

LORDS CHLORO ALKALI LIMITED

Registered Office: – 460, Matsya Industrial Area, Alwar, Rajasthan – 301030

Tel. No.: +91-44-2941056

E-mail ID: secretarial@lordschloro.com

Website: www.lordschloro.com

CIN: L24117RJ1979PLC002099

Recommendations of the Committee of Independent Directors ('IDC') for the Open Offer to the Shareholders of Lords Chloro Alkali Limited (hereinafter referred to as '**the Company**') by Mr. Madhav Dhir, Ms. Srishti Dhir and Dhir Hotels and Resorts Private Limited (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	September 28, 2021, Tuesday														
2.	Name of the Company	Lords Chloro Alkali Limited														
3.	Details of the Offer pertaining to the Company	Open Offer to acquire upto 92,75,000 Equity Shares representing 36.87% of the Issued, Subscribed and Paid-up Share Capital of the Company from the Equity Shareholders, other than the Acquirer at a price of INR 47.75/- per share														
4.	Name of the Acquirer	1. Mr. Madhav Dhir 2. Ms. Srishti Dhir 3. Dhir Hotels and Resorts Private Limited														
5.	Name of the Manager to the Offer	Corporate Professionals Capital Private Limited														
6.	Members of the Committee of Independent Directors	1. Mr. Sandeep Singh – Chairperson 2. Mr. R. S. Makhni – Member 3. Ms. Poonam Bisht – Member 4. Mr. R. P. Chauhan – Member														
7.	IDC Member's relationship with the Company The	IDC members are Independent Directors of the Company.														
8.	Trading in the Equity shares/other securities of the Company by IDC Members	Except Mr. R. S. Makhni, Independent Director (holds 15,200 equity shares) and Mr. Sandeep Singh, Independent Director (holds 10 equity shares), 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.														
9.	IDC Member's relationship with the Acquirer	The IDC members do not have any relationship with the Acquirers.														
10.	Trading in the Equity shares/other securities of the Acquirer by IDC Members	Not Applicable														
11.	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 Acquirer, 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.														
12.	Summary of reasons for recommendation	<p>The Equity Shares of the Company are not frequently traded within the meaning and definition of 'frequently traded shares' under clause (j) of sub-regulation (1) of Regulation 2 of the SEBI (SAST) Regulations, 2011.</p> <p>This Open Offer is being made voluntarily under the provisions of Regulation 3(2) of SEBI (SAST) Regulations by Acquirers with the intent to consolidate their shareholding to the extent of maximum permissible non-public shareholding by the acquisition of 92,75,000 (Ninety Two Lacs Seventy Five Thousand) Equity Shares representing 36.87% of the Issued, Subscribed and Paid-up Share capital of the Company having face value of INR 10.00/- (Indian Rupees Ten Only) per share at a price of INR 47.75/- (Indian Rupees Forty Seven and Seventy Five Paise Only) per share.</p> <p>Please note that over a period of three financial year, the Profit after tax of the Target Company was unstable and since it is not a triggered transaction, the Manager to the Offer and Acquirers have considered following parameters to arrive at a fair value of the equity share of the Target Company.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 75%;">Other Parameters</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Volume weighted average market price of 60 trading days prior to the date of Public Announcement</td> <td style="text-align: right;">INR 39.33</td> </tr> <tr> <td>Average of the weekly high and low of the volume weighted average price of the Target Company during the fifty two weeks preceding the date of Public Announcement</td> <td style="text-align: right;">INR 34.62</td> </tr> <tr> <td>Average of the weekly high and low of the volume weighted average price of the Target Company during the twenty six weeks preceding the date of Public Announcement</td> <td style="text-align: right;">INR 35.50</td> </tr> <tr> <td>Book Value / Net Asset Value per share</td> <td style="text-align: right;">INR 34.19 (as on 30th June, 2021)</td> </tr> </tbody> </table> <p>Also, an independent valuation was carried by a Chartered Accountant having experience of more than 10 years and he has arrived at the following fair value of the equity share of the Target Company.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 75%;">Other Parameters</td> <td style="width: 25%;">Based on the unaudited financial data for the quarter ending June 30, 2021</td> </tr> <tr> <td>Comparable Trading Multiples Value and Other Valuation Parameters</td> <td style="text-align: right;">INR 42.77</td> </tr> </tbody> </table> <p>(* Source: As certified by Mr. Manish Kumar Bubna, Partner of Ambani & Associates LLP, Chartered Accountants having office at A-3/87, Gurunanak Pura, 104 Garg Complex, Opp. V3S Mall, Laxmi Nagar, Delhi – 110092; Tel. No.: +91-9810904100; Email ID: ca.manish.bubna@gmail.com vide certificate dated July 28, 2021.</p> <p>Therefore, considering all the parameters and with the intent of Acquirer, along with their persons acting in concert, to consolidate shareholding to the extent of maximum permissible non-public shareholding, they have made an Open Offer at a price of INR 47.75 (Indian Rupees Forty Seven and Seventy Five Paise Only) which is fair and justified in terms of the provisions of SEBI (SAST) Regulations, 2011.</p>	Other Parameters	Amount	Volume weighted average market price of 60 trading days prior to the date of Public Announcement	INR 39.33	Average of the weekly high and low of the volume weighted average price of the Target Company during the fifty two weeks preceding the date of Public Announcement	INR 34.62	Average of the weekly high and low of the volume weighted average price of the Target Company during the twenty six weeks preceding the date of Public Announcement	INR 35.50	Book Value / Net Asset Value per share	INR 34.19 (as on 30 th June, 2021)	Other Parameters	Based on the unaudited financial data for the quarter ending June 30, 2021	Comparable Trading Multiples Value and Other Valuation Parameters	INR 42.77
Other Parameters	Amount															
Volume weighted average market price of 60 trading days prior to the date of Public Announcement	INR 39.33															
Average of the weekly high and low of the volume weighted average price of the Target Company during the fifty two weeks preceding the date of Public Announcement	INR 34.62															
Average of the weekly high and low of the volume weighted average price of the Target Company during the twenty six weeks preceding the date of Public Announcement	INR 35.50															
Book Value / Net Asset Value per share	INR 34.19 (as on 30 th June, 2021)															
Other Parameters	Based on the unaudited financial data for the quarter ending June 30, 2021															
Comparable Trading Multiples Value and Other Valuation Parameters	INR 42.77															
13.	Details of Independent Advisors, if any.	None														
14.	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 of
Sd/-

Sandeep Singh

Chairperson – Committee of Independent Directors

Place: Delhi
Date: September 28, 2021