

GI ENGINEERING SOLUTIONS LIMITED

Registered Office: 73 A SDF - III, Seepz Andheri (East), Mumbai, Maharashtra - 400096;
Ph. No.: 022-44884488; Fax: 022-28290603 Email ID: investors@giesl.in Website: www.giesl.in
CIN: L40109MH2006PLC163731

Recommendations of the Committee of Independent Directors ("IDC") for the Open Offer to the Shareholders of GI Engineering Solutions Limited (hereinafter referred to as 'the Company' / 'Target Company') by Mr. Vishesh Gupta and Vrindaa Advanced Materials Limited (hereinafter referred to as 'Acquirers') under Regulation 26(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations, 2011").

1.	Date	May 31, 2022, Tuesday																									
2.	Name of the Company	GI Engineering Solutions Limited																									
3.	Details of the Offer pertaining to the Company	Open Offer to acquire upto 22,39,089 (Twenty Two Lakh Thirty Nine Thousand and Eighty Nine) Equity Shares representing 26.00% of the paid-up Equity Share Capital of the Target Company at a price of INR 10/- (Indian Rupees Ten only) per fully paid-up equity share payable in cash																									
4.	Name of the Acquirers	1. Mr. Vishesh Gupta 2. Vrindaa Advanced Materials Limited																									
5.	Name of the Manager to the Offer	Corporate Professionals Capital Private Limited																									
6.	Members of the Committee of Independent Directors	1. Mr. Ganesh Acharya 2. Mr. Manish Patel Ganesh Acharya is the Chairman of the Committee of Independent Directors ("IDC").																									
7.	IDC Member's relationship with the Company	IDC members are only Independent Directors in the Company.																									
8.	Trading in the Equity shares/ other securities of the Company by IDC Members	None of the IDC members have traded in any equity shares / other securities of the Company during a period of 12 months prior to the date of Public Announcement and since then till date.																									
9.	IDC Member's relationship with the Acquirer	The IDC members do not have any relationship with the Acquirers.																									
10.	Trading in the Equity shares/ other securities of the Acquirer by IDC Members	Not Applicable, as one of the Acquirer is individual and other one is unlisted public limited company.																									
11.	Recommendation on the Open offer, as to whether the offer is fair and reasonable	Based on the review of the Public Announcement and the Detailed Public Statement issued by the Manager to the Offer on behalf of the Acquirers, IDC believe that the Open Offer is in accordance with SEBI (SAST) Regulations, 2011 and to that extent is fair and reasonable. The shareholders should independently evaluate the offer and take their own informed decision. They are also advised to seek expert tax opinion before taking their decision in this regard.																									
12.	Summary of reasons for recommendation	<p>Mr. Vishesh Gupta and Vrindaa Advanced Materials Limited have entered into a SPA dated March 04, 2022 with the Promoters of the Target Company/ Sellers for the acquisition of 33,89,116 (Thirty Three Lakh Eighty Nine Thousand One Hundred and Sixteen) Equity Shares representing 39.35% of the Paid-up Equity Share Capital of the Target Company of Face Value of INR 10.00/- (Indian Rupees Ten Only) at a price of INR 5.08/- (Indian Rupees Five and Eight Paise Only) per Equity Share of the Target Company aggregating to INR 1,72,16,710/- (Indian Rupees One Crore Seventy Two Lakh Sixteen Thousand Seven Hundred and Ten Only) to be paid in cash, which has triggered the requirement to make Open Offer under Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011.</p> <p>The Equity Shares of the Company are listed and traded on the bourses of BSE and NSE and are not frequently traded within the meaning of definition of 'frequently traded shares' under clause (j) of Sub-Regulation (1) of Regulation 2 of the SEBI (SAST) Regulations) on BSE.</p> <p>The Offer Price of INR 5.15 (Indian Rupees Five and One Five Paise only) is justified, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following:</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Particulars</th> <th>Price</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>The highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer</td> <td>INR 5.08/-</td> </tr> <tr> <td>(b)</td> <td>The volume-weighted average price paid or payable for acquisition by the Acquirers along with their persons acting in concert during 52 weeks immediately preceding the date of Public Announcement</td> <td>Not Applicable</td> </tr> <tr> <td>(c)</td> <td>The highest price paid or payable for any acquisition by the Acquirers along with their persons acting in concert during 26 weeks immediately preceding the date of the Public Announcement</td> <td>Not Applicable</td> </tr> <tr> <td>(d)</td> <td>The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded</td> <td>Not Applicable, since the equity shares of the Target Company are not frequently traded</td> </tr> <tr> <td>(e)</td> <td>The Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Offer considering valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies</td> <td>INR 5.08</td> </tr> </tbody> </table> <p>Other Parameters</p> <table border="1"> <thead> <tr> <th>Other Parameters</th> <th>Based on the audited financial data for quarter ending on September 30, 2021</th> </tr> </thead> <tbody> <tr> <td>Value per share as per Net Asset Value Method</td> <td>INR 5.08</td> </tr> <tr> <td>Comparable Trading Multiples Value and Other Valuation Parameters</td> <td>Not Applicable</td> </tr> </tbody> </table> <p>Source: As certified by Mr. SS Bhambra (Membership Number 093443) Partner of M/s. Raj Madhu & Co., Chartered Accountants (UDIN: 22093443ADWRZW5910) having office at 53, (G.F) Vinoba Puri, Lajpat Nagar - II, New Delhi - 110024; Tel. No.: +91-11-29840963; Fax No.: NA; Email ID: bhambra@gmail.com vide certificate dated March 01, 2022.</p> <p>In view of the parameters considered and presented in table above and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of INR 5.15/- (Indian Rupees Five and One Five Paise Only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.</p>		S. No.	Particulars	Price	(a)	The highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer	INR 5.08/-	(b)	The volume-weighted average price paid or payable for acquisition by the Acquirers along with their persons acting in concert during 52 weeks immediately preceding the date of Public Announcement	Not Applicable	(c)	The highest price paid or payable for any acquisition by the Acquirers along with their persons acting in concert during 26 weeks immediately preceding the date of the Public Announcement	Not Applicable	(d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded	Not Applicable, since the equity shares of the Target Company are not frequently traded	(e)	The Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Offer considering valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	INR 5.08	Other Parameters	Based on the audited financial data for quarter ending on September 30, 2021	Value per share as per Net Asset Value Method	INR 5.08	Comparable Trading Multiples Value and Other Valuation Parameters	Not Applicable
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1.	Details of Independent Advisors, if any.	None																									
2.	Any other matter(s) to be highlighted	None																									

"To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Company under the Takeover Code."

For and on behalf of
The Committee of Independent Directors of
Sd/-

Ganesh Acharya

Chairperson - Committee of Independent Directors

Place: Mumbai, Maharashtra
Date: May 31, 2022