



Dalmia Bharat Sugar and Industries Limited

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RECOMMENDATIONS OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("IDC") ON THE OPEN OFFER TO THE SHAREHOLDERS OF DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED UNDER REGULATION 26(7) OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 (THE "SEBITAKEOVER REGULATIONS")

1. Date	January 08, 2013
2. Name of the Target Company/Target	Dalmia Bharat Sugar and Industries Limited
3. Details of the Offer pertaining to Target Company	Mandatory Offer made by the Acquirer under Regulation 3(2) read with Regulation 13(2)(a) of the SEBI Takeover Regulations for substantial acquisition of Equity Shares and Voting Rights to consolidate their holding in the Target and to acquire 21,044,220 (Two Crore Ten Lakh Forty Four Thousand Two Hundred Twenty Only) Equity Shares of face value of ₹ 2/- each representing 26% of the Paid up Equity Share Capital of the Target at a price of ₹ 19.50 (Rupees Nineteen and Paise Fifty Only) per fully paid up Equity Share ("Offer Price"), payable in cash.
4. Name(s) of the Acquirer and PAC with the Acquirer	Acquirer - Dalmia Bharat Limited There is no Person Acting in Concert with the Acquirer for the purpose of this Open Offer.
5. Name of the Manager to the Offer	SPA Capital Advisors Limited SEBI Reg. No.: INM 000010825
6. Members of the Committee of Independent Directors	Mr. Jagdish Saran Bajjal Mr. Panchapakesan Kannan Mr. Muthuswamy Raghupathy
7. IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any	All the IDC Members are Independent and Non-Executive Directors of the Target Company. They neither have any contractual relationship with the Target Company nor hold any Equity Shares of the Target Company except Mr. Panchapakesan Kannan, who holds 2,730 Equity Shares in the Target.
8. Trading in the Equity Shares/Other Securities of the Target Company by IDC Members	None of the IDC Members has done any trading in the Equity Shares/Other Securities of the Target in the last 12 months.
9. IDC Member's relationship with the Acquirer (Director, Equity shares owned, any other contract / relationship), if any	None of the IDC Members is a Director of the Acquirer. They neither have any contractual relationship with the Acquirer nor hold any Equity Shares of the Acquirer except Mr. Panchapakesan Kannan, who holds 2,730 equity shares of face value ₹ 2 each in the Acquirer.
10. Trading in the Equity Shares/Other Securities of the Acquirer by IDC Members	None of the IDC Members has done any trading in the Equity Shares/Other Securities of the Acquirer in the last 12 months.
11. Recommendations on the Open Offer, as to whether the Offer is fair and reasonable	The IDC believes that the Offer is fair and reasonable.
12. Summary of reasons for recommendations	In forming the aforesaid opinion / recommendations, the IDC has considered the following factors: <ul style="list-style-type: none"> • The Offer Price of ₹ 19.50 is at a premium to the volume weighted average price of the Equity Shares of the Target during the period of 60 trading days immediately preceding the date of the Public Announcement made by the Acquirer; and • At industry Price / Earning (P/E) multiple of 12.40 (Source: Capital Market Vol. XXVII/20 for the period November 20 - December 09, 2012), the value per Equity Share works out at ₹ 12.03 at weighted average Earnings Per Share of ₹ 0.97 of the Target for the financial years 2012-13 (annualised, based on six months unaudited results), 2011-12 and 2010-11 against the Offer Price of ₹ 19.50 per Equity Share.
13. Details of Independent Advisors, if any	None
14. Any other matter(s) to be highlighted	Nil

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 SEBI Takeover Regulations.

for **Dalmia Bharat Sugar and Industries Limited**

Sd/-

Place: New Delhi
Date: January 08, 2013

Jagdish Saran Bajjal
Chairman of the Committee