

THE MINUTES OF THE PROCEEDINGS OF THE FOURTH MEETING OF THE AUDIT COMMITTEE OF MADHAV COPPER LIMITED FOR FINANCIAL YEAR 2018-19 HELD ON TUESDAY, 19TH MARCH, 2019 AT 01:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO. 2107/D, OFFICE NO. 203, 2ND FLOOR, D & I EXCELUS, WAGHAWADI ROAD, BHAVNAGAR - 364001

Following members were present:

- | | |
|-------------------------|----------|
| 1. Shri Manish Makodia | Chairman |
| 2. Shri Chaitanya Doshi | Member |
| 3. Shri Nilesh Patel | Member |

In attendance of:

- | | |
|------------------------|--|
| 1. Mr. Kamlesh Solanki | Chief Financial Officer |
| 2. Mr. Kush Bhatt | Company Secretary & Compliance Officer |

1. CHAIRMAN

Mr. Manish Makodia was elected as the Chairman of the meeting. He took the chair and welcomed the members present to the meeting of the committee and declared that the required quorum is present and the agenda could be taken up for discussion.

2. MINUTES OF PREVIOUS COMMITTEE MEETING

Minutes of the previous meeting held on 1st November, 2018 were placed before the committee and the same is signed by the Chairman.

3. REVIEW OF SIGNIFICANT RELATED PARTY TRANSACTIONS:

The Committee reviewed details of related parties transactions entered into during the third quarter ended on 31st December, 2018 and till the date of this meeting.

The Chairman stated that pursuant to Pursuant to Section 177(4) of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR-2015), the Audit Committee has to approve related party transactions.

Name of related party	Nature of relationship	Duration of Contract	Salient terms	Amount in INR
<u>Nature of Contract</u>				
1. Madhav Industrial Corporation (Purchase on 08/12/2018)	Associate Concern	Not Applicable	Purchased Raw material at arm's length price	30,97,423
2. Madhav Industrial Corporation (Purchase on 15/12/2018)	Associate Concern	Not Applicable	Purchased Raw material at arm's length price	29,78,196

3. Madhav Industrial Corporation (Purchase on 29/01/2019)	Associate Concern	Not Applicable	Purchased Raw material at arm's length price	29,95,583
4. Madhav Industrial Corporation (Purchase on 09/02/2019)	Associate Concern	Not Applicable	Purchased Raw material at arm's length price	30,27,597

The Chairman further stated that in the above contracts / arrangements, Mr. **Divya Monpara**, Director of the Company is considered to be interested.

It was further explained that pursuant to Regulation 23(1) of the SEBI LODR-2015, a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. Considering the total turnover of the Company for the FY ended on 31.03.2018, none of the related party transactions with individual party falls in the category of "material related party transaction".

The Committee took note of the same and discussed at length the nature and duration as well as terms and conditions governing the aforesaid contracts / arrangements. The Committee also discussed on manner of determining the pricing and other commercial terms and thereafter accorded its consent to the above contracts by passing the following resolution:

"RESOLVED THAT pursuant to Section 177(4) of the Companies Act, 2013 and Regulation 23 of The SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the approval of the Audit Committee be and is hereby accorded to the Company for continuing Contracts / Arrangements with related parties in which directors are interested, for the period commencing from concluding of this meeting till the date of the next meeting, the details whereof are furnished herein below:

Madhav Industrial Corporation – Associate concern – The Company has purchased raw material on 08/12/2018, 15/12/2018, 29/01/2019 and 09/02/2019.

Further, all the above transactions were on arm's length price.

4. TAKING NOTE OF THE STATUS OF ASSESSMENT COMPLETED AND NOTICES, IF ANY RECEIVED FROM STATUTORY AUTHORITIES AND STATUS OF PENDING LEGAL MATTERS INCLUDING INSURANCE CLAIMS, IF ANY AT THE END OF THE THIRD QUARTER ENDED ON 31.12.2018:

The Committee took note of the status of Sales Tax / Vat Assessment, Status of Income Tax Assessment, Status of Central Excise / Service Tax matters, Status of Pending legal cases in respect of Debtors / Creditors / Employees and other recoveries and status of insurance claims.

The Committee also took note of Inter Corporate Loan/ Investments, secured loan from banks/ Financial Institutions. There were nil significant adjustments in the financial statements arising out of audit findings.

5. SUB-DIVISION OF FACE VALUE OF EQUITY SHARES OF THE COMPANY FROM RS. 10/- EACH TO RS. 5/- EACH:

The Committee examined market price and trade volume of shares of the Company and observed that to improve the liquidity of Company's equity shares in the Stock Markets with higher floating stock in absolute numbers and to make it more affordable for the small retail investors to invest in the Company, it is desirable to subdivide the shares. Accordingly, the Committee recommended to desirable to sub-divide the face value of the equity shares of the Company from Rs. 10/- each to Rs. 5/- each. After due discussion, following resolution was passed:

"RESOLVED THAT pursuant to the provisions of Sections 61(1)(d), 64 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, permissions as may be required from concerned authorities or bodies and subject to such other conditions and modifications as may be prescribed or imposed while granting such approvals, the committee do recommend the for sub-dividing the existing face value of equity shares of Rs. 10/- (Rupees Ten only) to Rs. 5/- (Rupees Five only).

RESOLVED FURTHER THAT pursuant to the sub-division of face value of equity shares of the Company, the authorised share capital of the Company i.e. Rs. 6,50,00,000 comprising of 65,00,000 equity shares of the face value of Rs.10 /- each shall stand sub-divided as follows:

Particulars	From			To		
	No. of shares	Face Value (in Rs.)	Total Share Capital (in Rs.)	No. of shares	Face Value (in Rs.)	Total Share Capital (in Rs.)
Authorised Share Capital	65,00,000	10/-	6,50,00,000/-	1,30,00,000	5/-	6,50,00,000/-

RESOLVED FURTHER THAT pursuant to the sub-division of face value of equity shares of the Company, the existing fully paid-up 61,60,800 equity shares of the Company of the Face Value of Rs.10 /- each (Rupees Ten Only) shall stand subdivided into fully paid-up 1,23,21,600 (after split) equity shares of face value of Rs. 5/- each (Rupees Five Only).

The existing Paid-up Equity Share Capital shall stand sub-divided as follows:

Particulars	From			To		
	No. of shares	Face Value (in Rs.)	Total Share Capital (in Rs.)	No. of shares	Face Value (in Rs.)	Total Share Capital (in Rs.)
Paid-up Share Capital	61,60,800	10/-	6,16,08,000/-	1,23,21,600	5/-	6,16,08,000/-

VOTE OF THANKS

There being no other business to transact, the meeting was concluded with the Vote of thanks to the Chair at 02:00 P.M.

Date:

Place: Bhavnagar



**CHAIRMAN
AUDIT COMMITTEE**