RAJKUMAR FORGE LIMITED

CIN: U28910PN1981PTC024155
Registered Off.: 1st Floor, 18, Shivaji Co-op Housing Society Ltd., Off Senapati Bapat Road, Pune, Maharashtra - 411 016; Tel.: 020-2563 9050/51/52; Fax: 020-2563 9049
E-mail: info@rkforge.in and Website: www.rkforging.com

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the equity shareholders of Rajkumar Forge Limited (hereinafter referred to as "Target Company") by Western India Forgings Private Limited, Krishankumar Jindal and Arun Jindal (hereinafter referred to as "Acquirers") under Regulation 26(7) of Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

<table>
<tr><td>1)</td><td>Date</td><td>July 18, 2016</td></tr>
<tr><td>2)</td><td>Name of the Target Company</td><td>Rajkumar Forge Limited</td></tr>
<tr><td>3)</td><td>Details of the Offer pertaining to the Target Company</td><td>Open Offer for acquisition of upto 28,44,244 (Twenty Eight Lakhs Forty Four Thousand Two Hundred and Forty Four only) fully paid up equity shares from shareholders of Rajkumar Forge Limited (hereinafter referred to as "Target Company" or "RFL") by Western India Forgings Private Limited, Krishankumar Jindal and Arun Jindal (hereinafter referred to as "Acquirers") pursuant to and in accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended ("Regulation").</td></tr>
<tr><td>4)</td><td>Name of the Acquirers and PAC with the Acquirers</td><td>Acquirers - Western India Forgings Private Limited, Krishankumar Jindal and Arun Jindal.
There is no Person(s) Acting in Concert with the Acquirers.</td></tr>
<tr><td>5)</td><td>Name of the Manager to the offer</td><td>Intensive Fiscal Services Private Limited
(CIN: U65920MH1997PTC107272)
914, 9th Floor, Raheja Chambers,
Nariman Point, Mumbai - 400 021
Tel. Nos.: 022-22870443/44/45; Fax No.: 022-22870446
E-mail: anand@intensivefiscal.com
Contact Person: Mr. Anand Rawal
SEBI Registration No.: INM000011112</td></tr>
<tr><td>6)</td><td>Members of the Committee of Independent Directors ("IDC")</td><td>Mr. Subramanian Padmanabhan - Chairman
Mr. Pradeep Kumar Bhargava - Member</td></tr>
<tr><td>7)</td><td>IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract/relationship), if any</td><td>IDC members are Independent Directors of the Target Company. They do not hold any equity shares in the Target Company.</td></tr>
<tr><td>8)</td><td>Trading in the Equity shares/other securities of the Target Company by IDC Members</td><td>None of members of the IDC have done trading in the equity shares/other securities of the Target Company since their appointment.</td></tr>
<tr><td>9)</td><td>Trading in the Equity shares/other securities of the Target Company by IDC Members</td><td>None of the IDC members have any relationship with the Acquirers.</td></tr>
<tr><td>10)</td><td>Trading in the Equity shares/other securities of the Acquirers by IDC Members</td><td>Not Applicable</td></tr>
<tr><td>11)</td><td>Recommendation on the Open offer, as to whether the offer, is or is not, fair and reasonable</td><td>IDC members believe that the Open Offer is fair and reasonable.</td></tr>
<tr><td>12)</td><td>Summary of reasons for recommendation</td><td>IDC recommends acceptance of the Open offer made by the Acquirers as the Offer price of ₹ 32.00/- (Rupees Thirty Two only) per fully paid up equity share is fair and reasonable based on the following reasons:
1. The offer price of ₹ 32.00/- per fully paid up equity share offered by the Acquirers is equal to the price paid to outgoing promoters who propose to sell their holdings via SPA at ₹ 32.00/- per fully paid up equity share.
2. Valuation report on the fair value of equity shares of the Target Company vide dated June 29, 2016 issued by Mahesh Bairat & Associates, Chartered Accountants signed by Proprietor, CA. Mahesh Bairat Membership No. 045810 has applied the valuation methodology prescribed by the Honorable Supreme Court of India in the case of Hindustan Lever Employees Union vs. Hindustan Lever Limited, 1995 (83 Com. Case 30). Considering aforesaid valuation methodology, the Value of shares is as follows:
a. As per Net Assets Method (NAV) is ₹ 21.78/-,
b. As per Price Earning Capitalization Method is ₹ 4.82/- and
c. As per Market Value Method is ₹ 19.13/-.
d. Considering the decision of the Supreme Court in HLL Employees Union vs. Hindustan Lever Limited (1995), 83 Com case 30, the Fair Value the company shall be:
<table>
<tr><th>Methods</th><th>Amount (₹)</th><th>Weights</th><th>Weighted</th></tr>
<tr><td></td><td>(x)</td><td>(y)</td><td>Amount (in ₹)</td></tr>
<tr><td></td><td></td><td></td><td>(X * Y)</td></tr>
<tr><td>1. Value of shares as per Net Assets Method (NAV)</td><td>21.78</td><td>3</td><td>65.35</td></tr>
<tr><td>2. Value of shares as per Price Earning Capitalization Method</td><td>4.82</td><td>1</td><td>4.82</td></tr>
<tr><td>3. Value of Shares as per Market Price Method</td><td>19.13</td><td>1</td><td>19.13</td></tr>
<tr><td>Total</td><td></td><td>5</td><td>89.30</td></tr>
<tr><td colspan="3">Fair value of share</td><td>17.86</td></tr>
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Thus the fair value of equity shares is ₹ 17.86/-. Therefore, the Offer Price of ₹ 32.00/- (Rupee Thirty Two Only) per share is justified.
3. The equity shares of the Target Company are infrequently traded shares within the meaning of explanation provided in Regulation 2(j) of SEBI (SAST) Regulations, 2011.
4. Looking to the past trend, it is being observed that trading by general public is limited which restraints exit to investor to the Market. This Open offer will provide an exit opportunity to the existing investors/shareholders.
Keeping in view above facts, IDC is of opinion that Open Offer price is fair and reasonable.</td></tr>
<tr><td>13)</td><td>Details of Independent Advisors, if any</td><td>Nil</td></tr>
<tr><td>14)</td><td>Any other matter to be highlighted</td><td>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 Takeover Code."

For Rajkumar Forge Limited
Sd/-
(Chairman-Committee of Independent Directors)

Place : Pune
Date : July 18, 2016

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Size: 12 (w) X35 (h)