

R&B DENIMS LIMITED

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Equity Shareholders of the R&B Denims Limited under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

1	Date	February 01, 2016
2	Name of the Target Company	R&B Denims Limited
3	Details of the Offer pertaining to Target Company	Open Offer for acquisition of up to 36,38,619 equity shares ("Offer") of ₹ 10/- each at a total Offer Price of ₹ 10.00/- per fully paid-up equity share/voting rights payable in cash, representing 26% of the total paid-up equity share capital, from the equity shareholders of R&B Denims 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").
4	Name(s) of the Acquirer(s)	1) Mr. Amitkumar Dalmia 2) Mr. Rajkumar Borana 3) Mr. Ankur Borana 4) Mr. Deepak Dalmia 5) M/s. Borana Filaments Private Limited 6) M/s. Rawatkhedia Processors Private Limited
5	Name of the Manager to the Offer	 Hem Securities Ltd. 14/15, Khatau Building, 1 st Floor, 40, Bank Street, Fort, Mumbai - 400 001
6	Members of the Committee of Independent Directors ("IDC") (please indicate the chairperson of the committee separately)	1) Mr. Girishkumar Kalawatia (Chairman), 2) Mr. Manaklal Tiwari (Member), 3) Mr. Dharmesh Mehta (Member)
7	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. None of the IDC members has any contract/relationship with the Target Company at present. They do not hold any shares in the Target Company.
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 shares of the Target Company since their appointment.
9	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.
10	Trading in the Equity shares/ other securities of the acquirer by IDC Members	NIL
11	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.
12	Summary of reasons for recommendation	Based on the review of PA, DPS and LOO, the IDC is of opinion that the Offer Price of ₹ 10.00/- per equity shares, offered by the Acquirers 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 Offer Price as mentioned in the Detailed Public Statement dated Saturday, December 05, 2016 is justified as ₹ 8.75 is the highest price paid by the Acquirers for any acquisition during 26 weeks immediately preceding date of Public Announcement. 2) The Offer Price is ₹ 10/- (Rupees Ten Only) per equity share of ₹ 10/- each as justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations. Based on the above, IDC is of the opinion that the Offer Price of ₹ 10.00/- is in compliance with the requirements under the Takeover Code. <u>Keeping in view the above facts IDC is of the view that the Offer Price of ₹ 10.00/- payable to the public shareholders of Target Company of this Open Offer is fair and reasonable.</u> However, the shareholders should independently evaluate the Offer and take informed decision in the matter.
13	Details of Independent Advisors, if any.	NIL
14	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."

Place : Surat

Date : February 01, 2016

For R&B Denims Limited
Mr. Girish Kalawatia
(Chairman- Committee of Independent Directors)

Size : 12(w) x 26(h)

PRESSMAN