DRILLCO METAL CARBIDES LIMITED

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Equity Shareholders of the Drillco Metal Carbides Limited under Regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Date	04.06.2013
Name of the Target Company	Drillco Metal Carbides Limited
Details of the Offer pertaining to Target Company	Open Offer for acquisition of up to 5,70,538 equity shares (“Offer”) of Rs. 10/- each at an Offer Price of Rs. 30.45 per equity shares payable in cash, representing 26% of the total paid-up equity share capital, from the equity shareholders of Drillco Metal Carbides Limited ("Target Company") pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, and subsequent amendments thereto ("Takeover Code").
Name (s) of the Acquirer and PAC with the Acquirer	1) Mr. Rahul M. Timbadia (Acquirer) 2) Mr. Kartik M. Timbadia (Acquirer) 3) Mr. Parth R. Timbadia (Acquirer) 4) Mrs. Jalpa K. Timbadia (Acquirer) 5) La Tim Sourcing (India) Private Limited (Acquirer)
Name of the Manager to the Offer	Chartered Capital and Investment Limited 418-C, "215 Atrium", Andheri Kurla Road, Andheri (East), Mumbai-400 093.
Members of the Committee of Independent Directors (“IDC”) (please indicate the chairperson of the committee seperately)	1) Mr. Praful Vora-Chairman 2) Mr. Ashok Kumar Deorah-Member
IDC Member’s relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any	IDC members are Independent and Non-Executive Directors of the Target Company. They do not hold any Equity Shares in the Target Company. None of the IDC members has any contract/relationship with the Target Company at present.
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 shares of the Target Company since their appointment.
IDC Member’s relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any.	None of the IDC members has any relationship with the Acquirers at present.
Trading in the Equity shares/other securities of the acquirer by IDC Members	NIL
Recommendation on the Open offer, as to whether the offer , is or is not, fair and reasonable	The IDC members believe that the Offer is fair and reasonable.
Summary of reasons for recommendation	Based on the review of PA, DPS and LOO, the IDC is of opinion that the Offer Price offered by the Acquirers (Being the highest price amongst the selective criteria) is in line with the regulation prescribed by SEBI under the Takeover Code and prima facie appears to be justified. The Committee considered the following facts: 1) The Profit of the Company for the last 3 years ended 31st March 2012, 31st March 2011 and 31st March 2010 are negative. 2) The Book Value is negative as on 31st March 2012. 3) The Fair Value of the Equity Shares of the Company is Rs 14.46 per share as certified by Dave & Dave, Chartered Accountant as mentioned in the Detail Published Statement published on Monday, April 22, 2013, which is a premium of more than 100% to the Offer Price. 4) The Offer Price represents a premium of 9.53% to the closing price of the shares on April 11, 2013, one day prior to the date on which Public Announcement was issued on behalf of the Acquirers. 5) Highest price paid by the Acquirers for any acquisition during 26 weeks immediately preceding the date of PA is Rs 30.45. Based on the above, IDC is of the opinion that the Offer Price to the public shareholders of Target Company is in compliance with the requirements under the Takeover Code and is fair and reasonable as on the date of PA. Keeping in view the above facts IDC is of the view that the price of Rs 30.45 of this open offer is fair and reasonable. However, the shareholders should independently evaluate the Offer and take informed decision in the matter.
Details of Independent Advisors, if any.	NIL
Any other matter 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 Takeover Code."

For **Drillco Metal Carbides Limited**
sd/-
Mr. Praful Vora
(Chairman- Committee of Independent Directors)

Place: Mumbai
Date: 04-06-2013