



BINANI INDUSTRIES LIMITED

Corporate Identity Number: L24117WB1962PLC025584

Registered Office: 37/2, Chinar Park, New Town, Rajarhat Main Road,

P.O.: Hatiara, Kolkata- 700157 Tel: 8100326795

Corporate Office: Mercantile Chambers, 12, J. N. Heredia Marg, Ballard Estate, Mumbai 400 001. Tel: 022-30263000

Website: www.binaniindustries.com, E-mail Id.: mumbai@binani.net

POSTAL BALLOT NOTICE

Dear Member,

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (“Act”), read together with the Companies (Management and Administration) Rules, 2014 (“Rules”), including any statutory modifications thereof for the time being in force, that Binani Industries Limited (BIL) (the “Company”) is seeking the approval of the Members by way of a Special Resolution, for the matter as considered in the resolution appended below, through postal ballot / e-voting.

The Explanatory Statement setting out the material facts concerning this resolution and the rationale thereof is annexed hereto along with a Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mr. Rajkumar Banthia, Practicing Company Secretary (Membership No. 17190) of M/s. MKB & Associates as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 and other applicable provisions of the Act read with the related Rules (including any statutory modification thereof, for the time being in force), the Company is pleased to provide e-voting facility to all its Members to enable them to cast their votes electronically, instead of dispatching the Postal Ballot Form by post. The Company has engaged the services of National Securities Depository Services Limited (NSDL) for the purpose of providing e-voting facility to all its Members. Members desiring to exercise their vote by using e-voting facility are requested to carefully follow the instructions in the Notes under the Section ‘Voting through electronic means’ in this Notice.

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the enclosed Postal Ballot Form and return the same duly completed in the attached self-addressed, postage pre-paid envelope, so as to reach the Scrutinizer not later than 5:00 p.m. on Thursday, April 16, 2020. If any postal ballot is received after 5:00 p.m. on Thursday, April 16, 2020, it will be considered that no reply from such Member has been received and such postal ballot would not be considered. In case any Member cast his/her votes through both the modes i.e. e-voting and Physical Postal Ballots, the vote cast through e-voting shall be treated as valid and the Postal Ballot Form shall be ignored.

The Scrutinizer will submit his report to the Chairman of the Company or any other person authorised by the Chairman, on or before 18th day of April 2020 and the result of the Postal Ballot will be announced on or before 18th day of April 2020 upon receipt of the Scrutinizer Report at 5:00 p.m. at the Company’s Registered Office. The result of the Postal Ballot will also be displayed at the said address and posted on the Company’s corporate website www.binaniindustries.com at the following url <http://binaniindustries.com/investor-relations/binani-industries-ltd/postal-ballot/> besides communicating to the Stock Exchanges viz. Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Calcutta Stock Exchange and the Depositories.

SPECIAL BUSINESS:

1. Sale / Disposal of 100% shares held by the Company in subsidiaries

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Regulation 23, 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 110, 180(1)(a) and 188 and any other applicable provisions of the Companies Act, 2013, the Rules thereunder, including any statutory modifications and amendments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by the Government of India, the Reserve Bank of India or other governmental or statutory authorities, and subject to the Memorandum and Articles of Association of the Company and further subject to the necessary approvals, consents, permissions and sanctions, if any, of any relevant statutory, regulatory or government authorities, Company’s lenders (if any), and/or other institutions or bodies and such conditions or modifications as may be prescribed by any of them while granting any such approvals, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee of directors constituted by the Board), the consent, approval and authority of the Company be and is hereby granted for sale or otherwise disposal in any manner of upto 100% of the shares held by the Company in its subsidiaries to any entity including, in particular, any company, including a company which is “related” or under the same management or bank or financial institution or foreign investor or foreign financial institution or overseas corporate bodies, etc for an aggregate consideration not less than the fair market value as decided by the Board on such terms and conditions as the Board, may, in its absolute discretion, deem fit and appropriate in the interests of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do or cause to be done all such acts, deeds and things, including actions which may have been taken, as may be necessary, or deemed necessary or incidental

thereto, from time to time for giving effect to the above resolution, including finalizing, varying and settling the terms and conditions of the proposed divestment; to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company; to negotiate and finalize the Share Purchase Agreement and/ or any other transaction documents (including providing such representations, warranties, indemnities and covenants as may be required) and to execute, deliver and perform such agreements, other contracts, deeds, undertakings and other documents and subsequent modifications thereto; to file applications and make representations in respect thereof and seek the requisite approvals from the relevant authorities and third parties, including governmental authorities and lenders; to suitably inform and apply to all the concerned authorities, to settle any questions, difficulty or doubt that may arise in this regard, and to take all necessary steps in the matter as it may in its absolute discretion and in the best interests of the Company deem necessary, desirable or expedient, to give effect to the above resolution."

2. Cancellation of Paid-up Share Capital of the Company u/s 66(1)(b)(i) of the Companies Act, 2013.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 66(1)(b)(i) and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder (the "**Act**"), read with Articles of Association of the Company; and subject to the confirmation by the Hon'ble National Company Law Tribunal ("**NCLT**"); and such other approvals as may be required, the issued, subscribed and paid-up Equity capital of the Company be and is hereby reduced from Rs. 31,36,61,750 (Rupees Thirty One Crore Thirty Six Lakhs Sixty One Thousand Seven Hundred and Fifty Only) consisting of 3,13,66,175 (Three Crores Thirteen Lakhs Sixty Six Thousand One Hundred and Seventy Five Only) equity shares of Rs. 10 (Rupees Ten) each to Rs. 31,36,610 (Rupees Thirty One Lakhs Thirty Six Thousand Six Hundred and Ten only) consisting of 3,13,661 (Three Lakhs Thirteen Thousand Six Hundred and Sixty One Only) equity shares of Rs. 10 (Rupees Ten) each by cancelling and extinguishing, in aggregate, 99% (Ninety nine percent) of the total issued, subscribed and paid-up equity share capital of the Company, comprising 3,10,52,514 (Three Crore, Ten Lakhs Fifty Two Thousand Five Hundred and Fourteen Only) equity shares of Rs. 10 (Rupees Ten) each (the "**Capital Reduction**")."

"RESOLVED FURTHER THAT upon the Capital Reduction being confirmed by the NCLT and becoming effective and operative, without any further act or deed by the equity shareholders (including but not limited to surrendering of share certificates), 3,10,52,514 (Three Crore, Ten Lakhs Fifty Two Thousand Five Hundred and Fourteen Only) equity shares of Rs. 10 (Rupees Ten) each of the Company held by the Shareholders shall stand cancelled and extinguished and rendered invalid."

"RESOLVED FURTHER THAT the 1850 Equity shares which were to be allotted to the 37 partly paid Equity Shares in Binani Metals Limited on which calls were in arrears, pursuant to the scheme of amalgamation approved by the High Court at Kolkata between Binani Metals Limited and Binani Industries Limited on the basis of share exchange ratio shall also stand cancelled."

RESOLVED FURTHER THAT in the event of fractional entitlement pursuant to the Capital Reduction, the Company shall consolidate all the fractional entitlements and sell the shares and distribute the proceeds to the shareholders entitled thereto in proportion to their respective entitlements

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all necessary steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its members in connection with and relating to the Capital Reduction, including any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the Capital Reduction, or to any modification thereof, and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, (including but not limited to):

1. To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and perfect all deeds, declarations, instruments, affidavit, applications, petitions, objections, notices and writings whatsoever as may be usual, necessary, proper or expedite and all type of documents, petitions, affidavits and applications in relation to the matter aforesaid;
2. To accept services of notices or other processes that may from time to time be issued in connection with the matter aforesaid;
3. To produce all documents or other evidences in connection with the matters aforesaid and all and any of other proceedings incidental thereto or arising thereat;
4. To make, prepare and submit any applications, petitions, appeals and judges summons before the NCLT, and/ or any court, tribunal, or all relevant authorities and respond to the appropriate authorities;
5. To file applications/petitions, and affidavits and / or other legal documents with NCLT, as may be required for confirmation of the Capital Reduction by the NCLT and the Capital Reduction becoming effective and operative, and/or any other regulatory authorities for obtaining their approval;
6. To engage advocates, counsels and any other consultants, advisors, declare and file all pleadings, reports, and sign and issue public advertisements and notices in connection with the matters aforesaid;
7. To make any alterations/changes, modification or amendments in the application/petition as may be expedient or necessary, including any alteration, modification or amendment required to be made for complying with the requirements or conditions imposed by the NCLT and/or any other appropriate authorities, if any;
8. To prepare if required, interim financial statements along with relevant annexures, schedules and other necessary supporting which will be certified by the management of the Company and to pass such accounting entries and/ or making such other adjustments in the books of accounts, as are considered necessary to give effect to the above resolution;

9. To provide necessary declarations/ certificates in relation to Capital Reduction capturing the true and factual aspects of the Company;
10. To comply with all the necessary formalities, compliances and disclosures in this regard and to file the necessary forms or documents with the relevant authorities, including the Registrar of Companies;
11. To authenticate all the necessary documents as 'certified copies' or in any other manner as may be required, including if required affixing the Common Seal of the Company on any documents in connection with the above resolution;
12. To do all such acts, deeds, matters and things as may be deemed necessary, expedient, usual or proper and to settle any question or difficulty that may arise; and
13. To delegate any or all of the powers conferred upon it by this resolution to any committee of directors, any other director(s), and/or officer(s) of the Company.”

**By Order of the Board of Directors
For Binani Industries Limited**

Date: 14th March, 2020

Place: Mumbai

Visalakshi Sridhar
Managing Director, CFO & Company Secretary

Notes:

1. The Statement as required under Section 102 of the Companies Act is annexed to the Notice. A Postal Ballot Form is also enclosed. A copy of the Notice and the Postal Ballot Form is also available on the website of the Company – www.binaniindustries.com
2. Members shall have the option to vote either through E-voting or through Postal Ballot Form. In compliance with the provisions of Section 108 of the Companies Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, SS-2 and Regulation 44 of the SEBI Listing Regulations, the Company is offering 'E-voting' facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with National Securities Depository Limited (“NSDL”) to facilitate E-voting. E-voting is optional. The detailed procedure with respect to E-voting is mentioned later in the Notice.
3. The Company has appointed Mr. Raj Kumar Banthia, Practising Company Secretary (Membership No. 17190) as the Scrutinizer for scrutinizing the E-voting process as well as voting through Postal Ballot Form to ensure that the process is carried out in a fair and transparent manner.
4. The Notice, together with the documents accompanying the same, is being sent to all the Members by permitted mode (and electronically by e-mail to those Members who have registered their e-mail ids with the Company/ Registrar and Share Transfer Agents/ NSDL/ CDSL), whose names appear in the Register of Members/list of Beneficial Owners as received from NSDL/CDSL as on 6th March, 2020. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut off date may cast their vote by e-voting. The Notice will be displayed on the website of the Company www.binaniindustries.com
5. A Member can opt for only one mode of voting i.e. either through Postal Ballot Form or E-voting. If a Member casts votes by both modes, then the voting done through E-voting shall prevail and the Postal Ballot Form shall be treated as invalid.
6. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on cut-off date i.e. 6th March, 2020 (“cut-off date”) only shall be entitled to avail the facility of voting through Postal Ballot Form or E-voting.
7. The Postal Ballot Form and the self –addressed business reply envelope are enclosed for use of members. Members are requested to carefully read the instructions printed on the Postal Ballot Form and Notice before exercising their vote. Members exercising their voting rights through Postal Ballot Form shall return the completed form in the enclosed self-addressed postage pre-paid envelope (if posted in India), so as to reach the Scrutinizer on or before 5.00 p.m. on 16th April, 2020, the last date for receipt of the completed Postal Ballot Forms. The postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company.
8. Members who have registered their email IDs for receipt of documents in electronic mode under the green initiative of the Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post/courier service along with Postal Ballot Form. Members have the option to vote either through e-voting or through Postal Ballot Form. Members who received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the link provided in email or at the website of the Company or seek duplicate Postal Ballot Form from Link Intime India Private Limited, the Registrar and Share Transfer Agents of the Company.
9. Relevant documents referred to in the Notice and the accompanying Statement are kept open for inspection by the members at the Registered Office and the Corporate Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. upto the date of the conclusion of voting.
10. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide its members the facility to exercise their right to vote by electronic means as an alternate mechanism. For this purpose, the Company has entered into an agreement with NSDL for facilitating e-Voting in order to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. Please note that e-Voting is optional.
11. Kindly note that the members can opt only one mode of voting, i.e., either by Physical Postal Ballot or e-voting. If members are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case

Shareholders cast their vote by Physical Postal Ballot and e-voting, then voting done through valid e-voting shall prevail and voting done by Physical Postal Ballot will be treated as invalid.

12. Voting Through E-Voting

The process and manner for remote e-voting are as under:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :
 - a. For NSDL : 8 Character DP ID followed by 8 Digit Client ID;
 - b. For CDSL.: 16 digits beneficiary ID;
 - c. For Members holding shares in Physical Form.
5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.
10. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
11. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
12. Select “EVEN” of company for which you wish to cast your vote.
13. Now you are ready for e-Voting as the Voting page opens.
14. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
15. Upon confirmation, the message “Vote cast successfully” will be displayed.
16. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
17. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
18. General Guidelines for shareholders.
 - 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rajbanthia@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE

Item No. 1:

The following Explanatory Statement pursuant to Section 102 of the Act sets out the material facts relating to the special business mentioned in the accompanying Notice dated 14th March, 2020.

1. Sale / Disposal of 100% shares held by the Company in subsidiaries

A. BACKGROUND

Binani Industries Limited ('BIL') is a holding company which presently holds investments in the below mentioned subsidiaries:

A. Investments in Equity Shares

Name of the Subsidiary	Paid up Share Capital of the Subsidiary	% held by the Company
Edayar Zinc Limited	Rs. 6761.81 lakhs	89.90%
BIL Infratech Limited	Rs. 2500.00 lakhs	100%
3B Binani Glass Fibre Limited	Euro 100 million	100%
Royal Vision Projects Private Limited	Rs. 6 lakhs	100%
Nirbhay Management Services Private Limited	Rs. 5 lakhs	100%
Global Composites Holdings Inc	USD 2.7 million	100%

B. Investment in Preference Share

Name of the Subsidiary	Paid up Share Capital of the Subsidiary	% held by the Company
Goa Glass Fibre Limited (Step down Subsidiary)	50 Crores – 6% Preference Share Capital	100

The business of the Company is carried out through its subsidiaries. Primarily, prior to the sanction and implementation of the resolution plan for Binani Cement Limited, the flagship business of the Company was in cement industry through its erstwhile subsidiary, namely Binani Cement Limited.

Post the sanction and implementation of the resolution plan for Binani Cement Limited, erstwhile subsidiary, the Company has negative net-worth and also creditors are required to be paid-off which were related to its erstwhile cement subsidiary. On account of this, the Company may have to face severe consequences, including that of winding-up of the Company.

In order to avoid facing the severe consequences and to secure the best interests of the Company and its stakeholders, the directors of the Company are exploring the option to divest the investments in the subsidiaries wherein the inflow the funds may help to pay-off the creditors and improve the net-worth situation of the Company. Also, the divestment would be in the best interest of the subsidiaries since the subsidiaries on its own are facing financial stress.

The sale of investments in subsidiaries would be conducted in any of the following manner:

- a. The investments in subsidiaries could be sold to Related Party. The price at which the investments will be sold shall be not less than the Fair Market Value;
- b. The investments in subsidiaries could be sold to an Unrelated Party. The Unrelated party would ideally be the one who is engaged in similar line of business as that of the subsidiary whose shares are sold;
- c. The investments in subsidiaries could also be sold to an Investor who has an active interest in investing in the business in which the subsidiary is involved.

Approval of members is sought for: - to sell, transfer, convey, assign or otherwise dispose of the Company's movable properties viz investments in its subsidiaries. The consideration to be received on said sale, transfer, conveyance, assignment or sale of above assets shall be utilized in paying off the Company's liabilities. Further, the Company is in the process of negotiating and finalizing the consideration and other terms & conditions with the potential purchaser(s) of the said assets.

In view of the same, the Board of Directors at its meeting held on 14th March, 2020, has subject to the approval of members of the Company by a special resolution and other applicable laws and subject to such approvals, consents, permissions and sanctions as may be necessary, approved to sell, transfer, convey, assign or otherwise dispose of the Company's investments in subsidiaries to any person(s) and/or entity(ies) whether related or not and whether under the same management or not or to any bank or financial institution or foreign financial investor or overseas corporate bodies as may be determined by the Board including finalization of the suitable /purchaser(s)/ assignee(s)/ counterparty(ies) as the case may be, of the said assets, the terms and conditions, methods and modes in respect

thereof, determining the exact effective date, and finalizing and executing and registering the necessary documents including agreements, deeds, sale deed, agreement for sale and such other deeds documents and writings, deeds of conveyances and irrevocable powers of attorney etc. and such other documents in the best interest of the Company. Members of the Company are further requested to note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. Explanation (i) to Section 180(1) (a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year. Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer, the investments as specified above.

Members of the company are further requested to note that Section 188 of the Companies Act, 2013 read with regulation 23 and 24 of the SEBI (LODR) mandates that the Board of Directors of a company shall enter into any contract or arrangement with a related party with respect to inter alia selling or otherwise disposing of or buying, property of any kind except with the approval of the Company by a resolution passed by the members of the Company and that no member of the company shall vote on such resolution to approve any contract or arrangement which may be entered into by the company if such member is a related party.

As the resolution provides for potential sale to related parties, some of the Promoters, Directors, the Key Managerial Personnel (as defined under the Companies Act, 2013 and rules formed thereunder) of the Company and their respective relatives (as defined under the Companies Act, 2013 and rules formed thereunder) could have interest in the passing of the said resolution. In such an event, the member who is a related party shall not be eligible to vote and approve any contract or arrangement which may be entered into by the Company. The members, who are not a related party and as a result are eligible to vote, shall cast their vote. And as per the provisions of Section 188, an ordinary resolution will also be required to be passed, i.e., an approval of the majority of the members, who are not a related party, will also be required to be passed.

The details of the shareholding of the Promoters Directors, Key Managerial Personnel and their relatives in the Company as on 6th March, 2020 is as follows

S.No	Name	No. of shares held in the Company
1	Triton Trading Company Private Limited	14259264
2	Mrs. Kalpana Brajbhushan Binani	1373065
3	Miracle Securities Private Limited	440000
4	Athithi Tie-up Private Limited	325000
5	Mr. Braj Binani	65625
6	Mrs. Shradha Binani	8650
7	Mrs. Nidhi Binani Singhania	31900
8	Ms. Vidhushi Binani	150
9	Mrs. Visalakshi Sridhar	NIL

The details of the shareholding of the Promoters Directors, Key Managerial Personnel and their relatives, in Edayar Zinc Limited, are as follows

S.No	Name	No. of shares in Edayar Zinc Limited
1	Triton Trading Company Private Limited	3028223
2	Mrs. Kalpana Brajbhushan Binani	275646
3	Miracle Securities Private Limited	102000
4	Athithi Tie-up Private Limited	NIL
5	Mr. Braj Binani	12259
6	Mrs. Shradha Binani	NIL
7	Mrs. Nidhi Binani Singhania	1442
8	Ms. Vidhushi Binani	NIL
9	Mrs. Visalakshi Sridhar	NIL

The other subsidiaries are wholly owned subsidiaries of the Company.

B. SALE OF SHARES OF A MATERIAL SUBSIDIARY

Regulation 24 of the Listing Regulations, inter alia, provides that no company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/National Company Law Tribunal.

As the Company's net worth is negative as of the last audited Balance sheet, the individual net worth of all its subsidiaries except Edayar Zinc Limited will be considered as material subsidiary as their net worth exceeds 20% (twenty percent) of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year. Pursuant to aforementioned Regulation, the majority of the Company's subsidiaries

will be classified as a material subsidiary of the Company and accordingly, the sale of the shares of the afore-said subsidiaries by the Company, would require approval of the shareholders of the Company through a special resolution.

C. BOARD APPROVAL

The Board on 14th March 2020 has approved the above.

The Board is of the opinion that the proposed divestment is in the overall best interest of the Company and its stakeholders and recommends the passing of the resolution as set out in the accompanying notice as a special resolution. The proposed special resolution provides adequate flexibility and discretion to the Board to structure and finalize the terms of the sale in consultation with advisors, experts or other authorities as may be required.

The Promoters, the Directors, the Key Managerial Personnel (as defined under the Companies Act, 2013 and rules formed thereunder) of the Company and their respective relatives (as defined under the Companies Act, 2013 and rules formed thereunder) could have interest in the passing of the said resolution to the extent of equity shares held by them in the Company. The shareholding of the Promoters, the Directors, the Key Managerial Personnel of the Company in BIL and Edayar Zinc Limited is disclosed above

2. Cancellation of Paid-up Share Capital of the Company u/s 66(1)(b)(i) of the Companies Act, 2013.

Background:

The proposed reduction of the equity share capital of Binani Industries Limited (the “Company”) is being undertaken in accordance with the provisions of Section 66 (1)(b)(i) of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the rules made thereunder (the “Act”) and specifically the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (“Reduction Rules”), which permit a Company to undertake a reduction of its share capital in any manner.

In November 2018, pursuant to an order of National Company Law Appellate Tribunal, the company lost control of its flag ship business viz Binani Cement Limited. The entire share capital of Binani Cement Limited held by the Company (98.43%) was cancelled and extinguished. As per the audited and shareholder approved financial statements of the company, the tangible net worth is negative. As a result, as stated above, the Company is facing severe financial difficulty. A statement showing the Net worth of the company as of March 31, 2019 is below:-

	Rs. lakhs
Equity Share Capital	3,138.49
Preference Share Capital (<i>held by Triton Trading Company Private Limited</i>)	12298.00
Reserves excluding Business re-organisation reserve	(84,235.75)
Total Net worth	(68799.26)

The current issued, subscribed and paid-up equity share capital and shareholding pattern of the Company is as under:

Category	No. of shares	% held
Promoters and Promoter group	1,65,03,654	52.62%
Foreign Portfolio Investor	1,00,000	0.32%
Financial Institutions and Banks	5065	0.02%
Insurance Companies	5,50,795	1.76%
Foreign Financial Institutions	600	0.00%
Central Government	90	0.00%
Individuals	1,11,93,617	35.69%
Others		0.00%
NBFC	100	0.00%
IEPF	5,58,554	1.78%
Trust	150	0.00%
Foreign Nationals	5,050	0.02%
Hindu Undivided Family	4,47,983	1.43%
Office bearers	3,950	0.01%
NRI (repat and non repat)	7,86,440	2.51%
Overseas Bodies Corporate	100	0.00%
Clearing Member	2,608	0.01%
Bodies Corporate	12,07,419	3.85%
Total Issued, Subscribed and Paid up Equity Share Capital	3,13,66,175	100%

The above-mentioned capital is not represented by any asset of the Company, The possibility of attracting a potential investor to invest in the Company would be one of the ways by which the Company can overcome its severe financial difficulty. No investor is likely to invest in the Company with such a capital. Capital Reduction will enable the Company to expand its scope of attracting a potential investor by making room for the potential investor to invest in the shares of the Company.

Consequently, subject to the receipt of the requisite approval of the shareholders and confirmation by the Hon'ble National Company Law Tribunal (“NCLT”) and such other approvals as may be required, it is proposed to reduce the issued, subscribed and paid-up share capital of the Company from Rs. 31,36,61,750 (Rupees Thirty One Crore Thirty Six Lakhs Sixty One Thousand Seven Hundred And Fifty only) consisting of 3,13,66,175 (Three Crores Thirteen Lakhs Sixty Six Thousand One Hundred And Seventy Five only) equity shares of Rs. 10 (Rupees Ten) each to

Rs. 31,36,610 (Rupees Thirty One Lakhs Thirty Six Thousand Six Hundred And Ten Only) consisting of 3,13,661 (Three Lakhs Thirteen Thousand Six Hundred And Sixty One Only) equity shares of Rs. 10 (Rupees Ten) each by cancelling and extinguishing, in aggregate, 99% (Ninety Nine Percent) of the total issued, subscribed and paid-up equity share capital of the Company, comprising 3,10,52,514 (Three Crore, Ten Lakhs Fifty Two Thousand Five Hundred And Fourteen Only) equity shares of Rs. 10 (Rupees Ten) each held by the shareholders. As per the Scheme of Amalgamation approved by the High Court at Kolkata, Binani Metals Limited was amalgamated with Binani Industries Limited and on the basis of share exchange ratio of the scheme, the shareholders of the former were allotted 17,69,750 Equity Shares in the latter. No shares were allotted in respect of 37 partly paid Equity Shares in Binani Metals Limited on which calls were in arrears, otherwise would have been eligible for allotment of 1850 Equity Shares of Binani Industries Limited. These 1850 shares would stand cancelled. (the “**Capital Reduction**”).”

Effective Date of Reduction of Equity Share Capital:

After the shareholders have passed the requisite resolution by way of postal ballot, the Company will file the requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Act and the Reduction Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, seeking confirmation of the Capital Reduction. Pursuant to Section 66(5) of the Companies Act, 2013, this resolution will be effective on the date when the Registrar of Companies, West Bengal registers the NCLT order approving the Capital Reduction and issues a certificate to that effect.

The Share Capital of the Company pre and post the Capital Reduction would be as follows:-

	Authorised	Issued and Subscribed Capital	
		Pre	Post
Equity Share Capital	44,000,000 shares of face value Rs.10 each	3,13,66,175 shares of face value Rs. 10 each*	3,13,661 shares of face value Rs. 10 each
Preference Share Capital	1240,00,000 shares of face value Rs. 100 each	122,98,000 shares of face value Rs. 100 each	122,98,000 shares of face value Rs. 100 each
Total	Rs. 168,00,00,000	154,34,61,750	Rs.123,29,36,610/-

* Net of 1850 shares which have not been allotted.

SEBI approval:

Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates a listed entity to obtain prior approval of the SEBI if any scheme of arrangement is proposed to be filed before NCLT under Sections 230-234 and Section 66 of the Companies Act, 2013. Thus, on a plain reading of Regulation 37, it can be observed that prior approval is required to be obtained only under a situation which involves both a Scheme of Arrangement under Sections 230-234 along-with Capital Reduction under Section 66 of the Companies Act, 2013. If only an application is filed before the NCLT for obtaining confirmation for Capital Reduction under Section 66 of the Companies Act, 2013, no approval of SEBI is required.

Further, Section 66 of the Companies Act, 2013 states that a **confirmation** from the NCLT is required for the purpose of Capital Reduction. No Scheme of arrangement is filed in a situation which only involves Capital Reduction under Section 66 of the Companies Act, 2013, only an application for confirmation is filed before the NCLT.

On account of the above, the prior approval of the SEBI is not obtained for the purpose of Capital Reduction under Section 66 of the Companies Act, 2013.

General:

The Board of Directors of the Company at their meeting held on March 14, 2020 has approved the Capital Reduction as per the terms set out in the Resolution.

Article 54 of the Articles of Association of the Company provides for the reduction of capital of the Company in any way authorized by the applicable law. It would be necessary to obtain the approval of the members of the Company by passing a special resolution for the Capital Reduction under Section 66 of the Act and such reduction of equity share capital would have to be confirmed by the NCLT as provided under Section 66 of the Act and the Reduction Rules.

The Capital Reduction only recognises the losses already suffered by the Company. Hence, the Capital Reduction will not cause any prejudice to the creditors of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no reduction in the amount payable to any of the creditors. Further, as the Capital Reduction does not involve any payment to the shareholders, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.

A copy of the Memorandum of Association and Articles of Association of the Company as amended from time to time, are available for inspection at the Registered Office of the Company during 10.00 hours to 16.00 hours, on any working day till the date of the meeting.

The Board of Directors of the Company considers that this resolution is in the best interest of the Company, its shareholders and therefore, recommends the passing of the special resolution as set out in the Notice.

None of the Directors and / or Key Managerial Personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution.

**By Order of the Board of Directors
For Binani Industries Limited**

Date: 14th March, 2020
Place: Mumbai

Visalakshi Sridhar
Managing Director, CFO & Company Secretary