GUJARAT AUTOMOTIVE GEARS LIMITED

Registered Office: Kalali, Vadodara 390 012, Gujarat (India)

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Shareholders of the Gujarat Automotive Gears Limited ("GAGL/TC/Target Company) under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="4"></th></tr>
<tr><td>1</td><td>Date</td><td colspan="4">8th August, 2013</td></tr>
<tr><td>2</td><td>Name of the Target Company (TC)</td><td colspan="4">Gujarat Automotive Gears Limited</td></tr>
<tr><td>3</td><td>Details of the Offer pertaining to Target Company</td><td colspan="4">Open Offer for Acquisition of upto 91,000 equity shares from the Shareholders of GAGL by Him Teknoforge Limited alongwith Globe Precision Industries Private Ltd., Mr. Vinod Aggarwal and Mrs. Asha Aggarwal (hereinafter collectively referred to as "Acquirers") at a price of Rs. 1137/- (Rupees OneThousand One Hundred Thirty Seven only) per fully paid up equity share payable in cash, in terms of Regulation 3(1) and 4 of the SEBI (SAST) Regulations</td></tr>
<tr><td>4</td><td>Name(s) of the Acquirers</td><td colspan="4">Him Teknoforge Limited alongwith Globe Precision Industries Private Ltd., Mr. Vinod Aggarwal and Mrs. Asha Aggarwal</td></tr>
<tr><td>5</td><td>Name of the Manager to the offer</td><td colspan="4">SMC Capitals Limited</td></tr>
<tr><td>6</td><td>Members of the Committee of Independent Directors</td><td colspan="4">a) Mr. Mukesh D Patel – Chairman
b) Mr. Atul H Patel – Member
c) Mr. Dhiren C Daftari– Member</td></tr>
<tr><td>7</td><td>IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any</td><td>Name</td><td>Relationship</td><td>Shares</td><td>% holding</td></tr>
<tr><td></td><td></td><td>Mukesh D Patel</td><td>Director</td><td>100</td><td>0.028</td></tr>
<tr><td></td><td></td><td>Atul H Patel</td><td>Director</td><td>100</td><td>0.028</td></tr>
<tr><td></td><td></td><td>Dhiren C Daftari</td><td>Director</td><td>200</td><td>0.056</td></tr>
<tr><td>8</td><td>Trading in the Equity shares/other securities of the TC by IDC Members</td><td colspan="4">The IDC members have not done any trading in equity shares of the TC since the date of Share Purchase Agreement i.e. 24th June, 2013</td></tr>
<tr><td>9</td><td>IDC Member's relationship with the Acquirer (Director, Equity shares owned, any other contract / relationship), if any</td><td colspan="4">None of the IDC Members
a) Are Directors in Him Teknoforge Limited and Globe Precision Industries Private Ltd
b) Hold any equity shares or other securities of Him Teknoforge Limited and Globe Precision Industries Private Ltd
c) Have any contract/relationship with the Acquirers</td></tr>
<tr><td>10</td><td>Trading in the Equity shares/other securities of the Acquirer by IDC Members</td><td colspan="4">Shares of the Him Teknoforge Limited and Globe Precision Industries Private Ltd are not listed on any of the Stock Exchanges in India or abroad</td></tr>
<tr><td>11</td><td>Recommendation on the Open offer, as to whether the offer is fair and reasonable</td><td colspan="4">IDC believes that the Open Offer is fair and reasonable</td></tr>
<tr><td>12</td><td>Summary of reasons for recommendation</td><td colspan="4">a) The book value per equity share of the TC is Rs. 401.08 as on 31st March, 2013. The Offer Price of Rs.1137 which is 2.83 times of the book value
b) The Offer Price also appears to be reasonable considering the current size of the business operations and is highest in terms of Regulation 8(2) of SEBI (SAST) Regulations
c) There is limited liquidity in the equity shares of TC on BSE Limited. The Open Offer thus provides an exit opportunity for the investors interested in availing the exit option</td></tr>
<tr><td>13</td><td>Details of Independent Advisors, if any</td><td colspan="4">Not applicable</td></tr>
<tr><td>14</td><td>Any other matter(s) to be highlighted</td><td colspan="4">Nil</td></tr>
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"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."

Place : Vadodara
Date : 8th August, 2013

Sd/-
Authorised Signatory