PIPAVAV

Recommendations of the Committee of Independent Directors ("IDC") of Pipavav Defence and Offshore Engineering Company Limited ("Target Company" or "TC") on the open offer ("Open Offer") made by Reliance Defence Systems Private Limited ("Acquirer") along with Reliance Infrastructure Limited as the person acting in concert with the Acquirer, ("PAC") to the public shareholders of the TC, under Regulation 26(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations" / "Takeover Code")

1.	Date	November 14, 2015.
2.	Name of the Target Company	Pipavav Defence and Offshore Engineering Company Limited
3.	Details of the Open Offer pertaining to the TC	The Acquirer and the PAC are making the Open Offer to the public shareholders of the TC to acquire up to 19,14,13,630 fully paid-up equity shares of face value of Rs. 10 each of the TC ("**Offer Shares**"), representing 26.00% of the total fully diluted voting equity share capital (as of the 10th working day from the closure of the tendering period for the Open Offer) (the "**Voting Share Capital**") of the TC, by the Acquirer along with the PAC under Regulation 3(1) and 4 of the SEBI (SAST) Regulations. Offer Price: Rs. 66.00 per Offer Share (Rupees Sixty Six only) ("Offer Price"). In addition, to the Offer price mentioned above, the Acquirer and/or the PAC shall pay interest @ 10.00% p. a. per Offer Share for any delay in payment till the actual date of payment of consideration under the Open Offer, in accordance with the Letter dated May 11, 2015 submitted to the Stock Exchanges by Managers to the Offer.
4.	Name(s) of the acquirer and PAC with the acquirer	Reliance Defence Systems Private Limited ("**Acquirer**"); Reliance Infrastructure Limited ("**PAC**")
5.	Name of the Manager to the Offer	JM Financial Institutional Securities Limited (Formerly known as JM Financial Institutional Securities Private Limited)

		Corporate Identity Number: U65192MH1995PLC092522 Registered Office: 7th floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India Tel: +91 22 6630 3030, Fax: +91 22 6630 3330 Contact Person: Ms. Lakshmi Lakshmanan Email: pipavav.openoffer@jmfl.com
6.	Members of the Committee of Independent Directors	Mr. Ramunni Menon Premkumar (Chairperson); Mr. Alexander John Joseph (Member); Mr. Ajai Vikram Singh (Member); Ms. Comal Ramachandran Gayathri (Member); and Mr. Samar Ballav Mohapatra (Member).
7.	IDC Member's relationship with the TC	The members of the IDC are independent and non-executive Directors on the Board of Directors of the TC. Other than their position as independent directors on the board of directors of the TC, there is no other contract or relationship between the members of the IDC and the TC. Except for Mr. Alexander John Joseph, who holds 25,000 equity shares in the TC, none of the other members of the IDC hold any equity shares in the TC.
8.	Trading in the equity shares/other securities of the TC by IDC members	None of the members of the IDC have traded in any of the securities of the TC during a period of 12 months prior to the date of the Public Announcement and till the date of this recommendation.
9.	IDC Member's relationship with the Acquirer	None of the members of the IDC: (1) are directors of the Acquirer or the PAC; (2) hold any shares or other securities of Acquirer or PAC; and (3) have any contracts/relationship with the Acquirer, PAC or their respective directors.
10	Trading in the equity shares/other securities of the acquirer or PAC by IDC members	None of the members of the IDC have traded in the shares/other securities of the Acquirer or PAC during the period of twelve months prior to the date of the Public Announcement and till the date of this recommendation.
11	Recommendation on the open offer, as to whether the offer is	The IDC believes that the Open Offer including the Offer Price of Rs. 66.00 per Offer Share is fair and

	fair and reasonable	reasonable.
12	Summary of reasons for recommendation	The IDC has perused the Public Announcement dated March 4, 2015 (the "**PA**"), the Detailed Public Statement dated March 11, 2015 (the "**DPS**") and the Draft Letter of Offer dated March 18, 2015 (the "DLOF") released on behalf of the Acquirer and the PAC. IDC has also perused the intimation dated May 11, 2015 issued by Managers to the Offer to BSE Limited and National Stock Exchange of India Limited, which states that in addition to the Offer Price, the Acquirer and/or PAC shall pay interest @ 10.00% per annum per Offer Share for any delay in payment till the actual date of payment of consideration under the Open Offer. The IDC has taken into consideration the following for making its recommendation – a) A review of the contents of the aforesaid documents leads the IDC to opine that the Offer Price of Rs. 66.00 per Offer Share offered by the Acquirer and/or the PAC is in accordance with Regulation 8(2) of the SEBI (SAST) Regulations; b) Investec Capital Services (India) Private Limited has provided an opinion to the IDC that the Offer Price is fair from a financial point of view. Based on the review of PA, DPS, DLOF and the opinion of Investec Capital Services (India) Private Limited, the IDC is of the opinion that the Open Offer including the Offer Price of Rs. 66.00 per Offer Share offered by the Acquirer and/or the PAC (being the highest price amongst the selective criteria) is in line with the regulations prescribed by SEBI under the SEBI (SAST) Regulations and prima facie appears to be justified, fair and reasonable.

PIPAVAV DEFENCE AND OFFSHORE ENGINEERING COMPANY LIMITED

		The shareholders of the TC are advised to independently evaluate the Open Offer and take an informed decision to either tender their shares in the Open Offer or remain invested.
13	Details of Independent Advisors, if any.	***Investec Capital Services (India) Private Limited,902, The Capital, B Wing, Bandra-Kurla Complex, Mumbai 400 051*** ***www.investec.com***
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 TC under the Takeover Code.

For and on behalf of the Committee of the **Independent Directors of Pipavav Defence and Offshore Engineering Company Limited**

Ramunni Menon Premkumar, Chairman	Alexander John Joseph, Member	Ajai Vikram Singh, Member	Comal Ramachandran Gayathri, Member	Samar Ballav Mohapatra, Member

Place: Mumbai

Date: November 14, 2015

PIPAVAV DEFENCE AND OFFSHORE ENGINEERING COMPANY LIMITED