

INERTIA STEEL LIMITED

Registered Office: 422, Tulsiani Chamber, Nariman Point, Mumbai - 400021,
Tel. No. +91- 022-22832381; **E-mail:** contact@inertiasteel.com; **Website:** www.inertiasteel.com.
Corporate Identification Number L51900MH1984PLC033082

Recommendations of the Committee of Independent Directors ("**IDC**") of Inertia Steel Limited ("**Target Company**") in relation to the Open Offer ("**Offer**") made by Mr. Vasant Rai Ratilal Mehta ("**Acquirer**"), to the Public Shareholders of the Target Company ("**Shareholders**") under Regulations 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Subsequent Amendments thereto ("**SEBI (SAST) Regulations, 2011**").

1	Date	4th January, 2023																					
2	Target Company (" TC ")	Inertia Steel Limited																					
3	Details of the Offer pertaining to the Target Company	The offer is being made by the Acquirer pursuant to Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011 for the acquisition up to 64,688 (Sixty Four Thousand Six Hundred and Eighty-Eight) Equity Shares of the face value of Rs.10/- each representing 26.00% of the Equity Share Capital/ Voting Capital of the Target Company at a Price of Rs.10/- (Rupees Ten Only) (" Offer Price "), payable in Cash.																					
4	Acquirer	Mr. Vasant Rai Ratilal Mehta																					
5	Manager to the Offer	Kunvarji Finstock Private Limited																					
6	Members of the Committee of Independent Directors (IDC)	1. Mr. Suresh Ajmera, Chairman 2. Mr. Dhanesh Ajmera, Member																					
7	IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract/relationship), if any	IDC Members are Independent Directors on the Board of the Target Company. They do not have any Equity holding in the Target Company. None of them has entered into any other contract or has other relationships with the Target Company																					
8	Trading in the Equity shares/other securities of the TC by IDC Members	No trading in the Equity Shares of the Target Company has been done by any of the IDC Members.																					
9	IDC Member's relationship with the acquirers (Director, Equity shares owned, any other contract/relationship), if any.	None of the IDC Members holds any contracts, nor have any relationship with the Acquirer in their personal capacities.																					
10	Trading in the Equity shares/other securities of the acquirers by IDC Members	No trading in the Equity Shares/Other Securities of the acquirers by IDC Members																					
11	Recommendation on the Open offer, as to whether the offer, is or is not, 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 Acquirer. IDC Members believe that the Offer is fair and reasonable and in line with the SEBI (SAST) Regulations, 2011. IDC also draws the attention of Public Shareholders to the current share price which has exceeded the open offer price after the PA date. The shareholders may therefore independently evaluate the offer and take an informed decision in the best of their interests.																					
12	Summary of reasons for the recommendation	<p>IDC has taken into consideration the following for making the recommendation: IDC has reviewed</p> <p>a) The Public Announcement ("PA") dated 29/09/2022; b) The Detailed Public Statement ("DPS") which was published on 07/10/2022; c) The Draft Letter of Offer ("DLOF") dated 14/10/2022; and d) The Letter of Offer ("LOF") dated 23/12/2022,</p> <p>Based on the review of PA, DPS, DLOF and LOF, the IDC Members are of the view that the Offer Price is in line with the parameters prescribed by SEBI in the Regulations.</p> <p>The Equity Shares of the Target Company are listed and traded on bourses of BSE and are not frequently traded within which the meaning of the 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 Rs. 10/- (Rupees Ten Only) is justified, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011, being the highest of the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sr</th> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Price (in Rs. per Equity Share)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>The highest negotiated price per Equity Share of the Target Company for acquisition under any agreement attracting the obligation to make a PA of an Open Offer.</td> <td style="text-align: center;">10.00/-</td> </tr> <tr> <td style="text-align: center;">2</td> <td>The volume-weighted average price paid or payable for acquisition by the Acquirer during 52 (Fifty-Two) weeks immediately preceding the date of PA.</td> <td style="text-align: center;">Not Applicable</td> </tr> <tr> <td style="text-align: center;">3</td> <td>The highest price paid or payable for any acquisition by the Acquirer during 26 weeks (Twenty-Six) immediately preceding the date of the PA.</td> <td style="text-align: center;">Not Applicable</td> </tr> <tr> <td style="text-align: center;">4</td> <td>The volume-weighted average market price of such Equity Shares for a period of 60 (Sixty) trading days immediately preceding the date of PA as traded on BSE, provided such shares are frequently traded.</td> <td style="text-align: center;">Not Applicable</td> </tr> <tr> <td style="text-align: center;">5</td> <td>The per equity share value is computed under Regulation 8(5) of the Takeover Regulations, if applicable.</td> <td style="text-align: center;">Not Applicable</td> </tr> <tr> <td style="text-align: center;">6</td> <td>Where the shares are not frequently traded, price is determined by the Acquirer and the Manager to the Offer taking into account valuation parameters including book value, comparable trading multiples and earnings per share.</td> <td style="text-align: center;">7.22/-*</td> </tr> </tbody> </table> <p>(*As certified by Bhavesh M Rathod proprietor of Bhavesh Rathod & Co. Valuer (Membership No.: 119158) having an office at 12D, White Spring, A wing, Rivali Park Complex, Western Express Highway, Borivali East, Mumbai 400066; Tel. No.: +91 9769113490; Email: Info.cabhavesh@gmail.com has valued the Equity Shares of Target Company and calculated the fair value per share at Rs. 7.22/- (Rupees Seven and Twenty Two Paise Only) vide his Share Valuation Report dated 19/09/2022).</p> <p>In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and manager to the offer, the Offer Price is Rs. 10/- in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011.</p>	Sr	Particulars	Price (in Rs. per Equity Share)	1	The highest negotiated price per Equity Share of the Target Company for acquisition under any agreement attracting the obligation to make a PA of an Open Offer.	10.00/-	2	The volume-weighted average price paid or payable for acquisition by the Acquirer during 52 (Fifty-Two) weeks immediately preceding the date of PA.	Not Applicable	3	The highest price paid or payable for any acquisition by the Acquirer during 26 weeks (Twenty-Six) immediately preceding the date of the PA.	Not Applicable	4	The volume-weighted average market price of such Equity Shares for a period of 60 (Sixty) trading days immediately preceding the date of PA as traded on BSE, provided such shares are frequently traded.	Not Applicable	5	The per equity share value is computed under Regulation 8(5) of the Takeover Regulations, if applicable.	Not Applicable	6	Where the shares are not frequently traded, price is determined by the Acquirer and the Manager to the Offer taking into account valuation parameters including book value, comparable trading multiples and earnings per share.	7.22/-*
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13	Details of Independent Advisors, if any.	None																					
14	Any other matter to be highlighted	None																					

To the best of our knowledge and belief, after making the 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 Regulations.

**For and on behalf of the Committee of
Inertia Steel Limited**

Place: Mumbai
Date: 4th January, 2023

Suresh J. Ajmera
Director (DIN: 01341331)