McNALLY SAYAJI ENGINEERING LIMITED

Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata-700 001, West Bengal, India
Tel: (+91 33) 3014 2280; **Fax:** (+91 33) 3014 2393; **Website:** www.mcnallysayaji.com; **CIN:** L28999WB1943PLC133247

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Public shareholders of McNally Sayaji Engineering Company Ltd. under regulation 26(6) & (7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations, 2011")

Date	March 29, 2016
Name of the Target Company	McNally Sayaji Engineering Limited
Details of the Offer pertaining to Target Company	A mandatory Open Offer being made by EMC Limited (the "Acquirer")along with PACs to acquireupto22,59,575 (TwentyTwo Lacs Fifty Nine Thousand Five Hundred and Seventy Five) fully paid-up equity shares of Rs.10/- each, representing 25.14% of the equity and voting share capital of the Target Company at a price of Rs. 69.10/- (Rupees Sixty Nine and Paise Ten Only) per equity share, payable in cash in terms of regulation 3(2), 4 and 5 read with other applicable regulations of SEBI (SAST) Regulations.
Name(s) of the acquirer and PAC with the acquirer	EMC Limited (the "Acquirer") and MKN Investment Private Limited (the "PAC 1") in its capacity as a person acting in concert for acquisition of Equity Shares and McLeod Russel India Limited ("PAC 2"), Williamson Magor& Co. Limited ("PAC 3"), Babcock Borsig Limited ("PAC 4"), Williamson Financial Services Limited ("PAC 5"), Kilburn Engineering Limited ("PAC 6"), Bishnauth Investments Limited ("PAC 7"), Mr. AmritanshuKhaitan ("PAC 8") and McNally Bharat Engineering Company Limited ("PAC 9") in their capacity as persons acting in concert with the Acquirer for acquisition of control (the "Offer").PAC 1 to PAC 9 are jointly referred to as "PACs"
Name of the Manager to the Offer	**MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED** Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025, Maharashtra, India Tel: +91 22 3980 4380 Fax: +91 22 3980 4315 Email: paresh.raja@motilaloswal.com Contact Person: Paresh Raja SEBI Registration No.: INM000011005
Members of the Committee of Independent Directors ("IDC")	1. Mr. Padam Khaitan 2. Mrs. Tehnaz Punwani 3. Mr. Brij Bhushan Mr. Padam Khaitan is the chairperson of the IDC.
IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any	All members of IDC are directors of the Target Company. Other than their position as director of the Target Company, there is no other contract or relationship between the IDC Members and the Target Company. The following is the shareholdings of the IDC members in the Target Company: 1. Mr. Padam Khaitan - Nil 2. Mrs. Tehnaz Punwani - Nil 3. Mr. Brij Bhushan – Nil
Trading in the Equity shares/other securities of the Target Company by IDC Members	None of the IDC members have traded in any of the securities of the Target Company during a period of 12 months prior to the date of the Public Announcement till the date of this recommendation
IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any.	None
Trading in the Equity shares/ other securities of the acquirer by IDC Members	None
Recommendation on the Open offer, as to whether the offer is fair and reasonable	IDC recommends that the Open Offer Price of Rs. 69.10/- (Rupees Sixty Nine and Paise Ten Only) per Equity Share is fair and reasonable and is in compliance with SEBI (SAST) Regulations 2011.
Summary of reasons for recommendation	In forming opinion/ recommendation, IDC has considered the following: • The Acquirer provides turnkey solutions in the field of transmission line projects, EHV sub-station and power distribution projects and balance of plant projects covering design, manufacture, erection and associated civil works. • The Acquirer has been inducted as a Promoter of McNally Bharat Engineering Company Limited ("MBECL"), the parent company. This has resulted in the acquirer making an Open Offer to the Shareholders of MBECL under the regulations of SEBI (SAST) Regulations, 2011, which has been duly completed. • As a result of such induction of the Acquirer as a promoter of MBECL, the Acquirer will have an indirect control over the Company. Therefore, the Acquirer is making this open offer to the Members of the Company as per the provisions of Regulation 5 of SEBI (SAST) Regulations, 2011. • Based on the review of the PA and DPS, the IDC is of the opinion that the Offer price offered by the Acquirer and PACs (being the highest price amongst the selective criteria as disclosed in DPS) is in line with the regulation prescribed by SEBI under the SEBI (SAST) Regulations, 2011, and appears to be justified. • The Offer price has been based on the Fair Value of the Equity Shares of the Company as determined taking into account, inter alia, a valuation report dated February 9, 2016, issued by KCPL and Associates LLP, Chartered Accountants', (Registration No. 119223W) i.e. Rs. 61.71 per share as enhanced by Rs. 7.39 being more than the sum determined at the rate of 10 per cent per annum for the period between the date of the PA and date of DPS, in accordance with the provisions of the Regulation 8(12) of the SEBI (SAST) Regulations. • Based on the above, the IDC is of the opinion that the Offer price to the public shareholders of the Target Company is in compliance with the requirements under the SEBI (SAST) Regulations 2011. However, the shareholders should independently evaluate the Offer and take an informed decision in the matter.
Details of Independent Advisors, if any	None
Any other matters 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 Target Company under the SEBI (SAST) Regulations.
For and on behalf of the Committee of Independent Directors of McNally Sayaji Engineering Limited

Mr. Padam Khaitan
On behalf of
Committee of Independent Directors
McNally Sayaji Engineering Limited

Place: Kolkata
Date: March 29, 2016