CIMMCO LIMITED

(Registered Office: 756 Anandapur, EM Bypass, Kolkata – 700 107.)

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Shareholders of Cimmco Limited ("CL" or the "Target Company") under regulation 26 (7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations")

Date	08.07.2014
Name of the Target Company	Cimmco Limited
Details of the Offer pertaining to Target Company	Open Offer is being made by the Acquirer alongwith PAC for the acquisition of 50,53,181 (Fifty Lacs Fifty Three Thousand One Hundred Eighty One) fully paid-up equity shares of Rs.10/- each, representing 25.08% of the equity and voting share capital of the Target Company at a price of Rs. 15.50/- (Rupees Fifteen and Fifty Paisa Only) per equity share, payable in cash in terms of regulation 4, 5(1) & 5(2) of the SEBI (SAST) Regulations.
Name(s) of the Acquirer and PAC with the Acquirer	Acquirer- Titagarh Wagons Limited PAC- Cimco Equity Holdings Private Limited
Name of the Manager to the Offer	VC Corporate Advisors Private Limited
Members of the Committee of Independent Directors ("IDC")	Chairman: Shri K S B Sanyal Member: Shri M J Z Mowla
IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any	IDC Members are the Independent Directors of the Target Company and they do not hold any equity shares in the Target Company.
Trading in the Equity shares/other securities of the Target Company by IDC Members	No trading has been done by the IDC Members in the equity shares/ other securities of the Target Company since their appointment.
IDC Member's relationship with the Acquirer / PAC (Director, Equity shares owned, any other contract / relationship), if any.	None of the IDC Members have any relationship with the Acquirer / PAC.
Trading in the Equity shares/other securities of the Acquirer/PAC by IDC Members	No trading has been done by the IDC Members in the equity shares/ other securities of the Acquirer since their appointment. The equity shares of PAC are not listed on any Stock Exchange.
Recommendation on the Open offer, as to whether the offer, is or is not, fair	Based on the review of Letter of Offer issued by the Manager to the Offer on behalf of the Acquirer and PAC and based on the Valuation Report dated 15.04.2014 of the equity share of the Target Company issued by Mr. Pawan Kumar Agarwal, Proprietor of M/s. Pawan Vani and Associates, Chartered Accountants, IDC believes that the Offer Price is fair and reasonable and in

and reasonable	accordance with SEBI (SAST) Regulations. The shareholders may take a note that the market price of the Target Company's equity share may be different, post Open Offer due to market perception. The shareholders may also note that the market price of the Target Company's equity share currently traded, inter-alia at the National Stock Exchange Limited (NSE) and BSE Limited (BSE), as at the close of 07.07.2014 is Rs. 47/- and Rs. 48.65 per equity share respectively, which is higher than the price offered by the Acquirer alongwith PAC.
Summary of reasons for recommendation	IDC recommends the acceptance of the Open Offer made by the Acquirer alongwith PAC as the offer price of Rs. 15.50 per equity share is fair and reasonable based on the following reasons: 1. The equity shares of the Target Company are not frequently traded shares within meaning of explanation provided in regulation 2(j) of SEBI (SAST) Regulations; 2. Since the equity shares are not frequently traded on the stock exchange, it restricts investors from exiting the Company. This Open Offer will provide an exit opportunity to the existing investors/shareholders; 3. As per Audited Financials for the year ended 31.03.2014, the earnings per share of the company is negative Rs. 6.15 per equity share. The Book value per equity share is also less than Open Offer Price i.e. Rs. 6.97 per equity share. After considering the above facts Committee is of view that Open offer price is fair & equitable & it is accepted
Details of Independent Advisors, if any.	None
Any other matter to be highlighted	No

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 Cimmco Limited

Sd/-

K S B Sanyal

Chairman- Committee of Independent Directors

Place: Kolkata

Date: 08.07.2014