

# SURANI STEEL TUBES LIMITED

Registered Office: S. No.110,115, Opp. Vinayak TMT, Bayad Road, Tal. Dahegam,  
Sampa Gandhinagar, Gujarat - 382315, India

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CIN: L27109GJ2012PLC071373

Recommendations of the Committee of Independent Directors ('IDC') for the Open Offer to the Shareholders of Surani Steel Tubes Limited (hereinafter referred to as '**the Company**'/ '**Target Company**') by Mr. Vijay Singla, Mr. Chetan Singla and Ms. Santosh Rani (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	26.05.2023		
2.	Name of the Company	Surani Steel Tubes Limited		
3.	Details of the Offer pertaining to the Company	Open Offer for acquisition of upto 33,13,600 (Thirty-Three Lakh Thirteen Thousand and Six Hundred) Fully Paid-Up Equity Shares representing 40.00% of the Paid-up Equity Share Capital of the Target Company at an offer price of INR 44.00/- (Indian Rupees Forty Four Only) per fully paid-up equity share payable in cash		
4.	Name of the Acquirers	<ul style="list-style-type: none"> <li>• Mr. Vijay Singla</li> <li>• Mr. Chetan Singla</li> <li>• Ms. Santosh Rani</li> </ul>		
5.	Name of the PAC	NA		
6.	Name of the Manager to the Offer	Corporate Professionals Capital Private Limited		
7.	Members of the Committee of Independent Directors	Ms. Sangeeta Mehtani- Chairperson Mr. Kailash Garg- Member Mr. Gurpreet Singh Bhatia- Member		
8.	IDC Member's relationship with the Company	The IDC members are Independent Directors of the Company.		
9.	Trading in the Equity shares/ other securities of the Company by IDC Members	None of the IDC members hold any shares of the Company and neither have they 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.		
10.	IDC Member's relationship with the Acquirer	The IDC members do not have any relationship with the Acquirers.		
11.	Trading in the Equity shares/ other securities of the Acquirer by IDC Members	Not Applicable		
12.	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.		
13.	Summary of reasons for recommendation	The Acquirers had entered into a Share Purchase Agreement ('SPA') dated March 16, 2023, with the Mr. Dinesh K Patel, Ms. Maniben Patel, Karsanbhai Devjibhai Patel HUF, Prakash Karsanbhai Patel HUF, Mr. Vishram Shivgan Patel, Mr. Mukesh Patel, Mr. Karshanbhai Patel, Mr. Prakash Patel, Ms. Laxmiben Vishrambhai Patel, Mukeshbhai Patel HUF, Vishrambhai Patel HUF, Ms. Hetal D Patel, Ms. Dimple M Patel ('Sellers') for acquisition of 28,14,000 (Twenty Eight Lakh and Fourteen Thousand) Equity Shares representing 33.97% 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 22.00/- (Indian Rupees Twenty Two Only) per Equity Share of the Target Company aggregating to INR 6,19,08,000/- (Indian Rupees Six Crores Nineteen Lakh and Eight Thousand 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.  The equity shares of the Target Company are listed and traded on the bourses of NSE Emerge and are 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 Stock Exchanges.  The Offer Price of INR 44.00/- (Indian Rupees Forty-four Only) is justified, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following:		
		<b>S. No.</b>	<b>Particulars</b>	<b>Price</b>
		(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 22.00/-
		(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	INR 39.95/-
		(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	INR 43.31/-
		(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	INR 33.84/-
		(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	Not Applicable, since the equity shares of the Target Company are frequently traded
		In view of the parameters considered and presented in table above, in the opinion of the Acquirers and the Manager to the Offer, the Offer Price INR 44.00/- (Indian Rupees Forty Four only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.		
14.	Details of Independent Advisors, if any.	None		
15.	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**  
**Surani Steel Tubes Limited**

Sd/-

Sangeeta Mehtani

Chairperson - Committee of Independent Directors

Place: Chandigarh  
Date: 29.05.2023