**Public Announcement under Regulation 3(2) read with Regulation 13(2)(a) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011**

Open Offer for acquisition of 21,044,220 equity shares from the shareholders of **Dalmia Bharat Sugar and Industries Limited** (the "Target Company"), a company incorporated under the Indian Companies Act, 1913 (now Companies Act, 1956) and having its registered office at Dalmiapuram - 621 651, District - Tiruchirapalli, Tamil Nadu, Tel. No.: +91 4329 235123, Fax No.: +91 4329 235111 and Head Office at 11th & 12th Floors, Hansalaya Building, 15 Barakhamba Road, New Delhi - 110 001, Tel. No.: +91 11 2346 5100, Fax No.: +91 11 2331 3303; by **Dalmia Bharat Enterprises Limited** (the "Acquirer"), a Company incorporated under the Companies Act, 1956 and having its registered office at Dalmiapuram - 621 651, District - Tiruchirapalli, Tamil Nadu, Tel. No.: +91 4329 235123, Fax No.: +91 4329 235111 and Head Office at 11th & 12th Floors, Hansalaya Building, 15 Barakhamba Road, New Delhi - 110 001, Tel. No.: +91 11 2346 5100, Fax No.: +91 11 2331 3303 pursuant to and in compliance with Regulation 3(2) read with Regulation 13(2)(a) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "SEBI Regulations").

**I. Offer Details**

- **Shareholding of the Promoter Group of Target Company**: The existing shareholding of the Acquirer, alongwith other individuals / bodies corporate / entities forming part of the Promoter Group of the Target Company as on the date preceding the date of this Public Announcement i.e. September 04, 2012 is as under:

| Name of Individual / Entity | No. of shares | %age |
|---|---|---|
| **Individuals / Hindu Undivided Family** | | |
| Mrs. Abha Dalmia | 1,000 | 0.00% |
| Mr. Jai Hari Dalmia | 1,635,010 | 2.02% |
| Mrs. Kavita Dalmia | 376,670 | 0.47% |
| Mr. Gautam Dalmia | 751,990 | 0.93% |
| Mrs. Anupama Dalmia | 11,250 | 0.01% |
| Ku. Vadehi Dalmia | 37,180 | 0.05% |
| Ku. Sukeshi Dalmia | 37,180 | 0.05% |
| Mr. Jai Hari Dalmia, Karta J. H. Dalmia HUF | 315,175 | 0.39% |
| Mr. Yadu Hari Dalmia | 4,541,880 | 5.61% |
| Mrs. Bela Dalmia | 553,495 | 0.68% |
| Mr. Puneet Yadu Dalmia | 3,928,055 | 4.85% |
| Mrs. Avantika Dalmia | 660,265 | 0.82% |
| Mr. Yadu Hari Dalmia, Karta Y. H. Dalmia HUF | 241,005 | 0.30% |
| **Bodies Corporate** | | |
| Mayuka Investment Limited | 17,736,537 | 21.91% |
| Shree Nirman Limited | 130 | 0.00% |
| Sita Investment Company Limited | 5,876,800 | 7.26% |
| Keshav Power Limited | 2,268,241 | 2.80% |
| Ankita Pratisthan Limited | 5,829,070 | 7.20% |
| Rama Investment Company Private Limited | 2,644,985 | 3.27% |
| Himgiri Commercial Limited | 738,265 | 0.91% |
| Kavita Trading and Investment Company Private Limited | 300,570 | 0.37% |
| Puneet Trading and Investment Company Private Limited | 109,080 | 0.13% |
| Alirox Abrasives Limited | 120,360 | 0.15% |
| Valley Agro Industries Limited | 3,500 | 0.00% |
| Shri Nataraj Ceramic and Chemical Industries Limited | 1,000 | 0.00% |
| Dalmia Bharat Enterprises Limited (the "Acquirer") | 3,959,753 | 4.89% |
| **Others** | | |

| Name of Individual / Entity | No. of shares | %age |
|---|---|---|
| Ms. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust | 86,665 | 0.11% |
| | | |
| **Total** | **5,27,65,111** | **65.19%** |

In the financial year 2012-13, the Acquirer has acquired 3,959,753 equity shares resulting in increase of Promoters' shareholding from 60.30% as on April 01, 2012 to 65.19% as on September 04, 2012. Further, the gross acquisition made by the Promoter Group during the period from April 01, 2012 to September 04, 2012 is 4,019,753 equity shares (inclusive of the shares acquired by the Acquirer as stated above) aggregating to 4.97% of the total paid up equity capital in terms of the Explanation (i) of the Regulation 3(2) of the SEBI Regulations.

- Size of the Offer: 21,044,220 equity shares constituting 26% of the paid up equity share capital of the Target Company. The Offer is not a conditional offer subject to minimum level of acceptances.
- Offer Price / Consideration (in ₹): The Offer Price of ₹ 19.50 (Rupees nineteen and paise fifty only) per equity share is calculated in accordance with the Regulation 8(2) of the SEBI Regulations ("Offer Price"). The total funds required for implementation of the Offer (assuming full acceptance) for the acquisition of 21,044,220 equity shares at ₹ 19.50 per equity shares is ₹ 410,362,290 (Rupees forty one crore three lakhs sixty two thousand two hundred ninety only).
- Mode of payment: The Offer Price is payable in "Cash" in accordance with Regulation 9(1)(a) of the SEBI Regulations.
- Type of Offer: This will be a "Mandatory Offer" under the Regulation 3(2) read with Regulation 13(2)(a) of the SEBI Regulations.

  The acquirer has acquired 3,959,753 equity shares representing 4.89% of the total paid up equity share capital of the Target Company during the financial year 2012-13. The Acquirer, vide its letter dated September 05, 2012 proposes to place a purchase order for upto 5,500,000 fully paid up equity shares, representing 6.80% of the paid up equity share capital of the Target Company, at a price not exceeding ₹ 19.50 (Rupees nineteen and paise fifty only) per equity share on National Stock Exchange of India Limited and / or BSE Limited.

  Pursuant to the abovementioned intent of the Acquirer to purchase equity shares of the Target Company entitling the Acquirer to gain control over more than 5% of the paid up equity share capital in one financial year, this mandatory offer is being made by the Acquirer in compliance with Regulation 3(2) read with Regulation 13(2)(a) of the SEBI Regulations.

## II. Transaction which has triggered the Open Offer obligation (Underlying Transaction)

Details of the underlying transaction:

| **Type of transaction (Direct ~~/ Indirect~~)** | **Mode of Transaction (~~Agreement / Allotment /~~ Market Purchase)** | **Shares / voting rights acquired / proposed to be acquired** | | **Total Consideration for shares / voting rights (VR) proposed to be acquired (in ₹ crores)** | **Mode of payment (Cash ~~/ securities~~)** | **Regulation which has / will be triggered** |
|---|---|---|---|---|---|---|
| | | **Number of equity shares** | **% vis-a-vis total equity / voting capital** | | | |
| Direct | Market Purchase | Upto 5,500,000 | 6.80% | Upto ₹ 10.73 crores | Cash | Regulation 3(2) |

## III. Details of the Acquirer

| Details | Acquirer | Total |
|---|---|---|
| Name of the Acquirer(s) * | Dalmia Bharat Enterprises Limited | - |
| Address | Registered Office: Dalmiapuram - 621 651, District - Tiruchirapalli, Tamil Nadu<br>Head Office: 11th & 12th Floors, Hansalaya Building, 15 Barakhamba Road, New Delhi - 110 001 | - |
| Names of persons in control / Promoters of Acquirer | Mr. Jai Hari Dalmia<br>Mr. Yadu Hari Dalmia<br>Dalmia Bharat Sugar and Industries Limited<br>Mayuka Investment Limited<br>Shree Nirman Limited<br>Ankita Pratisthan Limited<br>Keshav Power Limited | - |
| Name of the Group, if any, to which the Acquirer belongs to | Dalmia Bharat Group | - |
| Pre Transaction shareholding<br>• Number of equity shares<br>• %age of total equity share capital | <br>3,959,753<br>4.89 | <br>3,959,753<br>4.89 |
| Proposed shareholding after the acquisition of shares which triggered the Open Offer<br>• Number of equity shares<br>• %age of total equity share capital | <br>9,459,753<br>11.69 | <br>9,459,753<br>11.69 |
| Any other interest in the Target Company | The interest of Acquirer in the Target Company during the financial year 2011-12 is as under:<br><br>- Purchase of goods and services from Target Company: ₹ 1.14 crore<br>- Reimbursement of expenses (payable to Target Company): ₹ 0.05 crore<br>- Reimbursement of expenses (receivable from Target Company): ₹ 0.20 crore<br>- Sale of goods and services to Target Company: ₹ 5.75 crore<br>- Interest received from Target Company: ₹ 3.73 crore<br>- Loan given to Target Company outstanding as on March 31, 2012: ₹ 50.00 crore<br><br>Further, Mr. Jai Hari Dalmia & Mr. Yadu Hari Dalmia, Promoters of the Acquirer are also Promoters of the Target Company. Mr. Jai Hari Dalmia is Vice Chairman of the Target Company with a remuneration of ₹ 0.48 crore per annum w.e.f. April 01, 2012 and Mr. Yadu Hari Dalmia is Vice Chairman of the Target Company with a remuneration of ₹ 0.48 crore per annum w.e.f April 01, 2012. | - |

* There is no Person acting in concert with the Acquirer for the purpose of this Open Offer.

## IV. Details of Selling Shareholder: Not applicable

## V. Details of Target Company

- Name: Dalmia Bharat Sugar and Industries Limited

- CIN: L26942TN1951PLC000640
- Registered Office: Dalmiapuram - 621 651, District - Tiruchirapalli, Tamil Nadu
- Head Office: 11th & 12th Floors, Hansalaya Building, 15 Barakhamba Road, New Delhi - 110 001
- Stock Exchange(s) where equity shares are listed: National Stock Exchange of India Limited (Scrip Code: DALMIASUG), BSE Limited (Scrip code: 500097; Scrip ID: "DALMIASUG") and Madras Stock Exchange Limited.

**VI. Other Details**

- The Present issued, subscribed and paid up equity capital of the Target Company is 80,939,303 equity shares of face value ₹ 2 each. No fresh equity shares are proposed to be issued / allotted to the Acquirer during this Open Offer process.
- A Detailed Public Statement containing other Offer related information will be published on or before September 12, 2012 in accordance with Regulation 14(3) of the SEBI Regulations.
- The Acquirer undertakes that it is aware of and shall comply with all obligations under the SEBI Regulations and have adequate financial resources to meet the Offer obligations.
- The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI Regulations and is not a competitive bid.
- The Acquirer has given an undertaking that if pursuant to this Open Offer, the Public Shareholding in the Target Company falls below 25% of the voting rights / paid up equity share capital, they shall bring down the non public shareholding to the level specified (i.e. 75% of the paid up equity capital / voting rights) within such period from the date of completion of Open Offer as specified under the Securities Contracts (Regulation) Rules, 1957 and in accordance with such directions as may be issued by the Stock Exchanges on which shares of the Company are listed.

Issued by Manager to the Offer on behalf of Dalmia Bharat Enterprises Limited (the Acquirer):

| | |
|---|---|
| SPA<br>THE FINANCIAL ADVISORS | **SPA Capital Advisors Limited**<br>**(formerly SPA Merchant Bankers Limited)**<br>SEBI Regn. No.: INM000010825<br>25, C - Block, Community Centre<br>Janak Puri, New Delhi - 110 058<br>Tel. No. +91 11 2551 7371, 4567 5500<br>Fax No. +91 11 2553 2644<br>Email ID: dbsil.openoffer@spagroupindia.com<br>Contact Person: NitiN Somani / Abhishek Jain |

***for and on behalf of Acquirer***
***Dalmia Bharat Enterprises Limited***

***Sd/-***
***Yadu Hari Dalmia***
***Managing Director***

Place: New Delhi
Date: September 05, 2012