme of Arrangement the shareholders of the Demerged Company will be issued 89 Equity Shares of Rs. 10/- each fully paid up of the Resulting Company for every 140 Shares of the Demerged Company. The Scheme was approved by the Audit Committee at its meeting held on 24th December, 2019.

2. As per Section 232(2) (c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters, non-promoter shareholders of the Company laying out in particular the Share exchange ratio, specifying any special valuation difficulties.
3. Having regard to the applicability of the aforesaid provisions, the scheme and the following documents are placed before the Board;
 - a. 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")
 - b. 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.



- c. 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 and applicable law.
- d. A copy of the Audit Committee Report dated 24th December, 2019 in terms of the requirement of circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India.
- e. 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.

4. **Rationale of the Scheme**

The demerger of power business undertaking of the Demerged Company into Resulting Company would *inter alia* have the following benefits:

- a. With the complete integration of the Demerged Undertaking with Resulting Company, the captive power generation capacity of the Resulting Company will stand enhanced to 98 MW and thereby availability of much needed additional 25MW of power capacity, to meet the shortfall of electricity requirement of Resulting Company, assuring uninterrupted power supply to its steel making units at competitive cost, leading to increase in capacity utilisation of its steel melting plant and cost savings through operating leverage. It is pertinent to mention that no fresh coal based power generation capacity addition is allowed in the plant location of Resulting Company on account of environmental and pollution restriction and therefore the 25 MW power generation plant of Demerged Company is much required for smooth and efficient operations of the Steel Business Resulting Company.
- b. The Demerged Company currently has business interest in diverse businesses such as Electricity, Investment & Financing activities and other allied activities. With a view to achieve greater management focus in other business activities, Demerged Company proposes to demerge its business interest in the Demerged Undertaking and vest the same in the Resulting Company.



- c. The consolidation of operations of the Power Business of Demerged Company and the Resulting Company by merging the Demerged Undertaking into Resulting Company, will lead to a more efficient utilisation of capital, administrative and operational rationalization and promote organisational efficiencies. It will help achieve cost efficiency that will enhance the financial efficiencies and help achieve economies of scale, reduction in overheads and improvement in various other operating parameters.
- d. Integration would result in maximising overall shareholder value, improvising the competitive position and enabling to unlock the economic value of both the entities.
- e. Improved organisational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- f. Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

5. Effect of the Scheme on Stakeholders

Sr. No.	Category of Stakeholder	Effect of the Scheme
(i)	Shareholders	<p>The Company has only Equity Shareholders and does not have any Preference Shareholders.</p> <p>Upon the Scheme coming into effect the Resulting Company shall, in consideration of the arrangement between the Demerged Company and the Resulting Company, will issue and allot, to every Equity Shareholder of the Demerged Company (Except to the Resulting Company itself towards the shares held by it in the Demerged Company), holding fully paid-up Equity Shares in the Demerged Company and</p>



		whose names appear in the register of members of the Demerged Company on the Record Date, 89 Equity Shares of Rs.10 each of the Resulting Company, credited as fully paid-up for every 140 Equity Shares of Rs.10 each fully paid-up, held by such shareholder in the capital of the Demerged Company ("Share Exchange Ratio").
(ii)	Promoters	Promoters of the Company are not holding any shares in the Demerged Company; hence no new shares will be issued to the promoters of the Company.
(iii)	Non- Promoter Shareholders	Please refer to point (i) above the details regarding effect on shareholder.
(iv)	Key Managerial Personnel	The Key managerial Personnel of the Company (KMP's) shall continue as KMP of the Company after effectiveness of the Scheme. No KMP is shareholder of the Demerged Company hence, no new shares shall be issued to the KMP's.

6) **Valuation**

- I. For the purpose of arriving at the share entitlement ratio, the valuation report was obtained in terms of circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India, Circular No. LIST/COMP/02/2017-18 dated 29th May, 2017 issued by the BSE Limited and Circular No. NSE/CML/2017/12 dated 1st June, 2017 issued by the National Stock Exchange of India Ltd.
- II. Bansil S. Mehta & Co., Chartered Accountants have not expressed any difficulty while carrying out the valuation and share entitlement ratio.



- III. The Resulting Company is a listed company with its share listed on BSE and NSE and it is therefore governed by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Notification No. SEBI/LAD-NRO/GN/2018/31 dated 11th September, 2018. Accordingly, issuance of share pursuant to Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, if the shares are issued to the shareholders of unlisted entity then the pricing conditions that apply to the preferential issue shall apply while calculating the price for share entitlement ratio.
- IV. Bansi S. Mehta & Co., Chartered Accountants have derived the fair value of the Resulting Company by applying higher weightage to Earnings and Market Value approach and lower weight to Assets Based Approach.
- V. However, the price derived under the ICDR Regulations was lower than the Fair Value per share. In view of the same the price considered for the swap ratio was Fair Value of Share pursuant to Regulation 158 of SEBI (ICDR) Regulations, 2018.
- VI. The fair value of the Shares of the Demerged Company has been arrived at by giving equal weightage to the values arrived at by EV/EBIDTA approach, PE approach and PAT Capitalization approach.
- VII. Based on the above the fair ratio of exchange is 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.



7) **Adoption of Report by the Directors**

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board or any duly authorised person/ committee by the Board is entitled to make relevant modification to this report, if required, and such modifications or amendments shall be deemed to form part of this report.

Date: 24.12.2019

Place: Raipur



CHAIRMAN

JDS & Co

CHARTERED ACCOUNTANTS

6-CENTRAL AVENUE, CHOUBE COLONY,
RAIPUR - 492001 (C.G.).

PHONE: 0771 - 4041236; 4061216;

E-mail : jdschoraipur@gmail.com

Independent Auditor's Report**To the Members of Godawari Power & Ispat Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of **Godawari Power & Ispat Limited** ('the Company'), which comprise the balance sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

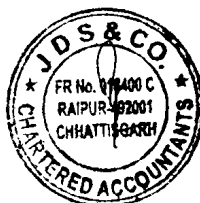
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include standalone financial statements and our auditors report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

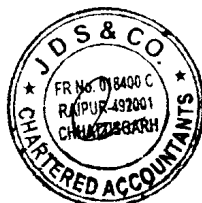
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

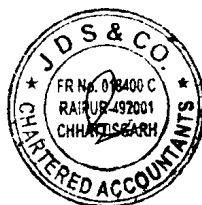
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore key audit matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

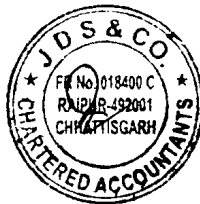


- (d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in with accordance with the provisions of Section 197 of the Act; and
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For JDS & Co.
(Firm Regn. No.018400C)
Chartered Accountants

OP Singhania

OP Singhania
Partner
Membership number: 051909



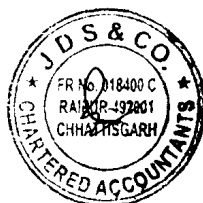
Raipur, 25th May, 2021

UDIN: 21051909AAAAAP4835

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
- (b) As explained to us, all major property, plant & equipment except certain low value items viz furniture & fixtures and office equipment have been physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant & equipment to the financial statements, are held in the name of the Company except the immovable properties transferred on amalgamation of the erstwhile RR Ispat Limited and Hira Industries Limited held in their name.
- (ii) As explained to us, the physical verification of inventories has been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has not granted any secured or unsecured loans to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the companies Act, 2013, therefore the provisions of clause 3(iii) (a) to (c) of the Order is not applicable to the company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public, in terms of the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and rules framed thereunder; therefore the provisions of clause 3(v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.



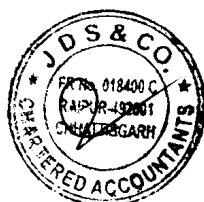
(vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & services tax, duty of customs, cess and any other statutory dues with the appropriate authorities. Further, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods & services tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following:

Name of Statute	Nature of Dues	Period	Amount* (Rs. in lacs)	Forum where dispute is pending
Central Excise Act, 1944	Demand on account of Cenvat credit denial	2007-08	57.64	CESTAT, NEW DELHI
Central Excise Act, 1944	Duty on Sale of Power to CSEB and on Output Service	2010-11 to 2014-15	187.82	CESTAT, NEW DELHI
Service Tax	Demand of Service Tax- Suppression of value- retention of Iron ore fines HIL	2011-12	119.23	CESTAT, NEW DELHI
Customs Act, 1962	Demand of Customs duty on imported Coal due to classified as Bituminous Coal	2012-13	10.00	CESTAT, HYDERABAD
Central Excise Act, 1944	Denial of Cenvat credit on inputs	April 08 to Feb 09	5.33	Commissioner (Appeals) Central Excise, Raipur
Central Excise Act, 1944	Demand of short payment of duty on related party transaction with	2014-15 to 2016-17	29.26	The Commissioner (Appeals) Raipur
Service Tax	Demand of Service Tax on rebate, shortage & claim of Interest from customers	(2014-15 to 2016-17)	8.82	Commissioner (Appeals), Central Excise, Raipur (CG)
C.G. Commercial Tax	Non receipt of sales tax declaration form	2010-11 & 2012-13	14.54	Chhattisgarh Commercial Tax Tribunal, Raipur
C.G. Commercial Tax	Extension of Sales Tax Exemption and adjustment with Input Tax Rebate	2007-08	262.92	High Court, Chhattisgarh
Chhattisgarh Upkar Adhiniyam 1981	Energy Development Cess	May 2006 to Feb 2014	5546.24	Supreme Court

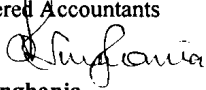
- Net of deposit.

(viii) Based on our audit procedures, and according to the information and explanations given to us, during the year, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or debenture holders as at the balance sheet date.



- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). According to the information and explanations given to us, and in our opinion, the term loans have been applied progressively for the purpose for which the loans were obtained.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3(x) of the Order is not applicable to the company.
- (xi) The Company has provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and details of such transactions have been disclosed in the standalone financial statements as required by the Ind AS.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Order is not applicable to the company.
- (xv) The Company has not entered into any non-cash transactions as referred in Section 192 of the Act with its directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order is not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order is not applicable to the company.

For **JDS & Co.**
(Firm Regn. No.018400C)
Chartered Accountants


OP Singhania
Partner
Membership No.051909



Raipur, 25th May'2021

UDIN: 21051909AAAAAP4835

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Godawari Power & Ispat Limited** (the "Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



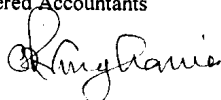
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

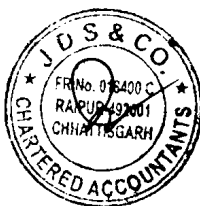
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **JDS & Co.**
(Firm Regn. No.018400C)
Chartered Accountants



OP Singhania
Partner
Membership Number: 051909
Raipur, 25th May, 2021



UDIN: 21051909AAAAAP4835

Godawari Power & Ispat Limited
Balance sheet as at 31.03.2021

Particulars	Note No	As at 31.03.2021	As at 31.03.2020
ASSETS		₹	₹
Non-current assets			
(a) Property, Plant and Equipment	3	13,13,45,57,256	13,68,88,84,523
(b) Capital work-in-progress	3	60,97,63,638	52,89,86,443
(c) Other intangible assets	4	92,75,06,980	1,02,93,50,742
(d) Financial assets			
- Investments	5	3,41,13,97,726	3,46,25,13,684
(e) Other non-current assets	6	10,95,10,172	11,98,43,244
Current-assets			
(a) Inventories	7	4,98,08,97,727	4,45,86,34,059
(b) Financial assets			
(i) Trade Receivables	8	2,66,13,01,308	1,55,37,51,665
(ii) Cash and cash equivalents	9	7,54,52,260	1,41,62,297
(iii) Bank balances other than Cash and cash equivalents mentioned above	9	40,48,90,963	15,41,76,232
(c) Current tax assets (net)		-	22,46,098
(d) Other current assets	6	1,69,28,88,721	1,25,64,69,847
Total Assets		28,00,81,66,751	26,26,90,18,834
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10A	34,11,12,470	34,11,12,470
(b) Other equity	10B	17,71,87,99,475	11,63,11,07,706
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	4,11,15,88,666	10,02,29,24,212
(ii) Other non-current financial liabilities	12	2,95,44,379	2,06,68,719
(b) Provisions	13	13,87,69,764	11,65,10,743
(c) Deferred tax liabilities (Net)	14	1,61,15,08,136	40,24,07,979
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	78,89,43,385	1,52,70,97,029
(ii) Trade Payables	16		
- total outstanding dues of micro enterprises and small		85,10,185	22,16,691
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,94,98,23,896	1,29,58,19,735
(iii) Other Financial Liabilities	17	90,78,38,480	85,31,29,067
(b) Other current liabilities	18	9,72,55,656	4,89,22,056
(c) Provisions	13	77,44,244	71,02,428
(d) Current tax liabilities (Net)		29,67,28,016	-
Total Equity and Liabilities		28,00,81,66,751	26,26,90,18,834

Summary of significant accounting policies
2

The accompanying notes are integral part of the financial statements.

As per our report of even date

For JDS & Co.
(ICAI Firm Reg. No.018400C)
Chartered Accountants

per OP Singhania
Partner
Membership No.051909

Place : Raipur
Date : 25.05.2021



For and on behalf of the Board of
Godawari Power & Ispat Limited

B.L. Agrawal
Managing Director
DIN: 00479747

Y.C. Rao
Company Secretary

Abhishek Agrawal
Executive Director
DIN: 02434507

Sanjay Bothra
CFO

Godawari Power & Ispat Limited
Statement of Profit & Loss for the year ended 31st March, 2021

	Notes	2020-21 ₹	2019-20 ₹
INCOME			
Revenue from operations	19	36,40,86,81,466	27,74,01,28,882
Other Income	20	5,20,08,854	2,88,62,808
TOTAL INCOME		36,46,06,90,320	27,76,89,91,690
EXPENSES			
Cost of materials consumed	21	16,76,31,22,941	15,14,19,26,723
Purchases of Stock-in-Trade		71,11,55,654	68,24,61,734
Changes in Inventories of Work in Progress, Stock in Trade and Finished C	22	(24,06,22,863)	35,73,75,338
Employee benefits expense	23	1,23,94,66,422	1,08,31,87,141
Finance costs	24	1,09,98,62,263	1,53,66,03,290
Depreciation and amortization expense	25	96,48,76,267	91,59,85,344
Other Expenses	26	7,49,55,23,333	6,07,50,36,038
TOTAL EXPENSES		28,03,33,84,017	25,79,25,75,607
Profit/(loss) before exceptional item and tax		8,42,73,06,304	1,97,64,16,083
Exceptional items (refer note 38)		62,99,76,139	-
Profit/(loss) before tax		9,05,72,82,443	1,97,64,16,083
Tax expense:			
Current tax		1,59,54,42,016	37,14,09,815
Deferred Tax		1,20,42,06,455	39,10,20,144
Total income tax expense		2,79,96,48,471	76,24,29,959
Profit/(loss) for the year from continuing operations		6,25,76,33,972	1,21,39,86,124
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		19,52,032	(1,41,82,680)
Income tax relating to items that will not be reclassified to profit or loss		(33,34,959)	49,55,995
Fair value of financial assets		91,80,703	(1,46,37,877)
Income tax relating to items that will be reclassified to profit or loss		(15,58,744)	70,72,481
Total Other Comprehensive Income, net of tax		62,39,032	(1,67,92,081)
Total Comprehensive Income for the period Comprising Profit/(Loss) and Other Comprehensive Income for the period)		6,26,38,73,004	1,19,71,94,043
Earnings per equity share [nominal value of share @ ₹ 10/- (31st March, 2020" ₹ 10)	27		
Basic		177.59	34.45
Diluted		177.59	34.45
Summary of significant accounting policies	2		

The accompanying notes are integral part of the financial statements.

As per our report of even date

For JDS & Co.
(ICAI Firm Reg. No.018400C)
Chartered Accountants

per OP Singhania
Partner
Membership No.051909



For and on behalf of the Board of Directors of Godawari Power & Ispat Limited

B.L.Agrawal
Managing Director
DIN: 00479747

Abhishek Agrawal
Executive Director
DIN: 02434507

Y.C.Rao
Company Secretary

Sanjay Bothra
CFO

Place : Raipur
Date : 25.05.2021

Godawari Power & Ispat Limited
Statement of Cash Flows for the year ended 31st March, 2021

	2021 ₹	2020 ₹
Cash Flow from operating activities		
Profit/(loss) before tax	9,05,72,82,443	1,97,64,16,083
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	96,48,76,267	91,59,85,344
Loss/(profit) on sale of property, plant & equipment	(2,41,49,193)	(62,56,648)
Loss/(profit) on sale of non-current investments	-	(5,21,277)
Employee benefits	2,48,52,869	1,47,10,324
Investment written off	1,00,000	-
Provision/Allowances for credit loss on debtors	7,67,32,497	(3,64,60,009)
Finance Cost	1,09,98,62,263	1,53,66,03,290
Interest Income	(1,70,77,888)	(2,17,04,387)
Exceptional items	(62,99,76,139)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	10,55,25,03,118	4,37,87,72,720
Movements in working capital :		
Increase/(decrease) in trade payables	66,02,97,655	(52,42,51,890)
Increase/(decrease) in other financial liabilities	16,85,24,314	(5,19,81,502)
Increase/(decrease) in other current liabilities	4,83,33,599	(7,05,35,498)
Increase/(decrease) in Other non-current financial liabilities	88,75,661	47,00,575
Decrease/(increase) in trade receivables	(1,18,42,82,139)	(28,59,98,065)
Decrease/(increase) in inventories	(52,22,63,668)	1,12,49,33,763
Decrease/(increase) in loans	-	14,00,000
Decrease/(increase) in other current assets	(43,64,18,874)	2,72,26,487
Decrease/(increase) in other non-current assets	1,03,33,072	(4,23,52,985)
Cash generated from/(used in) operations	9,30,59,02,739	4,56,19,13,605
Direct taxes paid (net of refunds)	(1,29,64,67,902)	(60,39,75,216)
Net Cash flows from/(used in) operating activities	A 8,00,94,34,836	3,95,79,38,389
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets and CWIP	(50,39,96,429)	(1,47,14,40,263)
Proceeds from sale of property, plant & equipment	13,86,63,189	1,06,69,600
Proceeds from sale of non-current investments	-	15,21,277
Proceeds from disposal of subsidiaries	87,01,72,800	-
Increase in non-current investments	(18,00,00,000)	-
Investments in bank deposits (having original maturity of more than three months)	(25,08,78,550)	-
Proceeds from bank deposits (having original maturity of more than three months)	-	11,92,86,977
Interest received	1,70,77,888	2,17,04,387
Net cash flows from/(used in) investing activities	B 9,10,38,898	(1,31,82,58,022)
Cash flows from financing activities		
Redemption of debenture	-	(32,19,00,000)
Repayment of long-term borrowings	(6,02,49,86,629)	(1,02,56,71,496)
(Repayment)/Proceeds of short-term borrowings (net)	(73,81,53,644)	25,16,51,558
Finance Cost	(1,09,98,62,263)	(1,53,66,03,290)
Dividends paid on equity shares	(17,61,81,235)	-
Net cash flows from/(used in) financing activities	C (8,03,91,83,771)	(2,63,25,23,228)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	6,12,89,963	71,57,138
Cash and Cash Equivalents at the beginning of the year	1,41,62,297	70,05,159
Cash and Cash Equivalents at the end of the year	7,54,52,260	1,41,62,297
Components of cash and cash equivalents		
Cash in hand	5,66,302	3,31,006
Deposits with original maturity of less than three months	1,13,00,000	-
With banks- on current account	6,35,85,957	1,38,31,291
	7,54,52,260	1,41,62,297

The Statement of Cash Flow has been prepared using Indirect method as per Ind AS 7.

As per our report of even date

For JDS & Co.
(ICAI Firm Reg. No.018400C)
Chartered Accountants

per OP Singhania
Partner
Membership No.051909



For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B.L. Agrawal
Managing Director
DIN: 00479747

Abhishek Agrawal
Executive Director
DIN: 02434507

Y.C. Rao
Company Secretary

Sanjay Bothra
CFO

Place : Raipur
Date : 25.05.2021

INDEPENDENT AUDITOR'S REPORT**To the Members of Godawari Power and Ispat Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **Godawari Power and Ispat Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Holding Company as at March 31, 2021, of consolidated profit (including total comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.



Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include consolidated financial statements and our auditors report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

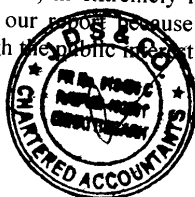
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore key audit matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.



Other Matters

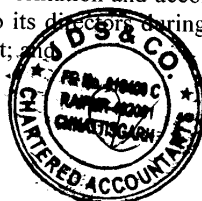
The consolidated financial statements also include the Group's share of net profit/(loss) of Rs. (48.19)lacs for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of one associates and two joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly ventures and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly ventures and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in with accordance with the provisions of Section 197 of the Act;



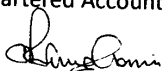
(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities- Refer Note 30 to the consolidated financial statements.
- ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For JDS & Co.

(Firm Regn. No.018400C)

Chartered Accountants



OP Singhania

Partner

Membership No. 051909



Raipur, 25th May, 2021

UDIN:21051909AAAAAQ4661

Annexure –‘A’ to the Independent Auditors’ Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Godawari Power & Ispat Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

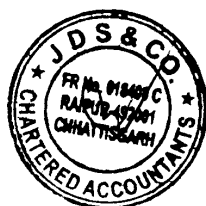
The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Control over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For JDS & Co.

(Firm Regn. No. 018400C)

Chartered Accountants



OP Singhania

Partner

Membership No. 051909



Raipur, 25th May, 2021

UDIN: 21051909AAAAAQ4661

Godawari Power & Ispat Limited			
Consolidated Balance sheet as at 31.03.2021			
Particulars	Note No	As at 31.03.2021 (Amount in ₹)	As at 31.03.2020 (Amount in ₹)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	19,198,491,382	21,646,198,784
(b) Capital work-in-progress	3	1,441,742,103	1,374,566,580
(c) Other intangible assets	4	929,326,294	1,046,897,781
(d) Investments in associates and joint ventures	5	2,734,688,138	1,115,784,176
(e) Financial assets			
- Investments	6	40,154,206	118,987,340
(f) Other non-current assets	7	112,866,756	180,577,022
		24,457,268,879	25,483,011,684
Current-assets			
(a) Inventories	8	5,036,746,391	5,574,016,373
(b) Financial assets			
(i) Trade Receivables	9	2,752,330,091	1,767,810,833
(ii) Cash and cash equivalents	10	85,948,283	22,508,803
(iii) Bank Balances other than cash and cash equivalents mentioned above	10	516,202,938	267,093,448
(iv) Other financial assets	11	178,357,900	178,357,900
(c) Current tax assets (net)		1,184,536	5,250,511
(d) Other current assets	7	1,707,503,249	1,516,973,105
		10,278,273,388	9,332,010,973
Total Assets		34,735,542,267	34,815,022,657
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12A	341,112,470	341,112,470
(b) Other equity	12B	20,014,808,967	13,437,252,449
Equity attributable to owners of the Company		20,355,921,437	13,778,364,919
Non-controlling interest		724,219,189	1,247,175,530
Total equity		21,080,140,626	15,025,540,449
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
- Borrowings	13	7,710,552,027	14,644,852,828
- Other non-current financial liabilities	14	29,544,379	20,668,719
(b) Provisions	15	142,763,062	135,961,595
(c) Deferred Tax Liabilities (net)	16	1,678,200,189	448,210,238
		9,561,059,657	15,249,693,380
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	813,859,024	1,603,875,180
(ii) Trade Payables	18		
- total outstanding dues of micro enterprises and small enterprises		8,510,185	2,761,923
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,953,383,284	1,779,753,391
(iii) Other Financial Liabilities	19	916,623,808	1,095,718,206
(b) Other current liabilities	20	97,255,656	49,544,892
(c) Provisions	15	7,982,012	8,135,236
(d) Current tax liabilities (net)		296,728,016	-
		4,094,341,984	4,539,788,828
Total Equity and Liabilities		34,735,542,267	34,815,022,657
Summary of significant accounting policies			
2			

The accompanying notes are integral part of the financial statements.

As per our report of even date

For JDS & Co.

(Firm Regn.No.018400C)

Chartered Accountants

per OP Singhania

Partner

Membership No.051909

Place : Raipur

Date : 25.05.2021



For and on behalf of the Board of Directors of

Godawari Power & Ispat Limited,

B.L. Agrawal
Managing Director
DIN : 00479747

Abhishek Agrawal
Director
DIN : 02434507

Y.C.Rao
Company Secretary

Sanjay Bothra
CFO

Godawari Power & Ispat Limited
Consolidated Statement of Profit and Loss for the year ended 31 March, 2021

	Notes	2020-21 (Amount in ₹)	2019-20 (Amount in ₹)
INCOME			
Revenue from operations	21	40,719,184,439	32,885,259,080
Other Income	22	40,373,580	46,545,324
TOTAL REVENUE (I)		40,759,558,019	32,931,804,404
EXPENSES			
Cost of materials consumed	23	17,998,596,469	16,814,921,541
Purchases of Stock-in-Trade		746,732,398	880,766,341
Changes in Inventories of Work in Progress, Stock in Trade and Finished Goods	24	(269,261,535)	449,114,005
Employees benefits expense	25	1,428,023,529	1,304,176,409
Finance costs	26	1,539,417,354	2,119,341,353
Depreciation and amortization expense	27	1,384,512,931	1,368,980,614
Other Expenses	28	8,526,137,411	7,193,756,483
TOTAL EXPENSES (II)		31,354,158,558	30,131,056,746
Profit/(loss) before share of associates & joint ventures, exceptional items and tax		9,405,399,461	2,800,747,658
Add: Share of profit/(loss) of associates and Joint Ventures, net of tax		300,266,410	28,068,561
Profit/(loss) before exceptional items and tax		9,705,665,870	2,828,816,219
Exceptional items (refer note - 31)		-	102,848,966
Profit/(loss) before tax		9,705,665,870	2,725,967,254
Tax expenses			
Current tax		1,757,864,072	495,225,073
Deferred Tax		1,402,673,369	458,376,930
Total tax expenses		3,160,537,441	953,602,003
Profit/(loss) for the year		6,545,128,429	1,772,365,250
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements gains/(losses) on defined benefit plans		495,652	(16,928,930)
Share of other comprehensive income in associates and Joint Ventures to the extent not to be classified into profit or loss		1,805,344	(126,677)
Income tax relating to items that will not be reclassified to profit or loss		(3,408,532)	5,735,347
		(1,107,536)	(11,320,260)
Fair value of financial assets		(1,692,742)	(35,814,111)
Share of other comprehensive income in associates and Joint Ventures to the extent to be classified into profit or loss		359,371,954	(76,705,186)
Income tax relating to items that will be reclassified to profit or loss		(9,621,931)	12,551,740
		348,057,281	(99,967,557)
Total Comprehensive Income for the period Comprising Profit/(Loss) and Other Comprehensive Income for the period)		6,892,078,174	1,661,077,433
Profit/(loss) attributable to:			
Equity holders of the parents		6,383,874,546	1,667,750,936
Non-controlling interests		161,253,884	104,614,314
		6,545,128,429	1,772,365,250
Other Comprehensive Income attributable to:			
Equity holders of the parents		348,506,278	(107,733,040)
Non-controlling interests		(1,556,534)	(3,554,777)
		346,949,745	(111,287,817)
Total Comprehensive Income attributable to:			
Equity holders of the parents		6,732,380,824	1,560,017,896
Non-controlling interests		159,697,350	101,059,538
		6,892,078,174	1,661,077,433
Earnings per equity share [nominal value of share @ ₹ 10/- (31st March, 2020" ₹ 10)]	29		
Basic		181.17	47.33
Diluted		181.17	47.33

Summary of significant accounting policies

2

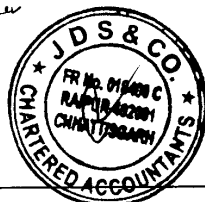
The accompanying notes are integral part of the financial statements.

As per our report of even date

For JDS & Co.
(Firm Regn.No.018400C)
Chartered Accountants

per OP Singhania
Partner
Membership No.051909

Place : Raipur
Date : 25.05.2021



For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B.L. Agrawal
Managing Director
DIN: 00479747

Y.C.Rao
Company Secretary

Abhishek Agrawal
Director
DIN: 02434507

Sanjay Botfira
CFO

Godawari Power & Ispat Limited
Consolidated Statement of Cash Flows for the year ended 31 March, 2021

	2021 (Amount in ₹)	2020 (Amount in ₹)
Cash Flow from operating activities		
Profit/(loss) before share of associates & joint ventures and tax	9,405,399,461	2,800,747,658
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	1,384,512,931	1,368,980,614
Loss/(profit) on sale of property, plant & equipment	(5,396,051)	(13,211,758)
Loss/(profit) on sale of non current investment	-	(521,277)
Provision for employee benefits	24,927,557	17,138,521
Investment written off	100,000	-
Provision/Allowances for credit loss on debtors	76,732,497	(39,756,050)
Finance costs	1,539,417,354	2,119,341,353
Interest Income	(24,190,995)	(32,406,301)
Exceptional items	-	(102,848,966)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	12,401,502,754	6,117,463,793
Movements in working capital :		
Increase/(decrease) in trade payables	655,617,618	(247,162,374)
Increase/(decrease) in other financial liabilities	170,871,871	11,240,078
Increase/(decrease) in other current liabilities	48,345,199	(81,408,479)
Increase/(decrease) in Other non-current financial liabilities	8,875,661	4,700,575
Decrease/(increase) in trade receivables	(1,176,376,553)	(237,838,412)
Decrease/(increase) in inventories	(531,095,333)	590,278,919
Decrease/(increase) in other financial assets	-	51,284,870
Decrease/(increase) in other current assets	(434,187,524)	36,297,515
Decrease/(increase) in other non-current assets	12,300,942	(29,730,961)
Cash generated from/(used in) operations	11,155,854,636	6,215,125,523
Direct taxes paid (net of refunds)	(1,468,047,765)	(706,862,958)
Net Cash flow from/(used in) operating activities	A 9,687,806,871	5,508,262,565
Cash flows from investing activities		
Purchase of PPE, including intangible assets and CWIP	(515,438,519)	(1,657,614,494)
Proceeds from sale of property, plant & equipment	119,910,047	24,134,299
Proceeds from sale of non-current other investments	-	1,521,277
Proceeds/(investment) from/in bank deposits (having original maturity of more than three months)	(250,878,550)	98,327,308
Interest received	24,190,995	32,406,301
Net cash flow from/(used in) investing activities	B (622,216,027)	(1,501,225,309)
Cash flows from financing activities		
Redemption of debenture	-	(321,900,000)
Repayment of long-term borrowings	(6,521,054,943)	(1,777,224,793)
Proceeds/(Repayment) of short-term borrowings (net)	(764,598,431)	210,794,847
Finance costs	(1,539,417,354)	(2,119,341,353)
Dividend paid	(176,181,235)	-
Net cash flow from/(used in) financing activities	C (9,001,251,963)	(4,007,671,299)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	64,338,881	(634,043)
Cash and Cash Equivalents at the beginning of the year	21,609,402	23,142,845
Cash and Cash Equivalents at the end of the year (refer note-13)	85,948,283	22,508,803
Components of cash and cash equivalents		
Cash in hand	639,726	636,107
Stamp in hand	123,110	123,110
Balances with banks:		
On current accounts	73,885,447	21,749,586
Deposits with original maturity of less than 3 months	11,300,000	-
	85,948,283	22,508,803

The Statement of Cash Flow has been prepared using Indirect method as per Ind AS 7.

As per our report of even date
For JDS & Co.
(Firm Regn.No.018400C)
Chartered Accountants

per OP Singhania
Partner
Membership No.051909

Place : Raipur
Date : 25.05.2021



For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B.L.Agrawal
Managing Director
DIN: 00479747

Abhishek Agrawal
Director
DIN : 02434507

Y.C.Rao
Company Secretary

Sanjay Bothra -
CFO

JDS & Co

CHARTERED ACCOUNTANTS

6-CENTRAL AVENUE, CHOUBE COLONY,

RAIPUR - 492001 (C.G.),

PHONE: 0771 -4041236; 4061216;

E-mail : jdsoraipur@gmail.com

Independent Auditor's Report**To the Members of Jagdamba Power and Alloys Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **Jagdamba Power and Alloys Limited** ('the Company'), which comprise the balance sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

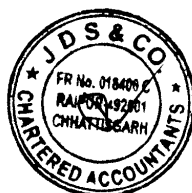
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report but does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

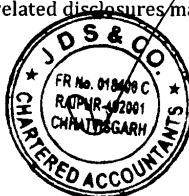
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

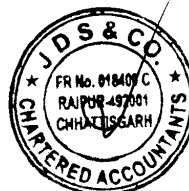
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

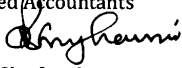
Report on Other Legal and Regulatory Requirements

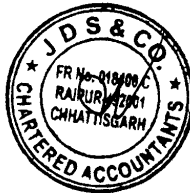
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in with accordance with the provisions of Section 197 of the Act; and
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **JDS & Co**
(ICAI Firm Regn. No.018400C)
Chartered Accountants


per **OP Singhania**
Partner
Membership No.051909



Raipur, 20th May, 2021

UDIN: 21051909AAAAAR2090

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
- (b) As explained to us, the property, plant & equipment have been physically verified by the management at reasonable intervals, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant & equipment to the financial statements, are held in the name of the Company.
- (ii) As explained to us, the physical verification of inventories have been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act during the year, therefore, the provisions of (iii) (a) to (c) of clause 3 of the Order is not applicable to the company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the company has not taken any deposits from public within the meaning of section 73, 74, 75 and 76 of the Act and Rules framed there under to the extent notified; therefore, the provisions of clause 3 (v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.

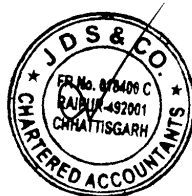


- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & services tax, cess and any other statutory dues with the appropriate authorities though there was delay in some cases. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, goods & services tax, excise duty and cess which have not been deposited on account of any dispute other than the following-

Name of the Statute	Nature of Dues	Amount Rs. In lacs	Forum where dispute is pending
Central Excise Act, 1944	Demand raised on account of denial of Cenvat Credit availed on Capital goods during July 2008 to March 2013 and equal penalty imposed.	1027.40	High Court, Bilaspur
Income Tax Act, 1961	Income tax demand for the A.Y. 2016-17	45.50*	Commissioner of Income Tax (Appeal), Raipur

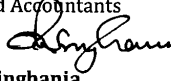
- Net of deposit.

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The Company has not issued any debentures.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order is not applicable to the company.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3 (x) of the Order is not applicable to the company.
- (xi) The Company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3 (xii) of the Order is not applicable to the company.



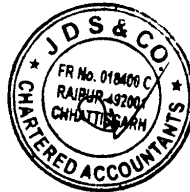
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- .. (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3 (xiv) of the Order is not applicable to the company.
- .. (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause 3 (xv) of the Order is not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3 (xvi) of the Order is not applicable to the company.

For **JDS & Co**
(ICAI Firm Regn. No.018400C)
Chartered Accountants


per **OP Singhania**
Partner
Membership No.051909

Raipur, 20th May, 2021

UDIN: : 21051909AAAAAR2090



Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Jagdamba Power & Alloys Limited** (the "Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

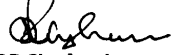
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

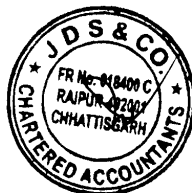
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **JDS & Co**
(ICAI Firm Regn. No.018400C)
Chartered Accountants


per **OP Singhania**
Partner
Membership No.051909

Raipur, 20th May, 2021

UDIN: : 21051909AAAAAR2090



JAGDAMBA POWER & ALLOYS LIMITED
Balance Sheet as at 31st March, 2021

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
		₹	₹
ASSETS			
(1) Non -current assets			
(a) Property, Plant and Equipment	3	172,113,586	195,758,700
(b) Capital work-in-progress		3,273,673	4,196,572
(c) Financial assets			
(i) Investments	4	281,745,900	1,877,838
(ii) Loans	5	331,655,430	383,407,806
(iii) Other Financial Asset	6	31,485,771	29,806,694
(d) Deferred tax assets (net)	7	9,675,169	20,088,497
(e) Other non-current assets	8	2,833,754	2,833,754
		832,783,283	637,969,861
(2) Current-assets			
(a) Inventories	9	22,408,934	92,435,873
(b) Financial assets			
(i) Trade Recievables	10	1,209,594	5,239,823
(ii) Bank, Cash and cash equivalents	11	852,800	1,005,643
(c) Current tax assets(Net)		6,323,039	214,285
(d) Other current assets	8	59,943,819	93,535,800
		90,738,185	192,431,424
Total Assets		923,521,469	830,401,285
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	76,697,000	76,697,000
(b) Other equity		711,687,110	660,954,721
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
- Borrowings	13	19,935,614	20,104,875
(b) Provisions	14	1,936,371	1,258,599
(2) Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables			
' - total outstanding dues of micro enterprises and small enterprises	15	-	-
' - total outstanding dues of creditors other than micro enterprises and small enterprises	15	21,572,493	28,698,676
(ii) Other Financial Liabilities	16	19,063,239	11,093,250
(b) Other current liabilities	17	72,505,949	31,516,690
(c) Provisions	14	123,693	77,474
Total Equity and Liabilities		923,521,469	830,401,285

SIGNIFICANT ACCOUNTING POLICIES

2.1

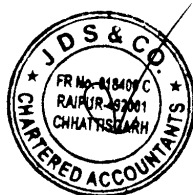
The accompanying notes are integral part of the financial statements.
As per our report of even date.

For JDS & Co

(ICAI Firm Reg. No.018400C)
Chartered Accountants

Per OPSinghania
Partner
Membership No.051909

Place : Raipur
Date : 20.05.2021



For and on behalf of the Board of Directors of Jagdamba Power & Alloys Limited

Alok Agrawal
Managing Director

Arun Poddar
Director

Shweta Sharma
Company Secretary

M Chandra Mohan Rao
CFO

JAGDAMBA POWER & ALLOYS LIMITED**Statement of Profit & Loss for the year ended 31st March, 2021**

	Notes	31.03.2021 ₹	31.03.2020 ₹
INCOME			
Revenue from operations	18	638,239,835	531,043,363
Other Income	19	38,411,352	35,980,167
TOTAL REVENUE (I)		676,651,187	567,023,530
EXPENDITURE			
Cost of raw material and component consumed	20	469,349,608	341,528,671
(Increase)/Decrease in stock of finished goods	21	-	1,288,612
Employee benefits expense	22	35,368,458	31,733,311
Finance costs	23	738,129	468,922
Depreciation expense	24	22,103,304	19,934,550
Other Expenses	25	77,099,368	87,345,445
TOTAL EXPENDITURE (II)		604,658,867	482,299,511
Profit/(loss) before Exceptional Items and tax		71,992,320	84,724,019
Less: Exceptional Items		-	55,328,021
Profit/(loss) before tax		71,992,320	29,395,998
Tax expenses			
Current tax		10,755,296	3,315,319
Deferred Tax		10,422,448	1,704,523
Total tax expenses		21,177,744	5,019,843
Profit/(loss) for the year		50,814,576	24,376,155
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gain/(loss) on defined benefit plans, Gross		140,631	71,609
Income tax relating to items that will not be reclassified to profit or loss		(39,124)	(19,922)
Fair value of financial assets, Gross		(231,938)	-
Income tax relating to items that will be reclassified to profit or loss		48,243	-
Total Comprehensive Income for the year		50,732,389	24,427,843
Earnings per equity share [nominal value of share @ ₹ 10/- (31st March,2020" ₹ 10/-)]	26		
Basic		6.63	3.18
Diluted		6.63	3.18

SIGNIFICANT ACCOUNTING POLICIES

2.1

The accompanying notes are integral part of the financial statements.

As per our report of even date

For JDS & Co

(ICAI Firm Reg. No.018400C)

Chartered Accountants

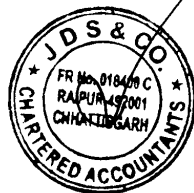
Per OPSinghania

Partner

Membership No.051909

Place : Raipur

Date : 20.05.2021

**For and on behalf of the Board of Directors of Jagdamba Power & Alloys Limited**Alok Agrawal
Managing DirectorShweta Sharma
Company SecretaryArun Poddar
DirectorM Chandra Mohan Rao
CFO

JAGDAMBA POWER & ALLOYS LIMITED
Cash Flow Statement for the year ended 31st March, 2021

	2021 ₹	2020 ₹
Cash Flow from operating activities		
Profit/(loss) before exceptional items and tax	71,992,320	84,724,019
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation	22,103,304	19,934,550
Provision for Gratuity	387,102	323,602
Provision for Leave encashment	477,520	145,618
Profit on sale of Property, Plant & Equipment	(159,437)	-
Written of Capital Work-in-Progress	922,900	-
Finance cost	738,129	468,922
Exceptional items	-	(55,328,021)
Interest Income	(32,942,082)	(33,828,731)
Changes in assets and liabilities		
Trade payables	(7,126,183)	(845,675)
Other current liabilities	40,989,259	(76,672,708)
Other Financial liabilities	7,969,989	(1,490,310)
Trade receivables	4,030,229	(5,239,823)
Inventories	70,026,939	52,693,569
Other non-current assets	-	(5,000)
Other non-current Financial Liabilities	(1,679,077)	(1,761,424)
Other current assets	33,591,981	58,295,705
Long-term loans and advances	51,752,376	(27,968,186)
Cash generated from/(used in) operations	263,075,269	13,446,107
Income Tax Paid	(16,864,050)	2,207,782
Net Cash flow from/(used in) operating activities	A 246,211,219	15,653,889
Cash flows from investing activities		
(Increase)/decrease in PPE including Capital WIP	(148,754)	(40,258,842)
Sale proceeds of Property, Plant & Equipment	1,850,000	-
(Increase)/Decrease in Non Current Investment	(280,100,000)	-
Interest received	32,942,082	33,828,731
Net cash flow from/(used in) investing activities	B (245,456,672)	(6,430,111)
Cash flows from financing activities		
Proceeds / (Repayment) of long-term borrowings	(169,262)	(14,146,417)
Interest paid	(738,129)	(468,922)
Net cash flow from/(used in) financing activities	C (907,390)	(14,615,339)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(152,843)	(5,391,561)
Cash and Cash Equivalents at the beginning of the year	1,005,643	6,397,204
Cash and Cash Equivalents at the end of the year	852,800	1,005,643

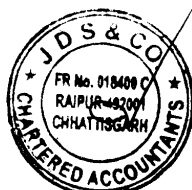
Notes:

(a)	Cash and cash equivalent include the following :		
	Cash in hand	61,750	109,024
	With banks- on Deposits account	1,417,554	1,342,932
	- on current account	723,535	66,198
		2,202,839	1,518,154
	Less: Over draft facility	1,350,040	512,511
		852,800	1,005,643
(b)	Figures in brackets represent outflows.		

As per our report of even date

For JDS & Co
 (ICAI Firm Reg. No.018400C)
 Chartered Accountants

Per OPSinghania
 Partner
 Membership No.051909



Place : Raipur
 Date : 20.05.2021

For and on behalf of the Board of Directors of
 Jagdamba Power & Alloys Limited

Alok Agrawal
 Managing Director

Arun Poddar
 Director

Shweta Sharma
 Company Secretary

M Chandra Mohan Rao
 CFO



Saffron Capital Advisors Private Limited
 605, 6th Floor, Centre Point, Andheri Kurla Road
 J.B. Nagar, Andheri (East), Mumbai – 400 059
 Tel.: +91 22 40820912 | Fax: +91 22 4082 0999
 Email: info@saffronadvisor.com
 Website: www.saffronadvisor.com
 CIN: U67120MH2007PTC166711

July 30, 2021

To,
The Board of Directors
Godawari Power and Ispat Limited
 Plot No.428/2, Phase- 1 Industrial Area,
 Siltara Raipur, Chhattisgarh - 492001

To,
The Board of Directors
Jagdamba Power and Alloys Limited
 Hira Arcade, Hira Group of Company,
 New Bus Stand, Raipur, Chhattisgarh - 492001

Reg: Proposed Scheme of Arrangement between Jagdamba Power and Alloys Limited ("JPAL") and Godawari Power and Ispat Limited ("GPIL") and their respective shareholders under section 230 to 232 of the Companies Act, 2013.

Dear Sir (s),

- We have been appointed by GPIL to certify the accuracy and adequacy of the disclosures made by JPAL in its Abridged Prospectus dated July 30, 2021 pursuant to SEBI Circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular") in accordance with SEBI (ICDR) Regulations, 2018 for the proposed Scheme of Arrangement.
- We have examined various documents of JPAL *inter alia* relating to financial information (Annual Results), secretarial filing, ROC documents, and other material documents in connection with the information mentioned in the Abridged Prospectus;
- Based on the copy of board resolution dated July 30, 2021 approving the Abridged Prospectus, Examination of various documents, Affirmations, Undertakings and Representations given by JPAL in regard to the disclosures made in the Abridged Prospectus and the discussions held with JPAL, its directors and its employees, we hereby, certify that the disclosures made by JPAL in the Abridged Prospectus are adequate and accurate to the best of our knowledge.
- The above conformation is based upon the information furnished and explanations provided to us by the management of the JPAL & GPIL assuming the same is complete and accurate in all aspects on an as is basis. We have relied upon the financials, informations and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any financial information referred in the Abridged Prospectus. This certificate is a specific purpose certificate issued in terms of SEBI Circular and hence it should not be used for any other purpose or transaction.

Yours truly,

Abhijit Diwan
 Sr. Vice President



IN THE NATURE OF ABRIDGED PROSPECTUS CONTAINING SALIENT FEATURES OF THE SCHEME OF ARRANGEMENT BETWEEN JAGDAMBA POWER AND ALLOYS LIMITED (HEREINAFTER REFERRED TO AS THE "DEMERGED COMPANY" OR "JPAL" OR COMPANY) AND GODAWARI POWER AND ISPAT LIMITED (HEREINAFTER REFERRED TO AS THE "RESULTING COMPANY" OR "GPIL") AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013 (HEREINAFTER REFERRED TO AS THE "SCHEME").

THIS ABRIDGED PROSPECTUS IS PREPARED IN TERMS OF PARA 3(A) OF PART I (A) OF SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017

THIS ABRIDGED PROSPECTUS CONSISTS OF 09 (PAGES). PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

THIS DOCUMENT DATED JULY 30, 2021 SHOULD BE READ TOGETHER WITH THE SCHEME AND THE NOTICE TO THE SHAREHOLDERS OF GPIL

JAGDAMBA POWER AND ALLOYS LIMITED

Registered Office and Corporate Office: Hira Arcade, Hira Group of Company, New Bus Stand, Raipur C.G.492 001, Chhattisgarh, India.

Contact Person: Shweta Sharma, Company Secretary and Compliance Officer of Company

Telephone: 0771-4082785; **Email:** shweta.sharma@jpal.co.in; **Website:** www.hiragroup.com

Corporate Identity Number: U27104CT1999PLC013744

NAMES OF PROMOTER OF OUR COMPANY

1. Alok Agrawal
2. Amit Agrawal
3. Sagar Energy and Steels Private Limited
4. Amit Agrawal (HUF)
5. Richa Agrawal
6. Nisha Agrawal

SCHEME DETAILS, LISTING AND PROCEDURE

The Scheme is pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 ("Act"), as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the Income Tax Act, for the demerger of the Power Business Undertaking (hereinafter referred as "Demerged Undertaking") of Demerged Company into the Resulting Company on a going concern basis. Upon the Scheme becoming effective and with effect from the demerger appointed date, the Demerged Undertaking of the Demerged Company shall stand demerged and be transferred to and vested in the Resulting Company on a going concern basis without any further act or deed so as to become as and from the demerger appointed date all assets, rights, title, licenses, interest and investments of Demerged Company in relation to Demerged Undertaking shall vest into Resulting Company.

Further, on demerger, the Resulting Company shall issue and allot such number of equity shares to the shareholders of the Demerged Company as held by them on demerger record date.

For further details, please refer the Scheme.

ISSUE DETAILS, LISTING AND PROCEDURE

Not applicable



ELIGIBILITY FOR THE ISSUE

Not applicable

INDICATIVE TIMEABLE

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from relevant regulatory authorities.

GENERAL RISKS

Not applicable as the offer is not for public at large. Specific attention of the investors is invited to the section "Internal Risk Factors" at page 7 of this Abridged Prospectus.

PRICE INFORMATION OF BRLM'S

Not Applicable

DETAILS OF MERCHANT BANKER AND STATUTORY AUDITOR*Merchant Banker*

<i>Name</i>	<i>Saffron Capital Advisors Private Limited</i>
<i>Address</i>	605, 6 th Floor, Centre Point, Andheri Kurla Road, JB Nagar, Andheri (East), Mumbai -400059.
<i>Tel</i>	022-40820906
<i>Contact person</i>	Varsha Gandhi
<i>Email</i>	varsha@saffronadvisor.com
<i>SEBI Registration Number</i>	INM000011211

Statutory Auditor of the Company

<i>Name</i>	<i>JDS & CO.</i>
<i>Address</i>	6- Central Avenue, Choube Colony, Raipur, C.G. 492001
<i>Tel</i>	0771- 4041236/4061216
<i>Fax</i>	Not available
<i>Contact person</i>	O.P. Singhania
<i>Email</i>	jdscoraipur@gmail.com
<i>Website</i>	Not available
<i>Firm Registration Number</i>	018400C

<i>Registrar</i>	<i>Not Applicable</i>
<i>Syndicate Members</i>	
<i>Credit Rating Agency</i>	
<i>Debenture Trustee</i>	
<i>Self- Certified Syndicate Banks</i>	
<i>Non- Syndicate Registered Brokers</i>	



PROMOTERS OF ISSUER COMPANY

1. **Alok Agrawal** –Alok Agrawal, aged 43 years is the Promoter and Managing Director of our Company. He currently holds 23,33,000 Equity Shares representing 30.42% of the paid up capital of our Company. He has an overall experience of 19 years in handling operations and management of steel and power division. At present he is also a director in Alok Realty Private Limited, Him Sagar Minerals Private Limited, Jatex Fab Tech Private Limited, Alok Alloys Private Limited, Sagar Energy and Steels Private Limited, Jagdamba Realcon Private Limited, Jagdamba Calcination Private Limited, Kharun Food Products Private Limited, Varda Energy & Engineering Private Limited and Mahanadi Food Processing Private Limited. He is an Individual Partner in Shree Jagdamba Energy LLP and Designated Partner in Jatex Fab LLP.
2. **Amit Agrawal** –Amit Agrawal, aged 46 years is a member of Promoter and Promoter Group of our Company. He currently holds 17,91,400 Equity Shares representing 23.36% of the paid up capital of our Company and has an overall experience of 20 years in steel business. Presently, he is also a Whole Time Director in Hira Steels Limited. He is the elder brother of Alok Agrawal.
3. **Richa Agrawal** –Richa Agrawal, aged 41 years is a member of Promoter and Promoter Group of our Company. She currently holds 100 Equity Shares representing 0.001% of the paid up capital of our Company. Richa Agrawal is the spouse of Alok Agrawal
4. **Nisha Agrawal** –Nisha Agrawal, aged 43 years is a member of Promoter and Promoter Group of our Company. She currently holds 100 Equity Shares representing 0.001% of the paid up capital of our Company. Nisha Agrawal is the spouse of Amit Agrawal.
5. **Amit Agrawal HUF** – Amit Agrawal HUF was formed as a HUF on November 29, 1974 with its office at 5 Sushila, Park Street, Chobey Colony, Raipur, Chhattisgarh – 492 001. Amit Agrawal HUF is a member of Promoter and Promoter Group of our Company and currently holds 100 Equity Shares representing 0.001% of the paid up capital of our Company. Amit Agrawal is the Karta of HUF. The other members of HUF are Nisha Agrawal, Eshanya Agrawal and Enaya Agrawal.
6. **Sagar Energy and Steels Private Limited** – Sagar Energy and Steels Private Limited is a member of Promoter and Promoter Group of our Company. It currently holds 9,40,000 Equity Shares representing 12.26% of the paid up capital of our Company. It was incorporated as “Sagar Energy and Steels Limited” on November 10, 2004 under Companies Act, 1956. Subsequently, the Company was converted into private company and the name of the company was changed to “Sagar Energy and Steels Private Limited” vide fresh certificate of incorporation dated November 04, 2019. The corporate identity number of the company is U31102CT2004PTC017093. As per the memorandum and articles, the Company is engaged in the business of power and steel.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Our Company is authorized by its Memorandum of Association to carry on the following business:-

- a. To produce, generate, transmit, transform, store, utilize, Electrical Energy, Thermal Energy, Bio Energy, Solar Energy, Hydro Power, Bio Power, Bio Gas, Producer gas, Coal gas, Natural gas, Hydrogen gas, Gobar Gas, Oxygen gas, Nitrogen gas, Fuel gas, Coal gasified gas, , Steam, Water Gas, Methane Gas, Petroleum Gas, RLH Gas and fuel gases, and electricity; necessary for the purposes of the business of the company and to buy or sell, M.P.E.B.; N.T.O.C; National Grid, Industries, Govt. or/ and Private Consumers; resulting from the process or ancillary to such Generation, production and making of Electricity, Energy, Gases and if required to convert the generated bye-products, wastes, effluent and emissions into saleable materials like Coke, Ash, Bricks, Char, Briquettes, Charcoal, Carbolic Acids, Gypsum and other chemicals or distilled products and bye-products and to otherwise deal with and dispose of the same and to carry out steps incidental



or required in respect of the same and to produce, extract, prepare, manufacture, purchase, utilize, refine or turn to account carbon, graphite, synthetic or natural coal, petroleum substances in all their various forms and derivatives and their products, by-products and ancillary products.

- b. To carry on in India or elsewhere the business of manufacturing, producing, altering, converting, processing, treating, improving, manipulating, extruding, milling, sliding, cutting, casting, forging, rolling and re-rolling of all shapes, sizes, varieties, specifications, dimensions, descriptions and strength of iron and steel products including bars, rods, structures, profiles, pipes, sheets, castings, wires, rolling metals, girders, channels, angles, rods, ingots, flats, slabs, torsteels, bright bars, shaftings, beams, rounds, squares, hexagons, octagons, foils, joints, crane parts, furnace parts, deformed bars, their products, by-products and allied materials, goods, articles and things made of all grades of iron steel, alloy steel, special steel, sponge iron, pig iron, wrought iron or any combination thereof with any other ferrous or non-ferrous materials and to act as agent, broker, distributors, stockiest, importer, exporter, buyer, seller, job worker, converter, consultant, supplier, vendor or otherwise.

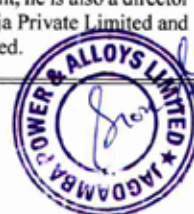
The business strategy of our company is briefly as follows:-

Post demerger of Power Business Undertaking, the company will carry its operations with finance business and transportation business. The business strategies of our company are as follows:

- To improve and expand its area of operations in Logistic Business.
- To explore new business opportunities in Steel Sector
- To continue with its financing and investment activities.

BOARD OF DIRECTORS

Sr. No	Name	Designation (Independent/ Wholtime/ Executive/ Nominee)	Experience including current/ past position held in other firms
1.	Alok Agrawal	Managing Director	Alok Agrawal, aged 43 years is the Promoter and Managing Director of our Company. He has an overall experience of 19 years in handling operations and management of steel and power division. At present he is also a director in Alok Realty Private Limited, Him Sagar Minerals Private Limited, Jatex Fab Tech Private Limited, Alok Alloys Private Limited, Sagar Energy and Steels Private Limited Jagdamba Realcon Private Limited Jagdamba Calculation Private Limited, Kharun Food Products Private Limited, Mahanadi Food Processing Private Limited and Varda Energy & Engineering Private Limited. He is an Individual Partner in Shree Jagdamba Energy LLP and Designated Partner in Jatex Fab LLP.
2.	Arun Poddar	Whole Time Director	Arun Poddar, aged 52 years is designated as Whole Time Director of our company with effect from August 01, 2019. He has 16 years of experience in the field of plant operations, dealing with regulatory and trading matters, relating to Power vertical. At present, he is also a director in Hira Steels Limited, Vrajesh Urja Private Limited and Manikarnika Energy Private Limited.



3.	Niket Khandelwal	Non-Executive Director	Mr. Niket Khandelwal, aged 49 years is a Non-Executive Director of our company. He has been associated with the Hira group for 14 years in various capacities. He has experience in the field of insurance and legal matters. He is also a Director in System Two Online Solutions Private Limited and an Independent Director in Hira Steel Limited and Godawari Energy Limited.
----	------------------	------------------------	---

OBJECTS OF THE ISSUE

Rationale for demerger of Power Business Undertaking of the Demerged Company into Resulting Company

The demerger of Power Business Undertaking of the Demerged Company into Resulting Company would inter alia have the following benefits:

- With the complete integration of the Demerged Undertaking with Resulting Company, the captive power generation capacity of the Resulting Company will stand enhanced to 98 MW and thereby availability of much needed additional 25MW of power capacity, to meet the shortfall of electricity requirement of Resulting Company, assuring uninterrupted power supply to its steel making units at competitive cost, leading to increase in capacity utilisation of its steel melting plant and cost savings through operating leverage. It is pertinent to mention that no fresh coal based power generation capacity addition is allowed in the plant location of Resulting Company on account of environmental and pollution restriction and therefore the 25 MW power generation plant of Demerged Company is much required for smooth and efficient operations of the Steel Business Resulting Company.
- The Demerged Company currently has business interest in diverse businesses such as Electricity, Investment & Financing activities and other allied activities. With a view to achieve greater management focus in other business activities, Demerged Company proposes to demerge its business interest in the Demerged Undertaking and vest the same in the Resulting Company.
- Integration would result in maximising overall shareholder value, improvising the competitive position and enabling to unlock the economic value of both the entities.

For further details, please refer the Scheme.

Details of means of finance

Not Applicable

Details and reasons for non – deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ right issues, if any, of the Company in the preceding 10 years.

Not Applicable since the Company has not come out with any public issue since incorporation.

Name of the monitoring agency, if any

Not Applicable

Terms of Issuance of Convertible Security, if any

Not Applicable



SHAREHOLDING PATTERN

Sr. No	Particulars	Pre Issue number of shares	% Holding of Pre Issue
1	Promoter & Promoter Group	50,64,700	66.04%
2	Public	26,05,000	33.96%
	Total	76,69,700	100.00

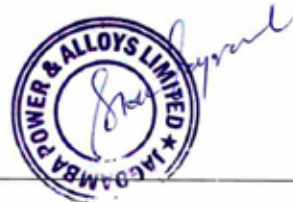
Number/ amount of equity shares proposed to be sold by selling shareholders – if any
Not Applicable

RESTATED AUDITED FINANCIALS

Standalone

(Amount in Rs. Lacs)

Particulars	Latest stub period June 30, 2021	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Revenue from operations	1,847.46	6,382.40	5,310.43	3,172.69	97.61	-
Other Income	81.3	384.11	359.80	344.67	511.20	509.16
Total Income	1,982.77	6,766.51	5,670.23	3,517.36	608.81	509.16
Net Profit/(loss) before tax and extraordinary items	120.89	719.92	847.24	18.30	165.13	(11.98)
Net Profit/(loss) after tax and extraordinary items	38.79	508.15	243.76	19.52	97.43	(13.14)
Equity Share Capital	766.97	766.97	766.97	766.97	766.97	999.57
Reserves & Surplus	7,156.11	7,116.87	6,609.54	6,365.27	6,344.06	8,407.99
Net Worth	7,923.08	7883.84	7,376.51	7,132.24	7,111.03	9,407.57
Basic earnings per share (Rs.)	0.51	6.63	3.18	0.25	1.27	(0.13)
Diluted earnings per share (Rs.)	0.51	6.63	3.18	0.25	1.27	(0.13)
Return on net worth (%)	0.49	6.45	3.30	0.27	1.37	(0.14)
Net asset value per share (Rs.)	103.30	102.79	96.18	93.00	92.72	94.12



INTERNAL RISK FACTORS

The below mentioned are the top 5 risk factors:-

- 1) *Any change in existing government policies, regulatory framework, regulations and accounting policies could adversely affect our business and results of operations.*

We are subject to various Indian Laws, regulations and accounting policies which are applicable to our business operations. Any change in the requirements of law, regulations and accounting policies could restrict our operations, require the expenditure of significant funds to bring us into compliance, could affect the profitability of our company or its future financial performance by requiring restructuring of its activities or otherwise.

- 2) *Our Company's Board has approved a scheme of arrangement under section 230-232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 which is subject to sanction and approval by NCLT and other appropriate authorities.*

Our Company's Board has approved a scheme of arrangement under section 230-232 of the Companies Act, 2013 of the Companies Act, 2013 and the rules made thereunder which is subject to sanction and approval by NCLT and other appropriate authorities as referred in the Scheme. In case, if the scheme is not sanctioned by NCLT or such other appropriate authority, or for any reason the scheme cannot be implemented, then the Board of Directors of the Resulting Company and our company shall mutually waive/incorporate such conditions as they may consider appropriate to give effect to the scheme and failing such mutual agreement, the scheme shall become null and void and our company will be at a risk to bear necessary expenses, costs and charges in connection with the scheme.

- 3) *Shutdown of Power Plant of our Company have an adverse effect on our Company's result of operations and financial condition.*

The management of our Company had decided to shut down the power plant in May 2014 as the selling price per unit of power was unviable and uneconomical. The power plant was restarted in the month of August 2018 as the Resulting Company desired to utilize the power generated at its existing integrated steel plant and is operational till date. The Company cannot assure that such shut-down may not occur again, due to economic or other considerations. In case of such shut down of the power plant, it may have an adverse effect on our company's result of operations and financial condition.

- 4) *Our Company is involved in certain litigations/ disputes and any adverse decision in such proceedings may have negative impact on the financial condition.*

Our Company is involved in certain civil litigations, wherein we can give no assurance that these litigations will be decided in favour of our company. Any adverse outcome in any or all proceedings may have negative effect on our business, results of operations and financial conditions.

- 5) *We have entered into certain related party transactions.*

Our Company has entered into related party transactions with the promoters, directors, and other entities and may continue to enter into such transactions in future also. For detailed related party transactions information refer #Page 9 of this abridged prospectus.



SUMMARY OF OUTSTANDING LITIGATION CLAIMS AND REGULATORY ACTION

A. Total number of outstanding litigations against the Company and amount involved

Two outstanding litigation against our company for an amount involving of Rs. 1027.41 Lacs and Rs.45.50 lacs

B. Brief details of top 5 material outstanding litigations against the company and amount involved

Sr. No	Particulars	Litigation filed by	Current status	Amount involved
1.	Denial of Cenvat Credit availed on Inputs & Capital Goods during July 2008 to March 2013	Commissioner Central Excise, Raipur (C.G)	Our Company has filed a declaration under Sabka Vishwas (Legal Dispute Resolution) Scheme, 2019. The said declaration is arbitrated by the designed committee and the maximum liability payable, if any, under the scheme shall be approximately Rs. 2,56,85,354	1027.41 Lacs
2.	Income Tax demand for the A.Y 2016-2017	Commissioner of Income Tax (Appeal), Raipur	According to Demand Notice for the A.Y 2016-2017 dated December 26, 2017 a sum of Rs. 56,85,540 was determined to be payable by the Company. The Company preferred an appeal before Commissioner of Income Tax (Appeal) and has paid approximately 20% of the amount involved	45.50 Lacs

C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any.

Not Applicable

D. Brief details of outstanding criminal proceedings against Promoters

Nil

ANY OTHER IMPORTANT INFORMATION AS PER BRLM/ISSUER COMPANY

A. Change in the Auditors of the Company

Sr. No	Name of the Auditor	Date of Appointment	Date of Resignation	Tenure
1.	O.P Singhania & Co, Chartered Accountants (Firm Registration Number – 002172C)	September 29, 2017	June 25, 2018	5 years



B. Details of Related Party Transactions**(Rs. Lacs)**

Name of the Party	Nature of Transaction	For the year ended	
		March 31, 2021	March 31, 2020
Hira Steels Ltd	Sale of Finished Goods	-	135.97
	Sale of Property Plant and Equipment	18.50	-
	Investment in Preference Shares	1950.00	-
	Purchase of Material and Others	62.15	177.66
	Purchase of stores	-	0.22
Alok Agrawal	Remuneration/Salary paid	120.00	-
	Repayment of unsecured loan	-	155.90
Tashu Realty Private Limited	Interest paid	14.12	14.73
	Unsecured loans payable	189.57	176.51
Godawari Power & Ispat Limited	Sale of Electricity	6,382.40	5,197.93
	Purchase of materials and others	0.04	117.27
	Balance payable/receivable	688.47	315.17
	Purchase of stores	1.60	6.99
Arun Poddar	Remuneration/Salary paid	10.55	9.60
M.T. Realtors Private Limited	Investment in Preference Shares	130.00	-
Him Sagar Minerals Private Limited	Investment in Preference Shares	460.00	-
Shweta Sharma	Remuneration/Salary paid	3.20	2.80

DECLARATION BY OUR COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines /regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act 1956, Companies Act, 2013, the Securities and Exchange Board of India Act 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in the Abridged Prospectus are true and correct.

Date: July 30, 2021

Place: Raipur, Chhattisgarh, India





JAGDAMBA POWER AND ALLOYS LIMITED
Regd. Office & Corporate Office: Hira Arcade, Hira Group of Company New Bus Stand Raipur,
Chhattisgarh, 492001
Works: 129, Munrethi Raod, Phase II, Siltara, Raipur Chhattisgarh, 493111
Web Site: <http://godawaripowerispat.com/>, Email Id: co.secretary@hiragroup.com
CIN: U27104CT1999PLC013744 Contact No.: 0771-4082775/85 Fax: 0771-4082776

**SECURED CREDITORS
FORM OF PROXY**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
CUTTACK BENCH, CUTTACK
COMPANY SCHEME APPLICATION NO. CA(CAA)No.324/CB/2020**

**IN THE MATTER OF THE COMPANIES ACT, 2013 (18 of 2013)
AND**

**In the matter of application under Sections 230 to 232 of the Companies Act,
2013 and other applicable provisions of the Companies Act, 2013**

AND

**In the matter of Scheme of Arrangement of Jagdamba Power and Alloys
Limited ('the Demerged Company') With Godawari Power and Ispat
Limited ('the Resulting Company')**

Jagdamba Power and Alloys Limited, company incorporated
under the Companies Act, 1956, having its registered office
at Hira Arcade, Hira Group of Company, New Bus Stand,
Raipur, Chhattisgarh

.... APPLICANT / DEMERGED COMPANY

**(As per Form MGT -11 and Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the
Companies (Management and Administration) Rules, 2014)**

Name of the Secured Creditors (s)	
Registered Address	
Email Id	

I/We, being the Secured Creditors (s) of Jagdamba Power and Alloys Limited

1. Name.....
Address.....
.....
E-Mail ID.....Signature or failing him
2. Name.....
Address.....
.....
E-Mail ID.....Signature or failing him
3. Name.....
Address.....
.....
E-Mail ID.....Signature or failing him

as my/our proxy to act for me/us at the meeting of the NCLT Convened Meeting of the applicant company convened pursuant to the Order dated 26th day of July, 2021 (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench at Cuttack ("**NCLT**") will be held on Monday, 20th day of September, 2021 at 11:00 A.M. (IST) at Hira Arcade, Hira Group of Companies, New Bus Stand, Pandri, Raipur, Chhattisgarh, 492001 for the purpose of considering and, if though fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement for Demerger of Power Business undertaking of Jagdamba Power & Alloys Ltd (the Demerged Company) into Godawari Power and Ispat Limited (The Resulting Company) and their respective Shareholders ("the Scheme") and at such meeting and at any adjournment or adjournments thereof to vote, for me/us and in my /our name(s) -----
------(here, if, for, insert 'FOR', if against, insert 'AGAINST' and in the later case, strike out the words below after 'the Scheme')the said arrangement embodied in the Scheme, either with or without modification (s)*as my / our proxy may approve.(*strike out whatever is not applicable)

Signed this ----- day of _____ 2021

Signature of Secured Creditors (s) -----

Signature of Proxy Holder (s) -----

Affix Revenue stamp of
Re.1/-
(signature across the stamp)

Notes:

1. This form of proxy must be deposited at the Corporate office of the company at first floor, Hira arcade, Near New Bus Stand Pandri Raipur, Chhattisgarh, 492001 India at least 48 hours before the commencement of this said Meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature
4. Corporate Secured Creditors intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. A proxy need not be a Secured Creditors of Jagdamba Power and Alloys Limited.
7. No person shall be appointed as a proxy who is a minor.



JAGDAMBA POWER AND ALLOYS LIMITED

**Regd. Office & Corporate Office: Hira Arcade, Hira Group of Company New Bus Stand Raipur,
Chhattisgarh, 492001**

Works: 129, Munrethi Raod, Phase II, Siltara, Raipur Chhattisgarh, 493111

Web Site: <http://godawaripowerispat.com/>, Email Id: co.secretary@hiragroup.com

CIN: U27104CT1999PLC013744 Contact No.: 0771-4082775/85 Fax: 0771-4082776

SECURED CREDITORS ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE
MEETING HALL**

**MEETING OF THE SECURED CREDITORS ON MONDAY THE 20th DAY OF SEPTEMBER, 2021 AT 11:00
A.M. (IST)**

I /We hereby record my/ our presence at the NCLT Convened Meeting of the Secured Creditors of Jagdamba Power and Alloys Limited, the Applicant Company, convened pursuant to the Order dated 26th day of July, 2021 (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench at Cuttack ("**NCLT**") will be held on Monday, 20th day of September, 2021 at 11:00 A.M. (IST) at Hira Arcade, Hira Group of Companies, New Bus Stand , Pandri, Raipur, Chhattisgarh, 492001.

Name and address of Secured Creditors

(IN BLOCK LETTER) : -----

Signature : -----

Value of debt outstanding as
on date of meeting : -----

Name of the Proxy/ *
Authorized Representative : -----

(IN BLOCK LETTERS) : -----

Signature : -----

*(To be filled in by the proxy in case he /she attends instead of the Secured Creditors)

Notes:

1. Only Secured Creditors would be allowed to attend the meeting. No Minors would be allowed at the meeting.
2. The Secured Creditors, Proxy Holder or the Authorized Representative attending the meeting must bring this attendance slip to the meeting and hand over at the entrance duly signed for admission to the meeting hall.
3. The Secured Creditors, Proxy Holder or the Authorized Representative are requested to bring their copy of notice of reference at the Meeting.
4. The authorised representative of a body corporate which is a Secured Creditors of the Company must bring a certified true copy of the Resolution of the board meeting authorizing such representative to attend and vote at the said meeting.

ROUTE MAP FOR THE VENUE OF THE MEETING

