



HIRA

GODAWARI POWER & ISPAT



REF: GPIL/NSE & BSE/2018/ 3425

Date: 19.02.2018

To,

1. The Listing Department,
The National Stock Exchange Limited,
Exchange Plaza, BandraKurla Complex,
Bandra (E), MUMBAI – 400051
NSE Symbol: GPIL
2. The Corporate Relation Department,
The Stock Exchange, Mumbai,
1st Floor, Rotunda Building,
Dalal Street, MUMBAI – 400 001
BSE Security Code: 532734

Sub: Outcome of Board Meeting held on 19.02.2018.

Dear Sir,

A meeting of the Board of Directors of Godawari Power and Ispat Limited (“Transferee Company”) was held today (i.e. 19th February, 2018) at the Corporate Office of the Company at 2nd Floor, Hira Arcade, Pandri, Raipur, Chhattisgarh. The outcome of the said meeting is as given hereunder:

The Board of Directors of the Company has approved a Scheme of Amalgamation (‘Scheme’) pursuant to section 230 to 232 of the Companies Act, 2013 for amalgamation of M/s. Jagdamba Power & Alloys Limited (Transferor Company) into M/s. Godawari Power & Ispat Limited.

The Transferor Company is engaged in generation of power and has set up a 25 MW Captive Power Plant at Industrial Area, Siltara, Raipur, Chhattisgarh.

The valuation report has been given by Bansi S. Mehta & Co., Chartered Accountants and fairness opinion by independent Merchant Banker Equirus Capital Private Limited.

The proposed Scheme is subject to the approval of Stock Exchanges, Shareholders of the both Companies and their respective lenders/creditors and the National Company Law Tribunal and all other applicable statutory authorities.

We are enclosing herewith the information pursuant to regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 read with SEBI Circular number CIR/CFD/CMD/4/2015 dated 9th September, 2015 as **Annexure-A**.

Godawari Power & Ispat Limited

An ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certified company

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

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

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CIN : 127106CT1999PLC013756



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The Scheme will be filed with the stock exchanges as per the applicable provisions of Regulation 37 of the SEBI (LODR) Regulations, 2015.

The meeting of the directors was commenced at 11:30 AM and concluded at 05:00 PM.

Kindly disseminate the information on the official website of the exchange for the information of all members of the Exchange and Investors.

Thanking you,

Yours faithfully,
For **GODAWARI POWER AND ISPAT LIMITED**

Y.C. RAO
COMPANY SECRETARY

Encl: As Above

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CIN : L27106GT1999120015156



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Annexure -A

Disclosure of Event and information pursuant to regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 read with SEBI Circular number CIR/CFD/CMD/4/2015 dated 9th September, 2015.

A) Name of the entities forming part of the Amalgamation/merger, details in brief such as, size, turnover, etc.:

(i) Jagdamba Power & Alloys Ltd. (Transferor Company):

The Transferor Company is mainly engaged in the business of generation of power and having a 25 MW Power Plant at Siltara Industrial Area, Raipur, Chhattisgarh. It uses coal and dolochar to produce power. Transferor Company has recently been granted long term coal linkages from South Eastern Coalfields Ltd under the coal linkage policy of Government of India to meet its requirement of coal for generation of power. Transferor Company is a debt free Company. Godawari, in order to meet its long term captive requirement of power, acquired 26% shareholding of Transferor Company in November, 2013 to become captive power consumer of Transferor Company under the Electricity Act, and approached regulatory authorities for permission to connect the power plant of Transferor Company to the steel plant of Godawari directly. However, required permissions were delayed and therefore, the power plant of Transferor Company has remained idle since then. The required permissions have now been obtained and process for connecting the power plant of Transferor Company with steel plant of Godawari in currently under progress and the same is expected to be started in next few months. The Power Plant of Transferor Company is not operational since May, 2014 in view of lack of demand of electricity in the open market, at competitive price. The Transferor Company is however generating income through deployment of surplus funds. The income from other sources for the year ended 31st March, 2017 was Rs. 5.09 Crores.

(ii) Godawari Power & Ispat Ltd (Transferee Company)

The Transferee Company is having an Integrated Steel Plant comprising of 2 Iron Ore Mines, 21,00,000 Mts. of Iron Ore Pellet Plant, 4,95,000 Mts. of Sponge Iron, 4,00,000 Mts. of Steel Billets, 16,500 Mts. of Ferro Alloys, HB Wires of 1,00,000 Mts. with 73 MW of Captive Power generating capacity having a turnover of Rs.1736 crores as per the last audited balance sheet as at 31st March, 2017. Apart from this the Transferee Company is also having a subsidiary in the name of Ardent Steel Limited which is operating Iron Ore Pellet Plant with a capacity of 6,00,000 Mts in the State of Odisha and another subsidiary in the name of Godawari Green Energy Limited, which

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is having a Solar Thermal Power Plant with a capacity of 50 MWs in the State of Rajasthan.

B) Whether the transaction would fall within related party transactions? If yes, whether the same is done at arm's length?

The proposed amalgamation shall not be treated as a related party transaction in terms of General Circular No. 30/2014 dated 17th July, 2014 issued by the Ministry of Corporate Affairs and also since the same is subject to the sanction of Hon'ble NCLT. Further, pursuant to regulation 23(5)(b) of the SEBI (LODR) Regulations, the related party provisions under SEBI (LODR) Regulations are not applicable to the propose Scheme. However the transaction shall be done at arm's length price.

C) Area of business of the entities:

The Transferor and Transferee Companies are having their plant situated in Siltara Industrial Area, Raipur, Chhattisgarh. The Transferor Company is mainly engaged in generation of power whereas the Transferee Company is engaged in the manufacture of Iron Ore Pellets, Sponge Iron, Steel Billets, HB Wires, Ferro Alloys apart from Captive generation more specifically mentioned in para A above.

D) Rationale for Amalgamation/ Merger:

- a. With the proposed amalgamation of Transferor Company into Transferee Company and completion of integration of the Power Plant of the Transferor Company with Steel Plant of Transferee Company, the captive power generation capacity of the Transferee 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 Transferee Company, assuring uninterrupted power supply to its steel making units at competitive cost, leading to increase in capacity utilization of its steel melting plant and cost savings through operating leverage. It is pertinent to mention that no fresh capacity addition is allowed in the plant location of Transferee Company on account of environmental and pollution reasons and therefore the Power Plant of Transferor Company is critical for operations of Transferee Company.
- b. The consolidation of operations of the Transferor Company and the Transferee Company by way of amalgamation will lead to a more efficient utilization of capital, administrative and operational rationalization and promote organizational efficiencies. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations will be more cost-efficient with the achievement of greater economies of scale, reduction in overheads and improvement in various other operating parameters.

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- c. The amalgamation will result in the formation of a stronger company with a larger capital asset base and improved and enable the combined business to be pursued more conveniently and advantageously. The amalgamation will have beneficial results for the amalgamating companies, their stakeholders and all concerned.
- d. Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.
- e. Improved organizational capability and leadership, arising from the pooling of human capital that will 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, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

E) In case of cash consideration – amount or otherwise share exchange ratio;

There will not be any cash consideration in the exchange ratio. Consequent upon regulatory and other approvals of the Scheme the shareholders of Transferor Company will be issued 45 new equity shares of Rs 10/- each fully paid up of the Transferee Company for every 100 equity shares held in the Transferor Company. Accordingly the paid up equity share capital of Transferee Company will increase by Rs. 2,27,91,150 from Rs.35,23,62,470 to Rs.37,51,53,620.

The equity shares Transferee Company are already listed on NSE & BSE. The new equity shares ('New Shares') to be issued and allotted to the shareholders of Transferor Company shall also be listed with NSE & BSE, subject to necessary approvals.

F) Brief details of change in shareholding pattern (if any) of all entities;

The change in shareholding pattern of the Company consequent upon amalgamation of Transferor Company into Transferee Company is given below:

Category	Existing Shareholding of Transferee Company	Post-amalgamation shareholding of Transferee Company
Promoters and Promoter's Group	67.36 %	63.27 %
Public	32.64 %	36.73 %
Total	100.00 %	100.00 %

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The National Stock Exchange Limited,
Exchange Plaza, BandraKurla Complex,
Bandra (E), MUMBAI – 400051
NSE Symbol: GPIL

2. The Corporate Relation Department,
The Stock Exchange, Mumbai,
1st Floor, Rotunda Building,
Dalal Street, MUMBAI – 400 001
BSE Security Code: 532734

Sub: Corrigendum.

This has reference to the letter no. GPIL/NSE & BSE/2018/ 3425 dated 19.02.2018 intimating the outcome of the Board meeting. The para E of Annexure A, may be read as under:-

E. In case of cash consideration – amount or otherwise share exchange ratio;

There will not be any cash consideration in the exchange ratio. Consequent upon regulatory and other approvals of the Scheme, **the 26,05,000 equity shares held by the transferee company in the transferor company shall stand cancelled and the remaining** shareholders of Transferor Company will be issued 45 new equity shares of Rs 10/- each fully paid up of the Transferee Company for every 100 equity shares held in the Transferor Company. Accordingly the paid up equity share capital of Transferee Company will increase by Rs. 2,27,91,150 from Rs.35,23,62,470 to Rs.37,51,53,620.

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