

Binani

BRAJ BINANI GROUP

PUBLIC ANNOUNCEMENT FOR BUY-BACK OF EQUITY SHARES OF BINANI CEMENT LIMITED

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FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF THE COMPANY – BUYBACK OF FULLY PAID UP EQUITY SHARES OF FACE VALUE OF RS 10/- EACH AT A PRICE OF RS. 90/- PER FULLY PAID UP EQUITY SHARE.

[This Public Announcement is in compliance with the Securities and Exchange Board of India (SEBI) (Buy-Back of Securities) Regulations, 1998 & subsequent amendments thereof. Offer for Buy-Back of Equity Shares from the existing equity shareholders on a proportionate basis through tender offer route]

1. THE OFFER

- 1.1 Binani Cement Limited ("BCL"/"the Company") hereby announces the Buy-Back of 1,45,00,000 fully paid up equity shares of Rs.10/- each of the Company, from the existing owners/ beneficial owners of the equity shares of the Company ("Buy-Back") through "Tender Offer Route" in accordance with Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956 and the SEBI (Buy-Back of Securities) Regulations, 1998 ("the Buy-Back Regulations") at a price of Rs. 90/- per share ("Buy-Back price") payable in cash for an aggregate amount not exceeding Rs. 130.50 Crores (Rupees One Hundred Thirty Crores Fifty Lacs Only) ("Buy-Back size"). The Buy-Back size represents 20.07% of the paid-up equity share capital and free reserves of the Company as on 31/03/2010. At the buy-back price of Rs. 90/- per equity share the Company can buy-back 1,45,00,000 fully paid up equity shares of Rs.10/- each representing 7.14% of the total paid-up equity share capital of the Company.

- 1.2 The aggregate shareholding of the promoters/promoter group is 13,18,25,956 equity shares of Rs.10/- each out of total 20,31,01,274 equity shares of Rs. 10/- each i.e. 64.91% of the existing equity share capital of the Company. Assuming response to the Buy Back to the fullest extent, the aggregate shareholding of the promoters/promoter group, post Buy Back will increase to 69.90% of the post Buy Back equity share capital of the Company. The promoters/promoter group of the Company do not intend to offer any equity shares under the Buy-Back.

- 1.3 A copy of this Public Announcement will be made available on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in

2. TENTATIVE TIME TABLE

Activity	Date	Day
Date of Board Meeting approving the Buy back	April 23, 2010	Friday
Date of Shareholders Approval through Postal Ballot	June 14, 2010	Monday
Date of meeting of Committee of Directors approving the specifics of Buy Back	June 15, 2010	Tuesday
Public Announcement	June 16, 2010	Wednesday
Specified Date	July 02, 2010	Friday
Opening of the Offer	July 27, 2010	Tuesday
Closure of the Offer	August 10, 2010	Tuesday
Last Date for verification and communication of rejection	August 20, 2010	Friday
Last date for despatch of consideration / share certificate (in case of rejection)	August 25, 2010	Wednesday
Last date of extinguishment of shares	August 27, 2010	Friday

Specified Date

The Specified Date for this buy back shall be July 2, 2010. The Letter of Offer and Tender/Offer Form will be mailed to all shareholders of the Company whose names appear on the Register of members of the Company and who are beneficial owner of the shares as per records made available to the Company/ Registrar to the Buy-Back Offer by NSDL/CDSL as on the Specified Date. Shareholders who have obtained delivery of equity shares after the specified date ("unregistered shareholder") may submit their responses by Registered Post/ Hand Delivery complete in all respects and relevant share certificates

3. AUTHORITY FOR THE BUY-BACK

Pursuant to Sections 77A, 77AA, 77B and other applicable provisions of the Companies Act, 1956, the Buy-Back Regulations and Article 3A of the Articles of Association of the Company the present offer for Buy-Back of Equity Shares of the Company through tender offer route has been duly authorized by a resolution passed by the Board of Directors of the Company at their meeting held on 23/04/2010 and approval of shareholders pursuant to the Special Resolution passed through Postal Ballot results of which were published on June 15, 2010. The specifics of the Buy-Back Offer are approved by the committee of Directors in their meeting held on June 15, 2010.

4. EXTRACT FROM THE EXPLANATORY STATEMENT TO THE POSTAL BALLOT NOTICE SENT TO THE SHAREHOLDERS FOR APPROVING THE BUY-BACK OF EQUITY SHARES OF THE COMPANY

Pursuant to Section 173 (2) of the Companies Act, 1956 and Regulation 5 (1) of the Securities and Exchange Board of India (Buy Back Of Securities) Regulations, 1998, the Company had forwarded the notice dated 23/04/2010 along with the explanatory statement to its shareholders in terms of the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, extract of the same is as follows:

"The Company intends to acquire equity shares each of face value of Rs 10/- at a price not exceeding Rs 90/- per equity share ("the Buyback Price") with the total aggregate amount to be expended not to exceed Rs. 130.50 Crores (Rupees One Hundred Thirty Crores and Fifty Lakhs only) which is within 25% of the Company's Fully Paid-up Equity Share Capital and Free Reserves as per audited Balance Sheet as on March 31, 2010. The Articles of Association of the Company in view of new clause no. 3A as approved by the members permit the Company to Buy Back its own equity shares. As the proposed Buyback is more than 10% of the total Paid-up equity Share Capital and Free Reserves of the Company as on March 31, 2010 the consent of the shareholders is sought by way of a Special Resolution to be passed pursuant to the provisions of Section 77A(2) of the Companies Act, 1956.

As per the requirements of Section 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, read with Schedule I of the Buy Back Regulations the Explanatory Statement containing relevant and material information to enable the shareholders to consider and approve the Special Resolution on Buyback of the Company's equity shares is being provided.

1. The Board of Directors of the Company in its meeting held on April 23, 2010 has, in-principally, approved the proposal for Buyback of the Company's own Fully Paid-up equity shares of Rs. 10/- each (hereinafter referred to as the Buyback Offer) in accordance with the provisions contained in the Articles of Association and Sections 77A, 77AA, 77B and all other applicable provisions of the Act and the provisions contained in the Buyback Regulations.
2. The Shareholders may authorise the Board of Directors to adopt one of the methods referred to in Sub-regulation (1) of regulation 4 of the Buy-Back Regulations at the appropriate time. The Buyback offer is proposed to be implemented by the Company through "Tender Offer Route" from the existing shareholders of the Company on a proportionate basis and in the manner as may be described in the Companies Act, 1956 and the Buyback Regulations and on such terms and conditions as may be determined by the Board of Directors at the appropriate time. This method of implementing the Buyback through Tender Offer from the existing shareholders of the Company is one of the approved methods of buyback referred in sub-regulation 1 of Regulation 4 of the Buyback Regulations and will enable the Company to complete the Buy Back in a more transparent manner.
3. There will be no Buyback from any persons through negotiated deals whether through the Stock Exchanges or through spot transactions or through any private arrangement.
4. The Board is of the view that necessity for Buyback is on account of the following reasons:
- a) The equity share Buyback offer is being proposed in pursuance of the Company's desire to maximize returns to investors, to reduce outstanding number of shares and enhance overall shareholder value by returning cash to shareholders in an efficient and investor friendly manner. This will be done without in any manner compromising on the high growth opportunities available to the Company.
- b) The Buyback will result in reduction in the overall capital employed in the business, which will, in turn lead to higher earnings per share and enhanced return on equity and return on capital employed, return on net worth, return on assets etc.
- c) The Buy Back will also provide a reasonable exit opportunity to those shareholders who so desire.
- d) The Company has accumulated Free Reserves and satisfactory liquidity. At present there is no immediate need for these funds. Therefore, it is proposed to Buy Back a part of the equity shares, which will provide an opportunity to the Company to return the surplus funds to the shareholders
5. The aggregate Paid-up Equity Share Capital and Free Reserves of the Company as on March 31, 2010 is Rs. 650.15 Crores and under the provisions of the Companies Act, 1956, the fund deployed for Buyback shall not exceed 25% of the Paid-up Capital and Free Reserves of the Company. Accordingly the maximum amount that can be utilised in the present Buyback is Rs.162.54 Crores but the maximum amount required for buyback will be Rs. 130.50 Crores. This amount for Buyback will be financed out of the Company's Free Reserves, cash balances and internal accruals/operating cash inflows of the Company.
6. The proposed Buy Back Price has been arrived at after considering certain parameters such as the book value, earnings trend in the recent past, the future outlook for the industry, the average price-earnings multiples in the market, possible increase in earnings per share and other relevant factors.
7. As per the provisions of the Companies Act, 1956, the maximum number of equity shares permitted to be bought back in any financial year shall not exceed 25% of the total Paid-up Equity Share Capital of the Company. For the maximum amount of Rs. 130.50 Crores proposed to be utilised for the Buyback, described in paragraph 5 above, the maximum number of shares which can be bought back at the proposed Buy Back Price of Rs. 90 per share is 1,45,00,000 equity shares of Rs. 10/- each which represents 7.14 % of the total issued and Paid-up Equity Capital of the Company.
8. (a) The aggregate shareholding of the Promoter, Binani Industries Ltd, the Holding Company and its nominees is 13,18,25,956 equity shares of Rs. 10/- each constituting 64.91 % of the issued and paid up equity share capital of the Company as on the date of this notice. Pursuant to the Buyback of Equity Shares as proposed, and depending on the response to the Buyback offer, the percentage holding of the Promoters would increase beyond the aforesaid percentage. Such an increase in the percentage holding of the Promoters is consequential and indirect in nature. If the Company receives response to the fullest extent to the proposed Buy Back offer and if all the 1,45,00,000 equity shares on the Buyback Offer are bought back by the Company, post Buyback offer the percentage shareholding of the Promoter alongwith its nominees would increase from the present 64.91 % to 69.90 %, an increase of 4.99% only. Since this increase in the Promoter's percentage holding in the Target Company is by virtue of buy back of shares by the Target Company and within the permissible limit of 5% prescribed under Second Proviso to Regulation 11(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, ("the Regulations") and the total number of shares of the Promoter remains unchanged and also the fact that there is no change in control of the Target Company, viz Binani Cement Ltd, none of the provisions of Regulations 10,11, and 12 are applicable, triggering open offer to the public under the Regulations.
- (b) No equity shares of the Company were either purchased or sold by the Promoters and Directors during the period of last six months preceding the date of the Board Meeting at which the Buyback is approved i.e. April 23, 2010. Accordingly, there is no disclosure to be made for the maximum and minimum price at which shares were purchased or sold.
- (c) The Promoters and persons in control of the Company will not participate in the Buyback.
- (d) The aggregate shareholding of the Promoter and their nominees as on date of this Notice and as on a date six months prior to the date of the Board Meeting at which the Buyback was approved, is given in the following table:

(No of equity shares of Rs. 10/- each)

Sr. No.	Name of the Shareholder	Shareholding as on date of this Notice	Shareholding as on 6 months prior to the date of the Meeting
1.	Binani Industries Ltd	13,18,25,856	13,18,25,856
2.	Mr Braj Binani, Nominee of Binani Industries Ltd	50	50
3.	Mr V. Subramanian, Nominee of Binani Industries Ltd	10	10
4.	Mr T.R.C Nair, Nominee of Binani Industries Ltd	10	10
5.	Mr Ram Mohan, Nominee of Binani Industries Ltd	10	10
6.	Mr I.K.Pugalia, Nominee of Binani Industries Ltd	10	10
7.	Mr K.Gangadharam, Nominee of Binani Industries Ltd	10	10
	TOTAL	13,18,25,956	13,18,25,956

9. As prescribed under the Companies Act, 1956, the ratio of debt owed by the Company would not be more than twice the Equity Share Capital and Free Reserves of the Company after the Buyback offer.
10. As per the provisions of the Companies Act, 1956, the Buyback will be completed within a maximum period of twelve months from the date of passing of the said Special Resolution by the Shareholders. The time frame and the price for the Buyback will be determined by the Board/ Committee appointed for this purpose within this validity period.
11. As per the provisions of the Companies Act, 1956, the Company will not be allowed to issue fresh Equity Shares, within a period of six months after the completion of the Buyback except by way of bonus shares or shares issued in the discharge of subsisting obligations, if any, such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares, if any. Currently, the Company has no subsisting obligations arising from convertible preference shares or convertible debentures.
12. The Company hereby confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
13. The Board of Directors of the Company confirm that they have made a full inquiry into the affairs and prospects of the Company and they have formed the opinion that:
- (a) Immediately following the date on which the proposed resolution is passed by the shareholders, there will be no grounds on which the Company could be found unable to pay its debts;
- (b) As regards its prospects for the year immediately following that date that, having regard to their intentions with respect to the management of the Company's business during that year, and to the amount and character of the financial resources which will in their view be available to the Company during, that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- (c) In forming their opinion for the above purposes, the Directors have taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).
14. The text of the report dated 23rd April 2010 received from M/s Kanu Doshi & Associates, Chartered Accountants, the statutory auditors of the Company, addressed to the Board of the Directors is reproduced below:
- "In connection with the proposed Buyback of Equity shares approved by the Board of Directors of Binani Cement Limited (the "Company") at its meeting held on April 23, 2010 in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and based on the information and the explanations given to us, we report that;
- i. We have inquired into the state of affairs of the Company in relation to its audited accounts as on March 31, 2010 which was taken on record by the Board of Directors at their meeting held on 23rd April, 2010;
- ii. The Board of Directors of the Company has proposed to Buyback the Company's equity shares to the extent of Rs. 130.50 Crores at a price not exceeding Rs 90 per share. The amount of permissible capital payment (including premium) of an amount not exceeding Rs.130.50 crores (Rs. One Hundred Thirty Crores and Fifty Lakhs only) towards Buy-back of Equity Shares, has been properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956 and is less than 25% of the Fully Paid-up Equity Capital and Free Reserves of the Company, as computed below:

Sr. No	Particulars	Amount (Rs crores)
1.	Capital Structure	
	– Equity Capital	203.10
	– Preference Capital	Nil
2.	Free Reserves	
	– Securities Premium	Nil
	– General Reserve	69.32
	– Profit & Loss Account	37.73
	TOTAL	650.15
	MAXIMUM BUY BACK AMOUNT	162.54

- iii. The Board of Directors in their meeting held on April 23, 2010 have formed the opinion as specified in Clause (x) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Special Resolution for the purpose of the Buy-back.

- iv. This certificate has been prepared for and only for the Company and is in reference to proposed Buy-back of equity shares by the Company in pursuance of the provisions of Section 77A, 77AA, 77B of the Companies Act 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations 1998 and for no other purpose.

We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent in writing."

15. The Company will transfer from its Free Reserves a sum equal to the nominal value of the Equity Shares purchased through the Buy-back to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance Sheet.
16. In accordance with the regulatory provisions, the shares bought back by the Company will compulsorily be cancelled and will not be held for re-issuance.
17. All the material documents referred to in the Explanatory Statement such as Memorandum and Articles of Association, relevant Board Resolution, Auditors' Report will be made available for inspection at the Registered office of the Company on all working days except Saturday and Holidays between 11.00 a.m. and 1.00p.m.
18. The proposed resolution seeks to authorise the Board of Directors (including the Board Committee or any other person authorised by the Board in this regard) to determine the actual price, the timing and number of shares to be bought back, within the aforesaid limit."
5. NECESSITY FOR BUY-BACK
- a. The share Buyback offer is being proposed in pursuance of the Company's desire to maximize returns to investors, to reduce outstanding number of shares and enhance overall shareholder value by returning cash to shareholders in an efficient and investor friendly manner. This will be done without in any manner compromising on the high growth opportunities available to the Company.
- b. The Buyback will result in reduction in the overall capital employed in the business, which will, in turn lead to higher earnings per share and enhanced return on equity and return on capital employed, return on net worth, return on assets etc.
- c. The Buy Back will also provide a reasonable exit opportunity to those shareholders who so desire.
- d. The Company has accumulated Free Reserves and satisfactory liquidity. At present there is no immediate need for these funds. Therefore, it is proposed to Buy Back a part of the equity shares, which will provide an opportunity to the Company to return the surplus funds to the shareholders.

6. BASIS OF OFFER PRICE

The Buy Back price of Rs. 90/- per equity share has been approved at the meeting of the Board of Directors held on 23/04/2010 and by the shareholders pursuant to the Special Resolution passed through Postal Ballot on June 14, 2010. The proposed Buy Back Price has been arrived at after considering certain parameters such as the book value, earnings trend in the recent past, the future outlook for the industry, the average price-earnings multiples in the market, possible increase in earnings per share and other relevant factors.

7. PROCESS AND METHODOLOGY FOR BUY-BACK PROGRAMME

- 7.1 The Buy-Back is open to all the shareholders/beneficial owners of the equity shares of the Company, both registered and unregistered. The ISIN No. allotted to the Company is INE042H01019.
- 7.2 The Company proposes to Buy-Back 1,45,00,000 fully paid equity shares of Rs. 10/- each at a price of Rs. 90/- per equity share through "Tender Offer route" on a proportionate basis from the existing equity shareholders of the Company.
- 7.3 The Letter of Offer and tender/offer form will be mailed to the shareholders of the Company whose names appear on the Register of Members of the Company or who are beneficial owners of equity shares as per the records of National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on the specified date.
- 7.4 Shareholders may submit the Tender/offer form to the Registrar to the Buy-Back along with the share certificates (incase of holding in physical form) and other relevant documents as specified in the Letter of Offer. The shareholders should submit separate Tender/Offer form for each of the folio and/or for each of their Depository Accounts. Where the Tender/Offer forms are signed under Power of Attorney or by Authorised Signatory (ies) on behalf of a Company or a Body Corporate, the Power of Attorney/ signing authority must be previously registered with Company along with the specimen signatures. The registration serial number of such documents should be mentioned below the signature of the applicant. Where the relevant document is not so registered, a copy of the same duly certified by a Notary Public / Gazetted Officer should be enclosed with the Tender/ Offer Form.
- 7.5 The Company will not accept equity shares offered for buy back where there exists restraint order of the Court for transfer/disposal of equity shares or where loss of share certificates has been notified to the Company or where any other restraint subsists.
- 7.6 In the event the aggregate number of shares offered by the shareholders is more than the total number of shares to be bought back by the Company, the acceptance per shareholder will be made in accordance with the Buy-Back Regulations on proportionate basis.
- 7.7 a) The payment of consideration for accepted applications shall be made by the Company to the sole/first shareholder, the details of which are recorded with the Company/DP. Payment shall be made through National Electronic Clearing System (NECS), Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), Demand drafts and Pay Order payable at par at all the centers where the Company would have to open collection centres if it were carrying out a public issue of a size equal to the Buyback Size and the same shall be drawn in the name of the first named person in case of joint shareholders.
- b) In order to avail National Electronic Clearing Service ("NECS"), Eligible Persons holding shares in physical mode are requested to submit the NECS mandate form duly filled in and signed while submitting the Form if the same has not been submitted earlier to the Company/ Registrar & Share Transfer Agents. Eligible Persons holding shares in dematerialised mode are requested to instruct their respective depository participant regarding bank accounts in which they wish to receive the consideration before the close of the Offer. The Company/ Registrar & Share Transfer Agents will not act on any direct request received from Eligible Persons holding Shares in dematerialised form for change/deletion of such bank details.

COLLECTION CENTRES

The tender forms can be submitted any working day during the period of the Offer i.e. July 27, 2010 and August 10, 2010 (except Saturdays, Sundays & Public Holidays) at collection centres of Registrar to the Buy Back, M/s. Link Intime India Private Limited between 11:00 AM to 1:00 PM and 2:00 PM to 4:30 PM, mentioned below:

Address	Contact Person	Tel. No.	Mode of Delivery
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.	Mr. Nilesh Chalkhe	+91 22 2596 0320	
203, Davar House, Next to Central Camera, D. N. Road, Fort, Mumbai – 400 001	Mr. Vivek Limaye	+91 22 22694127	Hand Delivery & / or Registered Post

Note: Shareholders may also send the tender form by registered post acknowledgment due to Registrar to Buyback Offer i.e. Link Intime India Private Limited, by super scribing the envelope as "BINANI CEMENT LIMITED BUYBACK OFFER". The tender form should reach Registrar to Buyback Offer before 4.30 PM on August 10, 2010, failing which the same will be rejected.

7.8 For Shares held in the dematerialised form

- a) The Registrar to the Offer has opened a Depository Account styled "Binani Cement Ltd. – Buy Back Escrow Depository A/c". The beneficial owners are required to execute a trade by tendering the delivery instruction for debiting his / her beneficiary account with the concerned depository participant (DP). A photocopy of the delivery instruction or counterfoil of the delivery instruction duly acknowledged by the DP shall be attached to the tender /offer form and submitted at the collection center. The Beneficial Owner may note that the

delivery instruction to be given to the DP should be for "Off-Market Trade". Beneficial owners are requested to ensure the credit of their shares to the "Binani Cement Ltd. – Buy Back Escrow Depository A/c" Depository Account on or before the date of closure of the Buyback offer and as per the details provided below:

Depository Name	Central Depository Services (I) Limited
DP Name	Keynote Capitals Limited
DP ID Number	12024300
Beneficiary Account Number	00018215
Name and style of the Account	Binani Cement Ltd. – Buy Back Escrow Depository A/c

Equity Shareholders having their beneficiary account in NSDL will have to use inter-depository instructions slip for the purpose of crediting their equity shares in favour of the Escrow Depository Account. The ISIN No. allotted to equity shares of the Company is INE042H01019.

Please note that the aforementioned account shall be frozen for any further credits at the end of business hours on the date of closure of the Buyback. Beneficial owners are requested to ensure the credit of their shares to the "Binani Cement Ltd. – Buy Back Escrow Depository A/c" Depository Account on or before the date of closure of the Buyback.

If the Registrar to the Offer does not receive the documents listed above but receives the Shares in the above escrow demat account from the Shareholders, then the Offer will be deemed to have been accepted by such Shareholders.

- b) In case all the Shares tendered for the Buyback are accepted by the Company then the delivery instruction given by the shareholders to their DPs will be acted upon and consideration will be paid to the concerned shareholder.
- c) Shares held in dematerialized form to the extent not accepted for the Buyback will be returned to the beneficial owner to the credit of the beneficial owner's depository account with their respective DP as per details furnished by the beneficial owner in the form under intimation to the first named beneficial owner by Registered Post or UPC. In the event there is a conflict between the details provided in the form and those received electronically from the shareholder's DP, the details received electronically shall prevail. However, the Shares so received are liable to be rejected and returned to the account as per the details provided electronically by the shareholder's DP.

7.9 For Shares held in the physical form, by registered shareholders

- a) Registered shareholders holding Shares in physical form are required to enclose the original share certificate(s) and valid equity share transfer form(s) duly signed by the transferor (by all the equity shareholders in case the Shares are in joint names, with the names filled up in the same order in which they hold Shares in the Company) as per the specimen signatures lodged with the Company and duly witnessed at the appropriate place, while submitting the form(s).
- b) Shares held in physical form to the extent not accepted for Buyback will be returned to the shareholder after suitable sub-division, if any, in order to facilitate acceptance of shares tendered by them, through Registered Post at the shareholders' sole risk.

7.10 For Shares held in the physical form, by persons not registered as shareholders

- a) Unregistered shareholders who wish to tender their Shares in response to the Buyback should send the application in plain paper signed by all shareholders, stating folio number, name, address, number of Shares held, share certificate number, distinctive numbers, number of Shares tendered for the Buyback and bank account details.
- b) Persons not registered as shareholders are required to enclose with the form:
- (i) the original equity share certificate(s) accompanied by valid share transfer form(s) as received from the market, wherein the name of the transferee has not been filled in;
- (ii) the original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares tendered in this case;
- (iii) in case the share certificate(s) and the transfer deed(s) are lodged with the Company for transfer, then the form shall be accompanied by the acknowledgement of lodgment with, or receipt by, the Company of the share certificate(s) and the transfer deed(s).
- c) No indemnity is required from persons not registered as shareholders.

7.11 For Shares held by Non-resident shareholders

- a) Non-resident shareholders (excluding FIIs) should also enclose a copy of the permission, if any, obtained from RBI at the time of making investment in the Company.
- b) In case the Shares are held on repatriation basis, the non-resident shareholder should obtain and enclose a letter from its authorized dealer / bank confirming that at the time of acquiring the said Shares, payment for the same was made by the non-resident shareholder from the appropriate account as specified by RBI in its approval. In case the non-resident shareholder is not in a position to produce the said certificate, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the holder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid shares accepted under the Buyback.
- c) If any of the above stated documents, as applicable, are not enclosed along with the form, the Shares tendered under the Buyback are liable to be rejected.

- 7.12 Nothing contained herein will confer any right on the part of any shareholder to offer or any obligation on part of the Company or the Board to buy back any shares and/or impair any power of the Company or the Board to terminate any process in relation to the buy back, if so permissible by law.

- 7.13 All applications and documents related to this Buy-Back offer should be submitted to the Registrar to the Buy-Back, Link Intime India Private Limited at any of the address mentioned under point no 7.7(b), either by hand delivery or by Registered Post only.

- 7.14 Shareholders who have obtained delivery of equity shares after the specified date ("unregistered shareholder") should submit their responses by Registered Post/ Hand Delivery complete in all respects and relevant share certificates at the address mentioned at point no 7.7(b).

- 7.15 Non receipt of the Letter of Offer, or accidental omission to dispatch the Letter of Offer to any person who is eligible to receive this offer, shall not invalidate the offer in any way. In case of non-receipt of the Letter of Offer, shareholders may send their application in plain paper signed by all holders, stating folio number, name, address, number of shares held, share certificate number, distinctive numbers, number of shares tendered for Buy-Back, bank account details together with the original share certificates (incase of holding in physical form) and other relevant documents (as mentioned earlier) to the Registrar to the Buy-Back.

RESPONSES SHOULD NOT BE SENT TO THE MANAGER TO THE BUY-BACK OFFER & THE COMPANY.

8. MAXIMUM AMOUNT TO BE INVESTED AND SOURCES OF FUNDS

Assuming response to the Buy- Back Offer to the fullest extent, the funds that would be employed by the Company for the purpose of Buy-back would be Rs. 130.50 Crores (Rupees One Hundred Thirty Crores Fifty Lacs Only). The Company proposes to meet the funds for the Buy-Back from free reserves of the Company.

As the Buy-back is funded through funds available with the Company, there will not be any cost of financing the Buyback other than the cost of implementation of the Buy-back.

9. BRIEF INFORMATION ABOUT THE COMPANY

- 9.1 Binani Cement Limited ("BCL") is engaged in the business of manufacturing cement and cement products. BCL is the flagship company of the "Braj Binani Group" which has diverse manufacturing interests in Cement, Zinc, Glass Fibre, Composites etc. 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 ROC 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. The Company's Registered Office is at 706, Om Tower, 32, Chowringhee Road, Kolkata – 700071 and Corporate Office is at Mercantile Chambers, 12 J.N Heredia Marg, Ballard Estate, Mumbai- 400001.

- 9.2 The Authorized Equity Share Capital of the Company is Rs. 42,389.96 lacs comprising of 42,38,99,600 equity shares of Rs.10/- each. The equity shares of the Company are listed at the Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

- 9.3 The financial information of the Company as per the audited accounts for the last three years is as follows:

(Rs. in Lacs)

Particulars	Year Ended		
	31/03/2010	31/03/2009	31/03/2008
Total Income	1,87,215.59	1,50,269.90	99,181.49
Total Expenses	1,35,888.15	1,26,782.78	69,130.90
Depreciation	9,166.20	8,031.35	5,567.08
Prior period adjustments	(1,361.21)	–	–
Profit / (Loss) before tax	40,800.03	15,455.77	24,483.51
Provision for tax	–	–	–
Less: Current Tax (MAT)	11,298.52	1,740.00	2,770.00
Add: MAT Credit Entitlement	1,747.73	–	4,359.36
Less: Deferred Tax	3,135.00	2,790.00	8,440.00
Less: Fringe Benefit Tax	–	59.27	50.96
Add – Excess Provision of earlier year written back	77.38	–	–
Profit/(Loss) after tax	28,191.62	10,866.50	17,581.91
Other Adjustments	9,580.76	8,730.90	(3,861.02)
Balance carried to Balance Sheet	37,772.38	19,597.40	13,720.89
<u>Issued, Subscribed and Paid-up Capital</u>			
Equity Share Capital	20,310.13	20,310.13	20,310.13
Add: Amount paid-up on forfeited shares	0.25	0.25	0.25
Reserves & Surplus	47,205.37	27,330.41	21,453.89
Networth	67,515.75	47,640.79	41,764.27

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12. LISTING DETAILS AND STOCK MARKET DATA

12.1 The equity shares of the Company are listed on the Bombay Stock Exchange Limited ('BSE') having Scrip Code '532849' and The National Stock Exchange of India Limited ('NSE') having Scrip Code 'BINANICEM'. Based on the information collected from website of the exchanges the stock market data is as follows:

BSE

Particulars (Year/ Month)	High			Low			Average Price (Rs.) **	Volume (no of shares)
	High (Rs.)	Date	Volume on date of high (no. of shares)	Low (Rs.)	Date	Volume on date of low (no. of shares)		
2007	130.00	16/10/2007	12,11,074	58.75	22/06/2007	3,56,351	86.57	5,64,19,790
2008	124.00	15/01/2008	5,73,201	26.20	20/11/2008	12,075	60.28	1,24,63,205
2009	74.00	23/10/2009	1,72,015	24.95	09/03/2009	12,790	50.42	2,85,71,548
December 2009	73.30	31/12/2009	2,26,526	64.05	02/12/2009	55,236	67.79	22,15,065
January 2010	85.00	14/01/2010	4,93,453	68.70	27/01/2010	2,41,914	75.61	29,46,844
February 2010	77.00	02/02/2010	1,51,579	67.50	26/02/2010	63,034	71.85	12,31,681
March 2010	79.50	22/03/2010	3,86,886	72.00	16/03/2010	37,210	73.99	21,13,456
April 2010	88.70	30/04/2010	8,97,587	74.50	20/04/2010	112396	80.63	42,96,139
May 2010	83.15	03/05/2010	1,42,133	75.00	05/05/2010	91,813	78.23	11,79,913
June 2010 *	92.04	11/06/2010	9,58,061	78.55	01/06/2010	21,823	82.50	23,57,997

* From June 01, 2010 to June 14, 2010

** Arithmetic Average of Closing Price
(Source:www.bseindia.com)

NSE

Particulars (Year/ Month)	High			Low			Average Price (Rs.) **	Volume (no of shares)
	High (Rs.)	Date	Volume on date of high (no. of shares)	Low (Rs.)	Date	Volume on date of low (no. of shares)		
2007	137.95	24/10/2007	6,10,281	59.00	22/06/2007	3,71,464	86.59	6,89,35,696
2008	124.00	15/01/2008	6,78,469	26.15	20/11/2008	8,031	60.23	1,73,00,314
2009	74.00	18/09/2009	25,05,137	23.30	05/03/2009	20,775	50.41	4,35,81,643
December 2009	73.40	31/12/2009	5,47,575	58.00	11/12/2009	1,42,640	67.83	35,49,109
January 2010	82.50	05/01/2010	8,39,247	68.80	27/01/2010	2,93,235	75.70	52,97,010
February 2010	76.90	02/02/2010	2,08,430	67.65	26/02/2010	1,98,156	71.87	22,63,679
March 2010	79.40	22/03/2010	6,25,093	70.00	03/03/2010	59,412	74.07	32,32,520
April 2010	88.80	22/04/2010	8,64,371	72.95	30/04/2010	13,84,823	80.67	77,23,592
May 2010	87.70	24/05/2010	69,331	75.50	25/05/2010 & 27/05/2010	62,402 & 27,143	78.28	18,64,574
June 2010 *	92.00	11/06/2010	12,94,975	78.05	01/06/2010	36,770	82.39	33,69,839

* From June 01, 2010 to June 14, 2010

** Arithmetic Average of Closing Price
(Source:www.nseindia.com)

12.2 The closing market price of the equity shares of the company as on April 26, 2010 i.e. the trading date immediately after the date of the board resolution approving the Buy-Back was Rs. 84.55 on the BSE and Rs. 84.55 on the NSE.

13. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1 As on the date of this Public Announcement, the Authorized share Capital of the Company consists of 42,38,99,600 equity shares of Rs. 10/- each aggregating to Rs. 42,389.96 lacs. The Issued capital of the Company consists of 20,31,01,274 equity shares of Rs. 10/- each aggregating to Rs. 20,310.38 lacs (including Rs. 0.25 lacs towards amount paid-up on forfeited shares).

13.2 The shareholding pattern of the Company as on June 11, 2010 and post Buy-Back presuming completion of the Buy-Back to the fullest extent is as follows:

Category of Shareholder	Total No. of Shares	% holding of existing equity capital	No. of shares post Buy-Back	% holding post Buy- Back equity capital
(A) Promoter and Promoter Group				
(1) Indian				
Individuals / Hindu Undivided Family	100	0.00	100	0.00
Bodies Corporate	13,18,25,856	64.91	13,18,25,856	69.90
Sub Total	13,18,25,956	64.91	13,18,25,956	69.90
(2) Foreign	—	—	—	—
Total shareholding of Promoter and Promoter Group (A)	13,18,25,956	64.91	13,18,25,956	69.90

Category of Shareholder	Total No. of Shares	% holding of existing equity capital	No. of shares post Buy-Back	% holding post Buy- Back equity capital
(B) Public Shareholding				
(1) Institutions				
Mutual Funds / UTI	2,07,215	0.10		
Financial Institutions / Banks	37,16,086	1.83		
Foreign Institutional Investors	53,97,159	2.66		
Sub Total	93,20,460	4.59		
(2) Non-Institutions				
Bodies Corporate	27,13,862	1.34		
Individuals	75,41,212	3.71		
Any Others (Clearing Members, NRI, Foreign Corporate Bodies and Trusts)	5,16,99,784	25.45		
Sub Total	6,19,54,858	30.50		
Total Public shareholding (B)	7,12,75,318	35.09	5,67,75,318	30.10
Total (A)+(B)	20,31,01,274	100.00	18,86,01,274	100.00

The total number of equity shares proposed to be bought back under the present Buy-Back Offer is 1,45,00,000 equity shares of Rs.10/- each. The promoters/promoter group of the Company do not intend to offer any equity shares under the buy-back. Thus, assuming response to the Buy Back to the fullest extent, the aggregate shareholding of the promoters/persons acting in concert, post Buy Back will increase to 69.90% of the post Buy Back equity share capital of the Company. Hence, the Buy-Back will not cause voting right of the Promoters/ promoter group to increase beyond 5%, the limit of creeping acquisition per financial year as provided in terms of Regulation 11(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.

13.3 Information about the shareholding of the Promoter Group:

(a) The aggregate shareholding of the Promoter Group on the date of the public announcement is 13,18,25,956 equity shares of Rs.10/- each constituting 64.91% of the issued, subscribed and paid-up capital of the Company.

(b) There are no equity shares purchased or sold by the promoters/ promoter group during a period of 12 months preceding the date of this Public Announcement.

13.4 There are no partly paid-up shares as well as calls-in-arrears in the Company.

13.5 There are no locked-in or non-transferable shares or outstanding convertible instruments. There is no pending scheme of amalgamation or compromise or arrangement pursuant to the provisions of Companies Act, 1956.

14. MANAGEMENT DISCUSSION AND ANALYSIS ON LIKELY IMPACT OF BUY-BACK ON THE COMPANY

- The buy back is not likely to cause any material impact on the income/profits of the Company except to the extent of interest/dividend loss on the amount of funds used for the buy back. Assuming response to the buy back offer to the fullest extent, the funds that can be employed by the company for the purpose of buy back would be Rs. 130.50 Crores. The profitability of the Company may reduce to the extent of Rs. 10.44 Crores had the amount been invested by the Company in Mutual Funds or assured income plan assuming return of 8% p.a.
- The Buy back shall not materially impact the growth opportunities for the company.
- The Promoters/Promoter group of the company do not intend to offer any equity shares under the buy back. The Aggregate Shareholding of the Promoter /promoter group as on the date of this public announcement is 13,18,25,956 equity shares of Rs. 10/- each i.e 64.91% of the existing paid up share capital of the Company. Assuming response to the buy back to the fullest extent, the aggregate shareholding of the promoters/promoter group, post buy back will increase to 69.90 % of the post buy back equity share capital of the Company.
- There will be no change in the Management structure of the company consequent to the buy back. The buy back is expected to enhance the earning per share of the company in future and shall also create long term shareholder value.
- Consequent to the Buyback and based on the number of shares bought back within each category of shareholders, the shareholding pattern of the Company would undergo a consequential change.
- The extent of public holding in the Company after the Buyback would be 30.10% of the total equity capital post Buyback as against 35.09% prior to the Buyback, assuming that the entire amount of the Buyback Size is utilized for the Buyback.
- The Equity shares in the buy back shall be accepted on proportionate basis in case of response exceeds the offer size of 1,45,00,000 Equity shares of Rs. 10/- each.
- Post buy back the debt equity ratio of the company is expected to be within the limit of 2: 1 as prescribed under Section 77A of the Companies Act, 1956.
- The buy back will result in reduction of overall capital employed in business which will in turn lead to enhanced return on equity and capital employed.
- The shareholding of foreign investors consisting of OCBs, NRIs and FIs prior to the Buyback is 27.78% (as per the shareholding pattern of the Company as on 11/06/2010). The same would change depending on the extent to which they subscribe to the Buyback and their shares are accepted. If no shares are accepted for the Buyback from foreign investors and the entire amount is utilized for the Buyback, the shareholding of foreign investors would increase to 29.92%.
- The Buy back of shares will provide for an exit opportunity to those shareholders who want to exit and provide them with good returns.

12. Salient Financial parameter pre Buy-Back and consequent to the Buy Back to the fullest extent based on the Latest audited financials are as under:

Parameter (based on audited results for year ended March 31, 2010)	Pre Buy-back	Post Buy-back
Networth* (Rs. Lakhs)	67,515.75	54,465.75
Return on Networth*	41.76	51.76
Earnings per Share (Rs.)	13.88	14.95
Book Value per Share (Rs.)*	33.24	28.88
P/E as per the latest audited financial results **	6.46	5.99
Total Debt / Equity Ratio*	1.46	1.80

* Excluding revaluation reserves and miscellaneous expenditure to the extent not written off

** For calculating the Pre & Post Buyback P/E, price considered is as of 11/06/2010 (at BSE). The actual P/E post Buyback would depend on the prevailing market price of the Company's Shares post the Buyback.

15. STATUTORY APPROVALS

Buy-Back of equity shares tendered/offered by NRI/OCB/FII shareholders and payment of consideration thereof will be governed, as applicable, by the guidelines set out by the Reserve Bank of India. On closure of the Offer, depending on response from NRI/OCB/FII shareholders the Company will make necessary application to the Reserve Bank of India, where required.

16. COMPLIANCE OFFICER AND INVESTOR SERVICE CENTRE

Mr. Atul Falgunia
V. P. Secretarial & Company Secretary
Binani Cement Limited
Mercantile Chambers, Ground Floor
12, J.N. Heredia Marg,
Ballard Estate, Mumbai – 400 001.
Tel: 022-3026 3019; Fax: 022-2263 4960
E.Mail: atul@binani.net

Investor Service Centre is at the aforementioned address.

In case of any queries the Shareholders may contact the compliance officer of the Company at the above mentioned address on any working day (except Saturday, Sunday and Public Holidays) between 10.30 a.m. and 5.00 p.m.

17. MANAGER TO THE BUY-BACK OFFER

KEYNOTE
CORPORATE SERVICES LTD

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

18. REGISTRAR TO THE BUY-BACK OFFER

LINK INTIME



LINK INTIME INDIA PVT. LIMITED
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai 400 078.
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329
Contact Person: Mr. Nilesh Chalke
Website: www.linkintime.co.in
E-mail: bcloff@linkintime.co.in
SEBI Regn. No.: INR 000004058

19. DIRECTORS' RESPONSIBILITY

As per Regulation 19(1) (a) of the Buy-Back Regulations, the Directors of the Company accept responsibility of the information contained in this Public Announcement.

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

Sd/- Dr. V.C. Shah Director	Sd/- Mr. M.K. Chattopadhyaya Director	Sd/- Mr. Atul Falgunia V. P. Secretarial & Company Secretary
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Place : Mumbai
Date : June 15, 2010

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