



CHANDI STEEL INDUSTRIES LIMITED

REPORT OF THE AUDIT COMMITTEE OF CHANDI STEEL INDUSTRIES LIMITED DATED 25TH JANUARY, 2024 RECOMMENDING THE SHARE EXCHANGE RATIO TO BE CONSIDERED FOR ARRANGEMENT BETWEEN MACKEL ISPAT & FORGING LIMITED AND CHANDI STEEL INDUSTRIES LIMITED

The following members of the Audit Committee were present:

Sl No.	Name of Committee Members	Designation
1.	Sumit Kumar Rakshit	Chairperson/Non-Executive/Independent
2.	Devendra Prasad Jajodia	Member/Executive Director
3.	Ashok Kumar Choudhary	Member /Non-Executive/Independent

Background.

1. The Chairman informed that, the Scheme of amalgamation of Mackel Ispat & Forging Limited ("Transferor Company") with Chandi Steel Industries Limited ("Transferee Company") pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013, duly recommended by the Audit Committee and approved by the Board in its meeting held on 31st July, 2023, was submitted with the Calcutta Stock Exchange Limited ("CSE") and BSE Ltd. ("BSE") on 11th August, 2023 for their approval.

Subsequently, various queries were raised by the Stock Exchanges which were duly replied from our end. On advice of the BSE Limited, a fresh valuation report based on the financials of the Transferor and Transferee Company as on 30th September, 2023 was obtained from M/s. Resolute Valuers & Consultants Private Limited, IBBI Registered Valuer. As per the fresh valuation report dated 18th December, 2023, the share exchange ratio has been arrived at 1.89:1 i.e. 189 shares of the Transferee Company for every 100 shares of the Transferor Company.

The Chairman further informed that as per the latest query raised on 20th January, 2024, the BSE Limited has advised the Company to opt for new ratio i.e. 1.89:1 determined by the valuer as per the valuation report dated 18th December, 2023.

2. Considering the above, a meeting of Audit Committee ("Audit Committee") was held on 25th January, 2024, *inter-alia*, to consider and if thought fit, recommend to the Board of Directors (the "Board") of Chandi Steel Industries Limited (the "Company"), the share exchange ratio to be considered for the proposed Scheme of amalgamation of Mackel Ispat & Forging Limited ("Transferor Company") with Chandi Steel Industries Limited ("Transferee Company").

Documents placed before Audit Committee.

3. This report of the Audit Committee is being issued in compliance with the SEBI Master Circular and other provisions of the applicable law. The Audit Committee has made this report after perusing the following documents:

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Works

16, Belur Road,
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- a) Revised valuation report dated 18th December, 2023, obtained from M/s. Resolute Valuers & Consultants Private Limited, Registered Valuer recommending the Share Entitlement Ratio;
- b) Revised Fairness Opinion dated 18th December, 2023, issued by M/s. VC Corporate Advisors Private Limited, a SEBI registered, Merchant Banker;
- c) Financials of the Company for the quarter and half year ended 30.09.2023;
- d) Other presentations, reports, documents, and information furnished before the Committee by the management.

View of the Independent Directors

4. As per the revised valuation report dated 18th December, 2023, the share exchange ratio has been arrived at 1.89:1 i.e. 189 shares of the Transferee Company for every 100 shares of the Transferor Company whereas share exchange ratio was 1.94:1 as per valuation report dated 31st July, 2023.
5. The committee unanimously noted and is of the opinion that the revised share exchange ratio is beneficial to the interests of the Company and its shareholders.

Recommendation of the Committee

1. The Committee of the Independent Directors after due deliberations and due consideration of the revised Valuation Report, revised Fairness Opinion report, impact of the revised Share Entitlement Ratio on the shareholders of the Company and other documents presented before the Committee of the Independent Directors, recommends to consider the revised ratio of 1.89:1 i.e. 189 shares of the Transferee Company for every 100 shares of the Transferor Company as determined by the valuer as per the valuation report dated December 18, 2023 in the draft Scheme of Amalgamation between Mackeill Ispat & Forging Limited ('Transferor Company') with Chandi Steel Industries Limited (Transferee Company) and their respective shareholders and creditors ('Scheme') for favorable consideration by the Board of the Company and other appropriate authorities for their favorable consideration and approval.

For and on behalf of the Independent Directors of
Chandi Steel Industries Limited

Sumit Kumar Rakshit

Sumit Kumar Rakshit

Chairman of the Committee of Independent Directors



Place: Kolkata

Date: 25.01.2024

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