

BOARD OF DIRECTORS

Mr. Braj Binani - Chairman
 Ms. Nidhi Singhania
 Mr. S. Padmakumar
 Dr. V.C. Shah
 Mr. V. Subramanian
 Mr. M.K. Chattopadhyaya
 Mr. Ramakrishna Moogimane
 Mr. P. Acharya - Sr. Executive Director & Wholetime Director

AUDIT COMMITTEE

Mr. S. Padmakumar - Chairman
 Dr. V.C. Shah
 Mr. V. Subramanian
 Mr. M.K. Chattopadhyaya

COMPANY SECRETARY

Mr. Atul P. Falgunia

CHIEF FINANCIAL OFFICER – GROUP CONTROL ACCOUNTS (Nominated by Holding Company)

Mr. R. Venkiteswaran

MANAGEMENT COMMITTEE

Mr. P. Acharya – Sr. Executive Director & Wholetime Director
 Mr. Darshan Lal – President (Operations)
 Mr. Mahendra Mehta – Executive V.P.
 Mr. R.K. Ghia – Sr. V.P. (Technical)
 Shri Dinesh Randad – Sr. Vice President (Operations)
 Shri Praveen Verma – Sr. Vice President (CPP)
 Shri K.K. Jain – Vice President (F & A)

AUDITORS

M/s. Haribhakti & Co.
 M/s. Kanu Doshi Associates

TERM LENDERS & BANKERS

IDBI Bank Limited
 Syndicate Bank
 Axis Bank Limited
 Export Kredit Finansiering A.S.
 State Bank of India
 UCO Bank
 Central Bank of India
 Bank of Baroda
 Punjab National Bank
 Dena Bank
 Oriental Bank of Commerce
 Jammu & Kashmir Bank Limited

LOCATIONS

Registered Office:

37/2, Chinar Park, New Town,
 Rajarhat Main Road, P.O. Hatia,
 Kolkata – 700 157.

Corporate & Mumbai Office:

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

WORKS

1. Binanigram, Pindwara
 Dist. Sirohi, Rajasthan – 307 031.
2. Village: Sirohi, Taluka: Neem Ka Thana
 Dist. Sikar, Rajasthan

OVERSEAS SUBSIDIARIES:

1. **Krishna Holdings Pte. Ltd. Singapore (KHL)**
 24, Raffles Place, #29-04A, Clifford Centre
 Singapore -048621.
2. **Shandong Binani Rongan Cement Co. Ltd. China (SBRCC)**
 Fujiashuang, Dong Guan Town,
 Ju County, Rizhao City
 Shangdong Province
3. **Mukundan Holdings Limited**
 P.O. Box 957, Offshore Incorporations,
 Centre Road, Town, Tortola,
 British Virgin Islands (BVI)
4. **Murari Holdings Limited**
 Akara Building, 24 De Castro Street,
 Wickham Cay, Road Town, Tortola
 British Virgin Islands (BVI)
5. **Binani Cement Factory LLC**
 Jebel Ali, Dubai
6. **Bhumi Resources (Singapore) Pte Limited**
 24, Raffles Place, #29-04A, Clifford Centre
 Singapore -048621.

MARKETING OFFICES:

1. 705-706, Sakar II, Ellisbridge,
 Ahmedabad – 380 006
2. 231,233,235, Ansal chambers –II ,
 6, Bhikaji Cama Place, Delhi – 110 066
3. Miracle 22, Shubham, Enclave
 Jammalal Bajaj Marg, C Scheme,
 Jaipur – 302 001
4. Flat no. 2&3, Jeet Apartments, Airport Road,
 Ratannada, Jodhpur -342001
5. 1st Floor, Eldeco Corporate Chamber-1,
 Vibhuti Khand, Gomti Nagar, Lucknow -226010
6. 401, Krishna Building, 4th Floor,
 224-A, A.J.C. Bose Road, Kolkata -700 017.
7. Feltham House, 1st Floor, 10, J. N. Heredia Marg,
 Ballard Estate, Mumbai -400 001.

REGISTRAR & TRANSFER AGENTS

M/s Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (w)
 Mumbai -400 078.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 15th Annual General Meeting of the Members of the Company will be held at 3.45 p.m or immediately after the conclusion of the 11th Annual General Meeting of Binani Zinc Limited if the meeting concludes after 3.45 p.m at Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700020 on Monday, the 27th June, 2011 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors' and Auditor's thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Ramakrishna Moogimane, who, retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Ms. Nidhi Singhania, who, retires by rotation and being eligible, offers herself for reappointment.
5. To appoint a Director in place of Mr. P. Acharya, who, retires by rotation and being eligible, offers himself for reappointment.
6. To appoint M/s Kanu Doshi Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors /Committee thereof to fix their remuneration.

By Order of the Board
For Binani Cement Limited

Atul P. Falgunia
Company Secretary

Place : Mumbai

Date : 22nd April, 2011

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **The proxy form in order to be effective should be duly stamped, signed and completed in all respects and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.**
3. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a certified copy of the resolution appointing him/her as duly authorized representative has been deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 20th June, 2011 to Monday, 27th June, 2011 (both days inclusive).
5. Dividend, if declared, will be paid to those members whose names appear on the company's Register of Members on 18th June, 2011 on the paid up capital of the Company as on 31st March, 2011. In respect of shares held in electronic form the dividend will be paid to the beneficial owners of shares as on 18th June, 2011 as per details furnished by the depositories for the purpose.
6. Those members who have not encashed their Dividend Warrants for the Financial Year ended 31st March, 2007, 31st March 2008, 31st March 2009 and 31st March 2010 may lodge a claim with the Company failing which the balance will be transferred to the Investor Education and Protection Fund established by the Central Government on or before 7.08.2014, 4.08.2015, 7.08.2016 and 6.08.2017 respectively. After the above dates, the shareholders are not entitled to claim the amount pursuant to the existing provisions of Section 205 C (2) of the Companies Act, 1956.
7. A brief write up about the directors coming up for reappointment as required by listing agreement in respect of items no. 3, 4, and 5 of the notice are annexed hereto and forms part of this notice.
8. The documents required under the law will be available for inspection during working hours from 11.00 a.m. to 1.00 p.m. at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
9. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copy of the Annual Report and Attendance Slip duly completed to the Meeting.
10. **Recently the Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 allowed service of documents by e-mode as a Green initiative in the Corporate Governance. Members are requested to Register their e-mail addresses with the Company's Registrar & Share Transfer Agents M/s. Link Intime India Pvt. Limited Unit: Binani Cement Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 for the purpose of service of documents under Section 53 of the Companies Act, 1956. The Form for sending the request is attached separately.**
11. (i) Pursuant to the General Exemption granted by the Central Government, Ministry of Corporate Affairs under Section 212 of the Companies Act, 1956 vide Circular No.2/2011 dated 8th February, 2011, the Board of Directors at its meeting held on 22nd April, 2011, granted its consent not to attach the Director's Report, Auditors Report, Balance Sheet, Profit & Loss Accounts of the subsidiaries viz Swiss Merchandise Infrastructure Limited, and Merit Plaza Limited for the year ended 31st March 2011, Krishna Holdings Pte Limited, Singapore, Shandong Binani Rongan Cement Company Limited, China, Mukundan Holdings Limited, British Virgin Islands, Murari Holdings Limited, British

Virgin Islands, Bhumi Resources (Singapore) Pte Limited, PT Anganna Energy Resources, Indonesia, Binani Cement Factory (Mauritius) Limited, Mauritius, Binani Cement Factory (SFZ) Limited, Sudan, Binani Cement Company Limited, Sudan and Binani Cement LLC, Dubai for the year ended 31st December, 2010 with the Company's Annual Accounts. Accordingly, the same are not attached to the Annual Report of the Company.

- (ii) The Company has fulfilled the conditions (i) to (v) & (vii) of the said Circular by attaching the consolidated Financial Statement of the holding and all the Subsidiaries duly audited by the Statutory Auditors.
- (iii) The Company undertake to the shareholders that the Annual Accounts of the aforesaid Subsidiary Companies and the related detailed information shall be made available to the Shareholders of the Company and that of the Subsidiary companies free of cost. A copy of the Annual Accounts of the aforesaid subsidiaries shall also be given to Shareholders free of cost on demand.
- (iv) The Annual Accounts of the Company and its subsidiaries as above shall be kept for inspection by any shareholder at the Registered Office of the Company at 37/2, Chinar Park, Rajarhat, P.O. Hatiara, Kolkata-700 157 and Head Office of the Company and its subsidiaries at Mercantile Chambers, 12, J N Heredia Marg, Ballard Estate, Mumbai-400 001 between 11.00 a.m. and 1.00 p.m. on any working day

(excluding Saturdays & Sundays).

- (v) The Annual Accounts of the Company and all its subsidiaries as above have also been posted on the Company's Website www.binani.com. Any shareholder may access the Company's website for the Annual Accounts of the Company and its subsidiaries.

12. Members are requested to:

- a) Notify promptly any change in their address and send all correspondence relating to shares including requests for transfers, change of status, change of mandate, fresh mandate etc either to the Company at its Registered Office or to the Company's Registrar and Share Transfer Agents M/s Link Intime India Pvt. Limited. Unit: Binani Cement Limited, C-13, Pannalal Silk Mills Compound, L.B.S .Marg, Bhandup (W), Mumbai -400 078, Tel. No. 022-25946970 - Fax: 022-25946969 E-mail: rnt.helpdesk@linkintime.co.in
- b) Notify the change in the address and change in the bank mandate to the concerned Depository Participants only if the shares are held in dematerialized form.
- c) Send their queries, if any, at least 15 days in advance of the meeting at the Company's Registered office so that information can be made available at the meeting.
- d) Fill in the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their client ID and DPID for identification of attendance at the meeting.

13. Members may note that the Company's website is www.binani.com

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEMS 3,4 AND 5 OF THE NOTICE DATED 22nd APRIL, 2011

Name of the Directors	Mr. Ramkrishna Moogimane	Ms. Nidhi Singhania	Mr. P. Acharya
Age	67	26	58
Date of appointment on the Board as Director	23.10.2008	23.4.2009	23.10.2008
Date of last reappointment as Director	26.6.2009 at AGM	26.6.2009 at AGM	26.6.2009 at AGM
Qualification	M.A, LLB	B.A (Specialisation in Economics)	B.E (Mechanical Engineer)
Expertise in specific functional areas	Banking	Coordination in Cement Marketing	Projects & Production
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis.	Nil	Nil	Nil
Name of Other Companies in which Directorships held	Director in Mercator Lines Limited Director in St. Gobian Securit India Limited	Director in Binani Industries Limited Director in Binani Metals Limited	Director in Binani Ready Mix Concrete Limited.
Chairman/Member of the Committees of Board of Directors of other companies in which they are Directors	Member of Audit Committee in Mercator Lines Limited Chairman of Audit Committee in St. Gobian Securit India Limited	Nil	Nil

By Order of the Board
For Binani Cement Limited

Atul P. Falgunia
Company Secretary

Place : Mumbai
Date : 22nd April, 2011

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fifteenth Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2011 are summarised below:

Rs. in Lacs

Particulars	2010-11	2009-10	Inc/Dec%
Net Sales and Other Income	174,335	187,216	-7%
Operating Costs	145,814	128,038	14%
EBIDTA	28,521	59,178	-52%
Interest & Financial charges	10,344	7,850	32%
Cash Profit	18,177	51,327	-65%
Depreciation and Amortisation	9,950	9,166	9%
Profit before Tax	8,227	40,800	-80%
Profit after Tax	9,051	28,192	-68%

DIVIDEND

Keeping in view the overall requirement of funds for future expansion, your Directors recommend a Dividend of 25% i.e. Rupees Two and paise Fifty only per equity share of Rs. 10/- each.

OPERATIONAL PERFORMANCE

During the year 2010-11, your Company has achieved the highest ever production of 54.58 lacs MT and sold 54.38 lacs MT of cement compared to 52.80 lacs MT and 52.95 lacs MT respectively in the previous year. Increase in production is mainly contributed by the full year operation of 4th Cement plant at Binanigram, commissioned in December 2009.

During the year under review, despite increase in sales volumes by 2.70%, turnover decreased by 7.05% due to lower Cement price in the market and nil sales of Clinker against previous year sale of Rs. 6275 lacs. The net sales for the year under review was Rs. 1721 Crores compared to Rs. 1851 Crores in the previous year.

The combined effect of cement prices, higher input cost of Coal and other raw materials and higher logistic cost put pressure on the bottom line of the Company resulting in drop in the Net Profits of the Company.

The Cement Production and Power generation details are as under :-

Production	2010-11	2009-10
Cement (Lacs MT)	54.58	52.80
Power Generation (net) - Lacs kWh*	3056.69	2449.07

*Excludes trial generation in 2009-10.

PROJECT OVERVIEW :

MODERNISATION / EXPANSION

Binanigram unit :

During the year 2010-11 following modifications / expansion projects have been commissioned:

- 1) Up-gradation of existing Pre-heater fans for Unit # 2 to increase capacity of Kiln.
- 2) Modification of Raw Mill-II separator to increase capacity of the mill.
- 3) Installation of pre-crushing system for reduction of feed size for Raw Mill # 2.
- 4) Up-gradation of wagon loading system by introducing third loading point with four additional wagon loaders in order to reduce rake loading time.
- 5) Installation of air cooled condenser in CPP 1 to conserve water and meet statutory obligation.
- 6) Installation of additional rail track as per requirement of railways.
- 7) Interconnection of cement silos in order to have better flexibility in packing operation.

Following modifications / expansion projects have been taken up during the year which are under progress :

1. Mechanized loading arrangement of clinker in the rakes.
2. Installation of wagon tippler for unloading of coal rakes.
3. Installation of Fly ash collection system at Suratgarh Thermal Power Station in order to ensure uninterrupted supply of flyash to Binanigram and Neem Ka Thana.

Neem Ka Thana unit :

Installation of additional packer at Neem Ka Thana for having redundancy and matching grinding capacity.

OVERSEAS PROJECTS – PROJECT OVERVIEW

Shandong Binani Rongan Cement Co.Ltd., China (SBRCLL)

The construction of new clinker production line of 2.5 MTPA is progressing well and it shall be mechanically completed by end of May 2011. The No-load trials of individual equipment and groups shall start immediately thereafter. The commissioning of the project is expected to be in July 2011. The capacity of the plant will increase to 3 million tons per annum after the commissioning of the new production line.

Binani Cement Factory LLC, Dubai (BCFLLC)

During the year, the Dubai cement grinding unit continues to be non operational barring few intermittent operations for meeting some export requirements. The Dubai market also continues to be in slump during the year under review. To tide over the situation and to capitalise on the demand for Cement in the East African Countries, the Company has opened marketing offices through its subsidiaries in Sudan, Dibjouti, Kuwait, Uganda and Madagascar. Further marketing offices are proposed to be set up in Tanzania, Namibia, Botswana, Mozambique and Mauritius. It is

also proposed to enhance the packing capacity of the Dubai plant which is expected to be completed by May 2011. This is expected to achieve sales from the Dubai plant upto 1 Lakh MT per month from July 2011 onwards.

FUTURE PLANS

Lignite Project at Nimbri Chandrawatan in District. Nagaur, Rajasthan

The Government of India allocated lignite block (56.4 sq. km) in Dist: Nagaur, Rajasthan on 7th February, 2007 for use of lignite as raw material for captive power generation. Company has acquired 72 Hectare of private land within the Mining Lease area and also requested the State Government to assist in acquiring remaining private and government land for the integrated project.

The Public hearing for the mine and 120 MW Pit Head Power Plant has been successfully completed. The recommendations have been forwarded to the Secretary State Pollution Control Board by Regional Officer, Jodhpur. Formal approval from MoEF, Government of India and State pollution Control Board is awaited.

Cement Grinding Unit, Orissa

The Company has plans to install one million TPA split grinding unit in Orissa. Order for project preplanning has been given to M/s. BIL Infratech Limited. In-principle approval for the acquisition of land has been granted by the Government. Acquisition of land is under progress. Process for EIA study and other statutory compliance is under progress. Basic system engineering has been done and finalization of technical specification is under progress.

Cement Project at Sutrapada, District, Junagad in Gujarat.

The Company proposes to set up a Greenfield Cement plant of 5.0 million tons per annum capacity at Sutrapada in Saurashtra, Gujarat. After a long delay, Government of Gujarat (GOG) announced the new mineral policy for Saurashtra and also notified the ML (Mining Lease) blocks in Saurashtra area. The Company has applied for ML to the GOG on the basis of the new mineral policy and our request for the grant of ML blocks is under consideration of GOG. Further work on the project will be started after grant of ML.

BUY BACK OF SHARES

The Board of Directors had passed a Special Resolution to consider buyback of 1,45,00,000 Equity Shares of the Company in terms of the shareholders approval through Postal ballot on 14th June, 2010. The Company had successfully completed the buyback of 1,45,00,000 Equity Shares of the Company through the tender route at a buy back price of Rs. 90 /- per share and extinguished the shares which were bought back. Since the company had received valid applications for 1,96,32,290 shares, the shares were bought back from the shareholders proportionately.

VOLUNTARY DELISTING

The shareholders of the Company by a special resolution passed by Postal ballot approved the Delisting Offer made by the Promoter/Acquirer (M/s Binani Industries Limited) under SEBI

(Delisting of Equity Shares) Regulations, 2009 and consequent action of Voluntary Delisting of shares by the Company. The delisting offer made by the Promoter/Acquirer was successful and the Promoter/Acquirer received 268 valid bids from Shareholders for 4,73,58,222 shares. The Promoter /Acquirer has acquired the shares at the price of Rs. 90/- which was determined through the reverse book building process and paid the consideration to the shareholders of the Company by 23rd February, 2011. Consequent upon the success of the offer, the shareholding of the Promoter/Acquirer in the Company has increased to 95.01% of the total paid up and issued share capital of the Company. Further, the Company has filed final application to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited for approving the delisting of shares of the Company from the exchanges. The Stock Exchanges are expected to grant approval for delisting of company's shares shortly.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis is annexed to this report.

CORPORATE GOVERNANCE

Your Company is committed to maintaining the good Corporate Governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure C and D forming part of this report. Further, a declaration on the Code of Conduct signed by the Wholtime Director of the Company is given as Annexure E.

AUDIT COMMITTEE

The Company has complied with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The Audit Committee comprises of 3 independent directors and one non executive director. The details regarding the Audit Committee are provided in details in the Corporate Governance Report.

BOARD OF DIRECTORS

In accordance with Article 100 of the Articles of Association of the Company, Mr. Ramakrishna Moogimane, Ms. Nidhi Singhania and Mr. P. Acharya retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS

M/s Haribhakti & Co and M/s Kanu Doshi Associates, Chartered Accountants, the joint Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. M/s Haribhakti & Co, have intimated that they do not desire to be reappointed. M/s Kanu Doshi Associates, the other retiring Auditor has given their consent for re-appointment. The Company has received a certificate under Section 224(1) of the Companies Act, 1956 from the Auditors that their appointment, if made, will be in accordance with the limits as specified as per Section 224(1) of the Companies Act, 1956 and the proposal has been placed before you for approval.

COST AUDIT

Audit of Cost Accounts of the Company relating to Cement for the plants at Binanigram and Neem Ka Thana for the year ended 31st March, 2011 will be audited by Cost Auditors, M/s K. G. Goyal & Co., Jaipur, Cost Accountants and Cost Audit Report will be submitted to the Ministry of Corporate Affairs, Government of India. The cost accounts alongwith the Cost Auditors Report for the year ended 31st March, 2010 has already been filed with the Ministry of Corporate Affairs within specified time limit. Approval of the Central Government for the reappointment of M/s K. G. Goyal & Co., Jaipur, Cost Accountants as Cost Auditors for the year 2011-12 is being obtained.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in compliance with the Accounting Standard(AS) 21 issued by the Institute of Chartered Accountants of India. With a view to bridge the gap between the different accounting periods of the holding company and the overseas subsidiaries and step down subsidiaries whose accounting year /first accounting period ending 31st December 2010, the consolidation of their financial statements has been done for the combined year/period ended 31st December, 2010 and quarter ended 31st March 2011.

Accordingly, for the purpose of consolidation i) the audited accounts of the overseas subsidiaries/step down subsidiaries for their year /first accounting period ended 31st December, 2010 ii) their unaudited accounts for the quarter ended 31st March, 2011 iii) unaudited accounts for the period ended 31st March, 2011 of the companies whose first accounting year/period would close on 31st December, 2011 and iv) the audited accounts of Indian/ overseas subsidiaries/step down subsidiaries for the year/period ended 31st March, 2011 have been considered, as the case may be.

STATEMENT PURSUANT TO SECTION 212

The statement pursuant to Section 212 of the Companies Act, 1956 relating to the subsidiaries is annexed to this report. The Board of Directors has given its consent for not attaching the financial statements of the subsidiaries referred to in the aforesaid annexed statement, pursuant to the general circular no. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs, Government of India.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief and according to the information and explanation obtained by them, state that:

- a) in the preparation of the Annual Accounts for the year ended March 31, 2011, the applicable Accounting Standards have been followed and proper explanation relating to material departures, if any, have been furnished;
- b) accounting policies as listed in Schedule 15 to the financial statements have been selected, consistently applied and prudent judgments and estimates have been made so as to

give true and fair view of the state of affairs of the Company as on 31.03.2011 and of the profit of the Company for the year ended on that day;

- c) proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 has been taken so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d) the annual accounts for the year ended March 31, 2011 have been prepared on a going concern basis.

PARTICULARS UNDER SECTION 217

➤ Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo :

Statement of particulars as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 regarding conservation of energy, technological absorption, foreign exchange earnings and outgo are annexed as Annexure A and form part of this report.

➤ Particulars of Employees:

The statement of particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is annexed as Annexure B.

STOCK EXCHANGES – COMPLIANCE OF LISTING AGREEMENT

The Company has paid the listing fee for the year 2011-12 to both the Stock Exchanges. As required by the listing agreements with the Stock Exchanges and AS -21, Consolidated Accounts and Auditors Report thereon have been annexed forming part of the Annual Report.

ACKNOWLEDGEMENT

Your Board of Directors place on record its sincere appreciation for the continued co-operation and support received from the Holding Company, Banks, Financial Institutions and other term lenders, various State and Central Government agencies, valued Customers, Dealers, Distributors, Market Organisers, Suppliers, Contractors and all who have directly or indirectly contributed in the success of your Company.

Your Directors also take this opportunity to appreciate the committed and dedicated services of the employees and contract workers at all levels, which have largely contributed to the present growth of the Company.

By Order of the Board
For **Binani Cement Limited**

Braj Binani
Chairman

Place : Mumbai
Date : 22nd April, 2011.

ANNEXURE A TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.

PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

[A] CONSERVATION OF ENERGY

a) Energy conservation measures taken

Cement Plant, Binanigram

1. Installed LNV technology in separator and additional mill inlet duct in Raw Mill 2 resulting in production increased subsequently power consumption reduced
2. In cooling tower of Unit 2 existing fan (02 nos.) metallic blades replaced with high efficiency FRP blades.
3. Optimized compressors running of CM 4 by changing pressure setting of loading/ unloading and pipe line modification, resulting loading saving in running hours.
4. In CM 4 intermediate diaphragm shifted toward inlet side resulting in main drive power consumption reduction achieved.
5. Installed variable speed drive in Cement mill no 4 bag house vent fan.
6. Installed energy saving insulating bricks in kiln2.
7. Existing water spray system in down comer duct in kiln 2 replaced with single fluid spill back nozzle spray system and relocated to cyclone top resulting one compressor power saving.
8. In Unit 2 coal firing blower 482BL4 187 KW motor replaced with low rating 160 KW motor, saving in fixed losses of motor.
9. Replaced 70 Nos sodium vapour street lights with LED based street lights in colony.
10. Extension of wagon loading belt to third loading point in both sides. Saving in loading time achieved by 1 hr 30 min hence electrical energy saving.

CGU, Neem Ka Thana

1. Installed 50 KVAR capacitor at wagon tippler MCC to maintain the power factor with existing LT capacitor bank at PCC circuit.
2. Installed 25KVAR capacitor at colony MCC to maintain the power factor.
3. Installed variable frequency drive in wagon tippler belt conveyor and JPF fan.
4. In packing plant screw conveyor (1 no) removed by modifying the system.
5. Optimized the running of wagon tippler dribble conveyor.
6. Optimized dedusting in clinker hopper feeding system .

Thermal Power Plant

1. Replaced existing ACC fan blade of unit III with aerodynamic high efficiency blades (six numbers in phase I) hence reduction in. auxiliary consumption.
2. Installed pneumatic ash conveying system for Air

pre heater of Boiler 1.

3. Installed sonic soot blower on CPP 2 boiler APH, reduction in flue gas temperature by 5°C.
4. Installed one Common cooling water pump for CPP-2 & CPP-3.
5. Insulation of bare steam pipe line (50 sq.mtr) to reduce heat losses
6. Installed one, in house arranged, Side Stream Filtration Unit for Auxiliary cooling tower of unit 1,2&3 CPP.
7. Commissioning of Air cooled condenser for unit 1 as a replacement of water cooled condenser.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy.

Cement plant

1. Installation of grid resistance control in O- sepa fan of CM 4.
2. Provision of energy saving devices LED lights and energy saver starters.
3. Replacement of existing motors in coal firing blowers of kiln 2 with low rating motors.
4. Replacement (9 Nos) of cooler fans existing motor in both unit with energy efficient motors
5. Provision of enhancement of mining operations by procuring high capacity machines.
6. Provision of connection of RM 2 with CF Silo 1 (Avoid stoppage of Kiln 1 in want of raw meal)
7. Installation of automatic clinker loading and coal unloading system
8. Installation of high capacity gear box in belt conveyor of lime stone stacker to run lime stone crusher on high output.

Thermal Power Plant

1. Replacement of balance four set of ACC fan blade of unit II with aerodynamic high efficiency blades (phase II).
2. Installation of over bed firing system at Unit 1 BFBC Boiler
3. Installed sonic soot blower on CPP 3 boiler APH, reduction in flue gas temperature by 5 degree.
4. Installation of semi automatic fin cleaning system for unit III ACC fin cleaning. This will result in better vacuum during summer usage.

Measures to improve efficiency-

1. Installed plate type heat exchanger in Cement mill 1 slide shoe bearing for more cooling of lubration oil.
2. Installed isolation joint between bucket elevator discharge and vibrating screen in packing plant.
3. Installed segmented pulley lagging in packer no 4.
4. Replacement of chain hoist to wire rope hoist at burner platform of both kilns to improve reliability

of hoisting system.

5. Development of substitutes for imported and original equipment spares to reduce spares cost and dependability on OEMs.
6. Mining operations productivity enhanced by adding high capacity moving machine.
7. Hydraulic rock breaker machine (L & T excavator) modified in hydraulic system, Auto electrical circuit and regulated engine RPM thereby saving in diesel consumption.
8. New and efficient sealant product applied to arrest false air across preheater cyclones.
9. Packers availability enhanced by interconnectivity with silos.

Thermal Power Plant

1. Designed and Installed Water cooled Bed ash cooler for CPP-3. Improved boiler efficiency.
2. Installed dust suppression system for CPP 1 coal feeding hopper.
3. Installed dense fog type dust suppression system for Coal Tippler.
4. Installed semi automatic fin cleaning system for unit II ACC fin cleaning. This has resulted in better vacuum leading to higher generation during summer.

c) Impact of the measures at a) and b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Cement Plant : Due to various energy conservation measures, there was saving in power & fuel consumption.

Thermal Power Plant : Due to various energy conservations measures, there was saving in the

internal consumption and boiler heat rate.

d) Total energy consumption and Energy consumption per unit of Production:

Please refer Form A attached

[B] TECHNOLOGY ABSORPTION

- a. TECHNOLOGY ABSORPTION – ADAPTATION AND INNOVATION
Not Applicable
- b. TECHNOLOGY ABSORPTION – RESEARCH & DEVELOPMENT
Not Applicable

(C) FOREIGN EXCHANGE EARNING AND OUTGO

1. Activities relating to exports , initiatives taken to increase exports, development of new export market for products and services and export plan.

During the year , the Company has not exported clinker and cement since the prices in the domestic markets were more remunerative than the price in the export markets. The Company will explore avenues to export its products in the future as and when the exports become remunerative.

Rs./Lacs

2. FOREIGN EXCHANGE USED AND EARNED

Foreign Exchange Earnings **NIL**

Foreign Exchange Outgo*

Loan Repayment	630.16
Coal	23,958.75
Stores & Spares	1,097.99
Interest	56.80
Other Expenses	42.96
Capital Expenses	1,840.72

*Excluding Investments in /Loan to overseas subsidiaries.

ANNEXURE B

Statement of Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, for the Financial Year 2010-11

Name	Age (Yrs)	Designation / Nature of Duties	Remuneration Received (Rs. Lacs)	Qualifications	Experience (Years)	Date of commencement of Employment	Previous Employment
Mr. P. Acharya	58	Sr. Executive Director & Wholtime Director	65.83	B.E.(Mech.) & MBA	32	17.11.2008	Executive Director Dalmia Cement (Bharat) Ltd.
Mr. R.S. Joshi	56	President [Corporate Affairs]	66.20	M.A. (Economics)	34	10.10.2005	Vice President (Commercial) Grasim Industries Ltd.

Note :

1. Remuneration includes salary and allowances, medical benefits, leave travel assistance and perquisites
2. Does not include monetary value of non cash perquisites as per Income Tax Act, 1961
3. The nature of employment of Mr. P. Acharya is contractual.
4. None of the above employees are relatives of the Directors of the Company.

FORM A

Form as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 2011.

CONSERVATION OF ENERGY

Total Energy Consumption and Energy Consumption per Unit of Production.

			For the year ended 31/03/2011	For the year ended 31/03/2010
A	Power & Fuel Consumption			
1	Electricity			
a	Purchased	(KWh)	112356169	139032090
	Unit			
	Total Cost	(Rs. Lacs)	5217.11	6352.41
	Cost/Unit	Rs.	4.64	4.57
b	Own Generation			
	Unit	(KWh)	305668870	244906539
	Cost of HSD / LDO Consumed	(Rs. Lacs)	72.64	67.13
	Cost of Coal Consumed	(Rs. Lacs)	7296.40	5928.71
	Cost of Lignite Consumed	(Rs. Lacs)	-	59.91
	Cost of Pet Coke Consumed	(Rs. Lacs)	3819.87	1498.75
	Cost of Fuel Consumed (Coal, Lignite, HSD/LDO)	(Rs. Lacs)	11188.91	7554.50
	Cost/Unit	Rs.	3.66	3.08
2	Fuel Consumption			
a	Coal-Imported (Steam Non-Coking) (Used in Kiln for Clinker Production)			
	Quantity	(M.T.)	467687	537397
	Total Cost	(Rs. Lacs)	29807.53	26558.06
	Cost/Unit	Rs.	6373.39	4941.98
b	Pet Coke (Used in Kiln for Clinker Production)			
	Quantity	(M.T.)	37071	3081
	Total Cost	(Rs. Lacs)	2823.06	184.83
	Cost/Unit	Rs.	7615.32	5999.23
c	Alternative Fuel - (Used in Kiln for Clinker Production)			
	Quantity	(M.T.)	29528	12732
	Total Cost	(Rs. Lacs)	809.45	305.08
	Cost/Unit	Rs.	2741.33	2396.29
d	Lignite - (Used in Captive Power Plant)			
	Quantity	(M.T.)	-	3638
	Total Cost	(Rs. Lacs)	-	59.91
	Cost/Unit	Rs.	-	1646.85
e	Coal-Imported (Steam Non-coking) (Used in Captive Power Plant)			
	Quantity	(M.T.)	95032	129333
	Total Cost	(Rs. Lacs)	5886.23	5928.71
	Cost/Unit	Rs.	6193.95	4584.07
f	Coal-Indegenous (Steam Non-coking) (Used in Captive Power Plant)			
	Quantity	(M.T.)	36,602.00	-
	Total Cost	(Rs. Lacs)	1,410.17	-
	Cost/Unit	Rs.	3,852.71	-
3	HSD / LDO - (Used in Kiln for Clinker Production)			
a	Quantity	(Litre)	426827	491658
	Total Cost	(Rs. Lacs)	154.28	155.09
	Average Rate	Rs.	36.15	31.54
b	HSD / LDO - (Used in Captive Power Plant)			
	Quantity	(Litre)	200039	212077
	Total Cost	(Rs. Lacs)	72.64	67.13
	Average Rate	Rs.	36.31	31.65

B Consumption per ton of Production

Electricity (KWh/MT of Cement)		Coal, Lignite, Pet Coke & Alternative Fuel (Kg./MT of Clinker)		HSD / LDO (Ltr./ Kg. of Clinker)	
2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
76.72	74.36	0.12	0.13	0.10	0.11

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Cement production in India has grown at a brisk pace during the last few years. Indian Cement Industry foresees a 10.50% CAGR growth in cement production during FY 2010-14. Against 9.2% growth forecast of GDP in 2011-12, industry is likely to show growth of 11%. Housing Sector, increased activity in infrastructure development and exports recovery continuing to remain key growth drivers. However, huge capacity addition in pipeline, increased cost of raw materials, fuel, logistics and change in Excise duty structure are key concerns to the bottom-line in the short to medium term.

COMPANY'S PERFORMANCE

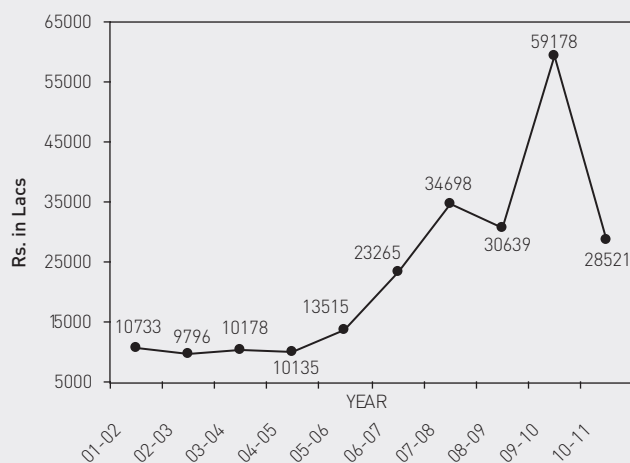
1. FINANCIAL PERFORMANCE

The financial performance for the year ended 31st March, 2011 is summarized below:

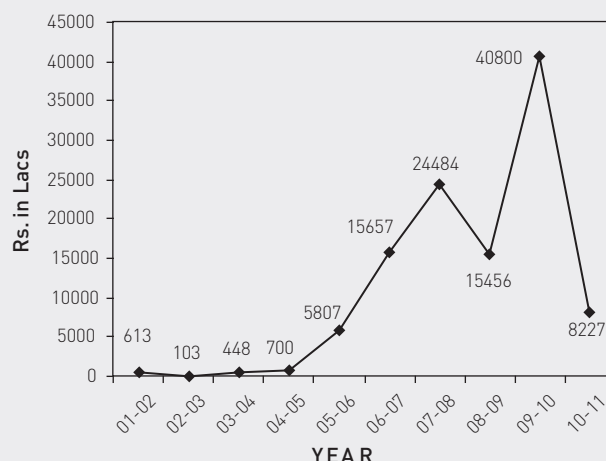
(Rs. in Lacs)

Particulars	2010-11	2009-10	% Change
Sales & Other Income	174,335	187,216	-7
EBIDTA	28,521	59,178	-52
Cash Profit	18,177	51,327	-65
Profit before Tax	8,227	40,800	-80
Profit after Tax	9,051	28,192	-68

EBIDTA (Rs./Lacs)



PROFIT BEFORE TAX (Rs./Lacs)



2. REVIEW OF OPERATIONS

Your Company's operations continues to maintain its growth path. During the year under review, the company's production and sales figures have surpassed all the previous highs. The production of the cement has increased by 3.37% compared to 2009-10. The company produced 54.58 lacs MT cement compared to 52.80 lacs MT in 2009-10. The sale of the cement has increased by 2.70% over the previous year sales. The company sold 54.38 lacs MT of cement compared to 52.95 lacs MT in the previous year. Captive power generation during the year under review was 3056.69 lacs KWh (net) compared to 2449.07 lacs KWh in 2009-10.

In line with the Industry trend, the Company registered a much lower profitability during the year compared to previous year due to lower cement price, increased fuel, raw material, logistics costs and increase in Excise Duty from 8% to 10%. During the year, the company has registered a Net Profit (before tax) of Rs. 8,227 lacs compared to Rs. 40,800 lacs in the previous year. However, from January, 2011, onwards there has been sign of improvement in the cement prices resulting in improved bottom-line.