

GAURAV MERCANTILES LIMITED

Regd. office: 3rd Floor, Tower 2B, One Indiabulls Centre, Senapati Bapat Marg, Lower Parel (West), Mumbai, Maharashtra 400 013 Tel: 020 45404000

Website: www.gmlmumbai.com, email: cs@gmlmumbai.com,

CIN: L74110MH1985PLC176592

Recommendations of the Independent Directors Committee (“IDC”) of Gaurav Mercantiles Limited (“Target Company”) on the Open Offer (hereinafter defined) made by Mr. Raghav Bahl together with Ms. Ritu Kapur and Mr. Mohan Lal Jain as Persons Acting in Concert with the Acquirer, to the Equity Shareholders of the Target Company, under Regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“SEBI (SAST) Regulations”).

1.	Date	January 21, 2020						
2.	Name of the Target Company (TC)	GAURAV MERCANTILES LIMITED (“TC”)						
3.	Details of the Open Offer pertaining to the TC	<p>Open offer to acquire up to 48,10,000 fully paid up Equity Shares, having face value of INR 10 each (“Equity Share”) at a price of INR 42.50 per Equity Share (“Offer Price”), representing 26% of the emerging voting share capital of the Target Company by Mr. Raghav Bahl (“Acquirer”) along with Ms. Ritu Kapur and Mr. Mohan Lal Jain (Ms. Ritu Kapur and Mr. Mohan Lal Jain are hereinafter collectively referred to as “Persons Acting in Concert”) under Regulation 3(1) and 4 of the SEBI (SAST) Regulations.</p> <p>The Public Announcement dated November 27, 2018 (“PA”), Detailed Public Statement published on December 4, 2018 (“DPS”), Draft Letter of Offer dated December 11, 2018 (“DLof”), Letter of Offer dated January 16, 2020 (“LoF”) and Corrigendum to the DPS published on January 17, 2020 (“Corrigendum”) have been issued by Pantomath Capital Advisors Private Limited, the Manager to the Open Offer on behalf of Acquirer and Persons Acting in Concert.</p>						
4.	Name(s) of the Acquirers and Persons Acting in Concert (PACs) with the Acquirers	<p>Acquirer: Mr. Raghav Bahl</p> <p>Persons Acting in Concert (PACs): Ms. Ritu Kapur Mr. Mohan Lal Jain</p>						
5.	Name of the Managers of the Open Offer	<p>Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai- 400051</p> <p>Website: www.pantomathgroup.com Contact Person: Unmesh Zagade SEBI Registration Number: INM000012110</p>						
6.	Members of the Committee of the Independent Directors (Please indicate the chairperson of the Committee separately)	<p>Mr. Sanjeev Krishana Sharma Mr. Parshotam Dass Agarwal Mr. Sanjeev Krishana Sharma is the Chairperson of the Committee of the Independent Directors (“IDC”).</p>						
7.	IDC Member's relationship with the TC (Director, equity shares owned, any other contract/relationship), If any	<p>The members of the IDC are Independent Directors on the board of directors of the Target Company. None of the members of the IDC hold any Equity Shares or other securities of the Target Company. Other than the committee memberships disclosed below, none of the members of the IDC have entered into any contract or have any relationship with the Target Company:</p> <table border="1"><thead><tr><th>Name</th><th>Position</th></tr></thead><tbody><tr><td>Mr. Parshotam Dass Agarwal</td><td><ul style="list-style-type: none">Audit Committee- ChairpersonNomination and Remuneration Committee- MemberStakeholders Relationship Committee- MemberChairperson of the Board of Directors</td></tr><tr><td>Mr. Sanjeev Krishana Sharma</td><td><ul style="list-style-type: none">Audit Committee- MemberNomination and Remuneration Committee- Chairperson</td></tr></tbody></table>	Name	Position	Mr. Parshotam Dass Agarwal	<ul style="list-style-type: none">Audit Committee- ChairpersonNomination and Remuneration Committee- MemberStakeholders Relationship Committee- MemberChairperson of the Board of Directors	Mr. Sanjeev Krishana Sharma	<ul style="list-style-type: none">Audit Committee- MemberNomination and Remuneration Committee- Chairperson
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Mr. Parshotam Dass Agarwal	<ul style="list-style-type: none">Audit Committee- ChairpersonNomination and Remuneration Committee- MemberStakeholders Relationship Committee- MemberChairperson of the Board of Directors							
Mr. Sanjeev Krishana Sharma	<ul style="list-style-type: none">Audit Committee- MemberNomination and Remuneration Committee- Chairperson							
8.	Trading in the equity shares/ other securities of the TC by IDC Members	<p>None of the members of the IDC have traded in any of the Equity Shares/ other securities of the Target Company during:</p> <p>a) the 12-month period preceding the date of the PA; and</p> <p>b) the period from the date of the PA till the date of this recommendation.</p>						
9.	IDC Member's relationship with the Acquirer (Director, equity shares owned, any other contract / relationship), if any.	<p>None of the IDC members has any relationship with the Acquirer at present.</p>						
10.	Trading in the equity shares/ other securities of the Acquirer by IDC Members	NA						
11.	Recommendation on the Open Offer, as to whether the offer is fair and reasonable	<p>Basis review of the PA, DPS and the DLof, LoF and Corrigendum, IDC believes that the Open Offer is in accordance with the regulations prescribed under the SEBI (SAST) Regulations and is fair and reasonable.</p> <p>However, the equity shareholders should independently evaluate the Open Offer and take informed decision in the matter.</p>						
12.	Summary of reasons for recommendations	<p>IDC members have reviewed a) PA; b) DPS; c) DLof; d) LoF; and e) Corrigendum</p> <p>IDC members have also taken into consideration the following for making the recommendations:</p> <ul style="list-style-type: none">The equity shares of the Target Company were infrequently traded on BSE as on the date of the PA and do not come within the meaning and definition of ‘frequently traded shares’ under clause (j) of sub-regulation (1) of Regulation 2 of the SEBI (SAST) Regulations.The offer price of INR 42.50 determined is in line with the parameters as provided under the provisions of Regulation 8(2)(e) of the SEBI (SAST) Regulations.						
13.	Details of Independent Advisors, if any	Nil						
14.	Any other matter 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 respects, 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
Gaurav Mercantiles Limited**
Sd/-

Place: Noida
Date: 21.01.2020

Mr. Sanjeev Krishana Sharma
Chairperson- Committee of Independent Directors