**Recommendations of the Committee of Independent Directors ("IDC") on the Open Offer to the Public Shareholders of Anjani Portland Cement Limited under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations")**

# ANJANI PORTLAND CEMENT LIMITED

**Registered Office:** Sitha Nilayam, 153, Dwarakapuri Colony, Punjagutta, Hyderabad- 500 082, Andhra Pradesh, India
Tel: (+91 40) 2335 3096/3106; Fax: (+91 40) 2335 3093; Website: www.anjanicement.com

| **Date** | **May 15, 2014** |
|---|---|
| Name of the Target Company | Anjani Portland Cement Limited |
| Details of the Offer pertaining to Target Company | A mandatory offer being made by Chettinad Cement Corporation Limited (the "Acquirer") to acquire up to a maximum of 47,81,296 (Forty seven lacs eighty one thousand two hundred and ninety six) Equity Shares, the Offer Shares, representing in aggregate 26.00% of the Share Capital ("Offer Size") of the Target Company at a price of Rs. 61.75/- (Rupees sixty one and seventy five paise) per Equity Share, payable in cash ("Offer Price") in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations. |
| Name(s) of the acquirer and PAC with the acquirer | Acquirer: Chettinad Cement Corporation Limited<br>There are no persons acting in concert ("PACs") for the purpose of this open offer. |
| Name of the Manager to the Offer | **MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED**<br>Motilal Oswal Tower, Junction of Gokhale & Sayani Road, Prabhadevi, Mumbai - 400 025, India<br>**Tel:** +91 22 3980 4380 • **Fax:** +91 22 3980 4315<br>**Email:** rupesh.khant@motilaloswal.com<br>**Contact Person:** Rupesh Khant<br>SEBI Registration No.: INM000011005 |
| Members of the Committee of Independent Directors ("IDC") | 1. Sri. R.A. Rama Raju<br>2. Sri. P.V. Subba Rao<br>3. Sri. P. Ramachandra Raju<br>Sri. P. Ramachandra Raju is the chairman of the IDC. |
| IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any | All members of IDC are directors of the Target Company. IDC members do not hold any equity shares of the Target Company. Other than their position as director of the Target Company, there is no other contract or relationship between the IDC Members and the Target Company |
| Trading in the Equity shares/other securities of the Target Company by IDC Members | None of the IDC members have traded in any of the securities of the Target Company during a period of 12 months prior to the date of the Public Announcement till the date of this recommendation |
| IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any. | None |
| Trading in the Equity shares/other securities of the acquirer by IDC Members | None |
| Recommendation on the Open offer, as to whether the offer, is or is not, fair and reasonable | IDC recommends that the Open Offer Price of Rs. 61.75/- (Rupees sixty one and seventy five paise) per Equity Share is fair and reasonable. |
| Summary of reasons for recommendation | In forming opinion/ recommendation, IDC has considered the following:<br>• The Acquirer is a major player in the cement industry in South India with manufacturing facilities in Tamil Nadu and Karnataka. The Acquirer is interested in strengthening its presence in South India to begin with and pan India on a long term basis. The cement manufacturing unit of the Target Company located in Andhra Pradesh provides a suitable platform for the Acquirer to achieve its goals through this acquisition.<br>• The proposed substantial acquisition of equity shares and consequent change in control of the Target Company by the Acquirer would help the Target Company to cater to a larger customer base and scale up the operations. Further, the expertise and management capabilities of the Acquirer would help the Target Company in enhancing the production efficiency and profitability of the Target Company.<br>• The Offer Price of Rs. 61.75/- per Equity Share offered by Acquirer is equal to the price paid to the Selling Shareholders who sold their shares to the Acquirer via Share Purchase Agreement.<br>• The Offer Price of Rs. 61.75/- per Equity Share offered by Acquirer is higher than the fair value of the Target Company of Rs. 36.08 per Equity Share determined by M/s. Tungala & Co, Chartered Accountants with Firm Registration No. 011158S vide their certificate dated March 18, 2014 as per parameters set out under Regulations 8(2)(e) of the SEBI (SAST) Regulations<br>• In view of the past and prevailing market prices and other relevant factors, the Offer Price of Rs. 61.75/- (Rupees sixty one and seventy five paise) per Equity Share can be considered as fair and reasonable. |
| Details of Independent Advisors, if any. | Not Applicable |
| Any other matters to be highlighted | None |

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 (SAST) Regulations.

For and on behalf of the committee of independent directors of
**Anjani Portland Cement Limited**
Sd/-
**Sri. P. Ramachandra Raju**
Chairman - Committee of Independent Directors

Place : Hyderabad
Date : May 15, 2014