

Singhi & Co.

Chartered Accountants

To,
The Board of Directors
Godawari Power & Ispat Limited
Plot No.428/2, Phase-1, Industrial Area,
Siltara, Raipur, 493111, Chhattisgarh

Dear Sirs,

Independent Auditors' Report in respect of proposed buy-back of equity shares by Godawari Power & Ispat Limited in terms of clause (xi) of Schedule I of Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended

1. This report is issued in accordance with the terms of our engagement letter dated 15.03.2023 with Godawari Power & Ispat Limited ("the Company").
2. The Board of Directors of the Company have approved a proposed buy-back of equity shares by the Company at its meeting held on 18.03.2023, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ('the Act') read with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("SEBI Buy-back Regulations").
3. The accompanying Statement of permissible capital payment ('Annexure A') as at 31 March 2022 (hereinafter referred as the "Statement") is prepared by the management of the Company.

Management's Responsibility for the Statement

4. The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act and in compliance with Section 68, 69 and 70 of the Act and SEBI Buy-back Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will be able to pay its debts from the date of board meeting approving the Buyback of its equity shares i.e. March 18, 2023 (hereinafter referred as the "date of the Board meeting") and will not be rendered insolvent within a period of one year from the date of board meeting at which the proposal for buyback was approved by the Board of Directors of the Company and informing the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016.
6. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the SEBI Buyback Regulations and the Companies Act.

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Auditors' Responsibility

7. Pursuant to the requirements of the SEBI Buy-back Regulations, it is our responsibility to provide reasonable assurance whether:
- (i) we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements as at March 31, 2022;
 - (ii) the amount of permissible capital payment for the Buyback as stated in Annexure A for the proposed buy-back of equity shares has been properly determined considering the audited standalone and consolidated financial statements as at March 31, 2022, in accordance with Section 68(2)(c) read with proviso to 68(2)(b) of the Act, Regulation 4(i) and the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations; and
 - (iii) the Board of Directors of the Company in their meeting dated March 18, 2023, have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buy-back Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.
8. The audited standalone and consolidated financial statements referred to in paragraph 6 above, which we have considered for the purpose of this report, have been audited by us, on which we have issued an unmodified audit opinion vide our reports dated May 28, 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
9. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the above reporting. We accordingly performed the following procedures:
- (i) Examined that the amount of permissible capital payment for the buy back as detailed in Annexure A is in accordance with the provisions of Section 68(2)(c) read with proviso to 68(2)(b) of the Act, Regulation 4(i) and the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations;
 - (ii) Inquired into the state of affairs of the Company with reference to the audited standalone and consolidated financial statements as at March 31, 2022;
 - (iii) Traced the amounts of paid-up equity share capital, retained earnings and general reserves as mentioned in Annexure A from the audited standalone and consolidated financial statements as at March 31, 2022;
 - (iv) Verified the arithmetical accuracy of the amounts mentioned in Annexure A;
 - (v) Examined authorization for buy back from the Articles of Association of the Company, approved by Board of Directors in its meeting held on March 18, 2023;
 - (vi) Examined that the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice its paid-up capital and free reserves based on the audited financial statements of the Company as on March 31, 2022;

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- (vii) Examined that all shares for buy-back are fully paid-up;
 - (viii) Examined Director's declarations for the purpose of buy back and solvency of the Company; and
 - (ix) Inquired if the Board of Directors, in its meeting held on March 18, 2023, has formed the opinion as specified in Clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board meeting.
 - (x) Obtained necessary representations from the management of the Company;
10. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
12. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion

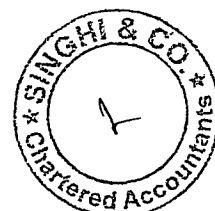
13. Based on inquiries conducted and our examination as above, we report that:
- (i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at March 31, 2022;
 - (ii) The amount of permissible capital payment towards the proposed buy back of equity shares as computed in the Statement attached herewith is, in our view properly determined in accordance with Section 68(2)(c) read with proviso to 68(2)(b) of the Act, Regulation 4(i) and the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements as at March 31, 2022; and
 - (iii) The Board of Directors of the Company, in their meeting held on March 18, 2023 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated March 18, 2023.
14. Based on the representations made by the management, and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

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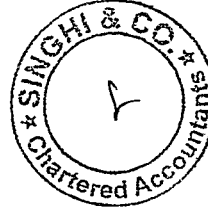
Restriction on Use

15. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act and SEBI Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, the stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

UDIN : 23409524BGUMZG3446

For *Singhi & Co.*
(ICAI Firm Regn.302049E)
Chartered Accountants



Sanjay Dewangan
(Sanjay Dewangan)
Partner

Membership No.409524

Place: Raipur
Date : 18.03.2023

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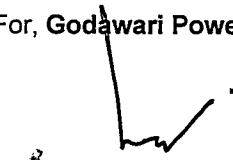
Annexure A

Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ("the Statement") in accordance with Section 68 (2) of the Companies Act, 2013 and Regulation 4 of the Buy-back Regulations (SEBI Regulations), based on the audited standalone and consolidated financial statements as at March 31, 2022;

Particulars	Standalone (Rs. Crore)	Consolidated (Rs. Crore)
Paid up equity share capital [136444988 Equity Shares of Rs. 5/- each fully paid up (excluding 45,00,000 shares held by Trust in Treasury)]	68.22	65.82
Free Reserve		
Retained earning	2653.44	2827.87
General reserve	177.66	177.66
Securities Premium	173.35	188.32
Total paid up equity capital and free reserves as at March 31, 2022	3072.67	3259.67
Maximum amount permissible for buy-back under Section 68(2)(c) of the Companies Act, 2013 read with Regulation 4(i) of SEBI Buyback Regulations (25% of the total paid up equity share capital and free reserves)	768.17	814.92
Maximum amount permissible for Buyback in accordance with proviso to Section 68(2)(b) of the Companies Act, 2013 and proviso to Regulation 5(i)(b) of SEBI Buyback Regulations requiring Board resolution (10% of the paid-up capital and free reserves)	307.27	325.97
Buyback amount proposed by the Board of Directors as per resolution dated March 18, 2023 based on the audited accounts for the year ended March 31, 2022	250.00	

The Buyback amount does not include any expenses incurred or to be incurred for the buyback such as Securities and Exchange Board of India ("SEBI") fees, Stock Exchange(s) fees, advisory/legal fees, public announcement publication expenses, printing and dispatch expenses, brokerage, applicable taxes inter alia including Buyback Taxes, Securities Transaction Tax, Goods and Services Tax, Stamp Duty and other incidental and related expenses ("Transaction Cost").

For, Godawari Power & Ispat Limited


(Vinod Pillai, Director)

For *Singhi & Co.*

(ICAI Firm Regn.302049E)
Chartered Accountants




(Sanjay Dewangan)
Partner

Membership No.409524

Place: Raipur
Date : 18.03.2023

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