



# HIRA

## GODAWARI POWER & ISPAT



REF: GPIL/NSE & BSE/2019/4015

Date: 24.12.2019

To,

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

### Sub: Outcome of Board Meeting

A meeting of the Board of Directors of Godawari Power and Ispat Limited (GPIL) was held today (i.e. 24.12.2019) at the Sayaji Hotel, Raipur, Chhattisgarh.

The Board of Directors of the Company has approved a Scheme of Arrangement ('Scheme') pursuant to Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013 for demerging the power business of Jagdamba Power & Alloys Limited (Demerged Company/Jagdamba) into Godawari Power & Ispat Limited (Resulting Company/Godawari).

The Demerged 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 M/s. Bansi S. Mehta & Co. and fairness opinion by an independent registered category I Merchant Banker M/s. 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.

### 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](http://www.godawaripowerispat.com), [www.hiragroup.com](http://www.hiragroup.com)





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**GODAWARI POWER & ISPAT**



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 09<sup>th</sup> September, 2015 as **Annexure-A**.

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 12:30 PM and concluded at 03:00 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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**GODAWARI POWER AND ISPAT LIMITED**

**CIN: L27106CT1999PLC013756**

**Annexure -A**

**Disclosure of Event and information pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI Circular number CIR/CFD/CMD/4/2015 dated 09<sup>th</sup> September, 2015.**

**A) Brief details of the divisions to be demerged**

Power Plant of 25 MW of Jagdamba Power and Alloys Limited situated at Siltara Industrial Area, Raipur, Chhattisgarh. It is a debt free Company.

**B) Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding Financial Year/ based on financials of the last financial year**

Turnover of JPAL from sale of electricity during 31.03.2019	Rs. 18,41,85,945
Percentage to the total turnover of GPIL	0.64%

**C) Rationale of Demerger:**

To meet the captive requirement of electricity in steel plant of the Resulting Company at Siltara, Raipur, Chhattisgarh, the management of the Resulting Company decided to become a captive consumer of the Demerged Company and in order to become eligible as a captive consumer, had invested into a Demerged company to the extent of 33.96% of its present total paid up capital under the prevalent statutory provisions.

In view of long term benefits and looking at synergy in operations of businesses of both the Companies, cost saving and other strategic benefits, it is now considered expedient to demerge the power business undertaking of Jagdamba (Demerged Undertaking) and merge the same into Godawari. The Demerger of Demerged Undertaking and vesting of the same with Resulting Company would enable the Resulting Company to increase the capacity of its existing captive power plant to 98 MW and thereby assuring uninterrupted power supply, improvement in the capacity utilization in steel plant, cost savings & other strategic & tax benefit.



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**CIN: L27106CT1999PLC013756**

- I. The Demerged Company currently has business interest in diverse business such as Electricity, Investment & Financing activities and wire drawing 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 Resulting Company.
- II. The transfer and vesting of the Demerged Undertaking of the Demerged Company to the Resulting Company through this Scheme is with a view to unlock the economic value of both the Companies.
- III. In view of the above mentioned reasons, it is considered desirable and expedient to demerge the Demerged Undertaking of the Demerged Company and vest the same with the Resulting Company, the Scheme is in the interest of all shareholders and creditors and there is no likelihood that any shareholder or creditor of either Demerged Company or Resulting Company would be prejudiced as a result of this Scheme of Arrangement.

The Demerger under this Scheme is proposed under the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013. The Demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

- a. all the properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the properties of the Resulting Company by virtue of such Demerger;
- b. all the liabilities relating to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the liabilities of the Resulting Company by virtue of such Demerger;
- c. the properties and the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at the values appearing in the books of account of the Demerged Company immediately before the Demerger;
- d. the Resulting Company shall issue, in consideration of the Demerger, equity shares to the



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shareholders of the Demerged Company;

- e. all shareholders of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger; and
- f. the transfer of the Demerged Undertaking shall be on a going concern basis.

**D) Brief details of change in shareholding pattern (if any) of all entities**

The change in shareholding pattern of the Resulting Company consequent upon Scheme of Arrangement is given below:

<b>Category</b>	<b>Existing Shareholding of Resulting Company</b>	<b>Post approval Scheme shareholding of Resulting Company</b>
Promoters and Promoter's Group	67.36 %	61.72%
Public	32.64 %	38.28%
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>

The change in shareholding pattern of the Demerged Company consequent upon Scheme of Arrangement is given below:

<b>Category</b>	<b>Existing Shareholding of Demerged Company</b>	<b>Post approval Scheme shareholding of Demerged Company</b>
Promoters and Promoter's Group	30.41%	30.41%
Public	69.59%	69.59%
<b>Total</b>	<b>100.00 %</b>	<b>100.00 %</b>



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There will be no change in the shareholding pattern of the Demerging Company post approval of Scheme of Arrangement

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

There will not be any cash consideration in the exchange ratio.

**Consideration:** The consideration shall be "For every **140 (One hundred and Forty)** Equity shares of face and paid up value of Rs 10/- (Ten) held in 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 JPAL, other than GPIL".

**F) Whether listing would be sought for listed entity**

The Equity Shares of the Resulting Company are already listed on NSE & BSE. The new Equity Shares ('New Shares') to be issued and allotted to the shareholders of Demerged Company, pursuant to the above Scheme, shall also be listed with NSE & BSE, subject to necessary approvals.



A handwritten signature in blue ink, appearing to be "S. K. S.", written over the stamp.