

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS OF BINANI CEMENT LIMITED

Registered Office: 37/2, Chinar Park, New Town, Rajarhat Main Road, P.O. Hatiaara, Kolkata 700157.

Tel No.: +91-033-32562726 / 40161800, Fax No.: +91-033-25160053.

Corporate Office: Mercantile Chambers, 12, J.N. Heredia Marg, Ballard Estate, Mumbai – 400 001.

Tel: +91-022-3026 3000, Fax: +91-022-2263 4960, E-mail: atul@binani.net, Website: www.binani.com

This public announcement (“**PA**”) is being issued by Binani Industries Limited to the Public Shareholders of Binani Cement Limited in accordance with Regulation 10 of the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (hereinafter referred to as “**Delisting Regulations**”) in respect of the proposed acquisition and delisting of the fully paid up equity shares of Binani Cement Limited (hereinafter referred to as the “**Delisting Offer**”).

I. BACKGROUND

a. Binani Cement Limited (hereinafter referred to as “**BCL**” and/or “**the Company**”) is a part of “Braj Binani Group”, promoted by Mr. Braj Binani. Binani Industries Limited and Mr. Braj Binani intend to provide an exit opportunity to the public shareholders of BCL (defined to mean all the shareholders other than the Promoter and their nominees, hereinafter referred to as “**Public Shareholders**”) in accordance with Delisting Regulations in order to voluntarily delist equity shares of BCL from stock exchanges where its equity shares are listed i.e. Bombay Stock Exchange Limited (“**BSE**”) and The National Stock Exchange of India Limited (“**NSE**”). Accordingly, Binani Industries Limited (herein after referred to as “**BIL**” or “**Promoter/ Acquirer**”) hereby makes an offer to acquire all the equity shares of BCL held by Public Shareholders.

b. The paid-up equity share capital of BCL is ₹ 1,88,60,12,740/-, comprising of 18,86,01,274 equity shares of ₹ 10/- each. As on date, the Promoter/ Acquirer along with its nominees hold 13,18,25,956 equity shares of ₹ 10/- each of BCL representing 69.90 % of the paid-up equity share capital of the Company. The Promoter/ Acquirer now seek to acquire the balance 5,67,75,318 equity shares of ₹ 10/- each representing 30.10 % of the paid-up equity share capital of the Company from the Public Shareholders of BCL and thereafter BCL proposes to apply for delisting of the equity shares of the Company from BSE and NSE, in accordance with the Delisting Regulations.

c. A special resolution has been passed by the shareholders of BCL through postal ballot, the result of which was declared on November 26, 2010, approving the delisting of the Company’s equity shares in accordance with the Delisting Regulations. The votes cast by the Public Shareholders in favour of the Delisting were more than two times the number of votes cast by the Public Shareholders against it. The Promoter/ Acquirer reserve the right to withdraw the Delisting Offer in the event all or any of the statutory approvals required to implement the Delisting Offer are refused or the conditions for the Delisting Offer have not been fulfilled.

d. BCL has received in-principle approval for the proposed delisting of equity shares from BSE and NSE vide their letter no. DCS/COMP/NM/326/2010-11 dated December 29, 2010 and letter no. NSE/LIST/155011-F dated December 31, 2010, respectively.

e. This PA is being issued in the following newspapers as required under Regulation 10(1) of the Delisting Regulations:

Newspaper	Language	Editions
Economic Times	English	Mumbai
Financial Express	English	All
Hindu Business Line	English	All
Business Standard	English	All
Business Standard	Hindi	All
Jansatta	Hindi	All
Navshakti	Marathi	Mumbai

f. The Promoter/ Acquirer will inform Public Shareholders, by way of a notice in the aforementioned newspapers in which the present PA is published, of material changes, if any, to the information set out in this PA.

II. NECESSITY AND OBJECT OF THE DELISTING OFFER

a. The objective of the Promoter/ Acquirer in making the Delisting Offer is to consolidate their shareholding in the Company.

b. The Promoter/ Acquirer hereby makes this Delisting Offer to the Public Shareholders of BCL. The Public Shareholders currently hold 5,67,75,318 equity shares of ₹ 10/- each constituting 30.10% of the paid-up equity capital of the Company.

III. BACKGROUND OF THE PROMOTER/ ACQUIRER

a. BIL was incorporated on August 2, 1962 as Cominco Binani Zinc Limited. It was formed with technical and financial cooperation from M/s. Cominco, Canada.

b. The registered office of BIL is located at 37/2, Chinar Park, New Town, Rajarhat Main Road, P.O. Hatiaara, Kolkata -700 157, Tel No.: +91-033-32562726/ 40161800, Fax No.: 91-033-25160053, Website: www.binani.com.

c. BIL commenced commercial production of zinc in 1967. The company was renamed as Binani Zinc Limited on May 3, 1991 when Cominco divested its holdings in the Company. Binani Zinc Limited was renamed as BIL on August 5, 1996, when the group decided to enter into cement and glass fibre in addition to zinc. The cement and glass fibre divisions were hived-off into separate subsidiaries in 1997 and 1998 respectively as BCL and Goa Glass Fibre Ltd. The zinc operation of BIL was hived-off into Binani Zinc Limited (BZL) with effect from April 1, 2002.

d. The paid-up capital of BIL comprises of 2,95,96,425 equity shares having a face value of ₹ 10/- each aggregating to ₹ 2959.64 Lacs.

e. The equity shares of BIL are listed at the Bombay Stock Exchange Limited (“BSE”), the National Stock Exchange of India Limited (“NSE”) and The Calcutta Stock Exchange Limited.

f. BIL is presently the holding company of the group with no manufacturing activity.

g. A brief summary of the standalone audited financials for the financial years ended March 31, 2010, March 31, 2009 & March 31, 2008 and financial for the six months period ended September 30, 2010 on Limited Review basis is as follows:

(₹ in lacs)

Particulars	6 months period ended September 30, 2010	For the Financial year ended		
		March 31, 2010	March 31, 2009	March 31, 2008
Total Income	5,934.00	5,104.39	5,117.76	2,793.41
Total Expenditure	2,318.00	3,439.45	2,993.04	1,298.29
Profit / (Loss) After Tax	3,615.90	1,664.94	3,377.16	1,492.69
Share Capital *	2,961.52	2,961.52	2,961.52	2,961.52
Share Capital Suspense	–	–	–	1,265.75
Reserves & Surplus	20,077.84	19,659.72	19,659.72	19,659.72
Profit & Loss Account	–	(3,197.78)	(3,974.83)	(6,464.10)
Networth	23,039.36	19,423.46	18,646.41	17,422.89
Ratios				
Earnings Per Share (EPS) (in ₹)	12.22	5.63	11.41	5.04
Return on Networth (%)	15.69	8.57	18.11	8.57
Book Value (B.V.) (in ₹)	77.85	65.63	63.00	58.87

* Includes an amount of ₹ 1.88 lacs on forfeited equity shares

The above ratios have been calculated as follows:

- Earnings Per Share: Net Profit After Tax / No. of Equity shares
- Return on Networth (%): Net Profit After Tax/ Networth X 100
- Book Value per share: Networth/ No. of equity shares

IV. BACKGROUND OF BINANI CEMENT LIMITED (“BCL”), THE COMPANY

a. BCL is a part of “Braj Binani Group” which has diverse manufacturing interests in Cement, Zinc, Glass Fibre, Composites, etc. BCL is engaged in the business of manufacturing cement and cement products. The present installed capacity for Cement Production is 62.50 Lacs MT.

The Company was incorporated in Kolkata, West Bengal on January 15, 1996 as Dynasty Dealer Private Limited. The name of the Company was changed to Binani Cement Private Limited and a fresh certificate of incorporation was issued to it by the Registrar of Companies, Kolkata, West Bengal on April 23, 1998. Subsequently, the Company was converted into a public company and the name was changed to Binani Cement Limited vide a fresh certificate of incorporation dated October 6, 1998.

b. The Registered Office of the Company is located at: 37/2, Chinar Park, New Town, Rajarhat Main Road, P.O. Hatiaara, Kolkata-700157 and the Corporate Office is at Mercantile Chambers, 12 J.N Heredia Marg, Ballard Estate, Mumbai-400 001.

c. The equity shares of the Company were listed at BSE & NSE w.e.f May 28, 2007, pursuant to Offer for Sale by selling shareholders. The Company bought back 1,45,00,000 equity shares of ₹ 10/- each from the public shareholders through the Tender Offer route (“Buy Back Offer”). The Buy Back Offer opened on July 27, 2010 and closed on August 10, 2010.

d. The equity shares of the Company are listed on the Bombay Stock Exchange Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”).

e. Present Capital Structure of the Company:

Particulars	No. of shares (Equity Shares of Face Value of ₹ 10/- each)	Amount (₹ in Lacs)
Authorized Capital	42,38,99,600	42,389.96
Issued, subscribed and paid-up	18,86,01,274	18,860.13

f. A brief summary of the standalone audited financials for the financial years ended March 31, 2010, March 31, 2009 & March 31, 2008 and financial for the six months period ended September 30, 2010 on Limited Review basis is as follows:

(₹ in Lacs)

Particulars	6 months period ended September 30, 2010	Year Ended		
		March 31, 2010	March 31, 2009	March 31, 2008
Total Income	78,501.45	1,87,215.59	1,50,269.90	99,181.49
Total Expenses	69,272.86	1,37,249.36	1,26,782.78	69,130.90
Depreciation	4,843.10	9,166.20	8,031.35	5,567.08
Profit / (Loss) before tax	4,385.49	40,800.03	15,455.77	24,483.51
Profit/(Loss) after tax	4,385.49	28,191.62	10,866.50	17,581.91

Particulars	6 months period ended September 30, 2010	Year Ended		
		March 31, 2010	March 31, 2009	March 31, 2008
Issued, Subscribed and Paid-up Capital	18,860.13	20,310.13	20,310.13	20,310.13
Equity Share Capital				
Add: Amount paid-up on forfeited shares	0.25	0.25	0.25	0.25
Reserves & Surplus	40,018.31	47,205.37	27,330.41	21,453.89
Networth	58,878.69	67,515.75	47,640.79	41,764.27

Particulars	6 months period ended September 30, 2010	Year Ended		
		March 31, 2010	March 31, 2009	March 31, 2008
Earnings Per Share (₹)	2.17	13.71	5.35	8.66
Return on Networth (%)	7.45	41.76	22.81	42.10
Book Value per share (₹)	31.22	33.24	23.46	20.56

The above ratios have been calculated as follows:

- Earnings Per Share: Net Profit After Tax / No. of Equity shares
- Return on Networth (%): Net Profit After Tax/ Networth X 100
- Book Value per share: Networth/ No. of equity shares

V. STOCK EXCHANGE FROM WHICH THE EQUITY SHARES ARE TO BE DELISTED

a. The equity shares of the Company are listed on the BSE & NSE since May 28, 2007.

b. The Promoter/ Acquirer is making an offer to acquire all the equity shares from the public shareholders of BCL and proposes to delist the equity shares of BCL from both the stock exchanges i.e., BSE & NSE.

VI. MANAGER TO THE DELISTING OFFER

The Promoter/ Acquirer has appointed Keynote Corporate Services Limited having its office at 4th Floor, Balmer Lawrie Building, J. N. Heredia Marg, Ballard Estate, Mumbai – 400 001, as the Manager to the Delisting Offer (“**Manager to the Offer**”).

VII. REGISTRAR TO THE DELISTING OFFER

The Promoter/ Acquirer has appointed Link Intime India Private Limited, having its office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (west), Mumbai – 400078, as the Registrar to the Delisting Offer (“**Registrar to the Offer**”).

VIII. DETERMINATION OF THE FLOOR PRICE

a. The Promoter/ Acquirer proposes to acquire the equity shares of BCL from the Public Shareholders pursuant to a reverse book-building process established in terms of Schedule II of the Delisting Regulations.

b. The equity shares of the Company are listed on the BSE and NSE and are frequently traded on both the exchanges within the meaning of the explanation to Regulation 15(2) of the Delisting Regulations. The annualized trading turnover based on the trading volume in the equity shares of the Company on BSE & NSE during April 2010 to September 2010, Six (6) calendar months preceding the month in which the exchanges were notified of the Board meeting of the Company in which the delisting proposal was considered, i.e. October 06, 2010 is as under:

Stock Exchange	Total no of equity shares traded during April 2010 to September 2010	Total number of listed equity shares	Annualized Trading turnover (as a % of total listed equity shares)
BSE	1,35,76,736	18,86,01,274	14.40
NSE	2,35,72,934	18,86,01,274	25.00

The equity shares of the Company are most frequently traded at NSE.

c. Based on the parameters as set out in Regulation 15(2) of the Delisting Regulations for frequently traded stocks, the floor price for the reverse book-building process as stipulated by Schedule II of the Delisting Regulations is determined considering the following:

Particulars	Price (in ₹ Per equity share)
The average of the weekly high and low of the closing prices of the equity shares of the Company on NSE, where the equity shares are most frequently traded, during the twenty six weeks preceding the date on which the stock exchanges were notified of the Board meeting of the Company in which the delisting proposal was considered i.e. October 06, 2010.	80.82
The average of the weekly high and low of the closing prices of the equity shares of the Company on NSE, where the equity shares are most frequently traded, during the two weeks preceding the date on which the stock exchanges were notified of the Board meeting of the Company in which the delisting proposal was considered i.e. October 06, 2010.	81.85

Based on the above data, the floor price for the reverse book-building process in terms of Regulation 15(2) of the Delisting Regulations has been determined by the Promoter/ Acquirer to be ₹ 82.00 (“**Floor Price**”) per equity share, having a face value of ₹ 10/- each.

IX. DETERMINATION OF THE EXIT PRICE

a. The price at which the maximum number of shares is tendered will be the discovered price (“**Discovered Price**”) pursuant to the reverse book building process under the Delisting Regulations.

b. The Promoter/ Acquirer is under no obligation to accept the Discovered Price. If the Promoter/ Acquirer do not accept the Discovered Price, the Promoter / Acquirer will have no obligation to acquire any equity share tendered pursuant to the Offer and the Delisting Offer will not proceed. Alternatively the Promoter / Acquirer may, at their sole discretion, accept the Discovered Price for the equity shares or offer a price higher than the Discovered Price. The Discovered Price so accepted or a higher price so offered by the Promoter / Acquirer for the Offer will be subject to all relevant statutory approvals as disclosed in paragraph XXI below, and is referred to in this PA as the “**Exit Price**”. Once the Discovered Price is accepted and the Exit Price is determined, the Promoter / Acquirer will acquire all the equity shares which have been tendered at prices less than or equal to the Exit Price, for a cash consideration equal to the Exit Price determined for each such equity share.

c. The Promoter / Acquirer will announce the Discovered Price, the Exit price and their decision to accept or offer the Exit Price or reject the Discovered Price in the same newspapers in which this PA appears as a statutory advertisement, in accordance with the timeline set out in paragraph XVII of this PA.

X. CONDITIONS TO THE DELISTING OFFER

The acquisition of equity shares by the Promoter/ Acquirer and the proposed delisting of the Company are conditional upon:

- the Promoter/ Acquirer accepting the Discovered Price or offering an Exit Price higher than the Discovered Price and a minimum of 3,79,15,191 equity shares of ₹ 10/- each constituting 20.10% of the issued and paid-up equity share capital of BCL, being tendered and accepted at or below the Exit Price so that the holding of Promoter/ Acquirer along with its nominees reaches atleast 90% of the total issued equity share capital of BCL;
- the assumption that there are no amendments to the Delisting Regulations or any applicable regulations or an order of a court or other authority or any other circumstance taking place, which in the opinion of the Promoter/ Acquirer would prejudice the Promoter/ Acquirer from proceeding with the Delisting Offer; and
- the Promoter/ Acquirer obtaining all requisite statutory and regulatory approvals as listed in paragraph XXI of this PA.

XI. DISCLOSURE REGARDING THE MINIMUM ACCEPTANCE CONDITION FOR SUCCESS OF THE DELISTING OFFER

a. As per Regulation 17 of the Delisting Regulations, the Delisting Offer made shall be deemed to be successful if post the offer, the shareholding of the Promoter its nominees taken together with the equity shares accepted in the reverse book building process through eligible bids at or below the Exit Price, reaches atleast 16,97,41,147 equity shares of ₹ 10/- each being 90% of the total outstanding equity shares issued by the Company.

XII. DATES OF OPENING AND CLOSING OF BID PERIOD

- The period during which the Public Shareholders may tender their equity shares to the Promoter/ Acquirer in the reverse book-building process (the “**Bid Period**”) shall commence at 9.00 a.m. on Monday, February 07, 2011 (the “**Bid Opening Date**”) and close at 3.00 p.m. on Friday, February 11, 2011 (the “**Bid Closing Date**”). The Promoter / Acquirer will inform the shareholders by issuing a corrigendum to the PA, if there are any changes in the Bid Period.
- Bids received after 3.00 p.m. on the Bid Closing Date may not be considered for the purpose of determining the Discovered Price and for payment of Exit Price payable for the equity shares accepted by the Promoter/ Acquirer pursuant to the reverse book-building process.

c. A letter inviting the Public Shareholders to tender their equity shares to the Promoter/ Acquirer by way of submission of “**Bids**” (the “**Offer Letter**”) containing the necessary forms and detailed instructions for submitting Bids will be dispatched to the Public Shareholders.

XIII. DETAILS OF TRADING MEMBER, BIDDING CENTRES AND BIDDING PROCEDURE

a. Public Shareholders may tender their equity shares through an online electronic system facility, which will be provided by the BSE. In this regard, the Promoter / Acquirer has appointed a trading member to facilitate the lodging of Bids by and on behalf of the Public Shareholders. The name and address of the trading member is as follows:

SMC Global Securities Limited (“Trading Member”).,

Dheeraj Sagar Co-operative Housing Society, Opp. Goregaon Sports Club, Link Road, Malad(west), Mumbai-400064
Tel. No. : +91-022-67341600-30,
Fax No. : +91-022-28805606,

Contact Person: Mr. Prabir Kumar Singh,
E-mail: prabirsingh@smcindiaonline.com

b. The details of centres of the Trading Member where the Bids can be submitted by hand delivery (“**Bid Centres**”) are as follows:

Sr. no.	Bid Centre/City	Address of Trading Member	Contact Person	Contact Details
1.	Ahmedabad	10-A, Kalapuram, C.G.Road, Ahmedabad- 380003, Gujarat	Mr. Hetal N Shah / Mr. Nishit Shah	Tel: 079 26424801 - 4804 Fax: 079- 26424801/147
2.	Bangalore	Premises 7-10, Ground Floor, Gold Tower, # 50(Old no.98), Residency Road, Banker 25, Bangalore – 560025	Mr. V Mahesha	Tel: 080-40910034/ 35/36/37
3.	Chennai	2A, 2nd Floor, Mookambika Complex, 4 Lady Desikachari Road, Mylapore, Chennai – 600004	Mr. Murl	Tel: 044-39109100 - 122 Fax: 044-39109111
4.	Delhi	11/6B, Shanti Chamber, Pusa Road, New Delhi – 110005	Mr. Devendra Mani Dwivedi	Tel: 011-30111000 Fax: 011-25754383
5.	Delhi	17- Netaji Subhash Marg, DaryaGang, New Delhi -110002	Mr. Sandeep Varma/ Mr. Neraj Khanna	Tel: 011-30111333 Fax: 011-23263297
6.	Ghaziabad	A-11 Hans Plaza, Shop no. 303, 304, 305 & 314, 3 rd Floor, Ambedkar Road, Ghaziabad, U.P.-201001	Mr. Sanjay Kumar	Tel: 0120-3367920
7.	Gurgaon	101-A, Apna Bazar, Gurgaon, Haryana – 122001	Mr. Ankur Jain / Mr. Anshul Jain	Tel: 0124 4108108 Fax: 0124-4108108
8.	Hyderabad	206 III rd Floor, Above CMR Exclusive, Bhuvana Tower S.D Road, Secunderabad- 500003, Andhra Pradesh	Mr. Saied Mastan	Tel: 040 - 30780297, 040 - 30780299, 040 - 30920623 Fax: 040-40021612
9.	Indore	SMC, 207-A, 4 th Floor, Kanchan Sagar Building, Old Palasia, AB Road, Indore	Mr. Ratish Goyal	Tel: 0731-4039797
10.	Jaipur	401,Shyam Anukampa Tower, Anhisha Circle, Opp. HDFC Bank, Ashok Marg - Jaipur	Mr. Ankit Jain	Tel: 0141-3000211 - 12, 0141- 3000271 - 72 Fax: 0141-5101781
11.	Kolkata	18, Rabindra Sarani, Poddar Court, Gate No.-4, 4 th Floor, Kolkata – 700001	Mr. Nalla Nageswar Rao / Mr. Sankit	Tel: 033-39847000 - 39847004 Fax: 033-39847004
12.	Maheana	28, Mahatma Gandhi, Shopping Centre, First Floor, Near Fuvara, Rajmahal Road, Maheana – 384001	Mr. Brijesh Patel	Tel: 027-62220277
13.	Mumbai	Dheeraj Sagar Co-operative Housing Society, Opp. Goregaon Sports Club, Link Road, Malad(west), Mumbai-400064	Mr. Prabir Kumar Singh / Ms. Divya Pramod	Tel: 022- 67341600-30 Fax: 022-28805606
14.	Mumbai	258, Perin Nariman Street, Fort, Mumbai - 400 001	Mr. Mahesh Chandra Joshi	Tel: 022- 66518046-47 Fax: 022-66541800
15.	Nashik	39, Purab Paschim Plaza, CIDCO Nashik – 422009	Mr. Atul V Chaudhari	Tel: 0253-2374046
16.	Pune	1st Floor, Dealing Chambers, opp. Hotel Subdhra, Near Sai Petrol Pump, J.M.Road, Pune-411005	Mr. Vedant Kabra	Tel: 020-66805805, 66805801
17.	Rajkot	Office No: 302/B, 3rd Floor, Shivalki-5, Makkam Chouk Gondal Road, Rajkot– 360002, Gujarat	Mr. Amit Dhruv	Tel: 0281- 2371980-82
18.	Surat	801, Empire State Building, Near HDFC Bank, Ring Road, Udhana Darwaja, Surat – 395002, Gujarat	Mr.Viren Reshamwala	Tel: 0261 3926534/ 3926543-47
19.	Thane	Office No. 2, 1st Floor, Sameer Arcade, Opp. Saraswat Bank, Jambli Naka, Thane – 400601	Mr.Suresh Kataria / Mr. Laxmikant R. Kabra	Tel: 022 -25340000 Fax: 022- 64170263/ 25438095
20.	Udaipur	20-21, Palika Bazar, Town Hall Link Road, Udaipur	Mr. Anand Manwani	Tel: 0294-2418275
21.	Vadodara	C/45, Nipa Tenament No 4, Karodia Road, Corwer, Baroda – 390016	Mr. Bhavin Chauhan	Tel: 0265 3059885, 0992513907 (Mob)
22.	Lucknow	Radha Krishna Bhawan, Plot no. 3/A, 5 Park Road, Lucknow – 226001	Mr. Ashish Chabra	Tel: 0522-4155888
23.	Jodhpur	Sambhu Bhawan, Wing ‘C’,103, 1st Floor, Near Nasrani Cinema, Sardarpura, Jodhpur- 342003 Rajasthan	Mr. Ashok Jain	Tel: 0291-2645969 Fax: 0291-2645969
24.	Faridabad	SCO-101, First Floor, Sector-16, Faridabad, Haryana – 121002	Mr. Virender Kumar Sharma	Tel: 0129-3981800
25.	Howrah	Krishna Enclave 2/1, Bhajanlal Lohiya Lane, Near Howrah AC Market, Howrah-711101	Mr. Sukalpa Das	Tel: 033-30918500 Fax: 033-30918532

Public Shareholders may submit their Bids by completing the bid forms accompanying their Offer Letters (“**Bid Forms**”) and submitting these Bid Forms to the Trading Member at any of the Bid Centres set out above by hand delivery on or before 3.00 p.m. during the Bid Period. Bid Forms submitted by hand delivery must be delivered to the Bid Centres between 9.00 a.m. and 3.00 p.m.

c. Public

such request for upward revision or withdrawal of the Bids received after 3.00 p.m. Thursday, February 10, 2011 will not be accepted.

XIV. PERIOD FOR WHICH THE DELISTING OFFER SHALL BE VALID

- a. The Public shareholders may submit their Bids to the Promoter/ Acquirer during the Bid Period. Additionally, once the equity shares have been delisted from the BSE and NSE, Public Shareholders, whose equity shares have not yet been acquired by the Promoter/ Acquirer may offer their equity shares for sale to the Promoter/ Acquirer at the Exit Price for a period of one year following the date of the delisting.

XV. ESCROW ACCOUNT

- a. The estimated consideration payable under the Delisting Regulations, at the Floor Price of ₹ 82.00 per equity share multiplied by the number of equity shares outstanding with the Public Shareholders, i.e., 5,67,75,318 equity shares of ₹ 10/- each is ₹ 465,55,76,076 (Rupees Four Hundred and Sixty Five Crores Fifty Five Lacs Seventy Six Thousand Seventy Six Only).
- b. In accordance with the delisting regulations, the Promoter/Acquirer has opened an Escrow Account No. 001402000008731 in the name & style “Binani Cement Limited – Delisting Offer – 2011 – Escrow A/c” with Indian Overseas Bank having its branch office at Elphinstone Bldg., 2/10, Veer Nariman Road, Fort, Mumbai 400023 (**Escrow Bank**) and have deposited in the said Escrow Account an amount of ₹ 466.00 crores (Rupees Four Hundred and Sixty Six Crores Only) being 100% of the estimated amount of consideration payable on the basis of floor price of ₹ 82/- per equity share of ₹ 10/- each as calculated in paragraph XV(a) above. The Promoter/Acquirer, the Manager to the Offer and Escrow Bank have entered into an Escrow Agreement dated January 13, 2011 pursuant to which the Promoter/Acquirer have empowered the Manager to the Offer to deal with the amount lying in the said Escrow Account in compliance with delisting regulations.
- c. On determination of the Final Price and making of the public announcement under Regulation 18 of the Delisting Regulations, the Promoter/Acquirer shall ensure compliance with Regulation 11(2) of the Delisting Regulations.
- d. If the Promoter/ Acquirer accepts the Discovered Price and offers a Final Exit Price, the Promoter/ Acquirer will open a special account and transfer thereto, the entire amount due and payable as consideration in respect of the equity shares accepted in the Delisting Offer at the Final Exit Price.

XVI. PROCEDURE FOR SETTLEMENT

- a. If the Promoter / Acquirer offer the Exit Price pursuant to the Offer and all other conditions relating to the Offer are satisfied, the Promoter / Acquirer shall acquire all shares that have been validity tendered at prices up to and equal to the Exit Price, for a cash consideration equal to the Exit Price for each equity share. For this purpose, Promoter/ Acquirer will open a special account and the entire amount due and payable as consideration (being Shares validity tendered under the Offer at or below the Exit Price multiplied by the Exit Price) shall be transferred from the Escrow account to such Special Account.
- b. Promoter / Acquirer shall make the payments to all Public Shareholder who have validity tendered their equity Shares at or below the Exit Price within ten working days from the Bid closing date by way of a crossed account payee Pay order/demand draft/ NECS/NEFT/RTGS. All payments will be made in the name of the first holder, in case of joint holder(s). Dispatches involving payment of a value in excess of ₹ 1500 will be made by registered post at the shareholders sole risk. All other dispatches will be made by ordinary post at the shareholder’s sole risk.
- c. Within ten working days from the Bid closing date, share certificates for any invalid bid, will be dispatched to the shareholders by registered post at the shareholder’s sole risk. Equity shares held in dematerialized form for any invalid bid will be credited back to the respective beneficiary account with their respective depository participants as per the details furnished by the beneficial owners in the Bid Form.
- d. Additionally, if and once the shares have been delisted, all shareholders whose shares have not been acquired by the Promoter / Acquirer may offer their shares to the Promoter / Acquirer at the Exit Price for a period of one year following the date of the delisting. A separate offer letter in this regard will be sent to shareholders who continue to hold shares after the offer. Such shareholders will be required to submit the required documents to the Registrar to the Offer within the stipulated time.
- e. If the Promoter / Acquirer do not offer the Exit Price, and reject the offer or in case the offer fails, all shares tendered/pledged in the Special Depository Account and/or physical shares shall be returned/ released from pledge as soon as is practicable to the relevant shareholders.

XVII. PROPOSED SCHEDULE FOR THE DELISTING OFFER

- a. The proposed time table for the reverse book-building process is as follows:

Activity	Date	Day
Date of the Public Announcement	January 19, 2011	Wednesday
Specified Date	January 21, 2011	Friday
Dispatch of Offer Letters/ Bid Forms to Public Shareholders as on Specified Date	January 24, 2011	Monday
Bid Opening Date	February 07, 2011	Monday
Last Date for revision (upwards) or withdrawal of bids	February 10, 2011	Thursday
Bid Closing Date	February 11, 2011	Friday
Announcement of Discovered Price/ Exit Price and Promoter/ Acquirer’s Acceptance/ Non-acceptance of Discovered Price/ Exit Price	February 21, 2011	Monday
Last date for payment of consideration (Subject to the acceptance of the Discovered Price or offer of an Exit Price higher than the Discovered Price by the Promoter/ Acquirer)	February 25, 2011	Friday
Last date for return of equity shares to shareholders in case of Bids not being accepted / failure of the Delisting Offer	February 25, 2011	Friday

All the dates are subject to change and are dependent on obtaining all the requisite statutory and regulatory approvals as may be applicable. In the event there is any change in the proposed timetable, it will be announced by way of a corrigendum to this PA in the same newspapers in which this PA appears.

XVIII. INFORMATION REGARDING STOCK MARKET DATA

The equity shares of BCL have been listed at the exchanges since May 28, 2007. Based on the information obtained from the BSE and NSE websites, the high, low and average market prices of the equity shares during the preceding three calendar years are as follows:

Calendar year	High * (₹)	Low * (₹)	Average ** (₹)
2008	124.00	26.20	60.28
2009	74.00	24.95	50.42
2010	108.80	67.50	81.02

* High / Low during the year

* * Average of the daily closing prices during the period

Monthly high and low prices for the six months preceding the date of this PA alongwith volume are as follows :

Month	High * (₹)	Low * (₹)	Volume (₹)
July, 2010	84.50	79.10	10,46,752
August, 2010	88.00	76.50	11,35,905
September, 2010	87.40	77.30	20,92,668
October, 2010	108.80	80.90	73,52,651
November, 2010	92.00	81.05	6,30,645
December, 2010	90.00	81.55	8,19,603

* High / Low during the month

Source: www.bseindia.com

Calendar year	High * (₹)	Low * (₹)	Average ** (₹)
2008	124.00	26.15	60.23
2009	74.00	23.30	50.41
2010	109.00	67.65	81.05

* High / Low during the year

* * Average of the daily closing prices during the period

Monthly high and low prices for the six months preceding the date of this PA alongwith volume are as follows:

Month	High * (₹)	Low * (₹)	Volume (₹)
July, 2010	84.45	79.10	21,56,407
August, 2010	87.00	76.55	23,48,319
September, 2010	96.60	77.20	42,69,373
October, 2010	109.00	80.80	1,33,62,335
November, 2010	91.95	81.05	11,72,994
December, 2010	90.50	82.05	17,46,645

* High / Low during the month

Source: www.nseindia.com

XIX. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

- a. The Company has an authorised equity share capital of ₹ 4,23,89,96,000 (Rupees Four Hundred Twenty Three Crores Eighty Nine Lacs Ninety Six Thousand Only) divided into 42,38,99,600 equity shares of ₹ 10 each.
- b. The issued, subscribed and paid-up share capital of the Company is ₹ 1,88,60,12,740 (Rupees One Hundred Eighty Eight Crores Sixty Lacs Twelve Thousand Seven Hundred Forty Only) divided into 18,86,01,274 fully paid-up equity shares of ₹ 10 each.
- c. As on the date of this PA, the Company does not have any outstanding convertible instruments or partly paid-up equity shares.
- d. The shareholding pattern of the Company as on December 31, 2010 is given below:

Category of Shareholder	Number of equity shares	% of total equity share capital
1. Promoters and Promoter Group	13,18,25,956	69.90
2. Public Shareholding		
– Institutions	59,91,560	3.18
– Directors	12,240	0.01
– Non- Institutions	5,07,71,518	26.92
Total	18,86,01,274	100.00

There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity at any later date.

XX. LIKELY POST DELISTING CAPITAL STRUCTURE

The likely post-delisting capital structure of the Company, assuming all the shares are acquired pursuant to the Offer will be as follows:

Category of Shareholder	Number of equity shares	% of total equity share capital
Promoter / Acquirer & its nominees	18,86,01,274	100.00

XXI. STATUTORY APPROVALS

- a. The public shareholders of BCL have accorded their consent by way of special resolution passed through postal ballot, results of which were declared on November 26, 2010, in respect of delisting of equity shares of BCL from the stock exchanges, in accordance with the delisting regulations.
- b. BSE and NSE have given their in-principle approval for delisting of equity shares of BCL from its exchange vide their letter dated December 29, 2010 and December 31, 2010, respectively.
- c. The acquisition of shares from Non-Resident Indians (“NRI”), Non-Resident Corporate Bodies and Foreign Institutional Investors (FIIs) is subject to approval from the Reserve Bank of India (“RBI”) under the Foreign Exchange Management Act, 1999. The Promoter / Acquirer has applied to the RBI for its approval to acquire the shares pursuant to the Delisting Offer from the non-resident shareholders, Foreign Institutional Investors (FIIs), Foreign Corporate Bodies etc, in accordance with applicable laws and regulations vide its letter no. BIL/RBI/2010 dated January 04, 2011.
- d. To the best of the Promoter / Acquirer knowledge, as of the date of this PA, no statutory or regulatory approval is required to acquire the shares of BCL by the Promoter / Acquirer, other than those indicated above. If any other statutory or regulatory approval becomes applicable and if, for obtaining such approvals certain conditions are imposed, which the promoter / Acquirer consider in their sole discretion to be onerous, then the Promoter / Acquirer reserves the right not to proceed with the Offer.

XXII. TAX DEDUCTED AT SOURCE

Summary of various provisions related to Tax Deduction at Source (“TDS” or “withholding tax”) under the Income Tax, Act, 1961 is as follows :

- a. All the Public shareholders should be either classified as resident or non-resident. The status as resident / non-resident is to be determined on the basis of criteria laid down in Section 6 of the Income Tax Act, 1961 (“IT Act”). In case a shareholder happens to be a resident of India as well as another country, his residential status will have to be determined having regard to provisions of the tax treaty with the relevant country read with the provisions of Section 6 of the IT Act aforesaid.
- b. No tax is required to be deducted by the Promoter/ Acquirer on payment of consideration to resident Public Shareholders.
- c. As per the provisions of Section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess).
- d. Where, the Delisting Offer consideration is chargeable to tax as capital gains under the IT Act, the Promoter/ Acquirer will need to deduct tax at source (including applicable surcharge and cess) at the capital gains tax rate on the amount of capital gains payable to the Public Shareholders.
- e. Income by way of capital gains is to be computed as provided in Section 48 of the IT Act, by deducting cost of acquisition from the value of consideration. The rate at which tax is to be deducted at source varies depending upon the period for which the shares tendered under the Delisting Offer are held by the Public Shareholders. Capital gains arising on shares held for more than 12 months from the date of acquisition would be regarded as ‘long term capital gains’, else the gains would be treated as ‘short term capital gains’.
- f. All non-resident shareholders (other than FIIs referred to below) are accordingly requested to provide the Promoter/ Acquirer with their legal status and evidence with regard to the date and cost of acquisition of the Shares tendered by them pursuant to the Delisting Offer as also the evidence of eligibility for claiming any double tax treaty benefit. In the event, the relevant evidence is not provided, the capital gains on which tax is required to be deducted be computed by taking the cost of acquisition as ‘Nil’, the capital gains would be deemed to be short term in nature and the liability and rate for preference to any double tax avoidance treaty the non-resident may otherwise be eligible.
- g. As per the provisions of Section 195 of the IT Act, any income by way of capital gains payable to non resident Indians or foreign companies, shall be liable to the provisions of withholding tax (at applicable tax rates plus surcharge and education cess on the amount of capital gains), subject to the provisions of

the relevant tax treaty. Accordingly, income tax may have to be deducted at source in the case of a non-resident Indian/ foreign company at the rate under the IT Act or under the tax treaty, whichever is beneficial to the selling shareholder unless a lower withholding tax certificate obtained from the tax authorities is furnished to the Promoter / Acquirer.

- h. The rate of deduction of tax in the case of non-residents is dependent on certain other factors. Since the Promoter/ Acquirer does not have in-house information in respect of various Public Shareholders, all the Public Shareholders have to specify their category while bidding.
- i. As per the provisions of the Section 2(37A) (iii) of the IT Act for the purposes of deduction of tax under Section 195, the rate or rates of income-tax specified in this behalf in the applicable Finance Act or the rate or rates of income tax specified in an agreement entered into by the Central Government under Section 90 of the IT Act or an agreement notified by the Central Government under Section 90A as the case may be, i.e. whichever is beneficial, would be the applicable rate of TDS. In view of the provisions of Section 206AA of the IT Act, in case a shareholder does not have a Permanent Account Number (“PAN”), tax will be deducted at the rate of 20% or the applicable rate as per normal provisions whichever is higher. Surcharge and education cess will be added to tax deduction amount as applicable. In cases where tax is deductible, the tax at the applicable rates will be deducted on the gross amount of consideration without considering the actual computation of gains.
- j. In the event the aforementioned categories of Public Shareholders require the Promoter/ Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the income tax authorities either under Section 195(3) or under Section 197 of the IT Act, and submit the same to the Promoter while submitting the Bid Form. In the absence of any such certificate from the income tax authorities, the Promoter/ Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

Public Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Promoter/ Acquirer, the Company and the Manger to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

XXIII. CERTIFICATION BY THE BOARD OF DIRECTORS OF THE COMPANY

The Board of Directors of the Company hereby certifies that:

- a. Binani Cement Limited has not raised any funds from public. The Initial Public Offering of equity shares of Binani Cement Limited during May 2007 was on account of “Offer for Sale” by selling shareholder. Hence the proceeds so raised through the issue were transferred to the selling shareholders and not to the Company.
- b. All material information which is required to be disclosed under the provisions of the continuous listing requirements contained in the Listing Agreement executed by the Company with the BSE and NSE has been disclosed to the BSE and NSE.

XXIV. COMPLIANCE OFFICER

Mr. Atul Falgunia, V. P. Secretarial & Company Secretary
Mercantile Chambers, 12, J.N. Heredia Marg, Ballard Estate, Mumbai – 400 001.
Tel: 022-3026 3000, **Fax:** 022-2263 4960, **E-mail:** atul@binani.net

XXV. DISCLAIMER CLAUSE OF BSE

- a. It is to be distinctly understood that the permission given by BSE to use their electronic automated facilities and infrastructure for “Online reverse book building facility for delisting of securities” should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by BINANI CEMENT LIMITED or the MANAGER TO THE OFFER, etc. are cleared or approved by BSE; nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements; nor does BSE have any financial responsibility or liability in this regard nor does BSE take responsibility in any way for the financial or other soundness of the Company, its promoters or its management.
- b. It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed to mean that the Public Announcement has been cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the announcements, nor does BSE warrant that the securities will be delisted.
- c. That Every person who desires to avail of the exit opportunity may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE or against the Investor Protection Fund set up by BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through the reverse book building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

XXVI. GENERAL DISCLAIMER

Every person who desires to avail of the Delisting Offer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Promoter, the Manager to the Offer or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of equity shares through the reverse book-building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

For further details please refer to the Offer Letter, the Bid Form and the Bid Revision / Withdrawal Form which will be sent to the Public Shareholders. This PA is expected to be available on BSE’s website at www.bseindia.com. Public Shareholders will also be able to download the Offer Letter, the Bid Form and the Bid Revision / Withdrawal Form from BSE’s website.

MANAGER TO THE OFFER

KEYNOTE

KEYNOTE CORPORATE SERVICES LTD.
4th Floor, Balmer Lawrie Bldg, 5, J. N. Heredia Marg, Ballard Estate, Mumbai -400 001
Tel : +91-022-30266000-3; **Fax:** + 91-022-22694323
Contact Person: Mr. Janardhan Wagle
Email: mbd@keynoteindia.net
SEBI Registration No.: INM 000003606, **AMBI No.:** AMBI/040

REGISTRAR TO THE OFFER



LINK INTIME INDIA PVT. LIMITED
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078
Tel: +91-022-2596 0320, **Fax:** +91-022-2596 0329
Contact Person : Mr. Nilesh Chalke
Website: www.linkintime.co.in
E-mail: bcl.delisting@linkintime.co.in
SEBI Registration No.: INR 000004058

This PA is issued by the Promoter/ Acquirer:

By Order of the Board
For and on Behalf of Board of Directors of Binani Industries Limited

Sd/-
Sunil Sethy
Managing Director

Sd/-
Dr. V. C. Shah
Director

Sd/-
S N Sridhar
**Sr. Vice President – (Corporate Legal),
Company Secretary & Compliance Officer**

Place : Mumbai
Date : January 17, 2011