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PUBLIC ANNOUNCEMENT TO SHAREHOLDERS OF

AMBUJA CEMENT EASTERN LIMITED

In connection with the public announcement by DSP Merrill Lynch Limited ("DSPML") as Manager to the Offer on behalf of Holdcem Cements Private Ltd ("Holcim"/"Acquirer") dated January 21, 2005 ("Offer"), March 9, 2005 pursuant to and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 ("SEBI Takeover Regulations")

The shareholders of Ambuja Cement Eastern Limited ("ACEL") are requested to kindly note the following:

1. In view of the Board for Industrial and Financial Reconstruction ("BIFR") orders in respect of ACEL, dated November 5, 1997, March 17, 2004 and May 24, 2004 and in particular the Sec 2.1(c) of the Sanctioned Scheme, under the BIFR dated November 5, 1997 the shares of ACEL are required to be kept listed. Accordingly, in view of BIFR order, the Offer, which was otherwise attracted by Regulation 11 (2A) of the SEBI (SAST) Regulations is being made under Regulation 10 and 12 of the SEBI (SAST) Regulations.
2. The Schedule of the Major Activities of the Offer is as under:

Activity	Original Schedule	Revised Schedule
Public Announcement Date	January 21, 2005, Friday	January 21, 2005, Friday
Last date for a competitive bid	February 11, 2005, Friday	February 11, 2005, Friday
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted)	January 28, 2005, Friday	January 28, 2005, Friday
Date by which Letter of Offer will be dispatched to shareholders	March 4, 2005, Friday	May 13, 2005, Friday
Date of opening of the Offer	March 9, 2005, Wednesday	May 18, 2005, Wednesday
Last date for revising the Offer Price	March 16, 2005, Wednesday	May 26, 2005, Thursday
Last date for withdrawing acceptance from the Offer	March 22, 2005, Tuesday	June 2, 2005, Thursday
Last date of closure of the Offer	March 28, 2005, Monday	June 6, 2005, Monday
Date of communicating rejection/ acceptance and payment of consideration for accepted Shares/ dispatch of the share certificate in case of rejection	April 12, 2005, Tuesday	June 21, 2005, Tuesday

3. Disclosure in terms of Regulation 21(3)

   Pursuant to the completion of the Offer, should the post offer shareholding of the Acquirer along with PACs rise above the current holding of ACIL which is 94.08%, the Acquirer would take the necessary steps to sell down its holding to a level of 94.08% in order to comply with the provisions of the BIFR Order, which provides inter alia that:

   - GACL shall ensure that the Target company's shares remain listed even after equity infusion in the company vide Sec 2.1(c) of the BIFR Order; and
   - The Central Government to exempt GACL from the provisions of Sec 40(A) and 40(B) of the listing agreement, and other relevant provisions of the SEBI Act for the purposes of making any capital issue and subscription of shares in the Target Company for the purposes of raising funds required for implementing the BIFR scheme vide Sec 3.5 (a) of the BIFR Order.
4. Ambuja Cement India Ltd ("ACIL"), has made a cash deposit of approximately Rs. 797.57 million (Rupees Seven Hundred and Ninety Seven million, Five Hundred and Seventy Thousand, Seven Hundred and Sixty only) with HSBC Mumbai, being the total fund requirement under the Offer and in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations i.e. 25% for the first Rs.100 crores and 10% thereafter DSPML has been authorized to realize the value of the aforesaid cash deposit.
5. The Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website (www.sebi.gov.in) from the Offer opening date viz. May 18, 2005.

The Acquirer and the PACs accept responsibility for the information contained in this Public Announcement. The Acquirer and the PAC are jointly and severally responsible for each of their obligations in terms of the SEBI (SAST) Regulations

This Public Announcement would also be available on the SEBI's website www.sebi.gov.in

Issued by the Manager to the Offer

DSP Merrill Lynch

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Place: Mumbai **Date: May 17, 2005**