

Ref: AGM/0408/2012
August 27, 2012

The Secretary
Calcutta Stock Exchange Ltd.
7, Lyons Range,
Kolkata-700001.

Mr. Sanjiv Kapur,
General Manager – DCS
Bombay Stock Exchange Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street,
Fort, Mumbai-400001
Code 500059

Mr. Hari K., Asst. Vice President
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Code BINANIIND

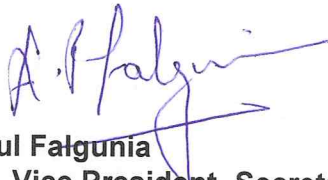
Dear Sir,

Sub: Proceedings of 49th Annual General Meeting.

We are enclosing a copy of the Minutes of the 49th Annual General Meeting of the Company held on Friday the 4th August, 2012 for your records.

Thanking you,

Yours faithfully,
For **Binani Industries Limited**



Atul Falgunia
Sr. Vice President -Secretarial

Encl:a.a.

Minutes of the Forty-Ninth Annual General Meeting of the Shareholders of Binani Industries Limited held on Saturday the 4th August 2012 at 12.30 p.m. at Rotary Sadan, 94/2 Chowringhee Road, Kolkata- 700 020.

Present:

1. Mr. Braj Binani	Chairman
2. Mr. Sunil Sethy	Exec.Vice Chairman & Managing Director
3. Mr. A.C. Chakrabortti	Special Invitee
4. Mr. N.C. Singhal	Director
5. Ms. Shradha Binani	Alternate Director to Ms.Nidhi Singhania
6. Mr. V. Subramanian	Director
7. Mr. Sudhakar Rao	Director
8. Mr. Sushil Bhatler	Sr. Executive Director
9. Mr. M.K.Chattopadhyaya	Executive Director
10.Mr. R.Venkiteswaran	CFO- Group Control Accounts
11.Mr. Atul Falgunia	Sr.Vice President (Secretarial) & Compliance Officer

463 persons holding 1,54,60,999 Shares were present in person / proxy or through authorized representatives of Companies as per attendance register.

Election of Chairman:

Mr. Braj Binani, Chairman took the Chair and conducted the proceedings.

After verification, the Chairman declared that the quorum was present and also stated that the Register of Directors' shareholdings, 29 proxies and Authorised Representations for 1.53,88,337 shares received were available for inspection.

Sl. No.	Heading	Minutes
1.	Notice of Meeting	The Notice of the Meeting was taken as read with the permission of the members. Thereafter, the Chairman requested Mr. Atul P. Falgunia to read the Auditors' Report Mr. Atul P. Falgunia then read the Auditors' Report. The Chairman then delivered the Chairman's Speech. The Chairman extended a very hearty and warm welcome to all the shareholders present at the 49th Annual General Meeting of Binani Industries Limited . The Chairman, with the permission of members, took the Annual Accounts, Directors' Report and Auditor's Report of the Company for the year ended 31st March,2012 along with consolidated annual accounts for the year ended 31st March, 2012 as read. The Chairman then introduced the Directors /Invitees who were present on the dias.

- 1.Mr. Sunil Sethy - Executive Vice Chairman & Managing Director**
- 2.Mr. A.C. Chakrabortti - (Special Invitee)**
- 3.Mr. Sudhakar Rao**
- 4.Mr. V.Subramanian**
- 5.Mr. N.C.Singhal**
- 6.Ms.Shradha Binani**

The Chairman informed the members about the progress in the Company, its major subsidiaries, threats, risks and concerns being faced by each of them, which have all been reported to the shareholders in the Directors' Report and the Management Discussion and Analysis Report.

The Chairman thereafter, commented separately with each of the main Business segments as follows:

Binani Cement Ltd (BCL): The demand for cement during the first quarter of the current year was good. BCL has achieved an income of Rs. 577.43 Crores and EBIDTA of Rs. 119.67 Crores in the first quarter of the current year . The net profit after tax was Rs. 40.29 Crores. There has been increase in the input costs which have been partially offset by some increase in selling prices over the previous year.

The Exit Offer given by the Company to the public shareholders of Binani Cement Limited to acquire their shares at the discovered price of Rs.90/- per share in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009, closed on 29th May 2012. The Company has been able to increase its shareholding to 98.43% till the close of the Offer. The subsidiary of BCL , SBRCC (China) has commissioned its plant and is expected to make profits in the current year.

Binani Zinc Limited (BZL): The Company has achieved turnover of Rs. 114.41 Crores and had EBIDTA of Rs. 4.84 Crores in the first quarter of current year. LME prices of Zinc Metal are showing a declining trend which is expected to impact the Company's performance and profitability although this can be marginally offset by the disinvestment from the Australian mining venture.

Goa Glass Fibre Ltd (GGFL): The Company has two main products Direct Rovings (DR) & Chopped Strand Mat (CSM) . Since the prices of Direct Rovings are showing a declining trend, the Company with technological support from 3B Fibreglass, is developing a new product mix and the marketing strategy is being reworked. GGFL hopes to improve the performance in the current year after implementing the measures suggested by 3B Fibreglass.

The Chairman further informed that in the last two years, the Company has consolidated its holding in BCL from around 65% to 98.5% and acquired one of the largest glassfibre

manufacturing facilities in Europe. The total amount spent on these acquisitions was around Rs. 2500 Crore. The total debt of the group now stands at about Rs. 4300 Crore which is definitely high. A series of steps are therefore, being envisaged by the group to reduce the debt level to around Rs. 3000 Crores in the next one year. Under the current economic scenario ,all capital expenditures are being reviewed to conserve cash.

As regards Dividend , the Chairman informed the members that given the current situation and the need for prudence, a dividend of 30% (Rs.3/- per share of Rs.10/- each) has been recommended being the 50th Year of the Company, subject to the approval of the shareholders.

The Chairman placed on record, his sincere thanks for the unstinting support extended by the Institutions and Banks and appreciation for the services rendered by the employees of the Company and its Subsidiaries at all levels, but for whom the Company's journey in the positive direction would not have been possible.

He concluded by also expressing his sincere gratitude to all the shareholders for the continued confidence reposed in the Company and their participation in the meeting.

2. **Adoption of Directors' Report and Audited Accounts**

Before the resolution for adoption of the Directors' Report and Audited Accounts was put to vote, the Chairman invited questions from the Shareholders. The queries raised by /comments of the Shareholders are summarized below:-

<u>Name of the Shareholders</u>	<u>Queries / Comments</u>
1. Mr. Arup Das.	• Complimented the entire management team for sending a good Annual Report to the shareholders. • Requested for a factory visit . •
2. Mr. K. L. Mallick	• Congratulated Mr. A.C. Chakraborti for attending the Annual General Meeting. • Although revenue increased by 55% compared to previous year , there has been huge increase in finance cost. • Enquired that as to how so many subsidiaries and step down subsidiaries are being managed. • Enquired with regard to the management services provided by the Company to its Subsidiaries.
3. Mr. S. Gattani	• Welcomed all the Directors /invitees seated on the dias.

- Suggested that the attendance page/proxy page should be kept in a separate page of the Annual Report..
 - Instead of providing snacks, the Company should provide coupons for shareholders . He felt proud of the Cement plant and said that the factory visit was properly arranged.
4. Mr. T.P. Goyal
- Welcomed the induction of third generation member from the Binani family into the Board.
 - Suggested that the Company should send the Annual Reports by Courier.
 - Enquired regarding steps taken for penalty imposed by the Competition Commission of India.
 - Requested the Company to arrange for a factory visit.
5. Mr. I. C. Agarwal
- Suggested to have one meeting per day instead of having 4 Meetings of group Companies in a day.
 - Appreciated that despite having high borrowings and huge interest payments, the management has declared dividend for the shareholders.
 - Complimented the promoters for the good work done in social field through the Binani Foundation.
6. Mr. S.L. Rath
- Requested for the breakup of the turnover and enquired whether royalty received would be of recurring nature.
 - Stated that the interest charges are very high.
 - Enquired whether there were any gain or loss on foreign exchange transactions.
7. Mr. Sujit Pal
- Complained regarding non receipt of annual report.
 - Informed that investment/disinvestment details are not stated separately.
 - Borrowing cost is high and dividend recommended of 10% is poor.
 - Enquired that when strength is in cement, why the company has invested in lot of other businesses.
 - Stated that consolidated profit and loss is in negative and how Company will improve its performance.
8. Mr. Santosh Saraf
- Stated that Annual Report has not been received and the same should be sent by courier.

- Requested for a factory visit.
 - Enquired as to why advertisement expenses have increased.
 - To provide the details of Royalty received.
 - Enquired regarding increase in Interest cost.
9. Mr. Amit Banerjee
- Requested that attending shareholders should be sent a copy of the annual report in advance separately.
 - Complimented management for declaring dividend of 30% and requested for a factory visit.
 - Requested for data showing 5 years highlights to be given and to provide blank page in the Annual Report for making notes.
10. Mr. Kishendu Das
- Enquired relating to the future prospects of Glass Fibre Business and what steps are being taken for implementing projects.
11. Mr. Rajesh Balotia
- Enquired about the penalty imposed on Cement Companies by CCI and whether Company will pay the penalty imposed.
 - Requested that with quarterly results the consolidated figures should also be given for information of shareholders.
12. Mr. Feroz Tandon
- Requested that extra counters should be provided for recording attendance and annual reports should be provided in advance to shareholders taking part in deliberations.
 - Requested for providing bus service for pick up of shareholders attending the meeting.
13. Mr. Alok Pal
- Stated that in the threats, risks and concerns given in the Management Discussion, a para should be provided on how Company proposes to mitigate or face the challenges.
 - Requested for 10 years highlights in the general shareholders information.
 - Informed that the finance cost are very high and enquired on the steps taken to reduce it.
 - Stated that in the market price data the volume of shares has not been provided and Company Secretary has not signed the Annual Accounts.

- Enquired relating to the credit ratings of the Company for its long term borrowings.

Mr. Braj Binani, Chairman replied to the queries, observations and comments made by the aforesaid Shareholders as under:-

- BIL is the Holding Company. There are 24 Companies which are subsidiaries out of which main subsidiaries are Binani Cement Ltd, Binani Zinc Ltd, Goa Glass Fibre Ltd, BIL Infratech Ltd and BT Composites Ltd.
- Regarding comfort of shareholders he informed that there was scope for improvement and secretarial department would look into it.
- Regarding last page Attendance Sheet and proxy , it was clarified that it was done to cut costs to facilitate effective utilization of the blank pages.
- With respect to CCI matter, he clarified that the matter is subjudice and the Company has a contingent liability of Rs. 167 Crores. The matter is being handled by Legal Department. There has been no cartelization nor production cuts in BCL as alleged. The Company has made profits as every company strives to earn profit on its investments.
- He clarified that the interest costs have gone up due to the acquisition of 3B Fibreglass which is the 5th largest manufacturer of Fibreglass in the world. He informed that the markets have been affected in Europe and it would take atleast 18 months for the situation to improve. During the year the debt has gone up for the whole group by Rs. 2000 crores but the company has got assets in Cement /Glass Fibre and Zinc Business whose underlying value is much larger. The Company aims to reduce the debt going forward. The shareholders were informed that the debt shall be reduced

through equity dilutions held by Holding Company in its subsidiaries.

- With regard to Brand advertising, Chairman clarified that now all the advertising is done at the Holding Company level for which it earns income by charging royalty to its subsidiaries for the use of its Brand in relation to their turnover.
- As regards expansion of business, he said that wherever necessary the cash flows shall be provided depending on the urgency and its availability.
- With respect to Couriering of Annual Reports and providing coupons, it was clarified that the Secretarial Department would look into the matter and take appropriate action.
- He said that the plant at Binanigram was operating at 100% capacity and at China at 60% .The situation is expected to improve further at China.
- Regarding expansion, the Chairman clarified that the company was looking at investments in Middle East markets for setting up a clinker unit as grinding capacity is already available.
- Regarding Factory visit, it was clarified that interested Shareholders may inform the Company and a small batch shareholders drawn by lots will be shortlisted for the visit.

The Chairman, thereafter, proposed the following resolution:-

"Resolved that the Directors' Report, Auditors' Report and Audited Balance Sheet as on 31st March, 2012, the Profit & Loss Account and Cash Flow Statement of the Company and Consolidated Financial Statements including Consolidated Cash Flow for the year ended 31st March, 2012 as earlier circulated to all the members and also placed before the meeting be and the same are hereby received and adopted."

Mr. B.K. Mehta seconded the resolution.

The Chairman put the resolution to vote and declared the same as passed unanimously on a show of hands.

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3. **Declaration of Dividend**

Mr. Arup Das moved the following resolution:

“RESOLVED THAT a dividend @ 30% (Thirty percent) i.e. Rs.3.00 per Equity Share of Rs.10/- each out of the profits for the year ended 31st March 2012 be and is hereby declared for the Financial Year ended 31st March, 2012 and be paid to the Shareholders whose names appear on the Company's Register of Members as on 4th August 2012 in physical form and to the beneficial owners of Shares as on 28th July 2012 in respect of shares held in Electronic Form (Demat Mode) on the paid up capital of the Company as on 31st March, 2012.”

Mr. Manoj Gupta seconded the resolution.

The Chairman put the resolution to vote and declared the same as passed unanimously on a show of hands.

The Chairman vacated the chair since the next item related to his reappointment as a Director. On the Chairman's request Mr. Sunil Sethy , Exec. Vice Chairman and Managing Director occupied the chair and conducted the proceedings.

4. **Re-appointment of Mr. Braj Binani as a Director**

Mr. Manoj Gupta moved the following resolution:

“RESOLVED THAT Mr. Braj Binani , who retires by rotation and being eligible, offers himself for re-appointment, be and he is hereby re-appointed as Director of the Company.”

Mr. S.L. Rathie seconded the resolution.

The Chairman put the resolution to vote and declared the same as passed unanimously on a show of hands.

Mr. Sunil Sethy, acting Chairman vacated the Chair and requested Mr. Braj Binani, to be Chairman for rest of the Meeting and to conduct the proceedings. Mr. Braj Binani Occupied the Chair and conducted the rest of the proceedings..

5 **Re-Appointment of Auditors.**

Mr. B.K. Mehta moved the following resolution :

“RESOLVED THAT M/s. Kanu Doshi Associates, Chartered Accountants, the retiring auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion

of this Annual General Meeting (including adjournment thereof) till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors/Committee of the Company.”

Mr. S.L. Rathi seconded the resolution.

The Chairman put the resolution to vote and declared the same as passed unanimously on a show of hands.

Special Business

6. **Appointment of Mr. V. Subramanian as a Director by an Ordinary Resolution.** In accordance with the notice given to the Company, Mr. I.K.Pugalia moved the following resolution as an Ordinary resolution:-

“RESOLVED THAT Mr. V. Subramanian , who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director along with a deposit of Rs.500/- be and is hereby appointed as a Director of the Company.”

Mr. M.S. Dey seconded the resolution.

The Chairman put the resolution to vote and declared the same as passed unanimously on a show of hands.

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- 7 **Appointment of Mr. Sudhakar Rao as a Director by an Ordinary resolution.** In accordance with the notice given to the Company, Mr. I.K.Pugalia moved the following resolution as an Ordinary resolution:-

“RESOLVED THAT Mr. Sudhakar Rao , who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director along with a deposit of Rs.500/- be and is hereby appointed as a Director of the Company.”

Mr. Manoj Gupta seconded the resolution.

The Chairman put the resolution to vote and declared the same as passed unanimously on a show of hands.

The meeting was thereafter terminated with a vote of thanks to the chair by Mr. B. K. Mehta.

Chairman.