DFL Infrastructure Finance Limited

Registered Office: No. 14, Ramakrishna Street, T Nagar, Chennai - 600 017, Tamil Nadu
Tel. No.: +91 44 2814 1778, 2814 2663, Fax No.: +91 44 2814 1612

RECOMMENDATION OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("IDC") ON THE OPEN OFFER TO THE SHAREHOLDERS OF DFL INFRASTUCTURE FINANCE LIMITED UNDER REGULATION 26(7) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

1.	Date	November 07, 2012
2.	Name of the Target Company	DFL Infrastructure Finance Limited
3.	Details of the Offer pertaining to Target Company	Mandatory Open Offer to acquire up to 15,48,124 Equity Shares of face value of ₹ 10 each at a price of ₹ 2 per Equity Share from the Shareholders of DFL Infrastructure Finance Limited ("Target Company") by Auctus Holdings Private Limited ("Acquirer") pursuant to SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2011 ("SEBI Takeover Regulations")
4.	Name(s) of the Acquirer and PAC with the Acquirer	Acquirer - Auctus Holdings Private Limited. There is no Person Acting in Concert with the Acquirer for the purpose of this Open Offer
5.	Name of the Manager to the offer	SPA Capital Advisors Limited SEBI Reg. No.: INM 000010825
6.	Members of the Committee of Independent Directors	Mr. V Sambamoorthy - Chairman Mr. Gopal Singh Gusain - Member
7.	IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any	All the IDC Members are Independent and Non-executive Directors of the Target Company. They neither have any contractual relationship with the Target Company nor hold any Equity Shares of 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 Equity 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 is a Director of the Acquirer. They neither have any contractual relationship with the Acquirer nor hold any Equity Shares of the Acquirer.
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 fair and reasonable	The IDC believes that the Offer is fair and reasonable
12.	Summary of reasons for recommendations	In forming the aforesaid opinion / recommendation, the IDC has considered the following facts: • The Target Company has incurred losses during last three Financial Years. The book value and earnings per equity share in last three financial years and the quarter ended June 30, 2012 is negative. Further, the Target Company has not been able to repay its loans and is implementing the debt restructuring proposal in terms of the CDR Package; • The Equity Shares of the Target Company are thinly traded and highly illiquid; • The Open Offer will additionally provide an exit opportunity to the Shareholders of the Target Company; and • The Offer Price of ₹ 2 per Equity Share is more than the Book Value of the Target Company.
13.	Details of Independent Advisors, if any	None
14.	Any other matter(s) 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 SEBI Takeover Regulations.

for ***DFL Infrastructure Finance Limited***

Sd/-
V Sambamoorthy
Chairman of the Committee of Independent Directors

Place: Chennai
Date: November 07, 2012

Size : 12 x 27 sq.cm.