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Binani Industries Limited

BOARD OF DIRECTORS

Mr. Braj Binani	- Chairman
Mr. Sunil Sethy	- Managing Director
Mr. S. Padmakumar	
Mr. A.C. Chakrabortti	
Dr. V.C. Shah	
Mr. N.C. Singhal	
Ms. Nidhi Singhania	

AUDIT COMMITTEE

Mr. S. Padmakumar	- Chairman
Mr. A.C. Chakrabortti	- Member
Dr. V.C. Shah	- Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S.N.Sridhar

GROUP CHIEF FINANCIAL OFFICER

Mr. M.K. Chattopadhyaya

CORPORATE MANAGEMENT

Mr. Braj Binani	- Chairman
Mr. Sunil Sethy	- Managing Director
Mr. Ibrahim Ali	- Advisor
Mr. S.S. Khandekar	- ED - Co-ordination (Operations)
Mr. I.C. Ahuja	- ED - Projects
Mr. Sushil Bhatner	- ED - Special Projects
Mr. Alok Agarwal	- ED - Strategy Planning
Mr. M.K. Chattopadhyaya	- Group CFO
Mr. Krishan Goenka	- Jt. President - Logistics
Mr. S.N.Sridhar	- Sr.VP (Corp.Legal) & Co.Secretary

AUDITORS

Kanu Doshi Associates, Mumbai

BANKERS

Punjab National Bank
Axis Bank Limited
HDFC Bank Ltd.
Dena Bank
IDBI Bank Limited
Syndicate Bank
Bank of Baroda

LEGAL ADVISORS

Udwadia & Udeshi
Mumbai

REGISTERED OFFICE

706, Om Tower,
32, Chowringhee Road,
Kolkata-700071. (Tel: 033-22882508)

CORPORATE OFFICE

Mercantile Chambers,
12, J N Heredia Marg,
Ballard Estate,
Mumbai-400001. (Tel :022-30263000-02)

SUBSIDIARIES

Binani Zinc Limited (BZL)

Binanipuram, Ernakulam, Kerala-683502

Binani Cement Limited (BCL)

1. Binanigram, Pindwara, Dist. Sirohi, Rajasthan-307022.
2. Village Sirohi, Neem Ka Thana, Sikar, Raj.

Goa Glass Fibre Limited (GGFL)

Colvale, Bardez, Goa-403 513.

Wada Industrial Estate Ltd (WIEL)

Wada, Dist Thane.

BT Composites Limited (BTCL)

C5 to C9, Madkaim Industrial Estate,
Mardol Post, Madkaim, Goa-4003 404.

Ess Vee Alloys Private Limited (Ess Vee)

Plot No.113, D.S.S.Industrial Estate, Piparia, Silvassa-396 230
Dadra & Nagar Haveli (U.T)

R.B.G. Minerals Industries Limited (RBG)

226 (3A), Sardarpura, Udaipur-313 001 (Raj).

Binani Energy Pvt. Ltd (BEPL)

Regd. Office-Mercantile Chambers, 12, J N Heredia
Marg, Ballard Estate, Mumbai-400 001.

Krishna Holdings Pte. Ltd, Singapore (KHL) & Bhum Resources (Singapore) Pte. Ltd.

Regd. Office-#29-04 A, Clifford Centre,
24 Raffles Place, Singapore-048621

Shandong Binani Rong An Cement Co. Ltd, China (SBRCC)

Regd. Office-Fujiazhuang, Dong Guan Town,
Ju County, Rizhao City, Shandong Province, China

Mukundan Holdings Limited (MHL)

Regd. Office-P.O. Box 957, Offshore Incorporations Centre,
Road Town, Tortola, British Virgin Islands (BVI).

Murari Holdings Limited (MUHL)

Regd. Office-Akara Building, 24 De Castro Street
Wickams Cay I, Road Town, Tortola, British Virgin Islands (BVI).

Binani Cement Factory LLC (BCFLLC)

Regd. Office-Jabel Ali, Dubai.

Sankalp Holdings Limited (SHL) &

Abhinav Holdings Limited (AHL)

Regd. Office-Arch.Makariou III, 229 Meliza Court,
Limassol, Cyprus.

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Link Intime India Pvt. Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai-400 078.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the shareholders of the Company will be held at 9.30 a.m. at **Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700020** on Friday the 25th June, 2010 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors' thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Braj Binani who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. S. Padmakumar who retires by rotation and being eligible, offers himself for reappointment.
5. 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 and/or Committee thereof to fix their remuneration.

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269,309,310,311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the prior approval of Central Government and such other approvals, if any, consent of the Company be and is hereby accorded to the payment of revised Remuneration and Perquisites to Mr. Sunil Sethy as Managing Director w.e.f. 1st January, 2010 to 9th November, 2013 on the terms and conditions as set out in the supplementary agreement dated 30th January, 2010 entered into between the Company and Mr. Sunil Sethy (a copy of which is placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions of the said supplementary agreement as the Board of Directors may consider necessary and as may be agreed to by Mr. Sunil Sethy within the overall limits as specified in Schedule XIII to the Companies Act, 1956 for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Mr. Sunil Sethy shall be suitably modified to give effect to such variation or increase as the case may be."

"RESOLVED FURTHER THAT even in the absence or inadequacy of profits in any Financial Year, subject to the approval of the Central Government and such other approvals as may be required, Mr. Sunil Sethy be paid

the increased remuneration and perquisites as set out in the supplementary Agreement dated 30th January 2010 as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and Central Government."

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any of the Companies Act, 1956, Article 126 of the Articles of Association of the Company relating to "The Seal" be and is hereby altered/amended as under:

THE SEAL

126. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a Committee of the Board authorized by the Board in the behalf and, save as provided in Article 14 (1) hereof, two Directors or one Director and the Secretary, if any or one Director and Authorized person duly authorized by the Board shall sign every instrument to which seal is affixed. Provided nevertheless, that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

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

S. N. Sridhar

**Place : Mumbai Sr. Vice President (Corporate Legal)
Dated : 23rd April, 2010 & Company Secretary**

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 Friday the 18th June, 2010 to Friday the 25th June, 2010 (both days inclusive).

Binani Industries Limited

5. Dividend, if declared, will be paid to those members whose names appear on the Company's Register of members on 25th June, 2010 on the paid up capital of the Company as on 31st March, 2010. In respect of shares held in electronic form (Demat mode), the dividend will be paid to the beneficial owners position received from the depositories as at the close of 17th June, 2010.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, all unclaimed/unpaid Dividends upto and inclusive of financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, Nizam Palace, II M.S.O Building, 234/4, AJC Bose Road, Kolkata - 700 020. Those members who have not encashed their dividend warrants for the financial years ended on 31st March, 2006, 31st March, 2007, 31st March 2008 and 31st March, 2009 may lodge a claim with the Company immediately failing which the balance will be transferred to the Investor Education and Protection fund established by the Central Government on or before the dates indicated below:

Sr. No.	Dividend for the year ended	Last date for claiming the dividend from the Company
1.	31.3.2006	10.08.2013
2.	31.3.2007	07.08.2014
3.	31.3.2008	04.08.2015
4.	31.3.2009	07.08.2016

After the above dates, the Shareholders are not entitled to claim the outstanding dividend pursuant to the provisions of Section 205C (2) of the Companies Act, 1956.

In respect of the dividend for the years ended 31.03.1996, 31.03.1997, 31.03.1998, 31.03.1999 and 31.03.2000 the balances on 27.08.2003, 02.12.2004, 25.01.2006, 21.01.2007 and 11.11.2007 respectively have been transferred to Investor Education & Protection Fund.

7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Items No.6 and 7 of the Notice is appended hereto and forms part of this Notice.
8. Members holding shares in identical names under different ledger folios are requested to apply for consolidation of such folios and send the relevant equity share certificates to the Company's Registrars & Share Transfer Agents of the Company
9. Members who are holding shares in single name are advised, in their own interest to get the shares transferred in joint names. There is a facility available for nomination and shareholders are advised in their own interest to nominate persons for transferring the interest on those shares. Nomination form is available on request.
10. If there are any Shareholders of the Company still holding Share Certificates of the Company with the old name Binani Zinc Limited, they should immediately write to the Registered Office of the Company asking for change of name stickers to be affixed on such Share Certificates to change the name to Binani Industries Limited indicating the number of such certificates being held. Such Share Certificates need not be send, only the details of the Certificates are to be furnished for issue of another set of Stickers for change of name.
11. Members who are holding shares in physical form are advised to get their physical shares dematerialized in their own interest so that they get their dividend credited into their Bank Account directly. This will not only enable them to get quicker credit of the dividend amount but also save them from facing unnecessary hardship of the dividend warrants getting lost in postal transit. The Company's shares are traded in Stock Exchange(s) only in dematerialized form.
12. In spite of repeated requests, some shareholders (mostly upto Folio No. 34409) are still holding certificates of Rs.100/- each. They are requested to surrender them immediately for exchange into shares of Rs.10/- each to the Registered Office of the Company.
13. 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.
14. Members are requested to:
- 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 Industries Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078, Tel.No. 022-25946970 - Fax: 022-25946969 E-mail: rnt.helpdesk@linkintime.co.in
 - 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.
 - 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.
 - 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.
15. Binani Zinc Limited (BZL), a subsidiary of the Company had forwarded Physical Share Certificates to all shareholders including those who were holding shares in Dematerialised mode in the Company as on record date viz., 30.4.2004 as per the scheme of arrangement for hiving off the erstwhile Zinc Division of the Company to BZL. These Shares have been issued free of cost which means the shareholders of the Company in addition to their continued shareholding in the Company have also become shareholders

of BZL. Those shareholders who have not received BZL's Share Certificates are requested to contact BZL immediately. The Shares of BZL can be dematted either through National Securities Depository Limited or through Central Depository Services India Limited and ISIN Number of the Company is INE310H01010. However, being unlisted the Shares of BZL cannot be traded in demat mode.

16. Pursuant to the exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956, the Directors' Report, Auditors' Report, Balance Sheet, Profit and Loss Account of the Subsidiaries viz. Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited, BT Composites Limited, Wada Industrial Estate Limited, Ess Vee Alloys Pvt. Limited, R.B.G. Minerals Industries Limited and Binani Energy Pvt. Limited for the year ended 31.03.2010 and Krishna Holdings Pte. Limited, Singapore, Shandong Binani

Rong'An Cement Co. Ltd. China, Binani Cement Factory LLC, Mukundan Holdings Limited, Sankalp Holding Limited, Abhinav Holdings Limited and Murari Holdings Limited for the year ended 31st December 2009 are not attached to this report. The same will be furnished to the shareholders free of cost on request. They have been kept for inspection at the Registered Office of the Company and have been posted at Company's Website www.binani.com Consolidated Financial Statements for the year ended 31st March, 2010 form part of the report annexed hereto. As directed by the Central Government abstract of the Financial Statements of the Subsidiaries are attached to this report.

17. Mr. Braj Binani, Chairman and Mr S. Padmakumar, Director retires by rotation and is eligible for reappointment at the Annual General Meeting. Mr Sunil Sethy, Managing Director's, remuneration is being revised. Brief resumes of the said Directors are as under:

Name	Mr Braj Binani	Mr S. Padmakumar	Mr. Sunil Sethy
Age	52 years	76 years	58 years
Qualifications	B.Com. (Hons.)	M.A. Econ, IAS	B.Com. , ACA
Expertise in specific functional area	Industrialist	Retired IAS Officer, was Chief Secretary to the Govt. of Kerala	Finance, Accounts, Legal, Secretarial, HR and Strategy
Date of appointment on the Board of the Company	5 th July,1988	20 th June, 2005	24 th October, 2008
Name (s) of other Companies in which Directorship held	Binani Metals Ltd. Binani Cement Ltd. Binani Zinc Ltd. Goa Glass Fibre Ltd.	BPL Ltd. English Indian Clays Ltd. Binani Cement Ltd. Binani Zinc Ltd. Goa Glass Fibres Ltd. Wada Industrial Estate Ltd. City Theatres Pvt. Ltd.	Wada Industrial Estate Ltd.
Name(s) of the Companies in which Committee Membership(s)/ Chairman-ship(s) held (as per Clause 49 of the Listing Agreement)	Member- Investment Committee-Binani Cement Ltd; Member, Finance Committee, Binani Industries Ltd. and Binani Zinc Ltd.	Chairman, Audit Committee, Binani Industries Ltd, Binani Cement Ltd., Binani Zinc Ltd. and Wada Industrial Estate Ltd. Member-Investor Relations Committee-BPL Ltd., Binani Industries Ltd, and Binani Cement Ltd. Member-Audit Committee-BPL Ltd. and Goa Glass Fibre Ltd. Member-Finance Committee-BPL Ltd. Chairman-Finance Committee-Binani Cement Ltd. Chairman-Remuneration Committee-Binani Industries Ltd., Binani Cement Ltd., BPL Ltd., Goa Glass Fibre Ltd. and Binani Zinc Ltd.	Member : Audit Committee – Wada Industrial Estate Limited. Member : Investor Relations Committee : Binani Industries Limited. Member : Finance Committee-Binani Industries Limited.
Shareholding in the Company	53,125 Equity Shares of Rs. 10 each	Nil	Nil

Binani Industries Limited

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO.6

The appointment of Mr. Sunil Sethy was approved by the Board of Directors on 24th October, 2008 and shareholders through Postal ballot on 9th January, 2009. Subsequently the Central Government accorded its approval for appointment of Mr. Sunil Sethy as Managing Director of the Company for a period of 5 years commencing from 10th November, 2008 to 9th November, 2013 and approved payment of remuneration for a period of 3 years commencing from 10th November, 2008 to 9th November, 2011.

At the time of appointment, the Board had approved his increment not exceeding 10% of the Basic Salary only once in the entire period of 5 years to be paid in December, 2010. After joining the Company, in a span of 15 months, Mr Sunil Sethy has made significant contribution to the entire group in the form of able leadership, strategy, team building and growth of the Company as well as its subsidiaries. During the past 15 months, the Company's income and profitability and of its subsidiaries turnover and profitability have increased significantly. He has played a key role and contribution in strategizing the distribution and marketing of Cement and its products resulting in significant improvement in sales and profitability of the subsidiary, Binani Cement Limited. He has also played a significant role in Company's other manufacturing subsidiaries viz Binani Zinc Limited and Goa Glass Fibre Limited to improve its sales and profitability.

In view of significant contribution made by Mr. Sunil Sethy over the past 15 months, the Board of Directors felt that it would not be appropriate and in the interest of the Company to give only "one increment" not exceeding 10% of his basic salary in the entire span of 5 years (as originally approved by the Board) and decided to revise his remuneration by giving an "annual increment" not exceeding 10% of his Basic Salary, the first increment due and payable in January, 2010 subject to the approval of the shareholders and Central Government.

The Remuneration Committee and the Board of Directors at its respective meetings held on 27th January, 2010 approved payment of an "annual increment" not exceeding 10% of Mr. Sethy's basic salary, the first increment due and payable in January, 2010. It is also proposed to pay the Remuneration approved by Central Government and the increment as minimum remuneration even in the event of loss or inadequacy of profits in the Company.

The information about the Company and the appointee is as under:-

GENERAL INFORMATION:

(1) **Nature of Industry:** Binani Industries Limited was incorporated in the year 1962. It is presently a holding Company holding shares in its major subsidiaries viz: Binani Cement Ltd engaged in the manufacture and sale of Ordinary Portland Cement (OPC), Pozzolona Portland Cement (PPC), Binani Zinc Ltd, engaged in the manufacture of Primary Zinc Metal and its by products Cadmium and Sulphuric Acid, Goa Glass Fibre Ltd,

engaged in the manufacture of Glass Fibre and Articles thereof respectively.

- (2) **Date of Commencement of commercial operations:** Not Applicable
- (3) **In case of new Companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus:** Not Applicable.

(4) **Financial Performance:**

Rs. in Lakhs

Financial Parameters	2005-06	2006-07	2007-08	2008-09	2009-10
Gross Income	3671	12302	2793	5118	5104
Net Profit (PAT)	1485	1624	1493	3377	1665
Total Amount of Dividend Paid	444	740	888	888	888
Dividend Declared (%)	15%	25%	30%	30%	30%

- (5) **Export performance and net foreign exchange collaborations:** NIL
- (6) **Foreign investments or collaborators, if any:** Not applicable

Being a holding company with no manufacturing activity, the performance of the Company is not generally comparable.

1. **Appointee's Background**

Appointee's qualification, experience, past performance:

Mr. Sunil Sethy aged 59 years, is a Fellow Member of the Institute of Chartered Accountants of India (FCA 1974) (35th rank of All India merit list of Chartered Accountant (inter) and 37th rank of All India Merit list of Chartered Accountant (Final).

Mr. Sunil Sethy has over 35 years experience in diversified business in the domain of finance, accounts, strategy and legal having been associated with Acme Tele Power Limited, Chambal Fertilizers and Chemicals Limited, Evernet Everest Limited, U B Group, PSI Data Systems, Eicher Goodearth Limited, Zuari Agrochemicals and Usha Sales Pvt. Limited in various capacities including as Chief Financial Officer and Managing Director of Chambal Fertilizers and Chemicals Limited and Corporate Director of Acme Telepower Limited.

2. **Past Remuneration:** The details of remuneration received by Mr. Sunil Sethy during the last three years are as under:

Amount in Rs.

Year	2006-07	2007-08	2008-09
Remuneration received	1,00,16,264	1,09,65,203	1,03,40,934

3. **Recognition or awards:**

35th rank (All India) CA inter
37th rank (All India) CA Final

4. **Job profile and his suitability:**

Mr. Sunil Sethy is a Fellow Member of Institute of Chartered Accountants and has more than 35 years experience in diversified businesses in the domain of Finance, Accounts, Treasury, Strategy, HR, Secretarial. He has also worked as CFO and as Managing Director and Corporate, Director prior to his employment in the Company. Considering his professional qualifications and long years of experience in the Corporate Sector he is considered the most appropriate person for the post of Managing Director.

5. **Proposed Remuneration**

The remuneration proposed to be paid to Mr. Sunil Sethy is proposed to be modified as under:

In the Agreement dated 18th November 2008 sub clause 1 of clause 5 in the said agreement with reference to the increment be varied/modified as under:

Basic Salary will be revised every year by an increment not exceeding 10% as may be determined by the Board/Chairman, the first increment is due and payable in January 2010.

All other terms and conditions of the agreement dated 18th November 2008 shall remain unchanged.

Brief Details of Salary approved earlier:

Basic Salary

Rs.8,00,000/- (Rupees Eight Lakhs only) per month.

Perquisites**Category – A**

Housing: Fully furnished residential accommodation will be provided subject to a maximum Rs. 3,00,000/- per month at actuals including outgoings of society charges, electricity and water, etc.

Category – B

- a. Provident Fund : NIL
- b. Superannuation : NIL
- c. Gratuity : Nil
- d. Insurance : Personal Accident Insurance as per Company's guidelines not exceeding Rs. 4,000 p.a.
- e. Mediclaim : As per rules applicable to MA grade of the Company.
- f. Leave : Leave with full Salary as per the rules of the Company but not exceeding 30 days leave for every completed year of services. Leave accumulated but not availed may be encashed as per rules of the Company.

Category – C

- 1. **Car:** Two (2) Company maintained cars without driver will be provided. All expenses of car for private purposes will be reimbursed to the Company at actuals.
- 2. **Telephone:** Reimbursement of expenses at actuals.

6. **Comparative Remuneration profile with respect to industry, size of the Company of the position and person.**

Being a holding Company comparative remuneration profile with respect to industry not applicable. However, on a consolidated basis the Company would fall within the category of a diversified Company. As on 31st March 2009 the consolidated turnover was Rs.2,569 crore and the net profit was Rs.145 crore. Considering the fact that the incumbent is a Senior Chartered Accountant having worked in various manufacturing sectors and also considering the fact that he was in receipt of a salary of Rs.109.65 lakh just prior to the present employment, the salary proposed in comparable with the existing compensation packages of identically placed Companies.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: NIL****OTHER INFORMATION:****(1) Reason of loss or inadequate profits:**

The Company being a holding Company, its main source of income is dividend from its Subsidiaries. Since Binani Cement Limited is the only dividend paying Company and other Companies are not in a position to declare any dividend, the profit is inadequate. All the Subsidiaries are in commodity Business which is affected by a host of factors over which the respective Companies have little control.

(2) Steps taken or proposed to be taken for improvement:

All round efforts are being made to cut-down cost and to increase efficiencies which is likely to enhance profitability.

(3) Expected increase in productivity and profits in measurable terms:

The main subsidiary Binani Cement Limited is expected to achieve higher volumes in the current year on enhanced capacity which in turn is likely to achieve better results.

DISCLOSURES:

- (a) In addition to the salary he will be entitled to notice pay of 3 month's basic pay in the event of termination of service.
- (b) Leave accumulated but not availed may be encashed as per the rules of the Company.

A copy of the Agreement dated 18th November 2008 and supplemental agreement dated 30th January 2010 between the Company and Mr. Sunil Sethy in respect of item No.6 including the Annual Report for 2009-10 for and all other reports required under law to be annexed thereto including the Annual Reports of subsidiaries will be available for inspection by the Members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and Sundays upto the date of AGM.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT TO THE SHAREHOLDERS

Your Directors present the Forty Seventh Annual Report of the Company together with the Audited Statement of the Accounts for the year ended 31st March, 2010.

1. Financial Performance

(Rs in Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Sales/Profit on sale of fixed assets, investments/other Income	5,104	5,118
Profit before, Depreciation, Interest, extraordinary Items and Taxation.	2,216	2,859
Provision for Depreciation	27	33
Profit before Interest, extraordinary Items and Taxation	2,189	2,826
Interest and Financial Charges	524	702
Profit before Exceptional items and Taxation	1,665	2,124
Provision for Taxation including Deferred Tax and Fringe Benefit Tax	—	13
Profit after Tax but before extraordinary items	1,665	2,111
Extra ordinary Items	—	1,266
Profit for the year	1,665	3,377
APPROPRIATIONS/ADJUSTMENTS		
Transfer to General Reserve	(167)	(350)
Proposed Dividend	(888)	(888)
Tax on Dividend	NIL	Nil
(Loss) brought forward from last year	(3,975)	(6,464)
Adjusted with credit balance of General Reserve	167	350
(Loss) carried to balance sheet	(3,198)	(3,975)

Previous years' figures have been regrouped/reclassified wherever necessary.

1.1 Review of Operations

The Company being a holding company has no manufacturing activities. Its main source of income is Dividend from its Subsidiaries and income earned by providing Management and support services to all its Subsidiaries in the areas of Accounts, Finance, Treasury, Audit, Forex/Commodity, Risk Management, Purchase, Taxation, Corporate Strategy, Media Services, Project Management, etc. During the year under review, Company received from its Subsidiary, Binani Cement Limited, dividend income of Rs. 2,768 Lakhs and Management Services fee from all its subsidiaries aggregating to Rs. 2,300 Lakhs. During the year, the Company earned a Net Profit of Rs. 1,665 Lakhs, compared to Rs. 3,377 Lakhs in the previous year. Out of the profit of Rs. 1,665 Lakhs, Rs. 167 Lakhs has been transferred to General Reserve.

1.2 Future Prospects

The Company's flagship Subsidiary, Binani Cement Limited (BCL) has done exceptionally well and is expected to maintain the exceptional performance in the coming years as well. Binani Zinc Limited (BZL) has also done reasonably well and has earned a Net profit of Rs.169 lakh. As the LME prices has increased gradually during the year and has now become stable, it is expected that BZL's performance in the coming years will be reasonable. Goa Glass Fibre Limited (GGFL) has not done well and has incurred losses during the year. This was mainly due to dumping of Glass Fibre Products by China in the Country. Besides, submitting representation to the Government of India to levy Anti Dumping Duty on the Glass Fibre products, Company has taken remedial measures to improve both the production and sales of glass fibre products and also measures to reduce costs. With the above measures, it is expected to pull out itself from the present situation, in the coming years.

2. SUBSIDIARIES

We present below a brief report on the operations of Company's major subsidiaries:

2.1. BINANI CEMENT LIMITED (BCL)**2.1.1 Industry Overview**

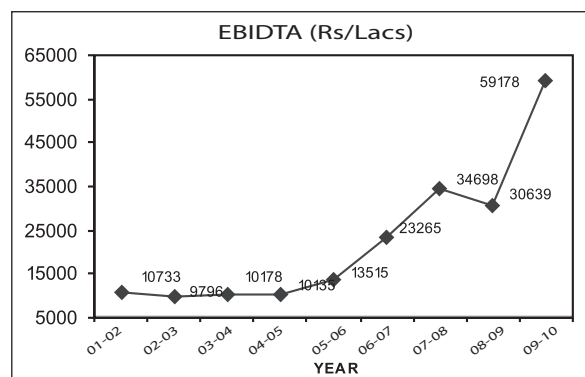
The Cement Sector is expected to grow by 9-10% in the Financial Year 2010-11 compared to India's expected GDP of 8.5%. The housing and construction sector generates 50% of the overall demand of cement in the country and the demand is expected to continue in the coming years as well. But the expected capacity additions, increased cost of raw material, fuel and logistics, proposed service tax on housing sector and gradual withdrawal of stimulus package granted to the Cement Industry will have pressure on margins in the coming years.

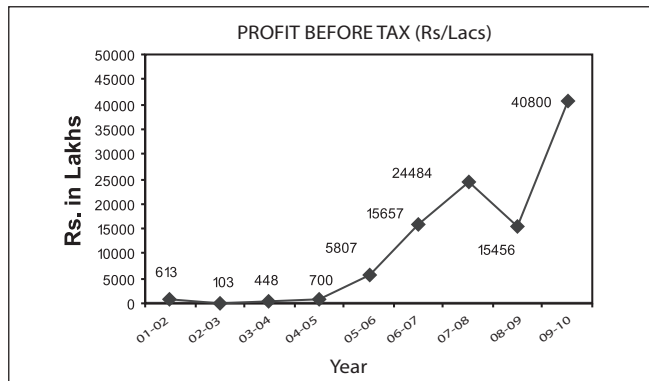
2.1.2 Financial Performance

The financial performance for the year ended 31st March, 2010 is summarized below:

Rs. in Lakhs

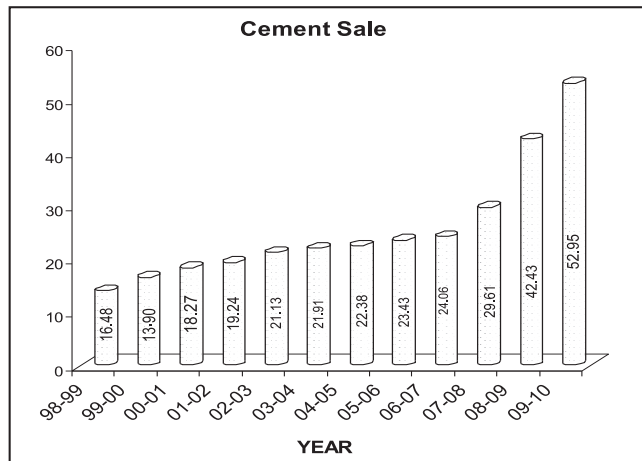
Particulars	2009-10	2008-09	% Change
Sales & Other Income	1,87,216	1,50,270	25
EBIDTA	59,178	30,639	93
Cash Profit	51,327	23,487	119
Profit before Tax	40,800	15,456	164
Profit after Tax	28,192	10,867	159





2.1.3 Review of Operations

During the year under review, the company surpassed all previous bests in all areas and continue to maintain its growth path. Company produced 52.80 lac MT of cement compared to 42.92 Lac MT in the previous year, an increase of 23%. Sales was 52.95 lac MT compared to 42.43 MT in the previous year, an increase of 25%, Captive power generation was 2,449.07 lac KWh (net) compared to 1,876.39 lac KWh in 2008-09. Profit before Tax was the highest ever at Rs.40,800 Lakhs, an impressive growth of 164% compared to Rs.15,456 Lakhs during 2008-09. The higher profit could be achieved mainly due to increase sales volumes, low coal price and higher net realization.

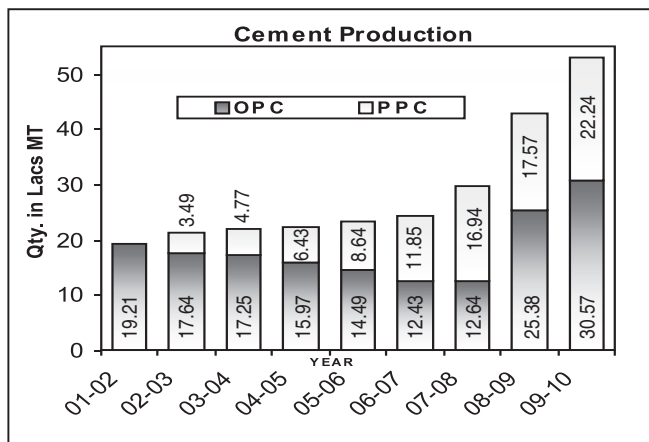


2.1.4 Future Outlook

Growth in domestic cement demand is expected to remain strong, given the revival in the housing sector, continued Government spending on the rural infrastructure, and gradual increase in the number of infrastructure projects being executed by the private sector. The trend in demand growth seen during the last five years is expected to continue over the medium term. Further, with Government targeting 8-10% GDP growth rate, cement demand should grow at 9-10% over the next few years.

The key drivers of Cement Industry in India are:

- Buoyant real estate market in non metro cities;
- Increase in infrastructure spending in power, road, port and urban infrastructure;
- Increase in rural demand driven by National Rural Employment Guarantee Act (NREGA);
- Low-cost housing in urban and rural areas under schemes like Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Indira Aawas Yojana;
- Favourable interest rates and tax benefits on housing.
- Domestic Industrial growth and major expansion plans announced across different segments;



2.1.5 Project Overview

Expansion Projects/Railway Sidings

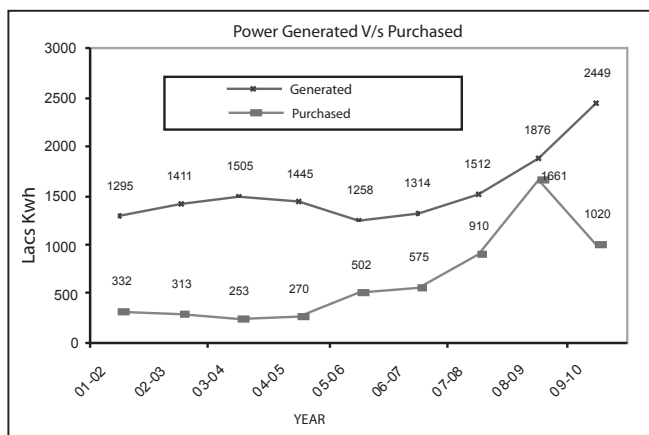
Binanigram Unit :

During the year, the 4th Cement Mill of 110 TPH capacity was commissioned in December 2009. Packing plant expansion by installation of fifth packer and four additional truck loaders completed in January'10. 22.3 MW Captive Power Plant (Unit II) commissioned in the month of June 2009.

Further, to achieve enhanced capacity upto 8,000 TPD from Kiln II and to enable the use of Pet coke, following modifications in the plant are under progress:

- Upgradation of existing Pre-heater fans;
- Modification of Raw Mill-II separator;
- Building construction for installation of pre-crushing system for reduction of feed size.

Up-gradation of wagon loading system is being undertaken



by introducing third loading point with four additional wagon loaders. This will reduce rake loading time increase dispatches through railway resulting in savings in costs.

Proposed expansion of railway yard by adding fifth line for clinker/coal/gypsum handling.

Neem Ka Thana unit:

Wagon unloading for clinker with wagon tippler started in the month of September 2009. Balance work of railway siding is under progress, expected to be completed by April' 2010. Work of 132 KVA power line is in progress and is expected to be completed by June'10.

Overseas Projects**Shandong Binani Rong'An Cement Co. Ltd, China (SBRCC)**

SBRCC, China plant capacity is being expanded from the present 0.5 MTPA to 3.0 MTPA. Land has been acquired and necessary Government permission from the Republic of China have been received. Orders for the plant and machinery have been placed on the local Chinese Company on a turnkey basis. Contract for civil construction has also been awarded. The Project is expected to be commissioned in the first half of 2011.

Binani Cement Factory LLC, Dubai (BCFLLC)

The project for expanding the capacity for Cement Grinding from 1.2 MTPA to 2.00 MTPA has been completed during the year. But the construction industry in Dubai suffered a serious setback in the 2nd half of 2009 resulting in a slump in the demand of cement and the price of Cement also fell sharply. The construction industry in Dubai is not expected to improve in the near future. But there is substantial demand of Cement in the neighbouring Middle East Countries and in Africa. To capitalize on the demand of Cement in Africa and other neighbouring Countries, the Company plans to set up marketing offices through its subsidiaries. Further, the Company is setting up a 1.00 MTPA cement grinding unit at Mauritius.

2.1.6 Future Plans**Cement Project at Sutrapada, Dist, Junagad in Gujarat**

The Company proposes to set up a Greenfield Cement plant of 2.5 million tonnes per annum capacity.

Orders for the long delivery major equipment and the engineering for the project have been initiated. No further progress could be made as Company's application for the lease of mines and government land for the plant are held up pending revision of the mineral policy by Government of Gujarat. Although, the Government of Gujarat has announced the new mineral policy, the notification of ML blocks for Saurashtra is yet to be finalized.

Lignite Project at Nimbri-Chandawatan Dist. Nagaur, Rajasthan

The Government of India allocated lignite Block in Dist-Nagaur, Rajasthan on 7th February, 2007 for use of lignite as raw material captively for power generation. 64 Ha private Land has been acquired by the Company for the project. Most of the Government clearances for the setting up of the project have been obtained. Site location for 120 MW Power Plant has been finalized. The project is expected to be completed by March, 2011.

2.1.7 Internal Control System

The management maintains adequate internal controls commensurate with the nature and size of operations of the company, which is designed to provide reasonable assurance that assets are safe-guarded, transactions are correctly executed and recorded in accordance with managements' authorization, applicable accounting standards and selected accounting policies which are being applied consistently. The company's 'SAP' software at its works and in marketing functions is working satisfactorily. To further strengthen the internal controls and integration, the company is in the process of implementing plant maintenance and Human Capital Management (HCM) and payroll system. Also to document the procedures, the company is in the process of preparation of SOP document.

The company's internal control system provides high level of system based checks and controls. Regular internal audits and checks ensure that responsibilities are executed efficiently. The Audit Committee of the Board of Directors review the adequacy and effectiveness of internal control system and suggest improvement for strengthening them, from time to time.

2.1.8 Opportunities/Risks/Threats/Concerns**Opportunities**

Despite second largest producer of Cement in the world after China, India's per capita consumption of Cement is very low to about 130 Kg per year, much lower than the global average of about 355 Kg, leaving large room for growth. The Company with its brand image, large dealer network and being a major player in Rajasthan and Gujarat will continue its participation in this growth. Industry will receive a further boost by increased Government and Private Sector spending on infrastructure.

Threats, Risks and Concerns

Large capacity additions, increasing cost of inputs, gradual withdrawal of stimulus granted to Industry, inflation and upward trend in interest rates may have pressure on margins in the medium term affecting the bottomline of the Company in the coming years.

2.1.9 Recognition & Rewards

During the year 2009-10, the company received following awards/recognitions:

NCCBM instituted National Award for Energy Efficiency in Indian Cement Industries in recognition of the Best Electrical Energy & the Best Thermal Energy Performance for the year 2007-08 and National Quality Excellence Award 2008-09 in Indian Cement Industries in recognition towards its excellence in the field of Quality Management.

ITC CII Sustainability Award 2009 for significant contribution in the field of environment, society and economics.

Greentech Environment Excellence Gold Award 2009 in recognition of its exemplary initiatives in Environment Management.

CII Godrej Green Business Centre, Hyderabad instituted National Award for Excellence in Water Management 2009 and Energy Management 2009 for 'Excellent Water Efficient Unit' and 'Energy Efficient Unit'.

Binani Industries Limited

Certificate of Merit for 2007-08 for Productivity Improvements in recognition of company's sustained initiatives towards productivity improvements.

Certificate of Excellence – Best Employer Award Competition 2008 in recognition of company's excellence towards maintaining good Employee-Employer Relationship for the year 2008.

All India Business & Community Foundation (AIBCF) instituted Udyog Bharati Award 2009 and Indian Achievers Award for Quality Excellence for entrepreneurship development leading to economic growth that greatly contributes to generate long term opportunities for the communities.

2.1.10 Corporate Social Responsibility

As a responsible corporate, the Company continues to adopt best CSR practices. In the recent past, the Company has joined hands with M/s RBKS, an NGO for initiating an integrated village development programme titled "Life Skill Education to Community" covering 5 of the nearby adivasi villages viz., Amli, Thandiberi, Malap, Sabela and Varli. The joint venture is aimed at achieving the objective of provision of food and shelter, closed toilets, use of smokeless stoves, to motivate the villagers towards plantation with a view to divert them from deforestation, provision of training to Adivasis on stitching of traditional dresses which can be sold to consumers through cooperative societies and cattle & poultry development. The programme will not only improve life style of target villagers but also cater to their financial needs.

Besides, the company continues to provide necessary support to economically backward people of the adjoining villages through various community development, education and health care programmes. These include providing donation/ contributions, small constructions, repairing works, etc. Drinking water is being also supplied to local people in the summer.

The Binani Ladies Club regularly contributes towards community development and charities through distribution of school uniforms, books, clothes to needy tribal people and blankets, mattresses and pillows to Adivasi hostel at Pindwara.

2.1.11 Human Relations/Industrial Relations

Employees of the Company are the key assets and the company continuously strives towards the development of its employees, to upgrade their skills and to boost the motivation levels of its human resources through various mechanisms. This reflects in the fact that on an average 3.70 man days per person have been spent on training during the year under review.

Employees are motivated and team spirit strengthened through various departmental quality circles and other awareness programmes being organized from time to time. The company continues to maintain healthy working environment and cordial industrial relations throughout the year. In order to encourage total employees involvement in the production process, Company has introduced "Employee of the Month" scheme, which inspire employees to be innovative.

The efforts put in by employees at all levels have contributed to the excellent performance of the company. Employee/Industrial Relations have been cordial during the year.

2.1.12 Subsidiaries of Binani Cement Limited

Shandong Binani Rong An Cement Company Ltd. China (SBRCC)

Shandong Binani Rong An Company Ltd. is a Company incorporated under the laws of peoples Republic of China. At present, the Company has facilities for manufacture of 0.5 million TPA Cement at Shandong Province of China which is being expanded by a further 2.5 Million TPA.

Binani Cement Factory LLC, Dubai (BCFLLC)

Binani Cement Factory LLC is a Company incorporated under the laws of United Arab Emirates. The Company has facilities for the manufacture of 2 MTPA of Cement grinding capacity.

Krishna Holdings Pte Ltd., Singapore (KHL)

KHL is an investment Company incorporated in Singapore. The Company holds 50% investment in KHL. The balance 50% is held by MHL.

Mukundan Holdings Limited, BVI (MHL)

MHL is an investment Company incorporated in British Virgin Islands. MHL is a wholly-owned subsidiary of the Company. MHL holds 49% shares in Binani Cement Factory LLC, Dubai.

Murari Holdings Limited, BVI (MUHL)

Mu HL is an investment Company incorporated in British Virgin Islands for holding 51% of the beneficial interest in the paid up share capital of BCFLLC. Mu HL is a wholly-owned subsidiary of the Company.

Bhumi Resources (Singapore) Pte. Ltd., Singapore (BRSL)

BRSL is a Company incorporated in Singapore for acquisition of Coal Mines in Indonesia, Coal being a critical raw material for energy for the Company. BRSL is a wholly owned subsidiary of the Company.

2.2. BINANI ZINC LIMITED (BZL)

2.2.1 Industry Overview

The demand for zinc in India is estimated at approximately 550 KT. Compounded Annual Growth Rate (CAGR) for zinc metal in India was around 8% over the last 5 years. Galvanizing sector accounts for more than 60% of consumption. The fastest growing segments are structural galvanizing & die casting.

Indian demand is expected to grow at 10% over the next 3 years driven by transportation, consumer durables and construction sector. Per capita consumption of zinc in India is also very low compared to developed countries.

The average zinc price in the London Metal Exchange (LME) during 2009-10 was approximately US\$ 1,934/MT. Import duty on zinc stands at 5%. The import duty on concentrate continues to remain at 2%. With the increase in demand for zinc and the continuity in buoyant Zinc Metal Price in the LME, the Company is expected to do well in the coming years.

2.2.2 Review of Operations

The company outperformed targets on all major parameters this year. Production of zinc metal recorded the highest ever

of 35,552 MT compared to 30,443 MT in the previous year. The previous highest production of 32,624 MT was achieved in 2006-07. Plant capacity utilization was at a high of 93%. Overall, the operational efficiencies and recoveries has shown substantial improvement.

The company also achieved a record zinc metal sales of 35,843 MT as against the previous year's sales of 29,390 MT. Sale of Cadmium metal was also an all time high at 71,416 kg against last year sale of 34,570 kg.

The company has successfully commissioned the Jarofix plant as a permanent solution to the solid waste disposal and effectively resolving all environmental concerns in this area.

The successful commissioning of the fine zinc dust plant has helped to significantly reduce operating costs and improve plant efficiencies. The company is also in the process of identifying markets for high quality zinc dust.

(Rs. in Lakhs)

Particulars	2009-10	2008-09
Net Sales & other Income	39,528	28,509
EBIDTA	2,512	1,316
Cash Profit	1,726	420
Profit before Tax	505	(315)
Profit after Tax	169	(228)

2.2.3 Future Plans

The company is going forward with its plans with regard to off-take agreements and financial participation in mines Located in Australia.

The company hopes to increase its presence in the die-casting alloy segment and plans to bring other value added products into the market.

With availability of raw material assured in the long term at competitive terms, the company plans to increase capacity to higher scale and has already commenced activities towards this end.

2.2.4 Strengths/Opportunities/Threats/Risks/Concerns

The major external factors that can have a significant bearing on the company's performance are –

- Fluctuation in zinc prices;
- Enhanced metal supply in market;
- Availability of raw material.

The company has drawn up a comprehensive plan to mitigate the perceived threats.

Price Fluctuation – Prices are expected to remain volatile in the coming year also. However, the company has a hedging mechanism in place to safeguard itself from wide fluctuations in zinc price.

Market – The company has expanded its spread in the country and caters to a large customer base of small and medium customers. The Company has a good brand image owing to its consistent product quality, which continues to attract customers.

Raw material availability – The company has already entered into contracts with suppliers for around 50% of its raw material requirements for the years 2010-11 and 2011-12. The Company's process of acquiring Deri, Ambaji and Basantgarh Mines in Rajasthan through its wholly owned subsidiary, R.B.G. Minerals Industries Limited is in the final stage. Further, the Company has also finalized and executed terms for investment in high quality Zinc Mines in Australia. Towards achieving this objective, the company has incorporated a wholly-owned subsidiary in Australia, namely, BZ Minerals (Australia) Pty Ltd.

The above measures is expected to ensure continued availability of critical raw material, Zinc Concentrate, for the Company in the near future.

2.2.5 Human Resources/Industrial Relations

Industrial relations during the year was cordial. During the year, the company entered into a 4-year productivity based Long Term Settlement (LTS) with the recognised trade unions. Safety, Occupational Health and Environment (SHE) topped the agenda of the company employees.

Focused training programmes on topics/areas assessed were undertaken principally for knowledge and skill upgradation of operatives, Management Development, and other focus areas for specific target groups. Average time spent on learning & development this year rose to 6.35 man days per employee.

2.2.6 Corporate Social Responsibility

Corporate Social Responsibility is all-pervasive, mainly through the launch-pad of Ghanshyam Binani Occupational Health Centre (GBHC) and Ghanshyam Binani Community Hall. GBHC in partnership with Indian Medical Association and National Safety Council, conducted 2 State Level First Aiders training programmes this year; thus completing a total of 10 batches and training a total of 360 industrial employees across industries in Kerala. GBHC serves the community, employees and their family members through Health Talks, Multi-Speciality Medical Camps and Medical Specialists' Camps. GBHC continued to be recognised as "Centre of Public Health Importance" this year also. The company's association with Government Hospital, Binanipuram continued this year also.

Ghanshyam Binani Community Hall (GBCH) has grown into a major hub for several social, educational, cultural interventions for the community and also helped facilitate services by certain Government Departments.

This year also, Company's partnership interventions continued for the Binanipuram Government High School students, where the SSLC students bagged 100% results; thus repeating history in the fourth year in succession.

During the year, the Company has won the following National, Regional and State Level awards and accolades:

- Green Tech Environment Excellence Award in minerals and mining sector – 2009,
- CII – Leadership & Excellence Award in Environment, Health & Safety under the 'Manufacturing Sector' in the country – 3rd position

Binani Industries Limited

- Excellence Award – 2009 from the Kerala State Pollution Control Board, among large-scale industries
- Indian Institute of Metals Non-Ferrous Best Performance Award – First Prize amongst the Large Integrated Production' organisations in the country.

2.3. GOA GLASS FIBRE LIMITED (GGFL)

2.3.1 Industry Overview

The glass fibre market is expected to grow at 13% CAGR and potential by 2013-2014 is ~1,00,000 MT/pa. The key drivers for growth of the industry are Infrastructure, Automobile, Wind Energy and Building Construction sectors. The industry in India is currently being dominated by cheaper imports from China. These Chinese imports cater to 60% of the Indian Industry demand of Glass Fibre. This has resulted in lower sales revenue and lower realizations of domestic producers.

2.3.2 Review of operations

Operations

During the year under review, the Company has undertaken furnace rebuild with capacity enhancement to 16,000 MTPA from previous level of 10,300 MTPA. This rebuild operation took place from 10th April 2009 to 27th August 2009 and commercial production commenced from 28th August 2009. Production during the year was 7,210 MT. The operations have shown continuous improvement since the furnace rebuild.

Sales

During the year, Company sold 8,290 MT with a revenue of Rs. 57.83 crore as compared to sale of 8,899 MT and revenue of Rs. 70.88 crore in the previous year.

Financials

(Rs. in Lakhs)

Particulars	2009-10	2008-09
Gross Sales & Related Income	5,783	7,088
EBIDTA	(857)	1,544
Cash Profit/(Loss)	(1,552)	952
Net Profit/(Loss) after Tax	(2,519)	100

2.3.3 Future Prospects

The Company has initiated several steps to increase both the production and sale of Glass Fibre products. Some of the steps are:

- Immediate liquidation of inventory to improve sales and reduce inventory carrying cost;
- Looking at opportunities for manufacture and sale of value added products;
- Introduction of direct sale concept to be in close touch with the customers and reduce the intermediary cost;
- Overall reduction in costs on all fronts.

With the above measures, it is expected that the Company will come out of its present position of making losses and look forward to a better days ahead.

2.3.4 Strength/Opportunity/Threats/Risks/Concerns

Strengths

The Company has a committed and relatively young work force with best HR initiatives. The flagship product Chopped Strand Mat (CSM) of the Company is well accepted in the Global Market.

Weakness

The Company's main weakness is the scale of operation which is low and an absence of a robust manufacturing technology. The Company has a limited product range with a relatively high dependency on CSM.

Opportunities

There are many opportunities in the product portfolios especially Direct Roving related Weave Products for specialized and critical applications. Tie up with OEM's provide another opportunity to the Company to increase reach and end-use of product.

Threats

The major threat is appearing to be the bulk import of Chinese product which is seen to be eroding the sales volumes and realization of domestic producers.

2.3.5 Human Resources/Industrial Relations

Industrial relations continued to be harmonious with the active participation of the union in all the programmes and the long term settlement negotiation has been successfully completed during the year. Further successfully achieved in extending lay off to the period of 60 days during furnace rebuild shut down on mutually agreed terms between management and recognized union.

Various training programmes were identified in technical and behavioural trades as an employee development initiative.

2.3.6 Corporate Social Responsibility

As a part of corporate social responsibility, educational program with respect to safety, health and environment was organized in nearby village Colvale where we also conducted free medical camps.

2.4. BT COMPOSITES LIMITED (BTCL)

2.4.1 Financial Performance

(Rs. in Lakhs)

Particulars	2009-10	2008-09
Net Sales and Other Income	453.32	725.33
Profit before Depreciation & Amortisation and Interest	35.30	28.64
Net Loss before Extraordinary Items and Tax	(38.57)	(42.87)
Net Profit / (Loss) for the year	(38.57)	(44.39)
Loss carried to Balance Sheet	(1,047.04)	(1,008.47)

2.4.2 Review of Operations

During the year under review, the products manufactured by the Company were very well received in the markets. The Sales

and operating Income was at Rs. 453.32 Lakhs compared to Rs.725.33 Lakhs achieved in the previous year. The Production of SMC Moulded Products during the year was lower at 205 MT as compared to 383 MT in the last year. Sales of SMC Moulded Products was lower at 215.15 MT as compared to 412.65 MT in the last year

In spite of lower sales and production, the EBIDTA was higher at Rs. 35.30Lakhs compared to Rs. 28.64 Lakhs last year which was due to higher value addition for the Company's finished products.

The Company has carried out various process improvements to upgrade the quality of the products. Efforts have been put in upgrading the raw material selection and testing procedures to ensure consistency and reliability of supplies.

Company is also exploring the possibility of exporting the Company's products and in this process has initiated steps on export market development.

2.4.3 Future Prospects

The company has been able to focus on Public Health Engineering (PHE) in the states of Orissa and MP. These are large prospects for SMC (GRP) Panel Tanks.

The Company has been able to achieve good results of RCC/Steel tank conversions to SMC (GRP) Panel Tanks in the SC Railways. The Company is focusing on replicating this case study in other Railway zones i.e. North Frontier Railways, Eastern Railways, etc., with the success achieved in DMRC and the Commonwealth Games Project, the company is also focusing on upcoming Metro rail Projects such as Bangalore, Mumbai and Chennai.

Large Projects in the Power & Industrial are being focused on through tie-ups with Water Treatment Contractors.

2.5. WADA INDUSTRIAL ESTATE LIMITED (WIEL)

2.5.1 Financial Results

(Rs in Lakhs)

Particulars	2009-10	2008-09
Other Income	0.71	0.71
Loss before extraordinary item and tax	(19.36)	(22.77)
Loss brought forward from last year	(402.56)	(379.79)
Balance Carried to Balance Sheet	(421.92)	(402.56)

2.5.2 Review of Operation

The Company is evaluating various options for developing the available land for commercial activities.

During the year under review, the Company earned Income of Rs.0.71 lakhs as compared to Income of Rs.0.71 lakhs earned in the previous year. During the year, the Company has incurred a loss of Rs.19.36 lakhs compared to a Loss of Rs.77 lakhs in the previous year.

2.6. ESS VEE ALLOYS PRIVATE LIMITED (ESS VEE) - (Wholly Owned Subsidiary of Binani Zinc Limited)

2.6.1 Financial Performance

(Rs in Lakhs)

Particulars	2009-10	2008-09
Sales (Net)	91.42	135.09
Profit/(Loss) before Tax	(7.57)	(4.87)
Net Profit/(Loss) after Tax	(7.24)	(3.46)
Balance of Profit/(Loss) b/f	17.11	20.58
Balance Carried to Balance Sheet	9.88	17.12

2.6.2 Business Review

During the year the production and sales were as follows:

Kgs.

Particulars	2009-10	2008-09
Production		
Zinc Alloys	75,776	1,30,546
Aluminium Alloys & dross	763	1,312
Sales		
Zinc Alloys	75,710	1,32,051
Aluminium Alloys & dross	-	4,191

The Board of Directors reviewed the progress of the operation of the Company and expressed concern about the performance.

2.7. R.B.G. Minerals Industries Limited - (Wholly Owned Subsidiary of Binani Zinc Ltd.)

2.7.1 Review of Operations

The present status of Deri, Basantgarh and Ambaji mines are as follows:-

Deri Mine

In the last Annual Report it was reported that after revaluation of assets through Indian Bureau of Mines, the mine will be transferred to the Company. Necessary application for transfer of mine was submitted to the Authority in July, 2009. It is expected that after completion of certain formalities with respect to the waiver of interest, etc., the Mining lease will be signed by the Company shortly.

Basantgarh Mine

All requisite formalities including execution of Mining lease with the Company has been completed. The mining operations of Basantgarh Mine will commence only after transfer of other mines viz. Ambaji and Deri mines, which are under process to the Company.

Ambaji Mine

In the last Annual Report it was reported that GMDC had invited a Global tender from International Consultants for revaluation of Ambaji Mine assets. On completion of the formalities, GMDC agreed that the operations of the Ambaji Mine would be conducted as a Joint Sector with the Company and transfer the mining lease to the Joint Sector on approval. In March 2010, GMDC approved the Joint Venture proposal and also for setting up of Beneficiation Plant based on Ambaji, Deri and Basantgarh

Binani Industries Limited

Mining Lease. GMDC has awarded the work of asset valuation of Ambaji Mine to Indian Bureau of Mines (Government of Undertaking). The Joint Venture proposal will be submitted to the Government for approval once the valuation is completed.

Ambaji Mine Land Acquisition

The conversion of the land purchased/acquired for industrial purposes is in process. Though part of the land has been converted for industrial use, other part is yet to be converted for which, efforts are being made to expedite the conversion for industrial use.

Environment Clearance

Necessary environment clearance from Ministry of Environment & Forest (MoEF) has been obtained. Sample analysis conducted by the National Institute of Occupational Health (NIOH) reveals that lead level in mother's milk, children blood and soil are comparable with the values reported around the world.

Plant Construction

A consolidated bid document was issued on September 11, 2009 for supply of equipment, detailed engineering, supervision of erection of critical equipment and commissioning of 2000 tpd, lead, copper, zinc ore beneficiation plant. The plant is expected to be completed in two phases within 15 months from the date of financial closure.

Water Dam

Revised proposal for 23.81 Hectares submitted to DFO, Sirohi on May 31, 2008 for forest diversion with all requisite details. The necessary NOC is awaited.

2.7.2 Joint venture proposal of India Resources Ltd. (IRL)

- i. Joint Venture proposal between India Resources Limited, Australia (IRL), Crown Mining Private Ltd., New Delhi (CMPL), and the Company (R.B.G) was signed on April 21, 2009. In the said agreement, RBG will acquire 51% share in Crown Mining after incurring Rs.5.14 crore as Farm in Expenditure.
- ii. It appears that after the signing of Joint Venture Shareholders Agreement, there has been some differences between IRL, CMPL and RBG. The differences are being sorted out to take the agreement forward.

2.7.3 Setting up Zinc Refinery

Refeasibility study was conducted for building a Zinc Refinery at Pit head which will be reviewed depending upon the progress of the mining venture.

2.8. BINANI ENERGY PVT.LIMITED - (Wholly Owned Subsidiary of Binani Zinc Ltd.)

2.8.1 Financial Performance

(Rupees)

Particulars	2009-10	2008-09
Interest Income/Sales	18,918	11,148
Profit/(Loss) before Tax	12,772	3,903
Profit/(Loss) after Tax	8,825	2,697
Balance Carried to Balance Sheet	2,41,491	2,32,666

2.8.2 BUSINESS REVIEW AND CHANGE OF NAME

Your Board is evaluating various options to undertake business relating to generation and/or distribution of electricity.

3. Dividend

In view of the overall performance, prospects and income earned during the year, your Directors recommend a dividend @ 30% (Rs. 3/- per Equity Share of Rs. 10/- each), the outgo on dividend will be Rs. 888 Lakhs.

4. Directors

In accordance with Article 100 of the Articles of Association of the Company, Mr. Braj Binani and Mr. S. Padmakumar, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend re-appointment of Mr. Braj Binani and Mr. S.Padmakumar as Directors on the Board of the Company.

5. Auditors' Observations

Observations made in the Auditor's Report on the Accounts of the Company (Standalone Account) are dealt with in the Notes to accounts at appropriate place and are self explanatory.

The management response to the Auditors observations in the consolidated Balance Sheet in respect of Binani Zinc Limited and Binani Cement Limited are given below in the same seriatim.

5.1 Binani Zinc Limited (BZL)

Observations on standalone accounts

Responses of the Directors to the comments of the Auditors in their report on Financial Statements are as follows:

Regarding the disputed increase in power tariff, as clarified in Note No. 6B (ii) of Schedule 16 (Notes to Consolidated Accounts), which is pending before the Hon'ble Supreme Court, the management is of the view that the Company has a strong case in view of a favourable decision taken in an identical case and hence no provision has been considered necessary for the interest amount of Rs. 3,287.81 Lakhs.

Regarding the pre-82 tariff concession, as clarified in Note No. 6B (iii) of Schedule 16 (Notes to Consolidated Accounts), the management is of the firm view that the Company is entitled to the concession which is sub-judice and hence no provision has been considered necessary.

5.2 Binani Cement Limited (BCL)

Observations on consolidated accounts

The accounting year of the Overseas Subsidiaries ends on 31st December, 2009 while the accounting year of the holding company ends on 31st March, 2010. During the period 1st January, 2010 to 31st March, 2010 the holding company has paid application money for investment in capital of subsidiary - pending allotment and granted loans to subsidiary companies but due to different accounting periods the same could not be eliminated on consolidation. However, in Note 4. 2 (b) (ix) and (x) of Schedule 16 to notes of consolidated accounts the Company has explained how the significant amounts advanced towards investments and loans by the holding company have been broadly utilized by the overseas subsidiaries.

6. Auditors

The Statutory Auditors, M/s. Kanu Doshi Associates, Chartered Accountants, hold office upto the conclusion of the forthcoming Annual General Meeting and have offered themselves for re-appointment. They have confirmed that, if reappointed, their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment as Statutory Auditors of the Company.

7. Subsidiary Companies

The Statement pursuant to Section 212 of the Companies Act 1956 relating to Company's subsidiaries and stepdown subsidiaries viz. Binani Cement Limited, Goa Glass Fibre Limited, Binani Zinc Limited, BT Composites Limited, Ess Vee Alloys Pvt. Limited, Wada Industrial Estate Limited, R.B.G. Minerals Industries Limited, Binani Energy Pvt. Limited, Binani Cement Factory LLC, Dubai, Shandong Binani Rong An Cement Co. Ltd., China, Krishna Holding Pte. Limited Singapore, Mukundan Holdings Limited, Murari Holdings Limited, Bhumi Resources (Singapore) Pte Ltd., Sankalp Holdings Limited and Abhinav Holdings Ltd. are annexed to this report.

The Audited Accounts of the aforesaid Companies along with the report of the Board of Directors and the Auditors Report thereon which are required to be attached with the Annual Report of the Company have not been attached as the Department of Corporate Affairs, Government of India have granted exemption to the Company from attaching the aforesaid documents of the aforesaid subsidiaries pursuant to Section 212(8) of the Companies Act, 1956. Bhumi Resources(Singapore) Pte Ltd. which was incorporated on 26th October, 2009 and its first Accounting period will end on 31st December, 2010. In the absence of Financial Statement of BRSL as on 31st March, 2010, the financial statement have not been considered for consolidation and therefore not attached.

8. Particulars under Section 217 of the Companies Act, 1956

The Statement of particulars under Section 217(1) (e) relating to Conservation of Energy and Technology Absorption and activities relating to Exports etc. are not applicable to the Company. Details of foreign exchange earnings and outgo are annexed to this report. The Statement of particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with Companies(Particulars of Employees) Rules, 1975 (as amended) is annexed herewith and form part of this report.

9. Corporate Governance

In accordance with Clause 49 of the Listing Agreement, your Company has ensured continued compliance of Corporate Governance requirements during the financial year. Your Company lays strong emphasis on Transparency and Independent supervision to increase various stakeholders' value.

The Report on Corporate Governance for the financial year 2009-2010 is given as a separate Section titled "Corporate Governance Report". As required under the said Clause, a Certificate from the Statutory Auditors of the Company has

been obtained. The Certificate is appended herewith and form part of this Report.

10. Management Discussions & Analysis

The Management Discussion and Analysis form part of this Report.

11. Fixed Deposit

During the year, your Company has neither invited nor accepted/renewed deposits from the public within the meaning of Sections 58A, 58AA and other applicable provisions of the Companies Act, 1956.

12. Directors' Responsibility Statement

In accordance with Section 217 (2AA) of the Companies Act, 1956 the Directors state that:-

- a) in the preparation of the annual accounts, all 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 16 to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the Profit of the Company for the Accounting Year ended on that day.
- c) proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of this act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities and the annual accounts have been prepared on a going concern basis.
- d) the annual accounts have been prepared on a going concern basis.

13. Internal Control System and their Adequacy

The Company and all its subsidiaries have adequate internal control systems which are evaluated periodically by the Internal Auditors and the systems are adequate commensurating with the operations of each of the Companies.

14. Acknowledgement

Your Directors acknowledge the assistance and co-operation received from the concerned departments of the State and Central Government, Financial Institutions, Banks, Customers, Selling Agents, Dealers, Distributors, Employees at all levels and the Shareholders.

For and on behalf of the Board

**Place : Mumbai
Date : 23rd April, 2010**

**Braj Binani
Chairman**

Binani Industries Limited

ANNEXURE TO DIRECTORS' REPORT

Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules 1988:

Particulars in respect of (a) Conservation of energy (b) Technology Absorption and (c) activities relating to exports, etc., are not applicable to the Company.

The Company has not earned any foreign exchange during the year under review. The Foreign Exchange used during the year was Rs. 36.34 lakhs (previous year Rs. 372.78 lakhs).

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)

Sl. No.	Name	Age (Years)	Designation/Nature of Duties	Remuneration Received (Rs.Lakhs)	Qualification	Exp. (Year)	Date of commencement of Employment	Previous Employment	
								Post Held	Name of Previous employer
1	Abhimanyu Dhaigude	48	VP HR & Admin	20.75	B.Com, PG-HRM, LL.B	23	17.12.2008	GM-Talent Management	Deepak Fertilizers Petro Chemicals Corp.Ltd.
2	Alok Agarwal	56	ED (GSP)	82.64	FCA, MBA	33	9.05.2009*	Director	PT.Holicim (Indonesia) Tbk
3	Amit Singha	48	Sr. VP	44.42	B.A (Hons), PGDFT	25	1.7.2000	General Manager	Binani Metals Ltd.
4	A. Hitwala	59	VP (Projects)	25.07	B. Tech, IIT	36	1.4.2008	General Manager	Alloy Trading LLC, Dubai
5	Hemant Mogra	48	VP (Corporate Accounts)	29.25	B.Com, ACA	25	24.4.2008	GM(Finance & Accounts)	Ruchi Infrastructure Limited
6	Ibrahim Ali	76	Advisor	50.50	B. Tech, Diploma in Operations Management,	53	1.4.2008	Director (Projects)	Hindustan Zinc Limited
7	I.C. Ahuja	67	ED (Proj.-Corp.)	46.60	B.E. (Mech)	46	1.4.2008	Wholetime Director	Binani Cement Limited
8	Jayant Kumar	54	EVP (Proj)	44.91	B.E. (Tech) M.E. (Tech)	30	3.12.2007	V.P. Manufact-uring	Madras Cement Limited
9	K.Sasikumar	52	VP (Taxation & IA)	36.01	B.Sc., LL.B, ACA	27	21.11.1989	Partner	Warrier & Warriercas
10	Ketan S. Kharkhanis	47	VP-Market Development	29.19	B.Sc., MMM	25	10.08.2009*	Profit Centre Head	Emerald Alchymicus (P) Ltd.
11	K. Ramakrishnan	46	VP-Finance	12.61	B Sc. AICWA, MBA	22	23.09.2009*	AVP-Treasury	Cholamandalam DBS Fin. Ltd.
12	M.K. Chattopadhyaya	53	Group Chief Financial Officer	80.71	B.Com (Hons.), FCA, FCS, LLB	28	12.7.1999	Secretary-cum-Chief Accountant	Triveni Glass Ltd. Kolkata
13.	Ramawatar Sharma	57	VP (Banking)	10.17	FCA, FCS	27	17.12.2007*	Consultant	
14	S.S. Khandekar	63	ED (Proj,Corp)	36.00	B. Tech, IIT	40	1.4.2008	Wholetime Director	Binani Cement Limited
15	S.N. Sridhar	51	Sr.VP (Corp Legal) & Co.Secty	16.50	B.Sc (Hons), LL.B, FCS	28	16.11.2009*	VP-Legal	Bharat Hotels Limited
16	Sushil Bhatler	53	ED (Sp Projects)	93.89	B.E(Hons.) (Chem.)	31	1.4.2009	Dev.Suptd.	Metal Distributors Ltd.
17	Sunil Sethy	59	Managing Director	132.53	FCA	35	10.11.2008	Corporate Director	Acme Telepower Limited
18	T.R.C.Nair	58	Exec.Director (Corp.& Legal) & Secretary	74.45	M.A,FCS, LLB, PGDPM&IR	37	24.12.1992*	Company Secretary	Autokast Ltd. Cherthala, Kerala.
19	V. Sivaraman	57	Sr.VP (Comm)	35.58	B.Sc., MBA	38	1.9.2004	G.M. Materials	R.B.G. Minerals Inds.Ltd.
20	Visalakshi Sridhar	44	VP(Fin.)	35.46	AICWA, ACS	23	29.4.1998	Manager (Finance)	Essar Steel Limited

*Employed for part of the year

Note:

- Gross Remuneration shown above is subject to tax, and comprises salary, allowances, monetary value of perquisites and Company's contribution to Provident Fund.
- The nature of employment of all the employees as above are non-contractual except that of Mr. Sunil Sethy, MD, whose appointment is contractual.
- None of the above employees are relatives of the Directors of the Company.

For and on behalf of the Board

Place: Mumbai
Date : 23rd April, 2010

Braj Binani
Chairman

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy

Good Corporate Governance is the adoption of best business practices which ensures that the Company operates within the regulatory framework. The adoption of such Corporate Governance practices ensures accountability of the persons in charge of the Company on the one hand and brings benefits to investors, customers, creditors, employees and the society at large. The Company believes in practising excellent Corporate Governance practices and endeavours continuously to improve on these practices.

2. Board of Directors

a) Composition

Presently, the Company's Board comprises of 6 Non-Executive Directors and one Managing Director. Out of 6 Non-Executive Directors, 4 are Independent Directors. The Board Members possess the required skills, experience and expertise necessary to guide the Company.

b) Number of Board Meetings

During the year, the Board met 4 times on 23.4.2009, 22.7.2009, 23.10.2009 and 27.1.2010.

c) Directors' attendance record and Directorship in other Public Limited Companies.

The Composition of the Board of Directors and their attendance at the meetings of the Board held during the year ended 31st March, 2010 and at the last Annual General Meeting and also the number of Directorship held in other Companies and Chairman/Membership of the Committee held by them in other Companies are as follows:

Name of the Director	Category	No. of Board meetings attended (Total No. of Meetings held - 4)	Whether attended Last Annual General Meeting	No. of Directorship in domestic public companies (including this Company)		No. of Committee* memberships in domestic public companies (including this company)	
				As Chairman	As Director	As Chairman	As Member
Mr Braj Binani	Non-Executive Promoter	4	Yes	5	5	0	3
Mr Sunil Sethy	Managing Director	4	Yes	—	2	0	3
Mr S. Padmakumar	Non-Executive Independent	4	Yes	—	7	9	9
Dr V.C. Shah	Non-Executive Independent	4	Yes	—	5	4	7
Mr A.C. Chakrabortti	Non-Executive Independent	4	Yes	4	12	4	3
Mr N.C. Singhal	Non-Executive Independent	3	Yes	2	9	4	5
Ms Nidhi Singhania	Non-Executive Promoter	3	Yes	—	3	0	0

*None of the Directors is a member of more than ten Board Committees or a chairman of more than five such committees, as required under clause 49 of the Listing Agreement of the Mandatory Committees.

3. Audit Committee

a) Composition

The Audit committee comprises of Mr S. Padmakumar as Chairman and Dr V. C. Shah and Mr A.C. Chakrabortti, as members. All the three members of the Audit Committee are independent directors. The Composition of the Committee is in conformity with Clause 49 (II)(A) of the Listing Agreement.

All the members of the Audit Committee are financial experts.

The Managing Director and Group Chief Financial Officer attend all the meetings of the Audit Committee. Representatives of the Statutory Auditors and Internal Auditors are invited to attend the meetings.

The Company Secretary of the Company acts as Secretary to the Committee.

b) Terms of reference, powers and role of the Committee

The terms of reference of the Audit Committee including its role and powers are as specified in Clause 49 of the listing agreement with the stock exchanges, and also in accordance with Section 292 A of the Companies Act, 1956 as amended from time to time, besides other terms as may be referred to it by the Board of Directors.

c) Number of Committee meetings and attendance

The Audit Committee met 4 (four) times during the year under review on 22nd April, 2009, 22nd July, 2009, 23rd October, 2009 and 27th January, 2010. The gap between two meetings was not more than four months. The Chairman and all the members of the Audit Committee attended the last AGM.

The attendance record of the members of the Audit Committee during the year under review is as under:

Name of the Director	Status	No. of Meetings held	No. of Meetings attended
Mr. S. Padmakumar	Chairman	4	4
Mr. A. C. Chakrabortti	Member	4	4
Dr. V. C. Shah	Member	4	4

d) Review of Information by the Audit Committee

The Audit Committee is responsible for the financial reporting and ensuring compliances with accounting standards and reviewing financial policies of the Company and to recommend the appointment of Statutory Auditors and Internal Auditors and fix their fees. The Committee examines in detail the reports of the Internal Auditors of the Company as well as those of the subsidiaries. The Committee also reviews all the unaudited quarterly Financial Results and the audited results including that of Subsidiaries before submission to the Board.

4. Remuneration Committee

a) Composition

The Remuneration Committee comprises of 3 (Three) members, all being Non-Executive Independent Directors. Mr S. Padmakumar is the Chairman of the Committee. The other Members are Mr A. C. Chakrabortti and Dr V. C. Shah.

b) Terms of Reference

The Committee reviews and approves the salary and service agreement of Managing Director and other Executive Directors; if any.

c) Number of Meetings held and Attendance Record

During the year under review, the Committee met once on 27th January, 2010 to recommend increase in remuneration to Mr Sunil Sethy, Managing Director.

d) Remuneration Policy and Remuneration of Directors

The Managing Director is paid remuneration as approved by the Board of Directors on the recommendation of the Remuneration Committee. The remuneration so paid is subject to the prior approval of CG also the shareholders and such other authorities as may be required.

The details of the remuneration paid to Mr. Sunil Sethy, Managing Director, consequent upon his appointment as Managing Director with revision in Salary from January 2010 for the year 2009-10 is given below:-

Basic Salary	: Rs.98,40,000/- P.A.
Perquisites	: Rs.36,00,000/- P.A. (HRA)
Bonus & Stock Option	: Not applicable
Pension, Provident Fund & Gratuity	: Nil.

The Non-Executive Directors are remunerated by way of sitting fees, as decided by the Board of Directors of the Company from time to time. Mr. N.C. Singhal and Mr. A.C. Chakrabortti, Non-Executive Independent Directors, are being paid Commission as per the Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting held on 15th February, 2008. The payment of Commission to Mr. N. C. Singhal and Mr. A. C. Chakrabortti is subject to the approval of the Central Government (CG). CG approval/waiver for payment of commission for the Financial Year 2008-09 has been received. CG approval/waiver for the Financial Year 2009-10 is pending with the CG. Commission being paid to Mr. N. C. Singhal and Mr. A. C. Chakrabortti is Rs.5 Lakhs each, totalling Rs.10 Lakhs.

Mr. Braj Binani, Chairman is not in receipt of any Salary/perquisite or Commission from the Company or any of its Subsidiary Company with effect from 1.4.2005.

5. Investor Relations Committee

a) Composition

The Investor Relations Committee comprises of 3 (Three) Non-Executive Independent Directors and the Managing Director. Dr. V.C. Shah, a Non- Executive Independent Director, is the Chairman of the Committee. Other Members are Mr S. Padmakumar, Mr N.C. Singhal, both Non-Executive Independent Directors and Mr Sunil Sethy, the Managing Director.

The composition of the Committee is in conformity with Clause 49 (iv)(G)(iii) of the Listing Agreement.

The Company Secretary acts as Secretary to the Committee.

b) Terms of Reference

The committee has been constituted to specifically look into the issues relating to redressal of investors/shareholders complaints including complaints relating to transfer of shares, non-receipt of Annual Reports and non-receipt of dividends and/or any other matter relating to shareholders/investors.

c) Number of Meetings held and Attendance Record

The committee met 20 times during the period under review. The Board has now formed an Executives Committee on Share Transfer which looks after the demat and transfers and reports to the investor relations committee which meets at regular intervals. 3 Meetings of the Executive Committee on Share Transfers have been held during the year since its constitution in January 2010.

During the year 2009-2010, 143 Complaints were received from investors and all the investors complaints have been resolved. As on 31st March, 2010, there were no complaints pending to be resolved.

The attendance in the said Committee is as under:-

Name of the Director/Member	No. of Meetings attended
Dr. V. C. Shah	20
Mr. S. Padmakumar	04
Mr. N. C. Singhal	20
Mr. Sunil Sethy	15

Mr. S.N. Sridhar, Sr. Vice President (Corporate Legal) & Company Secretary is the **Compliance Officer**.

6. Finance Committee

The Board has also constituted a Committee of Directors to oversee the financial function and for availing facilities including working capital facilities from Bankers and also for furnishing Corporate Guarantees in favour of its subsidiaries. The Committee comprised of Mr. S. Padmakumar, Dr. V. C. Shah, Mr. N.C. Singhal, Mr. Braj Binani and Mr. Sunil Sethy. The Committee met 7 times during the year to consider matters relating to availing of Corporate Loans, grant of Corporate Guarantee on behalf of subsidiaries for the loans and other credit facilities availed by the subsidiaries.

7. General Body Meetings

a) Details of last three Annual General Meetings are as under:

Financial Year	Date	Time	Venue	Details of Special Resolution passed, if any
2006-07	02.07.2007	9:30 am	Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	Appointment and payment of remuneration to Mr. Sushil Bhatler as Managing Director.
2007-08	23.06.2008	9:30 am	Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	None
2008-09	26.06.2009	9:30 am	Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020	None

b) Postal Ballot

During the year under review, no special resolution was passed through Postal Ballot.

8. Disclosures

i) Code of Conduct

As required by the amended Clause 49 of the Listing Agreement, the Board of Directors of the Company have adopted a Code of Conduct for all Board Members and Senior management of the Company. The Code of Conduct has been posted on the web site www.binani.com of the Company. The members of the Board of Directors and Senior management of the Company and its Subsidiaries have affirmed compliance of the said Code during the period under review. The Annual report of the Company contains a declaration to this effect duly signed by the Managing Director as required by Clause 49 of the Listing Agreement.

ii) Subsidiary Companies

As required by the amended Clause 49, the Company has appointed Mr. S. Padmakumar, Independent Director, on the Boards of Binani Zinc Limited and Goa Glass Fibre Limited which are material non-listed subsidiaries of the Company. Binani Cement Limited is a listed subsidiary. Mr. S. Padmakumar, Independent Director serves on the Board of Binani Cement Limited also.

The Audit Committee of the Company also reviews the Financial Statements of all the subsidiaries.

The Minutes of the Meetings of the Board of Directors of the Subsidiary Companies are being regularly placed before the Board of Directors of the Company. A statement containing the significant individual transactions and arrangements of the material unlisted subsidiaries are also placed before the Board of Directors of the Company on a regular basis.

iii) Related Party Transactions

As required by the amended Clause 49, a statement in summary form of transaction with related parties are being periodically placed before the Audit Committee. The Company does not have any materially significant related party transactions that may have a potential conflict with the interest of the Company.

Based on disclosures received from Company's Senior Management Personnel, none of Senior Management Personnel had any material, financial or commercial transactions wherein they had personal interest that could have potential conflict with the interest of the Company at large.

iv) Disclosures of Accounting treatment

Disclosures of Accounting treatment wherever applicable have been made in the Audited Financial Accounts for the year ended 31st March 2010.

v) Board Disclosures-Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures for the Company and also for the material subsidiaries and they are being reviewed periodically.

vi) MD/Group CFO Certification

A Certificate from the MD/Group CFO has been placed before the Board confirming that:-

a) they have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c) they accept responsibility for establishing and maintaining internal controls for financial reporting and they have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- they have indicated to the Auditors and the Audit Committee;
- significant changes in internal control over financial reporting during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and
- they have not come across any instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financing reporting.

vii) Material Transactions of Directors/Compliances, etc.

None of the Directors had any pecuniary transaction or relationship with the Company except to the extent of payment of sitting fee and commission. The related party transactions with the subsidiaries and Promoter Group Companies have been disclosed in the Annual Accounts as per the accounting standards. No penalty or strictures have been imposed on the Company by the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited, where the Company's Shares are listed or by any other statutory authority on any matter relating to capital markets during the last three years.

However, Registrar of Companies has launched prosecution against the Company and the then two Directors and the then Company Secretary for the alleged violation of Sections 211 and 217 of the Companies Act, 1956, based on the scrutiny of the Accounts for the year ended 31st March 2005, which is pending before the Court at Kolkata. Company is strongly defending the above.

viii) Shareholding of Non-Executive Directors

The shareholding of Non-Executive Directors as on 31.3.2010 are as under:

Sl. No	Name of the Director	No. of Equity Shares held
1	Mr. Braj Binani	53,125
2	Ms. Nidhi Singhania	6,250
3.	Mr. S. Padmakumar	Nil
4.	Dr. V. C. Shah	Nil
5.	Mr. N. C. Singhal	Nil
6.	Mr. A. C. Chakraborti	Nil

9. Means of Communication:

The means of communications are quarterly, half yearly and annual results published in News Papers as per Clause 41 of the Listing Agreement and the results along with shareholding pattern are also available on the Company's Website www.binani.net. The Company had sent the full annual report along with audited reports of subsidiaries as required under the provisions of the Companies Act, 1956, till 2002. However for the years ended 31st March, 2003, 31st March, 2004, 31st March, 2005, 31st March, 2006, 31st March, 2007, 31st March, 2008 and 31st March, 2009, in view of the exemption granted by the Central Government, Annual Accounts of the Subsidiaries were not attached. However, the abstract of financial statements of each subsidiary were attached. The Company has applied for exemption from Central Government for the year ended 31st March, 2010 also.

The Company's results are published in the Financial Express and Aajkal (Bengali daily) in Kolkata where the Company's Registered Office is located.

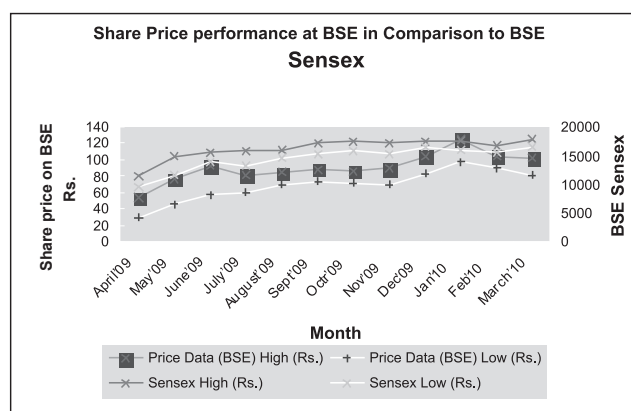
10. General Shareholders Information

a)	47th Annual General Meeting	Friday the 25th June, 2010 at 9.30 a.m. at Rotary Sadan, 94/2 Chowringhee Road, Kolkata-700020.
b)	Financial Calendar Financial Year Unaudited Financial Results for the quarter ended June, 2010. Unaudited Financial Results for the quarter ended September, 2010. Unaudited Financial Results for the quarter ended December, 2010. Audited Financial Results for the year 2010-11.	1 st April to 31 st March By 4 th week of July, 2010 By 4 th week of October, 2010 By 4 th week of January, 2011 By 2 nd week of May, 2011
c)	Date of Book Closure	From Friday the 18 th June, 2010 to Friday the 25 th June, 2010 (both days inclusive).
d)	Dividend Payment Date	On or before 24 th July, 2010.
e)	Listing on Stock Exchanges	The Bombay Stock Exchange Limited, The National Stock Exchange of India Limited and The Calcutta Stock Exchange Ltd.
f)	Listing Fees	Company has paid the Annual Listing Fees to all the Stock Exchanges where the Shares are listed for the year 2010-11.
g)	Stock Code	BSE 500059 - NSE BINANIIND

h) Market Price Data (NSE) & (BSE)

Months	Price Data (NSE)		Price Data (BSE)		Sensex (BSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April'09	53.10	29.10	53.65	28.50	11,492.10	9,546.29
May'09	77.95	44.00	76.45	45.50	14,930.54	11,621.30
June'09	93.80	56.60	92.65	57.05	15,600.30	14,016.95
July'09	82.50	59.75	82.00	59.50	15,732.81	13,219.99
August'09	85.35	70.60	83.90	70.55	16,002.46	14,684.45
Sept '09	88.00	70.60	87.90	73.55	17,142.52	15,356.72
Oct'09	86.40	71.50	85.50	71.75	17,493.17	15,805.20
Nov'09	89.85	70.15	89.70	70.25	17,290.48	15,330.56
Dec'09	103.50	83.05	103.70	83.10	17,530.94	16,577.78
Jan'10	125.10	97.50	125.45	97.05	17,790.33	15,982.08
Feb'10	114.10	88.60	105.00	89.00	16,669.25	15,651.99
March'10	101.90	91.10	101.95	82.00	17,793.01	16,438.45

i) Performance of Company's equity shares in comparison to BSE Sensex & NSE Nifty



Source: www.bseindia.com

j) Registrar and Share Transfer Agents.

M/s. Link Intime India Pvt. Limited
C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078
E-mail: rnt.helpdesk@linkintime.co.in
Tel. No. 25946970 Fax: 022-25946969

Contact Person:
E-mail Id.

Mr. Rajesh Mishra
rajesh.mishra@linkintime.co.in

Both Physical and Demat Transfers are done through the Registrar and Transfer Agents M/s. Link Intime India Private Limited. The Shares of the Company are under compulsory demat mode.

k) Compliance Officer

Contact No &
E-mail Id:

Mr. S.N. Sridhar-Sr. Vice President (Corporate Legal) & Company Secretary
022-30263000-02
s.sridhar@binani.net

**l) Secretarial Department/
Registered Office**

Contact Person:
Mumbai Office

706, Om Tower, 32, Chowringhee Road, Kolkata-700 071

Kolkata Office

Mr. Atul P. Falgunia
Vice President (Secretarial)
Tel. 022-30263019
E-mail: atul@binani.net
Mr. A. Babu
General Manager (Secretarial)
Tel. 033-22882508
E-mail: binanical@vsnl.net

m) Shareholding Pattern as on 31.3.2010

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	4	1195365	2875	4.04	4.04	0	0
(b)	Central Government/State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	13	13921064	5667433	47.03	47.03	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (A)(1)	17	15116429	5670308	51.07	51.07	0	0
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	2	59375	6250	0.20	0.20	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (A)(2)	2	59375	6250	0.20	0.20	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	19	15175804	5676558	51.27	51.27	0	0
(B)	Public Shareholding						NA	NA
(1)	Institutions						NA	NA
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0
(b)	Financial Institutions/ Banks	13	1592544	1591784	5.38	5.38	0	0
(c)	Central Government/ State Government(s)	1	90	0	0.0003	0.0003	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	5	756397	756397	2.56	2.56	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Any Other	0	0	0	0	0	0	0
	Sub-Total (B)(1)	19	2349031	2348181	7.94	7.94	0	0

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	No. of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(2)	Non-institutions						NA	NA
(a)	Bodies Corporate	537	1831102	1808186	6.18	6.18		
(b)	Individuals -							
	1. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	44930	6383902	4320009	21.57	21.57		0
	2. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	63	2623471	2610546	8.86	6.86		0
(c)	Any Other (specify)							
	1. Clearing Members	118	176934	176934	0.60	0.60	0	0
	2. NRIs /OCB	2291	1050497	325532	3.56	3.56	0	0
	3. Foreign Companies	5	3325	0	0.01	0.01	0	0
	4. Trusts	3	2359	2150	0.01	0.01	0	0
	Sub-Total (B)(2)	47947	12071590	9243357	40.79	40.79	NA	NA
	Total Public Shareholding (B)= (B)(1)+(B)(2)	47966	14420621	11591538	48.73	48.73	NA	NA
	TOTAL (A)+(B)	47985	29596425	17268096	100.00	100.00	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	NA	NA
	GRAND TOTAL (A+ B+C)	47985	29596425	17268096	100.00	100.00	0	0

n) Distribution of Shareholding as on 31.03.2010

No. of Ordinary Shares held	No. of Shareholders	No. of Shareholders (%)
1 to 500	46097	96.065
501 to 1000	965	2.011
1001 to 2000	416	0.867
2001 to 3000	158	0.329
3001 to 4000	84	0.175
4001 to 5000	53	0.110
5001 to 10000	87	0.181
10001 and above	125	0.260
TOTAL	47985	100.00

o) Dematerialization of shares and liquidity

The Company's shares are under Compulsory demat mode. As on 31st March 2010 58.35% of the total outstanding Shares were held in Dematerialized form. The Shares are actively traded at BSE/NSE.

p) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Not applicable. Conversion date and likely impact on equity.**

50,00,000 Warrants convertible into equivalent number of Equity Shares were allotted to M/s. K.B. Vyapar Pvt. Limited on 18th March 2008 at a price of Rs. 253.15 per Warrant. The Warrants were convertible within a period of 18 months from the date of allotment. Consequent upon the Communication received from M/s. K.B. Vyapar Pvt. Limited that they are not interested in further subscription of shares, the 10% upfront deposit of Rs.1265.75 Lakhs received from M/s. K.B. Vyapar Pvt. Ltd. was forfeited. No shares will therefore be issued.

q) **Entities comprising "Group" under Regulation 3(1)(e) of Securities and Exchange Board of India (substantial acquisition of shares and takeovers), Regulations, 1997 are:**

Binani Metals Limited, Binani Industries Limited, Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited, R.B.G. Minerals Industries Limited, Binani Energy Private Limited, Ess Vee Alloys Private Limited, B.T. Composites Limited, Wada Industrial Estate Limited, Krishna Holdings Pte. Ltd., Singapore, Shandong Binani Rong An Cement Co. Ltd., China, Mukundan Holdings Limited, BVI, Binani Cement Factory LLC. Dubai, Murari Holdings Limited, BVI, Bhumi Resources (Singapore) Pte. Limited, Singapore, Sankalp Holdings Limited, Cyprus, Abhinav Holdings Limited, Cyprus, Suryamukhi Vintrade Pvt. Ltd., K B Vyapar Pvt Ltd, Manjushree Holdings Pvt. Ltd., Vijayshree Holdings Pvt. Ltd, Triton Trading Co Pvt. Ltd., Akroor Traders Pvt. Ltd., Lucknow Properties & Finance Private Limited, Lexus Holdings & Finance Pvt. Ltd., Ace Portfolio & Finance Pvt. Ltd., Miracle Composites Private Limited, Miracle Securities Private Limited, Sambhav Holdings Ltd., Dharmik Commodore Pvt. Ltd., Mr. Braj Binani, Mrs. Kalpana Binani, Ms. Nidhi Singhania, Ms. Shradha Binani, Ms. Vidushi Binani (Minor)

r) **Subsidiaries' Plant Locations**

1. Binani Zinc Limited

Binanipuram, Ernakulam, Kerala-683502

2. Binani Cement Limited

a) Binanigram, Pindwara, Sirohi, Rajasthan-307031.

b) Village Sirohi, Taluka: Neem Ka Thana, Dist-Sikar, Rajasthan.

3. Goa Glass Fibre Limited

Colvale, Bardez, Goa-403513

4. BT Composites Limited

C5 to C9, Madkaim Indl.Est. Mardol Post, Goa-403404

5. Ess Vee Alloys (Pvt.) Limited

Plot No.113, D.S.S.Industrial Estate, Piparia, Silvassa-396230 Dadra & Nagar Haveli (U.T)

6. Shandong Binani Rong'An Cement Co. Ltd.

Fujiazhuang, Dong Guan Town, Ju Country, Rizhao City, Shandong Province, China

7. Binani Cement Factory LLC

Jabel Ali, Dubai.

s) **Address for correspondence for Binani Industries Limited & its Subsidiary Companies (Except R.B.G. Minerals Industries Ltd., Binani Energy Pvt. Ltd. Krishna Holdings Pte. Ltd.Singapore, Mukundan Holdings Ltd. Murari Holdings Ltd., Sankalp Holdings Ltd. and Abhinav Holdings Ltd.)**

Registered Office:

706, Om Tower,
32, Chowringhee Road,
Kolkata-700 071

Corporate Office and Registered Office of Binani Energy Pvt. Ltd.

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

Registered Office of

R.B.G. Minerals Industries Ltd.

17-A, Old Fatehpura, Udaipur-313001

Registered Office of

Krishna Holdings Pte. Ltd. Singapore(KHL)

24 Raffles Place,
29-04A, Clifford Centre, Singapore - 048621

**Registered Office of
Mukundan Holdings Limited (MHL)**
P.O.Box 957, Offshore Incorporations Centre,
Road Town, Tortola, British Virgin Islands (BVI)

**Registered Office of
Murari Holdings Limited**
Akara Building, 24 De Castro Street,
Wickhams Cay 1, Road Town, Tortola,
British Virgin Islands.

**Registered office of
Sankalp Holdings Limited
Abhinav Holdings Limited**
Arch. Makariou III, 229
Meliza Court, 4th Floor
Limassol, Cyprus

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To
The Members of Binani Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Binani Industries Limited (the Company) for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

As per the records of the Company, no investor grievances are pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kanu Doshi Associates
Chartered Accountants

Jayesh Parmar
Partner

Membership No. 45375
Firm Registration No. 104746W

Place: Mumbai
Date : 23rd April, 2010

DECLARATION

All the member of the Board of Directors of the Company and Senior Management of the Company have affirmed compliance of the code of conduct for the year ended 31st March, 2010. The Code of conduct laid down for all Board members and Senior Management of the Company is posted on the website of the Company.

Place: Mumbai
Date : 23rd April, 2010

Sunil Sethy
Managing Director

Auditors' Report

To

The Members of Binani Industries Limited

1. We have audited the attached Balance Sheet of Binani Industries Limited as at March 31, 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. Based on the written representations received from the directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as directors in terms of Section 274 (1) (g) of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010.
 - b. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Kanu Doshi Associates

Chartered Accountants

JAYESH PARMAR

Partner

Membership No. 45375

Firm Registration No. 104746W

Place : Mumbai

Date : 23rd April, 2010**Annexure referred to in paragraph 3 of our report of even date to the Members of Binani Industries Limited.**

- i
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) All fixed assets have not been physically verified by the management during the year, but, there is a regular programme of verification which in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
 - c) There has been no disposal of substantial part of fixed assets during the year, which may affect the going concern status of the Company.
- ii The Company does not hold any inventories. Accordingly, clause (ii) of paragraph 4 of the Order is not applicable.
- iii The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the sub-clauses (a),(b),(c),(d),(e),(f) and (g) of clause (iii) are not applicable to the Company.
- iv In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of

Binani Industries Limited

services. On the basis of our examination of the books and records of the Company; we have not observed any continuing failure to correct major weaknesses in the internal control system.

- v According to the information and explanation given to us, there are no particulars of contracts/arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 and hence sub-clause (b) of clause (v) is not applicable to the Company.
- vi The Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act and the rules framed there under apply.
- vii In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
- viii The maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 is not applicable to the Company.
- ix
 - a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
 - b) According to the records of the Company, there are no dues outstanding of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service tax, Excise Duty, Cess on account of any dispute, other than the following:

Name of the Statute	Nature of Dues	Period to which the amount relates (A.Y)	Amount Rs. in Lakhs	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1996-97	344.45	Assessing Officer

- x The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash loss both in the current year and in the immediately preceding financial year.
- xi Based on the examination of the records of the company and the information and explanation given to us we are of the opinion that the Company has not defaulted in repayment of dues to any banks. The Company has not taken any loan from financial institution or issued debentures.
- xii According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit/societies.
- xiv In our opinion and according to information and explanation given to us, the Company has invested temporary surplus funds in mutual funds. According to the information and explanation given to us proper records have been maintained of the transactions and contracts and timely entries have been made therein. The mutual funds and the shares of its subsidiaries have been held by the company in its own name.
- xv According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiaries from Banks and Financial Institutions, the terms and conditions thereof in our opinion are not prima facie prejudicial to the interest of the Company.
- xvi Based on the information and explanation given to us by the management, the Company has not taken any term loan during the year.
- xvii According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short-term basis for long term purposes.
- xviii The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix According to the information and explanations given to us and the records examined by us, no debentures were issued by the Company during the year.
- xx The Company has not raised any money through public issue during the year.
- xxi According to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Kanu Doshi Associates

Chartered Accountants

JAYESH PARMAR

Partner

Membership No. 45375

Firm Registration No. 104746W

Place : Mumbai

Date : 23rd April, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. In Lakhs)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	2,961.52	2,961.52
Share Capital Suspense	1A	—	—
Reserves and Surplus	2	19,659.72	19,659.72
		22,621.24	22,621.24
LOAN FUNDS			
Unsecured Loans	3	14,032.42	9,639.95
		14,032.42	9,639.95
TOTAL		36,653.66	32,261.19
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	671.06	598.27
Depreciation		(402.76)	(376.38)
Net Block		268.30	221.89
INVESTMENTS			
	5	27,449.86	27,433.29
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	6	5,517.75	1,190.06
Loans and Advances		1,439.51	522.98
		6,957.26	1,713.04
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	7	(277.10)	(148.24)
Provisions		(942.44)	(933.62)
		(1,219.54)	(1,081.86)
NET CURRENT ASSETS		5,737.72	631.18
PROFIT & LOSS ACCOUNT		3,197.78	3,974.83
TOTAL		36,653.66	32,261.19
NOTES ON ACCOUNTS AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FORM INTEGRAL PART OF BALANCE SHEET			

As per our report of even date attached

For and on behalf of the Board of Directors

For **KANU DOSHI ASSOCIATES**
Chartered Accountants**M. K. Chattopadhyaya**
Group Chief Financial Officer**Braj Binani**
Chairman**Jayesh Parmar**
Partner
Membership No: 45375
Firm Registration No. 104746W**S. N. Sridhar**
Sr. Vice President (Corp. Legal) &
Company Secretary**Sunil Sethy**
Managing DirectorPlace : Mumbai
Date : 23rd April, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. In Lakhs)

	Schedule	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
INCOME			
Fees for Management Services Rendered		2,300.10	1,410.00
Profit on Sale of Fixed Assets		—	289.53
Dividend & Interest Income [(includes dividend received from subsidiary Rs.2,768.35 Lakhs (Previous Year Rs.3,295.65 Lakhs)]		2,797.00	3,413.75
(Tax deducted at source Rs.1.11 Lakhs, Previous Year Rs.19.77 Lakhs)			
Other Income (Refer Note 7 of Schedule 11)		7.29	4.48
TOTAL		5,104.39	5,117.76
EXPENDITURE			
Payments to and Provision for Employees	8	1,323.79	833.14
Professional Fees		291.34	607.95
Administration Expenses	9	1,272.99	817.35
Interest & Finance Charges	10	523.89	702.00
Depreciation		27.44	32.60
TOTAL		3,439.45	2,993.04
Profit/(Loss) before Extraordinary Item and Taxation		1,664.94	2,124.72
Extra Ordinary Items:			
Forfeiture of upfront deposit on warrants		—	1,265.75
Profit/(Loss) after Extra ordinary item but before Taxation		1,664.94	3,390.47
Provision for Taxation			
– Current Tax (MAT)		—	—
– Deferred Tax (Refer Note 13 of Schedule 11)		—	—
– Fringe Benefit Tax		—	(13.31)
Profit/(Loss) after Tax		1,664.94	3,377.16
Transfer to General Reserve		(167.00)	(350.00)
Proposed Dividend		887.89	887.89
Adjusted with Credit balance of General Reserve		167.00	350.00
Balance brought forward from last year		(3,974.83)	(6,464.10)
Balance Carried To Balance Sheet		(3,197.78)	(3,974.83)
Earnings Per Share (Equity Shares, Face value Rs.10/- each)		5.63	11.41
Basic and Diluted (Rs.) (Refer Note 19 of Schedule 11)			
Number of Shares used in computing earnings per share Basic and Diluted		29,596,425	29,596,425

**NOTES ON ACCOUNTS
AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FORM INTEGRAL PART OF PROFIT & LOSS ACCOUNT**

11

As per our report of even date attached

For and on behalf of the Board of Directors

 For **KANU DOSHI ASSOCIATES**
Chartered Accountants

M. K. Chattopadhyaya
Group Chief Financial Officer

Braj Binani
Chairman

Jayesh Parmar
Partner
Membership No: 45375
Firm Registration No. 104746W

S. N. Sridhar
Sr. Vice President (Corp. Legal) &
Company Secretary

Sunil Sethy
Managing Director

 Place : Mumbai
Date : 23rd April, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED:		
4,00,00,000 Equity Shares of Rs.10 each	4,000.00	4,000.00
60,00,000 Preference Shares of Rs. 100 each	6,000.00	6,000.00
	<u>10,000.00</u>	<u>10,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP:		
2,95,96,425 Equity Shares of Rs.10 each fully paid up (Previous Year 2,95,96,425 Equity Shares of Rs. 10 each) (Of the above 1,59,30,075 Equity Shares were allotted as fully paid up Bonus Shares by capitalisation of General Reserve, Share Premium and Profit on reissue of forfeited shares)	2,959.64	2,959.64
Add: Forfeited Shares	1.88	1.88
TOTAL	<u>2,961.52</u>	<u>2,961.52</u>
SCHEDULE - 1A		
SHARE CAPITAL SUSPENSE		
Upfront Deposit Against Allotment of Warrants (Upfront Deposit @ Rs. 25.315 per warrant on allotment of 50,00,000 Warrants to M/S K B Vyapar Pvt Ltd, Promoter Group Company, convertible into equal number of Equity Shares within 18 months)	—	1,265.75
Less: Transfer to Profit & Loss Account on forfeiture of upfront deposit	—	(1,265.75)
TOTAL	<u>—</u>	<u>—</u>
SCHEDULE - 2		
RESERVES & SURPLUS		
CAPITAL RESERVE	49.04	49.04
CAPITAL INVESTMENT SUBSIDY	15.00	15.00
SHARE PREMIUM	19,595.68	19,595.68
GENERAL RESERVE		
As per last Balance Sheet	—	—
Add: Transfer from Profit and Loss Account	167.00	350.00
Less: Balance at the year end adjusted with the debit balance of profit and loss Account	(167.00)	(350.00)
TOTAL	<u>19,659.72</u>	<u>19,659.72</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 3		
UNSECURED LOANS		
From Subsidiaries	9,032.42	9,639.95
Short Term Loan from Bank	5,000.00	—
TOTAL	14,032.42	9,639.95

SCHEDULE - 4**FIXED ASSETS**

(Rs. In Lakhs)

	Freehold Land	*Buildings	*Plant & Machinery	Furniture & Office Equipments	TOTAL	PREVIOUS YEAR
GROSS BLOCK						
As at 1st April, 2009	4.04	321.89	92.18	180.16	598.27	864.74
Additions during the year	—	—	35.28	40.66	75.94	41.22
Sales/Transfer/Adjustments during the year	—	—	—	3.15	3.15	307.69
Total as at 31st March, 2010	4.04	321.89	127.46	217.67	671.06	598.27
DEPRECIATION						
As at 1st April, 2009	—	221.88	20.85	133.65	376.38	456.88
Additions during the year	—	7.05	10.56	9.83	27.44	32.60
Sales/Transfer/Adjustments during the year*	—	—	—	1.06	1.06	113.10
Total as at 31st March, 2010	—	228.93	31.41	142.42	402.76	376.38
NET BLOCK						
As at 31st March, 2010	4.04	92.96	96.05	75.25	268.30	221.89
As at 31st March, 2009	4.04	100.01	71.33	46.51	221.89	—

Notes:

- 1 * Plant & Machinery includes Computers and Airconditioners. Buildings include Rs. 198.05 Lakhs on leasehold land. Transfer of lease yet to be completed.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 5		
INVESTMENTS		
LONG TERM		
NON-TRADE		
QUOTED AT COST		
INVESTMENT IN SUBSIDIARY COMPANIES		
i) 13,18,25,956 Equity Shares in Binani Cement Limited of Rs. 10 each fully paid up) (13,18,25,956 Equity Shares of Rs. 10 each fully paid up) (Market Value Rs. 99,726.34 Lakhs, Previous Year Rs. 36,713.53 Lakhs)	13,182.60	13,182.60
UNQUOTED-AT COST		
INVESTMENT IN SUBSIDIARY COMPANIES		
i) 5,90,007 Equity Shares in Wada Industrial Estate Limited Formerly Binani Lead Limited of Rs. 100 each fully paid up (5,90,007 Equity Shares of Rs. 100 each fully paid up).	237.78	237.78
ii) 7,41,77,389 Equity Shares in Goa Glass Fibre Limited of Rs.10 each fully paid up (3,21,77,389 Equity Shares of Rs.10 each fully paid up) (Refer Note no. 5 in Schedule 11)	7,417.74	3,217.74
iii) 1,40,00,000 Equity Shares in BT Composites Limited of Rs.10 each fully paid up (1,40,00,000 Equity Shares of Rs.10 each fully paid up)	500.00	500.00
iv) 6,07,78,138 Equity Shares in Binani Zinc Limited of Rs.10 each fully paid up (6,07,88,138 Equity Shares of Rs.10 each fully paid up)	6,078.81	6,078.81
v) Zero Coupon Convertible Preference Shares in Goa Glass Fibre Limited of Rs. 100 each fully paid up (42,00,000 Zero Coupon Convertible Preference Shares of Rs. 100 each fully paid up)	—	4,200.00
vi) 50,000 Equity Shares in Sankalp Holdings Limited of Euro 1 each (25,000 Equity Shares of Euro 1 each.)	32.93	16.35
vii) 5,00,000 4% Redeemable Non-Cumulative Preference Shares in BT Composites Limited of Rs. 10 each fully paid up (5,00,000 4% Redeemable Non-Cumulative Preference Shares of Rs. 10 each fully paid up)	50.00	50.00
Less: Written off in earlier years	50.00	(50.00)
INVESTMENT IN MUTUAL FUNDS	—	—
TOTAL	27,449.86	27,433.29

NUMBER OF UNITS/SHARES PURCHASED AND SOLD DURING THE YEAR	Face Value	Purchased	Sold
UNITS IN MUTUAL FUNDS	(In Rs.)	(Nos.)	(Nos.)
LIC Liquid Fund	10.00	17,547,544	17,547,544
Baroda Pioneer Liquid Fund-Institutional Daily Dividend Plan	10.00	3,005,041	3,005,041
EQUITY SHARES	(In EURO)		
Sankalp Holdings Ltd.	1.00	25,000	—

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 6		
CURRENT ASSETS, LOANS AND ADVANCES		
CASH & BANK BALANCES		
Cash in Hand	0.34	0.56
Current Accounts	414.90	67.90
Dividend Accounts	101.51	70.10
Deposit Accounts	5,001.00	1,051.50
	<u>5,517.75</u>	<u>1,190.06</u>
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Advances & Loans to Subsidiaries [Refer Note 15(b) in Schedule 11]	469.11	246.75
Advances recoverable in cash or in kind or for value to be received	610.66	38.69
Advance Tax including Tax Deducted at Source (net)	274.38	192.52
Advance Fringe Benefit Tax (net)	2.01	2.01
Accrued Interest	0.87	2.33
Other Deposits	80.57	40.52
Balance with Government Authorities	1.91	0.16
	<u>1,439.51</u>	<u>522.98</u>
TOTAL	<u><u>6,957.26</u></u>	<u><u>1,713.04</u></u>
SCHEDULE - 7		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors (Refer Note 16 in Schedule 11)	40.36	37.55
Other Liabilities	135.33	40.69
Unpaid Dividend	101.41	70.00
	<u>277.10</u>	<u>148.24</u>
PROVISIONS		
Proposed Dividend	887.89	887.89
Gratuity	21.44	9.29
Leave Encashment	33.11	36.44
	<u>942.44</u>	<u>933.62</u>
TOTAL	<u><u>1,219.54</u></u>	<u><u>1,081.86</u></u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lakhs)

	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
SCHEDULE-8		
PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages & Bonus	1,220.64	741.41
Contribution to Provident and other Funds	97.28	88.53
Staff Welfare Expenses	5.87	3.20
TOTAL	1,323.79	833.14

SCHEDULE-9**ADMINISTRATION EXPENSES**

Insurance	0.34	0.28
Rates & Taxes	5.04	2.74
Rent	96.05	38.59
Directors Fees	2.93	3.73
Travelling Expenses	197.93	154.04
Service Charges	264.24	209.33
Printing & Stationery	39.36	34.84
Postage & Telephone Expenses	53.99	45.51
Electricity Charges	58.66	57.70
Repairs & Maintenance:		
— Building	72.90	18.07
— Others	32.94	15.54
Advertisements	85.92	63.89
Motor car Expenses	101.79	63.81
Loss on Sale/ Discard of Fixed Assets	1.92	3.89
Compensation Paid for Surrender of Tenancy Rights	140.00	—
Miscellaneous Expenses (Refer Note 8 in Schedule 11)	118.98	105.39
TOTAL	1,272.99	817.35

SCHEDULE-10**INTEREST AND FINANCE CHARGES**

(Refer Note 12 in Schedule 11)

Interest	512.93	700.62
Finance Charges	10.96	1.38
TOTAL	523.89	702.00

Binani Industries Limited

NOTES ATTACHED TO AND FORMING PART OF THE STATEMENT OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE -11

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared on accrual basis (except dividend income) and under the historical cost convention in accordance with accounting principles generally accepted in India and the provisions of the Companies Act, 1956.

USE OF ESTIMATES

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known / materialise.

REVENUE RECOGNITION

Management Services fees are recognised on accrual basis. Income from Dividend is recognised as and when received. Income from sale of long term investments is recognised on transfer of shares.

FIXED ASSETS

Fixed Assets are stated at cost. Interest and Finance costs, if any in respect of loan for financing Fixed Assets, are capitalised till the date the assets are ready for use. However assets having individual value below Rs.5000/- are depreciated @ 100% except mobile phones which are charged to revenue considering their useful life to be less than one year.

DEPRECIATION AND AMORTISATION

Depreciation on Plant and Machinery which include Computer and Air Conditioner is provided on Straight Line Method , at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on other Fixed Assets, Office Equipments and Transport Equipments has been provided on Written Down Value Method at the rates and in the manner prescribed as per Schedule XIV of the Companies Act, 1956.

Expenditure on major computer software is amortised over the period of expected benefit not exceeding five years.

IMPAIRMENT OF ASSETS

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued under Accounting Standard Rules 2006. An impairment loss is charged to the Profit and Loss account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

INVESTMENTS

Long-term investments are stated at cost less provision for diminution in value, which is other than temporary.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of each transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the profit and loss account. In case of forward contracts, the exchange differences are dealt with in the profit and loss account over the period of contracts.

EMPLOYEE BENEFIT

- i) **Short Term Employee Benefits** – All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.
- ii) **Post Employment/Retirement Benefits** – Defined Contribution Plans such as Provident Fund etc. are charged to the Profit and Loss Account as incurred.

Defined Benefit Obligation Plans – The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of gratuity, which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

SCHEDULE -11 (Contd.)

Employee Benefit in form of contribution to Provident Fund managed by a Trust set up by the Company is charged to Profit & Loss Account as and when the contribution is due. The deficit, if any, in the accumulated corpus of the Trust at the period end for which the Company is liable, is recognised as a provision in the Profit & Loss Account.

iii) **Other Long Term Employee Benefits** – are recognized in the same manner as Defined Benefit Plans. (refer note 17)

BORROWING COSTS

Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset. Other borrowing costs are recognised as expenses in the period in which they are incurred.

INCOME TAX

Income tax is accounted in accordance with AS-22 'Accounting for taxes on income', issued under Accounting Standards Rules 2006, which includes current tax and deferred tax. Deferred income tax reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

CONTINGENT LIABILITY

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation.

		(Rs. in Lakhs)	
		As at 31st March, 2010	As at 31st March, 2009
2	Contingent liabilities not provided for:-		
a)	Claims against the Company not acknowledged as debts in respect of certain Income Tax matters	1,484.24	1,477.16
b)	Corporate guarantees given to Financial Institutions and Banks in respect of loans to Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited and BT Composites Limited (subsidiaries of the Company)	91,514.00	97,424.04
3	The estimated amounts of contracts and commitments remaining to be executed on capital account and not provided for (net of advances).	—	2.03
4	Unsecured Loan -		
	Punjab National Bank --Short Term Corporate Loan - Rs. 5,000 Lakhs (Previous Year Rs. Nil) Post dated cheques for repayment of Principal are issued.		
5	During the year 42,00,000/- Zero Coupon Convertible Preference Shares of Rs 100/- each fully paid up of Goa Glass Fibre Ltd were converted to 4,20,00,000/- Equity Shares of Rs 10 each fully paid up.		
6	With effect from 1st April 2008, the Company has started providing corporate support services related to Accounting, Finance, Treasury, Forex/ Commodity Risk Management , Purchases , Audit, Taxation, Corporate Strategy, Media Services, Project Management etc. to its subsidiaries namely Binani Cement Limited, Binani Zinc Limited and Goa Glass Fibre Limited on payment of monthly Management Service Fees by the subsidiaries.		
		(Rs. in Lakhs)	
		For the year ended 31st March, 2010	For the year ended 31st March, 2009
7	Other Income:		
i)	Liability no longer required written back	0.10	0.56
ii)	Profit from transactions in Commodity Futures	—	1.76
iii)	Service Charges	5.23	—
iv)	Profit on Sale of Investment	0.52	—
v)	Others	1.44	2.16
		<u>7.29</u>	<u>4.48</u>

SCHEDULE -11 (Contd.)

8 Miscellaneous Expenses under Schedule-12 include Donation of Rs. Nil (Previous Year Rs.25 Lakhs)

		(Rs. in Lakhs)	
		For the year ended 31st March, 2010	For the year ended 31st March, 2009
9	(a) Managerial Remuneration (Managing Director);		
	Salary	98.40	37.60
	Perquisites **	36.00	10.65
		<u>134.40</u>	<u>48.25</u>

** Do not include monetary value of non cash perquisites as per Income Tax Act,1961.

The company has received approval of Central Government for the payment of remuneration to the Managing Director approved by shareholders as minimum remuneration vide letter no. SRN/A50398791 dt 21st April, 2009. The Company has pursuant to resolution passed by Remuneration Committee & Board of Directors on 27th January, 2010 approved payment of increment wef 01.01.2010 of an amount not exceeding 10% of Basic Salary to MD. The Company has vide letter SRNA79035127dt 22nd February, 2010 filed application with Central Government seeking approval for payment of increased remuneration. Necessary provision has been made in Accounts for the increase in salary.

		(Rs. in Lakhs)	
		For the year ended 31st March, 2010	For the year ended 31st March, 2009
(b)	Commission to Non Executive Directors	10.00	10.00

		(Rs. in Lakhs)	
		For the year ended 31st March, 2010	For the year ended 31st March, 2009
Computation of Net Profit in accordance with provision of Section 349 of the Companies Act, 1956.			
	Net Profit / (Loss) Before Tax as per Profit & Loss Account	1,664.94	3,390.47
	Add: Managerial Remuneration	134.40	48.25
	Commission paid to Non- Executive Director/s	10.00	10.00
	Loss on sale of Fixed Assets	1.92	3.89
	Less: Profit on sale of Fixed Assets	—	289.53
	Net Profit / Loss (-) in terms of Section 349	<u>1,811.26</u>	<u>3,163.08</u>
	Maximum remuneration as per Section 349 @ 5%	90.56	158.15
	Commission to Non-Executive Directors u/s 309 (4) @ 1%	18.11	31.63
	Actual commission to Non-Executive Directors	<u>10.00</u>	<u>10.00</u>

Note: The company has considered profit only for the current year for the purpose of calculating remuneration / commission as laid down under section 349 / 350 of Companies Act, 1956. Necessary application for the approval of payment of commission to Non-Executive Directors has been submitted to the Central Government vide SRN A74735606 dated 16th December, 2009 and SRN A74736596 dated 16th December, 2009.

		(Rs. in Lakhs)	
		For the year ended 31st March, 2010	For the year ended 31st March, 2009
10	Expenditure in Foreign Currency (on cash basis):		
	Foreign Travelling Expenses	35.44	15.64
	Consultancy Fees	—	355.64
	Conference Expenses	0.90	1.50
11	Remuneration to Auditors		
	Audit Fees for Stand alone Accounts	1.00	1.00
	Audit Fees Consolidated Accounts	3.00	3.00
	Certifications Services	—	3.51
	For Taxation Matters	0.50	—
	Other Services	0.72	0.76
		<u>5.22</u>	<u>8.27</u>

SCHEDULE -11 (Contd.)

- 12 Interest and Financial charges for the year include Rs.527.52 Lakhs (Previous Year Rs.473.83 Lakhs) allocated by Binani Cement Limited (BCL) and Rs.26 Lakhs (Previous Year Rs.226.65 Lakhs) allocated by Goa Glass Fibre Limited. (GGFL) are net of Rs.40.60 Lakhs (Previous Year Rs. Nil) allocated to GGFL by the Company. Both BCL & GGFL are subsidiaries of the company. Allocation of interest is done on the basis of daily balances in respective Current Accounts.
- 13 Deferred tax asset in respect of unabsorbed depreciation and business loss has been recognised to the extent of deferred tax liability as there is virtual certainty that these would be available as set off in future years on reversal of deferred tax liability representing depreciation.

Deferred Tax Liability / Assets as on 31.03.2010 comprise of the following:

	(Rs. in Lakhs)	
	As at 31st March, 2010	As at 31st March, 2009
a) Deferred Tax Liability		
Fixed Assets	11.94	5.88
Total	11.94	5.88
b) Deferred Tax Asset		
Disallowance under Income Tax Act, 1961	(19.05)	19.60
Unabsorbed losses & Depreciation	(5,285.80)	5,109.86
Total	(5,304.85)	5,129.46
Deferred Tax Assets (net)	(5,292.91)	5,123.58

However the Company on a prudent basis has not recognised deferred tax asset.

14 Primary Segment Information:

	(Rs. in Lakhs)	
Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
1) Segment Revenue		
a) Fees for Management Services rendered	2,300.10	1,410.00
b) Unallocated/Other Income *	2,803.55	3,708.00
	5,103.65	5,118.00
2) Segment Result (Profit/Loss) before interest and tax	Refer Note below	
3) Capital Employed (Segment Assets - Segment Liabilities)	Refer Note below	

Note: Since resources used are common for fees for management services rendered and other sources of income, the segment result & capital employed are not ascertainable.

* Other Income includes dividend received from Subsidiary Rs. 2,768.35 Lakhs (Previous Year Rs. 3,295.65 Lakhs.)

SCHEDULE -11 (Contd.)

15 Related Party disclosure as per AS 18 issued under Accounting Standard Rules 2006.

- (a) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details below:

(Rs. in Lakhs)

Particulars	Subsidiaries	Enterprises where Key Management Personnel have got significant influence	Total
Fees for Management Services Rendered			
Binani Cement Limited	1,725.00	-	1,725.00
	(942.00)	(-)	(942.00)
Binani Zinc Limited	345.00	-	345.00
	(282.00)	(-)	(282.00)
Goa Glass Fibre Limited	230.10	-	230.10
	(186.00)	(-)	(186.00)
Purchase of fixed assets			
Binani Cement Limited	-	-	-
	(12.65)	(-)	(12.65)
Binani Zinc Limited	-	-	-
	(1.75)	(-)	(1.75)
Sale of fixed assets			
	(-)	(480.00)	(480.00)
Service charges received			
Triton Trading Co. Pvt. Limited	-	5.23	5.23
	(-)	(-)	(-)
Payment towards Services received Sambhaw Holdings Ltd.			
	(-)	52.50	52.50
	(-)	(46.50)	(46.50)
Rent paid			
Binani Metals Limited	-	2.88	2.88
	(-)	(-)	(-)
Sambhaw Holdings Limited	-	3.00	3.00
	(-)	(3.00)	(3.00)
Compensation paid - Triton Trading Co. Pvt. Limited			
	(-)	140.00	140.00
	(-)	(-)	(-)
Rent Received			
	(-)	0.03	0.03
	(-)	(0.03)	(0.03)
Service charges paid for car usage			
	(-)	31.49	31.49
	(-)	(15.08)	(15.08)
Dividend received from Binani Cement Ltd.			
	2,768.35	-	2,768.35
	(3,295.65)	(-)	(3,295.65)
Dividend Paid to Binani Metals Ltd.			
	-	142.46	142.46
	(-)	(142.76)	(142.76)
Investment - Sankalp Holdings Ltd.			
	16.58	-	16.58
	(16.35)	(-)	(16.35)
Donation			
	(-)	(25.00)	(25.00)
Repayment of Loan			
	(-)	(657.53)	(657.53)
Loans & Advances/ Unsecured Loan			
- Given (net) including interest accrued during the year,	222.36	-	222.36
(net of TDS)	(46.98)	(-)	(46.98)

Particulars	Subsidiaries	Enterprises where Key Management Personnel have got significant influence	Total
- Repaid (net) including interest accrued during the year, (net of TDS)	1,105.71 (1,396.61)	- (-)	1,105.71 (1,396.61)
- Taken (net) including interest accrued during the year, (net of TDS)	474.77 (511.03)	- (-)	474.77 (511.03)
Balance outstanding as on 31.03.2010			
- Due from			
- Wada Industrial Estate Ltd.	75.70 (65.30)	- (-)	75.70 (65.30)
- B T Composites Ltd.	181.45 (181.45)	- (-)	181.45 (181.45)
- Goa Glass Fibre Ltd.	211.96 (-)	- (-)	211.96 (-)
- Due to -Binani Cement Ltd.	9,032.42 (8,557.64)	- (-)	9,032.42 (8,557.64)
- Goa Glass Fibre Ltd.	- (1,082.30)	- (-)	- (1,082.30)

(Figures in bracket pertain to previous year)

Note:

- Conversion of Zero Coupon Convertible Preference Shares in to equity shares, remuneration paid to key management personnel Mr. Sunil Sethy during the year and interest allocated by / to subsidiaries have been separately disclosed vide note nos. 5, 9 & 12.
- Guarantees given to Banks & Financial Institutions on behalf of subsidiaries have been separately disclosed vide note no 2.
- Names of related parties and description of relationship:
 - Subsidiaries / step down subsidiaries : Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibres Limited, B T Composites Limited , Wada Industrial Estate Limited, Sankalp Holdings Limited, Abhinav Holdings Limited, Ess Vee Alloys Pvt. Ltd., Binani Energy Pvt. Ltd., RBG Minerals Industries Ltd., Krishna Holdings Pte. Ltd., Mukundan Holdings Ltd, Shandong Binani Rong'An Cement Co. Ltd, Murari Holdings Ltd., Binani Cement Factory LLC & Bhumi Resources (Singapore) Pte Limited.
 - Key Management Personnel: Mr. Braj Binani and Mr. Sunil Sethy.
 - Transactions with enterprises where Key Management Personnel have got significant influence: Mr. Braj Binani in Binani Metals Limited, Sambhaw Holdings Limited, K. B. Vyapar Private Limited, Triton Trading Co. Pvt. Ltd., Lexus Holding & Finance Private Limited and Miracle Securities Private Limited. Mr Sunil Sethy in Radix Technologies.
 - Loans and advances in the nature of Loans given to Subsidiaries.

(Rs. in Lakhs)				
Sr No.	Name of the Company		As at March 31, 2010	Maximum Balance during the year
1	BT Composites Limited	Subsidiary	181.45 (181.45)	181.45 (206.35)
2	Goa Glass Fibre Limited	Subsidiary	211.96 (-)	1,070.07 (-)
3	Wada Industrial Estate Limited	Subsidiary	75.70 (65.30)	75.70 (65.30)

(Figures in bracket pertain to previous year)

Loans and Advances shown above falls under the category of 'Loans and Advances in the nature of loans (through intra company current accounts) where there is no fixed repayment schedule. Advance given to BTCL and Wada Industrial Estate Ltd. are interest free.

- As the company does not have information as to which of its creditors is registered under The Micro, Small and Medium Enterprises Development Act, 2006, no disclosure as required by the said Act is given.

SCHEDULE -11 (Contd.)

17 EMPLOYEE BENEFITS:

a) Defined benefit plans as per actuarial valuation on 31st March, 2010

(Rs. in Lakhs)

	Gratuity Funded	
	31.3.2010	31.3.2009
I Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2010		
1 Current Service Cost	14.08	9.18
2 Interest Cost	7.22	5.81
3 Employees Contributions	—	—
4 Expected return on plan assets	(6.38)	(9.91)
5 Net Actuarial (Gains) / Losses	7.24	46.81
6 Past Service Cost	—	—
7 Settlement Cost	—	—
8 Total Expenses	22.16	51.89
II Net Asset/ (Liability) recognised in the Balance Sheet as at 31 st March, 2010		
1 Present value of Defined Benefit Obligation as at the end of the year	90.31	94.58
2 Fair value of plan assets as at the end of the year	68.87	85.29
3 Funded status [Surplus/(Deficit)]	(21.44)	(9.29)
4 Net asset/ (Liability) as at the end of the year	(21.44)	(9.29)
III Change in obligation during the year ended 31st March, 2010		
1 Present value of Defined Benefit Obligation at beginning of the year	94.58	90.44
2 Current Service Cost	14.08	9.18
3 Interest Cost	7.22	5.81
4 Settlement Cost	—	—
5 Past Service Cost	—	—
6 Employees Contributions	—	—
7 Actuarial (Gains) / Losses	5.55	43.15
8 Benefits Payments	(31.12)	(54.00)
9 Present value of Defined Benefit Obligation at end of the year	90.31	94.58
IV Change in Assets during the year ended 31st March, 2010		
1 Plan assets at beginning of the year	85.30	63.56
2 Assets acquired on amalgamation in previous year	—	—
3 Settlements	—	—
4 Expected return on plan assets	6.38	9.91
5 Contributions by Employer	10.00	69.48
6 Actual benefits paid	(31.12)	(54.00)
7 Actuarial (Gains) / Losses	(1.68)	(3.66)
8 Plan assets at end of the year	68.87	85.30
9 Actual return on plan assets	—	—
V The major categories of plan assets as a percentage of total plan		
Qualifying Insurance Policy	YES	YES
VI Actuarial Assumptions		
Discount Rate	8.25%	7.75%
Salary Escalation	4%	3%

b) Provision towards liability for Leave Encashment made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value of liability is Rs.33.11 Lakhs (Previous Year Rs.36.44 Lakhs) based upon following assumptions.

Discount Rate	8.25%
Salary Escalation	4%

18 Provident Fund managed by a Trust set up by the Company.

Pending the issuance of the Guidance Note from the Actuarial Society of India, the Company has not obtained actuarial valuation of the Provident Fund liability. In view of this, the Company has expensed out the contribution made during the year amounting to Rs.75.11 Lakhs and deficit if any arising out of actuarial valuation, shall be recognised as expense when actuarial valuation is obtained.

19 Earning per share is calculated as follows:

(Rs in Lakhs)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Net Profit after tax	1,664.94	3,377.16
Equity shares outstanding as at the period end (in Nos.)	29,596,425	29,596,425
Weighted average number of Equity Shares used as denominator for calculating Basic and Diluted		
Earning Per Share	29,596,425	29,596,425
Nominal Value per Equity Share (in Rs.)	10/-	10/-
Earning Per Share (Basic and Diluted) (in Rs.)	5.63	11.41

20 Previous Year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

For **KANU DOSHI ASSOCIATES**
Chartered Accountants

M. K. Chattopadhyaya
Group Chief Financial Officer

Braj Binani
Chairman

Jayesh Parmar
Partner
Membership No: 45375
Firm Registration No. 104746W

S. N. Sridhar
Sr. Vice President (Corp. Legal) &
Company Secretary

Sunil Sethy
Managing Director

Place : Mumbai
Date : 23rd April, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. In Lakhs)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Cash Flow From Operating Activities		
Net Profit Before Tax	1,664.94	3,390.47
Adjustments for:		
Depreciation	27.44	32.60
Interest & Financial Charges	523.89	702.00
(Profit)/Loss on sale/discard of Fixed Assets (net)	1.92	(285.64)
Liabilities no longer required written back	(0.10)	(2.72)
Forefeiture of Upfront Deposit on Warrants	—	(1,265.75)
Interest and Dividend Income	(2,797.00)	(3,413.75)
Operating Profit Before Working Capital Changes	(578.91)	(842.78)
Adjustments for:		
Trade and Other Receivables	(1,696.07)	(35.20)
Trade and Other Payables	106.37	(7.85)
Cash Generated from Operations	(2,168.60)	(885.84)
Direct Taxes Paid (including FBT)	(75.69)	(14.45)
A Net Cash from Operating Activities	(2,244.30)	(900.29)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(75.94)	(41.22)
Sale of Fixed Assets	0.17	480.22
Investments in/Advances to Subsidiaries and others	(238.94)	(63.33)
Sale of Long Term Investments	—	—
Interest and Dividend Income Received	2,792.29	3,381.35
ICD	—	500.00
B Net Cash Used in Investing Activities	2,477.58	4,257.02
Cash Flow from Financing Activities		
Unsecured Loan from/to Subsidiaries and Others, Including Interest (net)	474.77	(2,015.96)
Bank Borrowings	5,000.00	—
Interest & Finance Charges paid	(523.89)	(1.38)
Dividend Paid	(856.48)	(817.89)
C Net Cash from Financing Activities	4,094.40	(2,835.22)
D Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	4,327.69	521.51
E Opening Cash & Cash Equivalents (Cash and Bank Balances)	1,190.06	668.55
F Closing Cash & Cash Equivalents (D+E)	5,517.75	1,190.06
(Cash and Bank Balances)		

As per our report of even date attached

For and on behalf of the Board of Directors

For **KANU DOSHI ASSOCIATES**
Chartered Accountants**M. K. Chattopadhyaya**
Group Chief Financial Officer**Braj Binani**
Chairman**Jayesh Parmar**
Partner
Membership No: 45375
Firm Registration No. 104746W**S. N. Sridhar**
Sr. Vice President (Corp. Legal) &
Company Secretary**Sunil Sethy**
Managing DirectorPlace : Mumbai
Date : 23rd April, 2010

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No.:

2	5	5	8	4
---	---	---	---	---

 State Code:

2	1
---	---

Balance Sheet Date:

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue

N	I	L
---	---	---

 Rights Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

 Private Placement

N	I	L
---	---	---

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities

3	6	6	5	3	6	6
---	---	---	---	---	---	---

 Total Assets

3	6	6	5	3	6	6
---	---	---	---	---	---	---

SOURCES OF FUNDS

Paid up Capital

2	9	6	1	5	2
---	---	---	---	---	---

Reserves & Surplus

1	9	6	5	9	7	2
---	---	---	---	---	---	---

 Unsecured Loans

1	4	0	3	2	4	2
---	---	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets (Incl. Capital Work-In-Progress)

2	6	8	3	0
---	---	---	---	---

 Investments

2	7	4	4	9	8	6
---	---	---	---	---	---	---

Net Current Assets

5	7	3	7	7	2
---	---	---	---	---	---

 Profit & Loss Account

3	1	9	7	7	8
---	---	---	---	---	---

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (net) /Other Income

5	1	0	4	3	9
---	---	---	---	---	---

 Total Expenditure

3	4	3	9	4	5
---	---	---	---	---	---

Profit / (Loss) Before Tax after extraordinary item

1	6	6	4	9	4
---	---	---	---	---	---

 Profit / (Loss) After Tax

1	6	6	4	9	4
---	---	---	---	---	---

Earnings Per Share in Rs.

0	5	.	6	3
---	---	---	---	---

 Dividend Rate %

3	0
---	---

V GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)

N	A
---	---

 Product Description

N	A
---	---

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
BINANI INDUSTRIES LIMITED AND ITS SUBSIDIARIES****To the Board of Directors of Binani Industries Ltd.**

1. We have audited the attached Consolidated Balance Sheet of Binani Industries Ltd. (the company) and its subsidiaries (the company and its subsidiaries constitute "the group") as at 31st March, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of a subsidiary Binani Cement Limited, which reflect total assets of Rs. 2,44,361.81 Lacs as at 31st March, 2010 and total revenue of Rs.1,87,215.59 Lacs for the year then ended, have been audited by us jointly with other auditor.
4. We did not audit the financial statements of Fourteen subsidiaries, whose financial statements/consolidated financial statements reflect total assets of Rs.1,99,427.59 Lacs as at 31st March, 2010 or 31st December,2009 as the case may be and total revenue of Rs. 92,478.16 Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" (AS-21) issued by the Institute of Chartered Accountants of India (ICAI) and on the basis of the separate financial statements of Binani Industries Limited and its subsidiaries included in the consolidated financial statements.
6. We invite attention to note no. 4(2)(b)(i) of Schedule 16 to the Consolidated financial statements with respect to the financial year end of the subsidiaries of Binani Cement Limited and the period considered for the purpose of consolidation. We further invite attention to note no.4(2)(b)(ix) & (x) of Schedule 16 to the Consolidated financial statements relating to non elimination of 'Application money for investment in capital of Subsidiary Companies pending allotment' aggregating Rs. 10,110.68 Lakhs and 'Loans / Advances to Subsidiary Companies' amounting to Rs. 8,934 Lakhs made by Binani Cement Limited during the period from 1st January, 2010 to 31st March, 2010 on account of consolidation of Financial statement of subsidiaries till 31st December, 2009.
7. Further to our comments as above, we report that;
 - a) *As stated in note 6(B)(ii) in Schedule 16, Binani Zinc Limited has not provided for disputed demand for interest on electricity charges aggregating to Rs. 2,955.71 Lacs (proportionate share of the group) including Rs. 505.63 Lacs (proportionate share of the group) relating to the current year. As per the auditors report, no provision has been made in the accounts for disputed demands for electricity charges for reasons stated therein, the final outcome and extent of liability of which, if any, cannot be ascertained at this stage.*
 - b) *As stated in note 6(B) (iii) in Schedule 16, Binani Zinc Limited has not provided in the accounts for disputed demands for electricity charges for reasons stated therein, the financial outcome and the extent of financial liability of which, if any, can not be ascertained at this stage.*

Binani Industries Limited

8. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the group and *subject to notes* stated in paragraph 7 (a) and (b) above and read with Note No. 6 above and, we are of the opinion that in conformity with the accounting principles generally accepted in India;
- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the group as at 31st March 2010;
 - b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of the group for the year then ended.
 - c) the Consolidated Cash Flow Statement gives true and fair view of the consolidated cash flows of the group for the year then ended.

For **KANU DOSHI ASSOCIATES**

Chartered Accountants

Firm Registration No: 104746W

JAYESH PARMAR

Partner

Membership No.: 45375

Place: Mumbai

Date : 23rd April, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	2,961.52	2,961.52
Share Capital Suspense	1A	-	-
Reserves and Surplus	2	<u>50,964.20</u>	<u>38,826.83</u>
		53,925.72	41,788.35
MINORITY INTEREST		28,802.48	29,384.53
LOAN FUNDS			
Secured Loans	3	171,269.75	141,957.90
Unsecured Loans	4	<u>14,084.04</u>	<u>4,013.54</u>
		185,353.79	145,971.44
DEFERRED TAX LIABILITY		19,771.00	16,409.93
TRADE DEPOSITS		2,871.09	2,558.02
TOTAL		<u>290,724.08</u>	<u>236,112.27</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	297,211.10	247,479.53
Depreciation		<u>(88,591.70)</u>	<u>(77,158.44)</u>
Net Block		208,619.40	170,321.09
Capital Work-in-Progress		28,672.64	26,454.17
INVESTMENTS	6	12,463.98	16,497.56
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	36,190.08	38,141.48
Sundry Debtors		11,307.27	18,779.39
Cash and Bank Balances		48,837.07	23,308.47
Loans and Advances		<u>23,946.94</u>	<u>16,977.90</u>
		120,281.36	<u>97,207.24</u>
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	(66,260.34)	(65,971.94)
Provisions		<u>(13,057.03)</u>	<u>(8,396.88)</u>
		(79,317.37)	<u>(74,368.82)</u>
NET CURRENT ASSETS		40,963.99	22,838.42
MISCELLANEOUS EXPENDITURE	9	4.07	1.03
TOTAL		<u>290,724.08</u>	<u>236,112.27</u>
BASIS OF CONSOLIDATION, STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM INTEGRAL PART OF BALANCE SHEET	16		

As per our report of even date attached

For and on behalf of the Board of Directors

For **KANU DOSHI ASSOCIATES**
Chartered Accountants**M. K. Chattopadhyaya**
Group Chief Financial Officer**Braj Binani**
Chairman**Jayesh Parmar**
Partner
Membership No: 45375
Firm Registration No. 104746W**S. N. Sridhar**
Sr. Vice President (Corp. Legal) &
Company Secretary**Sunil Sethy**
Managing DirectorPlace : Mumbai
Date : 23rd April, 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31st March, 2010	(Rs. in Lakhs)	
			For the year ended 31st March, 2009	
INCOME				
Gross Sales and Related Income	10	295,459.66	256,903.40	
Excise Duty		25,223.97	26,645.39	
Net Sales and Related Income		270,235.69	230,258.01	
Other Income (Refer Note No. 10 of Schedule 16)		4,625.58	5,359.35	
TOTAL		274,861.27	235,617.36	
EXPENDITURE				
Raw Materials, Packing Materials and Goods Consumption	11	78,190.19	61,289.54	
Other Manufacturing Expenses	12	71,529.61	80,813.02	
Payments to and Provision for Employees	13	8,042.87	6,520.44	
Selling and Administration Expenses	14	50,044.37	46,079.62	
Interest and Finance Charges	15	13,788.83	12,109.59	
Depreciation and Amortisation		13,170.31	10,896.28	
TOTAL		234,766.18	217,708.49	
Profit/(Loss) before Taxation and Prior period items		40,095.09	17,908.87	
Prior period adjustments (Refer Note 6(B)(iv) of Schedule 16)		(1,361.21)	—	
Profit/(Loss) before Taxation		38,733.88	17,908.87	
Extra Ordinary Items				
Forfeiture of Upfront Deposit on Warrants		—	1,265.75	
Profit/(Loss) after extra ordinary item but before taxation		38,733.88	19,174.62	
Provision for Taxation				
– Current Tax		(11,397.94)	(1,846.78)	
– Previous year tax adjustment		(84.12)	(36.90)	
– Tax of earlier years written back		77.38	—	
– MAT Credit Entitlement		1,747.73	—	
– Deferred Tax (net)		(3,361.07)	(2,715.10)	
– Fringe Benefit Tax		—	(91.57)	(4,690.35)
Profit/(Loss) for the year		25,715.86	14,484.27	
Share of Minority Interest		(7,202.00)	(3,543.18)	
Profit/(Loss) for the year after Minority Interest		18,513.86	10,941.09	
Interim and Final Dividend of Foreign Subsidiaries		—	(2,581.34)	
Proposed Dividend		(3,382.52)	(2,384.67)	
Tax on Dividend		(1,208.10)	(724.86)	
Adjustment in Minority on account of Foreign Subsidiary		—	1,091.31	
Transfer to Capital Reserve Created on Consolidation		—	(1,302.22)	
Transfer to Statutory Reserve		—	(491.48)	
Transfer from Debenture Redemption Reserve		778.88	1,100.00	
Transfer to General Reserve		(2,049.29)	(1,450.00)	
Adjusted with Credit balance of General Reserve		167.00	500.00	
Add: Adjustment for General Reserve and Debenture Redemption Reserve of previous period on account of consolidation		1,580.78	—	
Adjustment of profit from previous period of Foreign Subsidiaries		(440.12)	—	
Balance brought forward from previous year		10,193.21	5,495.38	
Balance Carried to Balance Sheet		24,153.70	10,193.21	
Earnings Per Share (Equity Shares, par value Rs. 10/- each)				
(Refer Note No. 18 of Schedule 16)				
Basic & Diluted (Rs.)		62.55	36.96	
Number of Shares used in computing earnings per share				
Basic & Diluted		29,596,425	29,596,425	
BASIS OF CONSOLIDATION, STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM INTEGRAL PART OF PROFIT AND LOSS ACCOUNT	16			

As per our report of even date attached

For and on behalf of the Board of Directors

 For **KANU DOSHI ASSOCIATES**
 Chartered Accountants

M. K. Chattopadhyaya
 Group Chief Financial Officer

Braj Binani
 Chairman

Jayesh Parmar
 Partner
 Membership No: 45375
 Firm Registration No. 104746W

S. N. Sridhar
 Sr. Vice President (Corp. Legal) &
 Company Secretary

Sunil Sethy
 Managing Director

 Place : Mumbai
 Date : 23rd April, 2010

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
4,00,00,000 Equity Shares of Rs.10 each	4,000.00	4,000.00
60,00,000 Preference Shares of Rs.100 each	<u>6,000.00</u>	<u>6,000.00</u>
	<u>10,000.00</u>	<u>10,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
2,95,96,425 Equity Shares of Rs.10 each fully paid up (Previous year 2,95,96,425 Equity Shares of Rs.10 each fully paid up) Of the above 1,59,30,075 Equity Shares were allotted as fully paid up Bonus Shares by capitalisation of General Reserve, Share Premium and Profit on reissue of forfeited Shares Add: Forfeited Shares	2,959.64	2,959.64
	<u>1.88</u>	<u>1.88</u>
TOTAL	<u>2,961.52</u>	<u>2,961.52</u>
SCHEDULE - 1A		
SHARE CAPITAL SUSPENSE		
Upfront Deposit against Allotment of Warrants (Upfront Deposit on allotment of 50,00,000 warrants to M/s K B Vyapar Pvt. Ltd. convertible into equal number of equity Shares within 18 months) Less: Transfer to Profit and Loss Account	-	1,265.75
	<u>-</u>	<u>(1,265.75)</u>
	<u>-</u>	<u>-</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Balance Sheet	1,414.98	308.25
Add / (Less): Reserve created/Transferred on Consolidation during the year	<u>(1,365.95)</u>	<u>1,106.73</u>
	49.03	1,414.98
STATUTORY RESERVE		
	-	119.48
SHARE PREMIUM		
As per last Balance Sheet	19,595.68	19,595.68
DEBENTURE REDEMPTION RESERVE		
As per last Balance Sheet	3,700.00	4,800.00
Less: Transfer to Profit and Loss Account	<u>(778.88)</u>	<u>(1,100.00)</u>
Less: Share of minority interest related to previous period	<u>(1,298.46)</u>	-
Add: Transfer from Profit and Loss Account	<u>-</u>	<u>-</u>
	1,622.66	3,700.00
CAPITAL INVESTMENT SUBSIDY		
As per last Balance Sheet	65.00	40.00
Add: Addition during the year	<u>-</u>	<u>25.00</u>
	65.00	65.00
GENERAL RESERVE		
As per last Balance Sheet	2,900.00	1,950.00
Add: Transfer from Profit and Loss Account	<u>2,049.29</u>	<u>1,450.00</u>
Less: Share of Minority Interest related to previous period	<u>(282.32)</u>	-
Less: Balance at the year end adjusted with the debit balance of Profit and Loss Account as per contra	<u>(167.00)</u>	<u>(500.00)</u>
	4,499.97	2,900.00
FOREIGN CURRENCY TRANSLATION RESERVE		
	978.16	838.48
PROFIT AND LOSS ACCOUNT		
	<u>24,153.70</u>	<u>10,193.21</u>
TOTAL	<u>50,964.20</u>	<u>38,826.83</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 3		
SECURED LOANS		
(Refer Note No. 8 of Schedule 16)		
DEBENTURES		
Financial Institutions	4,875.00	7,375.00
(Falling due for payment within one year Rs. 2,500.00 Lakhs) (Previous Year Rs. 2,500.00 Lakhs)		
TERM LOANS		
Financial Institutions	34,120.88	36,647.63
(Falling due for payment within one year Rs. 3,977.36 Lakhs) (Previous Year Rs. 2,812.50 Lakhs)		
Banks	117,100.42	76,787.28
(Falling due for payment within one year Rs. 32,675.69 Lakhs)* (Previous Year Rs. 28,630.95 Lakhs)		
Interest accrued and due	<u>111.16</u>	<u>—</u>
	117,211.58	76,787.28
* The repayment amount falling due within one year includes Rs. 5,861.70 Lakhs of the loan taken by Subsidiary from bank. For disclosure purpose, the repayment due amount within one year of subsidiary is taken till December 2010.		
WORKING CAPITAL DEMAND LOAN / CASH CREDIT		
Banks	14,480.04	20,710.12
(Falling due for payment within one year Rs. 13,572.47 Lakhs)* (Previous Year Rs. Nil)		
* The repayment amount falling due within one year includes Rs. 13,572.47 Lakhs of the loan taken by Subsidiary from bank. For disclosure purpose, the repayment due amount within one year of subsidiary is taken till December 2010.		
BILL DISCOUNTING - BANK	582.25	437.87
TOTAL	<u>171,269.75</u>	<u>141,957.90</u>
SCHEDULE - 4		
UNSECURED LOANS		
Deferment of Value Added tax (Refer Note No.6 (B) (iii) of Schedule 16)	3,813.54	3,813.54
From Bank (Refer Note No. 7 of Schedule 16)	7,200.00	-
(Falling due for payment within one year Rs. 5,000 Lakhs) (Previous Year Rs. Nil)		
From Others	3,070.50	200.00
(Falling due for payment within one year Rs. 2,844.50 Lakhs) (Previous Year Rs. Nil)		
TOTAL	<u>14,084.04</u>	<u>4,013.54</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE - 5
FIXED ASSETS

PARTICULARS	(Rs. in Lakhs)													
	FREEHOLD LAND	LEASEHOLD LAND	* BUILDINGS (INCLUDING ROADS)	PLANT AND MACHINERY	RAILWAY SIDINGS	§ MINE EXPLORATIONS & DEVELOPMENTS	FURNITURE & OFFICE EQUIPMENTS	TRANSPORT EQUIPMENTS	INTANGIBLE ASSETS	SUB TOTAL	# GOODWILL ON CONSOLIDATION	TOTAL	± TOTAL PREVIOUS YEAR	CAPITAL WORK IN PROGRESS
GROSS BLOCK														
As at 1st April, 2009	898.55	169.15	12,722.87	205,549.57	1,575.38	4,316.48	1,139.82	316.87	909.99	227,598.68	19,880.86	247,479.54	203,272.79	
Additions during the year #	615.84	-	2,647.70	25,553.74	1,365.92	183.47	166.86	125.84	0.91	30,660.28	22,272.63	52,932.90	40,130.83	
Sales/Transfers/Adjustments during the year	-	-	-	2,163.92	-	-	6.97	48.73	-	2,219.02	8.16	2,227.18	1,783.01	
Foreign Currency Translation Reserve	-	-	(159.18)	(674.71)	-	(114.67)	(5.41)	(2.90)	(17.30)	(974.17)	-	(974.17)	5,858.92	
Total as at 31st March, 2010	1,514.39	169.15	15,211.39	228,265.28	2,941.30	4,385.28	1,294.30	391.08	893.60	255,065.77	42,145.33	297,211.10	247,479.53	
DEPRECIATION AND AMORTISATION														
As at 1st April, 2009	-	47.42	5,009.28	70,342.27	123.07	498.17	809.49	240.38	88.36	77,158.44	-	77,158.44	65,990.73	
Additions during the year	-	1.81	663.84	11,746.37	109.32	419.95	83.42	44.26	101.47	13,170.44	-	13,170.44	10,879.15	
On Sales/Transfers/Adjustments during the year	-	-	-	1,421.35	-	-	4.85	45.44	-	1,471.64	-	1,471.64	889.82	
Foreign Currency Translation Reserve	-	-	(37.62)	(200.48)	-	(20.82)	(3.85)	(0.69)	(2.08)	(265.54)	-	(265.54)	1,178.38	
Total as at 31st March, 2010	-	49.23	5,635.50	80,466.81	232.39	897.30	884.21	238.51	187.75	88,591.70	-	88,591.70	77,158.44	
NET BLOCK														
As at 31st March, 2010	1,514.39	119.92	9,575.89	147,798.47	2,708.91	3,487.98	410.09	152.57	705.85	166,474.07	42,145.33	208,619.39	170,321.09	28,672.64
As at 31st March, 2009	898.55	121.73	7,713.59	135,207.30	1,452.31	3,818.31	330.33	76.49	821.63	150,440.24	19,880.86	170,321.10	137,282.06	26,210.16

Notes

- * Includes building of Rs. 198.05 Lakhs (Previous year Rs. 198.05 Lakhs) on leasehold land. Transfer of lease yet to be completed. In BCL, Buildings include assets built on land not owned by BCL Rs. 398.02 Lakhs (Previous Year Rs. 398.02 Lakhs)
- § Includes expenses of Rs. 26.57 Lakhs incurred in previous year for development of new Mine area from which ores are not yet extracted.
- # Addition to goodwill include goodwill arising out of consolidation of subsidiary companies accounts
- ± Opening balances of Fixed Assets and Depreciation provision includes balances of the overseas subsidiaries which was not considered for consolidation for the year 2007-08.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 6		
INVESTMENTS		
LONG TERM		
NON-TRADE QUOTED (AT COST)		
NSC	-	0.03
PNB Gilts Ltd.	10.02	10.02
33,400 Equity Shares of Rs. 10/- each fully paid-up (Market Value Rs. 8.00 Lakhs, Previous Year Rs. 6.21 Lakhs)		
UNQUOTED		
A) SHARES IN OTHER COMPANIES		
20,000 Equity Shares in Kerala Enviro Infrastructure Ltd. of Rs. 10 each fully paid-up	17.50	17.50
B) INVESTMENT IN SUBSIDIARY COMPANIES		
i) 100,000 shares of Mukundan Holdings Ltd. of US\$ 1 each fully paid-up	-	-
ii) Shandong Binani Rong'An Cement Co. Ltd. Add: Share in Profit	-	-
iii) 7,437,925 Fully paid up Shares in Krishna Holdings Pte. Ltd. of Singapore \$ 1 each	-	-
iv) 9,631,835 8% Cumulative Preference Shares in Krishna Holdings Pte. Ltd. Singapore of Singapore \$ 1 each	-	-
v) 50,000 Equity Shares in Sankalp Holding Ltd of Euro 1 each fully paid-up	-	16.35
vi) 32,500,000 Shares in Murari Holdings Ltd. of US\$ 1 each	-	16,453.27
vii) 100 Shares Riddhi-Siddhi Trading (South Africa) (Proprietary) Limited, South Africa, of R 1.00 (South Africa Rand) each.	-	0.01
(viii) 250 Shares in BC Trading (Mauritius) Ltd, Mauritius, of MUR 100 (Mauritian Rupee) each	0.38	0.38
(ix) 25,000 Equity Shares in Abhinav Holdings Ltd of Euro 1 each	-	-
(x) 5,000,000 Shares of Bhumi Resources (Singapore) Pte. Ltd. \$1 each	2,325.37	-
C) APPLICATION MONEY FOR INVESTMENT IN CAPITAL OF SUBSIDIARIES - PENDING ALLOTMENT : (Refer Note No.4(2)(b) (ix) of Schedule 16)		
i) In Equity Shares of Krishna Holdings Pte. Ltd. Singapore.	4,559.79	-
ii) In Equity Shares of Murari Holdings Ltd.	461.99	-
iii) Advance / Share Application Money - Mukundan Holdings Ltd.	5,088.90	-
D) INVESTMENTS IN MUTUAL FUNDS	0.03	-
TOTAL	12,463.98	16,497.56

Number of Units/Shares purchased and sold during the year :			
	Face Value (In Rs.)	Purchased (Nos.)	Sold (Nos.)
Units in Mutual Funds			
BIL			
LIC Liquid Fund	10	17,547,544	17,547,544
Baroda Pioneer Liquid Fund – Institutional Daily Dividend Plan	10	3,005,041	3,005,041
BCL			
Units in Mutual Funds			
Birla Sunlife Cash Plus – Institutional – DDR	10	47,912,915	47,912,915
Sundaram BNP Paribas Money Fund	10	14,868,399	14,868,399

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Face Value (In Rs.)	Purchased (Nos.)	Sold (Nos.)
Fidelity Cash Fund	10	4,998,750	4,998,750
UTI Liquid Cash Plan IP DDR	1,000	304,087	304,087
Tata Liquid Super High Investment Fund - DDR	10	4,982,263	4,982,263
Tata Floater Fund - Daily Dividend	10	4,984,112	4,984,112
Reliance Liquid Fund - Treasury Plan	10	3,270,710	3,270,710
Reliance Medium Term - Treasury Plan	10	2,924,420	2,924,420
Birla Sunlife Short Term Fund - Institutional - DDR	10	17,991,749	17,991,749
Baroda Pioneer Liquid Fund	10	118,435,076	118,435,076
Birla Sun Life Cash Plan	10	15,991,204	15,991,204
Birla Sun Life Savings Fund	10	52,981,854	52,981,854
IDFC Cash Fund	10	12,504,330	12,504,330
IDFC Money Manager	10	12,937,816	12,937,816
ICICI Prudential Institutional Liquid Plan	10	8,006,424	8,006,424
ICICI Prudential Flexible Income Plan	10	3,783,469	3,783,469
LIC MF Income Plus	10	36,570,093	36,570,093
DWS Insta Cash Plus Fund - Institutional Plan	10	5,969,199	5,969,199
DWS Ultra Short Term Fund - Institutional Plan	10	5,989,187	5,989,187
Baroda Pioneer Treasury Fund	10	94,421,784	94,421,784
Sundaram BNP Paribas Ultra Short Term Fund	10	4,981,968	4,981,968
Reliance Liquid Fund - Daily Dividend	10	2,999,070	2,999,070
Reliance Medium Term - Treasury Plan	1,000	29,969	29,969
LIC Liquid Fund - DDR	10	239,524,231	239,524,231
LIC Saving Plus Fund - DDR	10	211,991,714	211,991,714
LIC Floating Rate Fund - DDR	10	134,536,994	134,536,994
JM High Liquidity Fund Institutional Plan - Daily Dividend	10	3,993,650	3,993,650
JM Money Manager Fund Super Plus Plan - Daily Dividend	10	3,998,265	3,998,265
Principal Cash Management Fund - DDR	10	4,553,693	4,553,693
Principal Ultrashort Term Fund - IP - DDR	10	5,000,537	5,000,537
UTI Money Market Fund - DDR	10	2,181,727	2,181,727
UTI Treasury Advantage Fund - IP - DDR	1,000	139,982	139,982
Canara Robeco Treasury Adv. Inst. DDF	10	3,224,787	3,224,787
Birla Sun Life Cash Manager - IP - Daily Dividend	10	20,003,565	20,003,565
Kotak Liquid - Inst Premium Plan - Daily Dividend	10	94,454,577	94,454,577
Kotak Flexi Debt Fund - IP - Daily Dividend	10	72,220,236	72,220,236
Kotak Floater - LT - Daily Dividend	10	42,663,158	42,663,158
UTI Money Market - IP - Dly Dividend	1,000	99,791	99,791
HDFC Cash Mgmt Fund - Savings Plan - Daily Div.	10	23,504,193	23,504,193
HDFC Cash Mgmt Fund - Treasury Advantage - WP - Dly Div.	10	14,954,304	14,954,304
Templeton India TMA - Super IP - Dly Div	1,000	149,899	149,899
Templeton India Ultra Short Bond Fund - Super IP - Dividend	10	19,978,548	19,978,548
Fortis Overnight Fund - IP - Dly Dividend	10	48,985,305	48,985,305
Fortis Money Plus IP Fund - Daily Dividend	10	48,988,165	48,988,165
DBS Chola Liquid Fund -IP - Daily Dividend	10	26,419,276	26,419,276
DBS Chola FI-ST-IP-DDR	10	26,396,825	26,396,825
JP Morgan India Liquid Fund- SIP DDR	10	7,993,685	7,993,685
JP Morgan India Treasury Fund - SIP DDR	10	7,993,491	7,993,491
UTI Floating Rate Fund - STP - IP - Daily Dividend	1,000	269,815	269,815
BZL			
LIC Liquid Fund Dividend Plan	10	69,443,812	69,443,812
UTI Liquid Cash Plan	1,000	1,42,234	1,42,234
Kotak(Liquid Institutional)-daily dividend	10	4,497,837	4,497,837
LIC Saving Plus DDP	10	1,980,000	1,980,000
SBI Magnum Insta Cash Fund	10	1,194,008	1,194,008
Investment in Shares			
BIL			
Sankalp Holdings Ltd. (Euro)	1	50,000	
Sankalp Holdings Ltd.			
Abhinav Holdings Limited (Euro)	1	25,000	
BCL			
Bhumi Resources (Singapore) Pte Ltd. (US Dollar)	1	5,000,000	

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 7		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
INVENTORIES		
Stores, Spare Parts and Loose Tools/ Coal	12,753.04	12,553.42
Raw Materials and Packing Materials	14,890.87	8,915.94
Work-in-Process	158.82	542.34
Finished Goods (including by-products)	8,387.35	15,518.36
Goods in Transit	-	611.42
	<u>36,190.08</u>	<u>38,141.48</u>
SUNDRY DEBTORS (UNSECURED, CONSIDERED GOOD)		
Debts outstanding for a period exceeding six months	56.57	1,456.77
Other Debts	11,250.70	17,322.62
	<u>11,307.27</u>	<u>18,779.39</u>
CASH & BANK BALANCES		
Cash in hand	19.15	140.70
Balance with Scheduled Banks:		
Current Accounts [includes debit balance in cash credit account Rs. 92.50 Lakhs (Rs. 52.18 Lakhs)]	15,985.07	7,414.80
Deposit Accounts (Including margin money Rs. 27.23 Lakhs) (Previous Year Rs. 37.04 Lakhs)	32,731.34	8,531.70
Dividend Accounts	101.51	76.18
Cheques in hand (including remittance in transit)	-	12.08
Balance with Other Banks	-	7,133.01
	<u>48,837.07</u>	<u>23,308.47</u>
LOANS & ADVANCES (UNSECURED, CONSIDERED GOOD)		
Advances recoverable in cash or kind or for value to be received	17,389.15	11,410.22
Accrued interest	2.72	12.43
Advance FBT (net)	21.78	1.96
Advance Tax including tax deducted at source (net)	302.30	-
Mat Credit Entitlement	1,709.37	-
Other Deposits	1,704.16	1,334.14
Balance with Government Authorities	2,790.85	4,178.74
Assets held for disposal	24.61	33.31
Other Current Assets	2.00	7.10
	<u>23,946.94</u>	<u>16,977.90</u>
TOTAL	<u><u>120,281.36</u></u>	<u><u>97,207.24</u></u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Creditors		
Total outstanding dues of creditors other than micro enterprises and small enterprises (includes Creditors for capital projects Rs. 3,118.46 Lakhs (Previous Year Rs. 4,294.91 Lakhs))		
For Trade including acceptance	31,041.49	35,115.04
For Expenses	10,870.35	8,286.16
For Others	19.96	39.41
SSI Units (as identified by management)	10.46	-
Bills Discounted with Banks	-	469.93
Other Liabilities	18,659.06	15,043.29
Advances from Customers	4,881.80	5,924.07
Unpaid Dividend	113.11	76.04
Interest accrued but not due on loans	661.30	1,018.00
Security Deposit	2.81	-
	<u>66,260.34</u>	<u>65,971.94</u>
PROVISIONS		
Income Tax (Net of Advance Tax)	4,795.85	1,672.47
Proposed Dividend	3,382.52	2,384.67
Tax on Proposed Dividend	1,208.10	724.86
Gratuity	179.30	109.39
Leave Encashment	241.18	256.43
Bonus	0.66	0.86
Expenses	3,249.42	3,248.20
	<u>13,057.03</u>	<u>8,396.88</u>
TOTAL	<u><u>79,317.37</u></u>	<u><u>74,368.82</u></u>

SCHEDULE - 9**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Preliminary Expenses

As per last Balance Sheet	1.03	1.03
Add: Additions during the year	4.07	-
Less: Amortised during the year	(1.03)	-
	<u>4.07</u>	<u>1.03</u>
TOTAL	<u><u>4.07</u></u>	<u><u>1.03</u></u>

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lakhs)

		For the year ended 31st March, 2010		For the year ended 31st March, 2009	
SCHEDULE - 10					
SALES AND RELATED INCOME					
	UOM	Qty.	Value	Qty.	Value
Unwrought Zinc	MT	35,843	40,421.75	29,390	26,767.71
Cement	MT	6,179,614	232,129.54	4,894,300	182,518.02
Clinker	MT	565,834	10,405.82	974,810	18,917.69
Sulphuric Acid	MT	50,863	963.12	45,611	3,589.61
Cadmium	KG	71,416	137.57	34,570	108.89
Glass Fibre	MT	8,290	5,727.96	8,899	6,996.31
Glass Fibre Products	MT	218	478.65	422	788.30
Aluminium & Zinc Alloys	MT	100	133.53	136	146.70
GGBFS	MT	124,618	5,048.36	373,515	17,066.06
Others			-		1.44
Related Income			13.36		2.67
	TOTAL		295,459.66		256,903.40

SCHEDULE - 11**RAW MATERIALS / PACKING MATERIALS AND GOODS CONSUMPTION**

Raw Materials/Packing Material and Goods Consumption (including direct mining cost)			66,987.29		64,025.15
Royalty and Cess on Limestone (Increase)/Decrease in Work-in-Progress			4,198.42		3,151.38
Opening Stock		542.33		514.29	
Closing Stock		158.82	383.51	542.33	(28.04)
(Increase)/Decrease in Finished Goods					
Opening Stock		15,518.35		9,134.09	
Add: On account of Consolidation		-		390.70	
Closing Stock		8,387.35	7,131.00	15,518.36	(5,993.57)
Cost of Production of Clinker (Trial Run)			-		458.65
Cost of Production of Finished Goods (Trial Run)			31.36		-
Excise Duty on Opening/Closing Stock of Finished Goods(net)			(541.39)		(324.03)
	TOTAL		78,190.19		61,289.54

SCHEDULE - 12**OTHER MANUFACTURING EXPENSES**

Power, Lighting, Fuel & Water Charges			54,331.74		66,174.91
Freight and loading exp. on clinker transfer			4,088.23		2,690.90
Consumption of Stores and Spares			7,447.06		7,332.92
Repairs					
- Buildings			195.41		170.05
- Plant and Machinery			2,742.25		2,298.65
- Others			187.25		215.68
Other Operating Expenses			2,537.67		1,929.91
	TOTAL		71,529.61		80,813.02

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lakhs)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
SCHEDULE - 13		
PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages and Bonus	6,954.58	5,657.69
Contribution to Provident and other Funds	772.89	532.13
Staff Welfare expenses	315.40	330.62
TOTAL	8,042.87	6,520.44
SCHEDULE - 14		
SELLING AND ADMINISTRATION EXPENSES		
Freight and Transport	35,510.63	31,648.34
Insurance	337.00	265.31
Rates and Taxes	894.13	722.86
Directors' Fees	7.91	7.60
Rent	364.48	286.30
Advertisement and Sales Promotion	2,958.95	2,670.51
Miscellaneous Expenses	6,088.66	6,592.31
Commission to Selling Agents	3,081.00	3,350.50
Loss on sale/discard of Fixed Assets (net)	801.61	535.89
TOTAL	50,044.37	46,079.62
SCHEDULE - 15		
INTEREST AND FINANCE CHARGES		
Interest :		
– Fixed Loans	9,498.25	7,574.08
– Debentures	740.05	945.48
– Others	2,158.83	2,317.46
Finance Charges	1,391.70	1,050.77
Recompense amount paid on prepayment of Loan	–	221.80
TOTAL	13,788.83	12,109.59

NOTES ATTACHED ON CONSOLIDATED BALANCE SHEET and PROFIT and LOSS ACCOUNT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010
SCHEDULE -16
1. Basis of Accounting

The accompanying consolidated financial statements of the company and its subsidiary companies have been prepared under the historical cost convention and on the accrual basis of accounting except Dividend Income and comply with the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006.

2. Basis of preparation

- a) The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as set out in the Accounting Standard on Consolidated Financial Statements mandated by Rule 3 of the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India, to the extent applicable except as stated in point 3 and 4 below. The financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transaction and resulting unrealised gains/losses. The accompanying consolidated financial statements of the company and its subsidiary companies have been prepared under the historical cost convention and on the accrual basis of accounting except dividend.
- b) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- c) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated financial Statement separate from liabilities and the equity of the company's shareholders.

3. Other Significant Accounting Policies and Additional Information:

The other Significant Accounting Policies have been set out in the notes to Accounts of Binani Industries Limited (parent company) and the same have been applied to the Accounts of the Indian parent and subsidiary companies except mentioned below. Additional information not impacted by consolidation is also set out in the Notes to Accounts of the parent Company.

(A) BINANI CEMENT LIMITED AND ITS SUBSIDIARIES
(i) Use of Estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialise.

(ii) Revenue Recognition

- a) Sales are recognised on transfer of title of the goods to the customers.
- b) In case of sale of Carbon Credits (Certified Emission Reductions), revenue is recognized on submission of application with UNFCCC after execution of agreement with the buyer.
- c) Export benefits are accounted on the basis of application filed with the appropriate authority.
- d) In case of Shandong Binani Rong'An Cement Co. Ltd. (SBRCC), subsidy Income is recognised when received.

(iii) Accounting of Claims

- a) Claims receivable are accounted at the time when reasonable certainty of receipt is established. Claims payable are accounted at the time of acceptance.
- b) Claims raised by Government Authorities regarding taxes and duties, are accounted for based on the merits of each claim. If same is disputed by the Company, these are shown as 'Contingent Liabilities'.

(iv) Fixed Assets

- a) Fixed Assets are stated at cost, net of Cenvat less specific grants received, if any and accumulated depreciation. Cost includes trial run and stabilisation expenses, interest, finance costs and incidental expenses upto the date of capitalization .
- b). In case of SBRCC, Fixed Assets include Equipments other than the main production equipments with individual values of over RMB 2,000 equivalent to Rs. 13,757 and useful life in excess of two years.

(v) Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation.

SCHEDULE -16 (Contd.)**(vi) Depreciation and Amortisation**

- a) Depreciation on Plant and Machinery is provided on Straight Line Method, at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 as applicable for continuous process plant except silos where the general rate of depreciation is considered.
- b) Depreciation on other Fixed Assets has been provided on Written Down Value Method at the rates and in the manner prescribed as per Schedule XIV of the Companies Act, 1956 including asset constructed on land not owned by the Company. However Buildings and Roads inside plant are treated as Factory Buildings and depreciation charged accordingly.
- c) The total expenditure on mine exploration and development is amortised in the ratio of ore extracted to the total estimated exploitable reserves.
- d) Depreciation on Leasehold Land is provided over the period of Lease.
- e) Assets having individual value below Rs. 5,000 is depreciated @ 100% and mobile phones are charged to revenue considering their useful life to be less than one year.
- f) Expenditure on major computer software is amortised over the period of expected benefit not exceeding five years.
- g) In case of SBRCC, the depreciation on fixed assets and intangible assets is provided for on SLM over the estimated useful life at rates permissible under applicable local laws.

(vii) Impairment of assets

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI. An impairment loss is charged to the Profit and Loss account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(viii) Valuation of inventories

- a) Raw Material, Fuel (except for coal lying at Port), Packing Materials, Stores and Spares is valued at lower of moving weighted average cost (net of Cenvat) and net realisable value. Coal lying at Port is valued at cost on specific consignment basis plus custom duty. Loose Tools are charged over a period of three years. However, materials held for use in the production of inventories are not written down below cost if the finished products in which they are used and expected to be sold at or above cost.
- b) Work-in-process is valued at weighted average cost.
- c) Finished Goods are valued at lower of weighted average cost and Net Realisable Value. Cost for this purpose includes direct cost, attributable overheads and excise duty.
- d) In case of Binani Cement Factory LLC (BCF), Dubai, Raw Materials comprising of clinker and slag and packing materials are valued at cost using the First in First out (FIFO) method. Consumables are valued at cost using specific identification method. Raw Material comprising of gypsum and limestone are valued at cost using the Weighted Average Method (WAC).

(ix) Investments

Investments classified as long term investments are stated at cost. Provision is made to recognise any diminution other than temporary in the value of such investments. Current Investments are carried at lower of cost and fair value.

(x) Foreign Exchange Transactions

- a) Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the profit and loss account. In case of forward contracts, the exchange differences are dealt with in the profit and loss account over the period of contracts.
- b) In case of SBRCC, the accounting of foreign exchange transaction is as follows:

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the first day of the month in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been taken out specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term prepaid expenses.

SCHEDULE -16 (Contd.)

- c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing as at the end of the accounting year of the respective subsidiaries. Resultant exchange difference is accumulated in Foreign Currency Translation Reserve Account to be dealt with only when the net investment in foreign operation is disposed off.

(xi) Employee benefits

- a) Defined contribution plan

Contribution to defined contribution plans are recognised as expense in the Profit and Loss Account, as they are incurred.

- b) Defined benefit plan

Company's liabilities towards gratuity, leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains/losses are recognised immediately in the Profit and Loss Account. Long term compensated absences are provided for based on actuarial valuation.

- c) In case of subsidiary companies, employee benefits have been provided in accordance with laws of country in which the companies are operating.

- d) Staff end-of-service gratuity

In case of Binani Cement Factory LLC (BCF), Dubai, the liability in respect of staff end-of-service gratuity on accrual basis on assumption that all employees were to leave as of the balance sheet date.

(xii) Borrowing costs

- a) Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

- b) In case of Krishna Holdings Pte. Ltd, borrowing costs are accounted on accrual basis in the income statement, using the effective interest method.

(xiii) Statutory reserve

In case of BCF, Dubai, statutory reserve is created by appropriating 10% of the profit of the company as required by Article 255 of the UAE Commercial Companies Law No. 8 of 1984, as amended. The company can discontinue such annual transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.

(xiv) Income taxes

Tax expense comprises of current tax and deferred tax. Current tax and Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting For Taxes on Income", issued by the ICAI. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income taxes reflect the impact of the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising on account of unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

(B) BINANI ZINC LIMITED AND ITS SUBSIDIARIES**(i) BINANI ZINC LIMITED****Revenue Recognition**

Sales are recognised on transfer of title of the goods to the customers. Other incomes are recognised on accrual basis except when there are significant uncertainties.

Export incentives

Export incentives are recognised on exports on accrual basis, and based on the estimated realisable value of such entitlements.

Valuation of Inventories

Raw Materials are valued at lower of weighted average cost (net of Cenvat) and net realisable value. Work-in-process is valued at lower of cost and net realisable value.

Stores and Spares have been valued at lower of weighted average cost (net of Cenvat) and net realisable value.

Finished Goods have been valued at lower of cost and net realisable value. Cost for this purpose includes direct cost, attributable overheads and excise duty.

SCHEDULE -16 (Contd.)

By-products are valued at Estimated Selling Price.

Employee benefits

Defined Contribution Plans.

The company has defined contribution plans for employees comprising of Government administered Employees State Insurance and Pension Plans. The contributions paid/payable to these plans during the year are charged to the Profit and Loss Account for the year.

Defined Benefit Plans**i) Provident Fund**

The company makes contributions towards employees provident fund to a trust administered by the company, which are charged to Profit and Loss Account. Any shortfall in amounts due to employees by the trust will be made good by the company and absorbed as revenue expense in the relative years.

ii) Gratuity

The company makes contributions to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

iii) Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

Short-term employee benefits

All employee benefits which are wholly due within 12 months of rendering the services are recognised in the period in which the employee rendered the related services.

Fixed Assets

Fixed Assets are stated at cost, net of Cenvat; less accumulated depreciation. Costs include trial run and stabilisation expenses, interest, finance cost and incidental expenses up to the date of capitalisation.

Depreciation

Depreciation on plant and machinery (except office equipments and transport equipment) is provided on Straight Line Method, at the rates and in the manner prescribed as per Schedule XIV of the Companies Act, 1956.

Depreciation on other fixed assets, office equipments and transport equipments is provided on Written Down Value Method at the rates and in the manner prescribed as per Schedule XIV to the Companies Act, 1956.

Impairment Of Assets

Impairment loss is charged to the Profit and Loss Account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

Foreign Currency Transactions

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of each transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. In the case of forward contracts, the premium/discount is dealt with in the profit and loss account over the period of the contracts and exchange difference on such contracts are recognized in the reporting period in which the exchange rates change.

Taxation

Income tax is accounted in accordance with Accounting Standard-22 'Accounting for taxes on income', issued by The Institute of Chartered Accountants of India, which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. Provision for fringe benefit tax is made in accordance with the provisions of the Income Tax Act, 1961.

SCHEDULE -16 (Contd.)**Provisions and Contingent Liabilities**

Provision is made in the accounts if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent liabilities are not recognised, but are disclosed in the Notes on Accounts. Contingent assets are neither recognised nor disclosed in the accounts.

Risk Management Transactions

The Company uses derivative instruments to hedge the risk of movements in commodity prices. The use of these instruments reduces the risk or cost to the company and the company does not use such instruments for trading or speculation purposes. The Company recognizes gain or loss on effective hedges on settlement. Unrealised gain/loss as at the Balance Sheet date is not recognized.

(ii) ESS VEE ALLOYS PVT. LTD.**Valuation of Inventories**

Raw Material and Stores are valued at cost of purchases less Cenvat and VAT.

Finished Goods have been valued at lower of Cost and Net Realisable Value. Cost for this purpose includes direct cost, attributable overheads and excise duty.

Employee Benefits

- a) Leave Encashment liability is provided based on actuarial valuation
- b) The gratuity scheme is a defined benefit plan and the liability of accrued gratuity based on actuarial valuation as per Accounting.

(iii) BINANI ENERGY PRIVATE LIMITED**Taxation**

- a) Provision for current Tax is made with reference to taxable income computed for the accounting period, for which the financial statements are prepared by the tax rates as applicable.
- b) The provision for deferred taxation as per AS-22 has not been made as there is no timing difference between accounting income and taxable income.

C) GOA GLASS FIBRE LIMITED**Revenue Recognition**

Sales are recognized on transfer of significant risks and rewards of ownership which is generally on the date of dispatch/bill of lading.

Duty drawbacks are accounted as and when claims are lodged with the concerned authorities.

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

Fixed Assets and Capital Work-In-Progress

Fixed Assets are stated at cost, net of Cenvat. Costs include pre-operative, trial run and stabilization expenses, interest and finance cost up to the date of capitalization.

Capital Work-in-progress include cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and cost of assets not put to use at the Balance Sheet Date.

Depreciation and Amortisation

Depreciation on Plant and Machinery is provided on Straight Line Method, at the rates prescribed under Schedule XIV to the Companies Act, 1956 prevailing in the year the asset was acquired/put to use.

Depreciation on other Fixed Assets has been provided under Written Down Value method at the rates prescribed as per Schedule XIV to the Companies Act, 1956.

Leasehold land is amortized over the period of lease.

Cost of ERP Software capitalized is amortised over a period of five years.

Depreciation in respect of addition to fixed assets is provided on pro rata basis from the date on which such assets are acquired/installed/started commercial production.

Valuation of Inventories

Raw Materials are valued at lower of monthly weighted average cost (net of Cenvat) and net realizable value, in case

SCHEDULE -16 (Contd.)

the Finished Goods in which they are used are valued at net realizable value. In other cases, they are valued at monthly weighted average cost.

Stores, Spares, etc., are valued at monthly weighted average cost, work in process is valued at cost. Finished Goods have been valued at lower of cost and net realizable value. Cost for this purpose includes direct cost, attributable overheads and excise duty excluding cost incurred during Rebuild period. Cost formula used is average cost.

Foreign Currency Transactions

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of each transaction. Gains and Losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit and Loss Account. In case of forward contracts, the difference between the forward rate and rate at the inception is recognized as income/expense over the period of the contract. Exchange differences on such contracts are recognized along with exchange differences on the underlying asset/liability. Year end Foreign Debtors/Creditors are restated as per the rate prevailing on the date of closing of the accounts for respective currencies.

Employee Benefits

Short Term Employee Benefits – All employee benefits payable within 12 months of rendering the service are recognized in the period in which the employee renders the related service.

Post Employment/Retirement Benefits – Defined Contribution Plans such as Provident Fund, etc., are charged to the Profit and Loss Account as incurred.

Defined Benefit Obligation Plans – The Present value of the obligation under such plans is determined based on an actuarial valuation, using The Projected Unit Credit method. Actuarial gains and losses arising on such valuations are recognized immediately in the Profit and Loss Account. In case of Gratuity, which is funded with the Life Insurance Corporation of India, the fair value of the plan assets are reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is possible that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in the financial statements.

Taxation

Provision for Current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act 1961. Deferred tax assets and liabilities from timing differences between taxable income and accounting income for the year is accounted for using tax rates and laws that have been substantively enacted as of balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual/ reasonable certainty of their realization. Deferred tax assets on unabsorbed tax depreciation and unabsorbed tax losses are recognized only to the extent that there is virtual certainty of their realization supported by convincing evidence.

Impairment of Assets

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". An impairment loss is charged to the Profit and Loss Account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

Borrowing Costs

Borrowing costs which are attributable to acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as expenses in the year in which they are incurred.

(D) B T COMPOSITES LIMITED**Revenue Recognition**

Sales are recognised on transfer of title to the goods to the customers and income from labour, testing and installation services are recognised on accrual basis.

Fixed Assets and Capital Work-In-Progress

Fixed Assets are stated at cost, net of Cenvat. Costs include trial run and stabilisation expenses, interest, finance costs and incidental expenses upto the date of capitalisation.

SCHEDULE -16 (Contd.)

Advance paid towards acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed asset not ready for intended use before such date are disclosed as capital work-in-progress.

Depreciation and Amortisation

Depreciation on Plant and Machinery is provided on Straight Line Method at the rates and in the manner as prescribed under Schedule XIV to the Companies Act, 1956 from the date the asset is acquired/put to use. Depreciation on other Fixed Assets has been provided under Written Down Value method at the rates prescribed as per Schedule XIV to the Companies Act, 1956 from the date the asset is acquired/put to use. Leasehold land is amortised over the unexpired lease period from April 1, 2001. Assets individually costing Rs. 5,000/- or less are fully depreciated in the year of purchase.

Impairment of Assets

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI. An impairment loss is charged to the Profit and Loss Account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

Foreign Currency Transactions

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of each transaction. Gain and losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the profit and loss account. In case of forward contract, if any, the exchange differences are dealt with in the profit and loss account over the period of contract.

Valuation of Inventories

Raw Materials are valued at lower of weighted average cost (net of Cenvat) or net realisable value. Work-in-process is valued at cost of raw materials and production overheads excluding interest expenses.

Ancillaries, Stores and Spares and Packing Materials are valued at lower of weighted average cost (net of Cenvat) or net realisable value.

Finished Goods are valued at lower of cost and net realisable value. Cost for this purpose includes direct cost, attributable overheads and excise duty.

Employee Benefits**(a) Short term employee benefits:**

All employee benefits payable within twelve months of rendering the services are recognised in the period in which the employee renders the related service.

(b) Post Employment/Retirement Benefits:

(i) Defined Contribution Plans such as Provident Fund, etc., are charged to Profit and Loss Account as incurred.

(ii) Defined Benefit Obligation Plan -

The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and Losses arising on such valuation are recognised immediately in the Profit and Loss Account.

Accounting of Capital Subsidy

Investment Subsidy under State Investment incentive Scheme not specifically related to a fixed asset is credited to Capital Reserve and retained till the requisite conditions are fulfilled.

Borrowing Costs

Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Taxation

Tax expense comprises of current tax, deferred tax and fringe benefit tax. Current tax and Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting For Taxes on Income", (AS 22) issued by the ICAI. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred income taxes reflect the impact of the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are

SCHEDULE -16 (Contd.)

recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising on account of unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Fringe benefits tax is recognised in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the ICAI.

(E) WADA INDUSTRIAL ESTATE LIMITED**Revenue Recognition**

Sales are recognized on transfer of title to the goods to the customers. Income from services rendered is recognized on accrual basis.

Fixed Assets

Fixed Assets are stated at cost.

Capital Work-In-Progress

Advances paid towards construction of fixed assets outstanding at the Balance Sheet date are disclosed as Capital Work-in-Progress.

Depreciation and Amortisation

Depreciation on Building is provided on Written down Method, at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on Electrical Installation is provided on Straight Line Method, at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

Contingent Liability

Provision is made in the accounts if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Impairment of Assets

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI. An impairment loss is charged to the Profit and Loss Account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

Investments

Long term investment is stated at cost less provision for other than temporary diminution in value.

Taxation

Income tax is accounted in accordance with AS-22- 'Accounting for taxes on income', issued by The Institute of Chartered Accountants of India, which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

(F) SANKALP HOLDINGS LIMITED AND ITS SUBSIDIARY**(i) Sankalp Holdings Limited****Finance Income**

Finance income includes interest income which is recognised based on accrual basis.

Borrowing Costs

Interest expense and other costs on borrowings to finance construction or production of qualifying assets are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Foreign Currency Transactions

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

SCHEDULE -16 (Contd.)

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Investments

Investments are shown at cost. Unrealised gains or losses arising from the change in the fair value of investments are recognised in the statement of comprehensive income.

(ii) **Abhinav Holdings Limited****Finance Income**

Finance income includes interest income which is recognised based on accrual basis

Borrowing Costs

Interest expense and other costs on borrowings to finance construction or production of qualifying assets are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Foreign Currency Transactions

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

4. **Principles of consolidation**

Subsidiaries/step down subsidiaries considered for consolidation:

The financial statements of all Indian Subsidiaries including Indian Step Down subsidiaries are consolidated on the basis of their stand alone/consolidated and audited accounts available for the year ended 31st March 2010.

1. Indian Subsidiaries considered for Consolidation

Binani Cement Limited (BCL), Binani Zinc Limited (BZL), Goa Glass Fibre Limited (GGFL), B T Composites Limited (BTCL), and Wada Industrial Estate Limited (WIEL) are the Indian subsidiaries whose accounts have been considered for consolidation. GGFL, BTCL and WIEL are wholly-owned subsidiaries, whereas in case of BCL, BIL's shareholding is 64.91% (Previous Year 64.91%) and in case of BZL, BIL's shareholding is 89.90% (Previous Year 89.90%).

2. Step down subsidiaries**a) Indian step down subsidiaries:**

R.B.G. Minerals Industries Limited (RBG), Ess Vee Alloys Private Limited and Binani Energy Private Limited {formerly known as Binani Mazak Private Limited} are wholly-owned Indian subsidiaries of BZL whose accounts have been consolidated by management with BZL for the purpose of consolidation with BIL's accounts.

b) Overseas Subsidiary/Step down subsidiary:

i) The accounts of the following overseas step down subsidiaries companies have been considered for consolidation with BCL:

Name of company	Relation with Holding Company	Country of Incorporation	% of Share holding	Accounting Year/Period considered for consolidation*
Krishna Holdings Pte Ltd.(KHL)	Subsidiary of BCL	Singapore	100% **	Jan.'09 - Dec.'09
Shandong Binani Rong'an Cement Company Ltd.(SBRCC)	Step-down Subsidiary of KHL	China	85%	Jan.'09 - Dec.'09
Mukundan Holdings Ltd.(MHL)	Subsidiary of BCL	British Virgin Islands	100%	Jan.'09 - Dec.'09
Binani Cement Factory LLC. (BCF) (Refer Note No. (iv) below)	Step-down Subsidiary of MHL and MUHL	United Arab Emirates	100%	Jan.'09 - Dec.'09
Murari Holdings Limited (MUHL)	Subsidiary of BCL	British Virgin Islands	100%	30th Oct.'08 - Dec.'09

SCHEDULE -16 (Contd.)

Name of company	Relation with Holding Company	Country of Incorporation	% of Share holding	Accounting Year/Period considered for consolidation*
Sankalp Holdings Ltd. (SHL)	Subsidiary of BIL	Cyprus	100%	29th Jan 09 - Dec.'09
Abhinav Holdings Limited (AHL)	Step-down Subsidiary of SHL	Cyprus	100%	29th Jan 09 - Dec.'09
*	Being latest periods for which audited accounts available for consolidation. However, significant transactions have been identified as mentioned in ix) and x) below which are not considered for consolidation purpose, since complete accounts are not drawn/audited for the intervening period Jan. 2010 to March 2010.			
**	Includes 50% holding through subsidiary Mukundan Holdings Ltd.			

- ii) On 26th October '09, BCL has promoted a wholly-owned subsidiary Bhumi Resources (Singapore) Pte Ltd., Its first accounting period shall end on 31st December '10. In view of the management, as there are no significant transactions from the date of acquisition till 31st March '10, other than transaction related to investment mentioned herein, its consolidation is not considered necessary. The company has invested Rs. 2,325.37 Lakhs in Bhumi Resources (Singapore) Pte. Ltd. towards 50 Lakhs fully paid-up shares of US\$ 1 each.
- iii) On 25th February '10, Bhumi Resources (Singapore) Pte Ltd. has promoted PT Anggana Energy Resources Pte. Ltd a wholly-owned subsidiary. Its first accounting period shall end on 31st December '10. In view of the management, as there are no significant transactions from the date of acquisition till 31st March '10, the same has not been considered for consolidation purpose.
- iv) In March '09, Murari Holdings Limited acquired beneficial interest in 51% of the paid up share capital of BCF, which together with 49% shareholding of MHL in BCF makes it a subsidiary of the company. Therefore it has been considered as a subsidiary for the purpose of consolidation.
- v) BCF had acquired 100% stake in two companies viz Riddhi Siddhi Trading (South Africa) Proprietary Limited and BC Trading (Mauritius) Ltd. on 21st August, 2008 and 25th September, 2008 respectively. As there are no transaction during the year and considering the size of the balance sheet, their consolidation is not considered necessary. The Board of Directors of Riddhi Siddhi Trading (South Africa) Proprietary Limited vide its resolution dated Oct 19, 2009, has applied for de-registration of the company with the Registrar of Companies in terms of Companies Act, 1973.
- vi) BCF had incorporated two companies viz BC Tradelink Ltd. and Binani Cement Factory (SFZ) Limited on August 29, 2007 and November, 12, 2009 respectively. As there are no transaction during the period and considering the size of the balance sheet, their consolidation is not considered necessary.
- vii) For calculation of Goodwill/Capital Reserve, the pre-acquisition profits and reserves of the acquired subsidiaries, wherever applicable, have been considered on (no. of days) pro-rata basis. However, in the absence of adequate information, the dividend income of MUHL from BCF has been considered as post-acquisition income.
- The Combined Goodwill/Capital Reserve of all the subsidiaries arising out of consolidation has been netted off in the Consolidated Financial Statements. Company wise information is as follows: Mukundan Holdings Ltd.-Goodwill Rs. 20,043.53 Lakhs, Krishna Holdings Pte Ltd.-Capital Reserve Rs. 663.61 Lakhs, Binani Cement Limited-Goodwill Rs. 743.31 Lakhs, Murari Holdings Limited-Goodwill Rs. 23,313.60 Lakhs, RBG-Capital Reserve Rs. 2.77 Lakhs, Ess Vee Alloys Private Limited - Goodwill Rs. 11.71 Lakhs, Binani Energy Private Limited-Capital Reserve Rs. 0.18 Lakhs. The net goodwill amounts to Rs. 42,145.33 Lakhs and disclosed in the Schedule 5.
- viii) In view of the management, the effect of exception stated in 3 (A) (iv)(b), 3 (A) (vi)(g), 3(A) (viii)(d), 3 (A) (x)(b), 3 (A) (xi)(c), 3 (A) (xi) (d), 3 (A) (xii)(b) above are not quantifiable.
- ix) During the period January 2010 to March 2010, the Company has further paid share application money for investments in 3 overseas subsidiaries aggregating to Rs. 10,110.68 Lakhs (Refer. Schedule. No. 6 C). The Company has given loan of Rs. 8,934 Lakhs during the period from January 2010 to March 2010 to following subsidiaries: Murari Holdings Ltd. - Rs. 4470.98 Lakhs, Mukundan Holding Ltd Rs. 4,463.02 Lakhs (Refer Schedule 7).
- x) The amount invested / advanced by the company as referred in the above para which could not be netted off in consolidation have been broadly utilised by the subsidiaries (net of exchange differences) during the period from January 1, 2010 to March 31, 2010 as follows:
- Repayment of Secured Loan and interest thereon: Rs. 1,0510.86 Lakhs
 - Repayment of Unsecured Loan and interest thereon: Rs. 2,731.37 Lakhs
 - Investment in capital of SBRCC by KHL: Rs. 1,992.85 Lakhs
 - Paid for Share application money in Binani Cement Factory (SFZ) Ltd by Binani Cement Factory LLC: Rs. 45.06 Lakhs

SCHEDULE -16 (Contd.)

- e. Amount Advanced by BCF to Binani Cement Factory (SFZ) Ltd for business purpose: Rs. 85.88 Lakhs
- f. Expenses paid (excl Interest exp): Rs. 13.54 Lakhs
- g. Amount deemed to be part of Cash/Bank balance: Rs. 3,604.90 Lakhs

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
5. The estimated amount of contracts and commitments remaining to be executed on capital account not provided for (Consolidated)	6,218.22	17,116.44

6. CONTINGENT LIABILITY

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation.

(Rs. in Lakhs)

	As at 31st March, 2010	As at 31st March, 2009
A Contingent liabilities not provided for:-		
a) Claims against the Company not acknowledged as debts in respect of certain Income Tax matters and other matters.	2,104.06	1,710.24
b) Claims against the Company not acknowledged as debts in respect of other matters.	3,408.31	7,146.05

BCL

- c) The Company has imported fuel without payment of Customs Duty aggregating to Rs. 6.77 Lakhs (Previous Year Rs. 6.77 Lakhs) by utilizing transferable DEPB Licenses purchased from the market in the ordinary course of business. The Customs Department has issued show cause notice alleging that the original purchaser had obtained these licenses fraudulently. The above case is pending with Commissioner of Customs, Kandla. Company is hopeful of success as the Company is not at fault.

- d) Demands raised by Excise Department including relating to dispute on weight of cement bags and welding electrodes aggregating to Rs. 104.30 Lakhs (Previous Year Rs. 100.33 Lakhs) — (excluding applicable interest). The Company has filed a writ petition in the Hon'ble High Court of Rajasthan, Jodhpur in respect of the disputes related to weight of Cement bags of which next hearing is awaited. However CBEC has issued circular No. 876/14/2008 - CX dt. 20.10.2008 vide which allowed the tolerance of 1% of weight and instructed to decide the pending cases accordingly.

Regarding Welding Electrodes the case was decided by Commissioner (Appeals), Jaipur in favour of the Company. However, the department has appealed before CESTAT, Delhi.

- e) Demands raised by Customs Department, Jamnagar in relation to import of coal made in earlier years aggregating to Rs. 30.61 Lakhs (Previous Year Rs. 30.61 Lakhs). The Company has filed Appeals before CESTAT, Mumbai. CESTAT Mumbai has set aside the order of the Appellate Commissioner with a direction that the appeal by the department against the Assistant Commissioner's orders should be heard denovo on merits by the Commissioner (Appeals). Now Department has filed an appeal before the Hon'ble High Court of Gujarat against the order of CESTAT

- f) Demands raised by Assistant Commissioner Central Excise, Jodhpur in relation to Cenvat Credit of Service Tax paid on Manpower Supply Services provided at Company Run Hospital Rs. 0.94 Lakhs (Previous Year Rs. 0.94 Lakhs). The Company has filed an Appeals before Commissioner (Appeals), Jaipur II. Case heard, decision awaited.

Commissioner, Central Excise, Jaipur issued a show cause notice disputing basis of Excise duty calculated for sales made to contractual buyers. We have paid duty accordingly before issuing of show cause notice. However Commissioner imposed penalty of Rs. 1 Lakhs which is disputed by us on the ground that we have paid duty before issuing show cause notice, and an appeal has been filed before CESTAT and stay granted against recovery of penalty till disposal of appeal .

Demands raised by Additional Commissioner Central Excise, Jaipur II in relation to Cenvat Credit of Excise Duty paid on Capital goods falling under Chapter 72, 73, 59, 69, 39 and 83 amounting to Rs. 34.70 Lakhs (Previous Year Rs. Nil). The Company has filed an appeal before Commissioner (Appeals), Jaipur II. Case heard, decision awaited.

SCHEDULE -16 (Contd.)

g) Demands raised by Sales Tax Department aggregating to Rs.70.21 Lakhs (Previous Year Rs.70.21 Lakhs) contending that the Company has wrongly adjusted sales tax on account of trade discounts. The Company has filed a writ petition before Hon'ble High Court, Jodhpur and has also obtained an interim relief. Besides, the Sales Tax department has also issued demand notices relating to various matters aggregating to Rs.10.70 Lakhs (Previous Year Rs.10.70 Lakhs), which are being contested by the Company, including in appeal and is hopeful of success.

h) Demands raised by Uttar Pradesh State Government on account of entry tax on Cement for the year 2003-04 and 2005-06 aggregating to Rs. 23.81 Lakhs (Previous Year Rs. 23.81 Lakhs), based on market price which was disputed by the Company on the ground that the Entry Tax is payable on stock transfer price. The Company has paid and accounted the same as advances since a stay order has been obtained from Hon'ble Allahabad High Court, pending disposal of the matter.

The demand for the year 2004-05, 2006-07 and April 07 to June 07 aggregating to Rs. 69.77 Lakhs (Previous year Rs. 69.77 Lakhs) has not been provided for. No demand on account of Entry Tax for the period from July' 07 to March' 09 has been received. The Company has paid Rs. 5.00 Lakhs under protest against these demands and accounted the same as advances since a stay order has been obtained. The case is pending before the Hon'ble Allahabad High Court.

i) U P Commercial Tax, Ghaziabad issued Show cause notice seeking explanation on late deposit of VAT amount for the month of July' 08. The Company has filed reply explaining that VAT was deposited in time but due to Bank Holidays and Strike DD was cleared on 22.08.2008. Department has imposed penalty amounting to Rs. 22.04 Lakhs (Previous Year Rs. 22.04 Lakhs). We have filed an Appeal with Joint Commissioner (Appeals) whereby we have been granted stay for 55% of penalty and balance 45% amounting to Rs. 9.92 Lakhs paid under protest.

In the above case penalty of Rs. 2.15 Lakhs (Previous Year Rs. Nil) was also imposed in respect of late deposit of U P Entry Tax against which Additional Commissioner (Appeals), Commercial Taxes Ghaziabad granted stay for 55% of penalty and balance 45% amounting to Rs. 0.97 Lakhs was deposited.

j) Joint Commissioner Commercial Taxes, Ghaziabad has imposed penalty of Rs. 0.46 Lakhs on account incomplete form No. 38 being carried by Truck of Cement. We have deposited Rs. 0.44 Lakhs under protest and filed an appeal before Additional Commissioner (Appeals), Commercial Taxes, Ghaziabad.

k) Vide public notice under Section 40 of The Rajasthan Finance Act, 2006, the Assessing Authority has assessed the tax on Lease Hold Land at Rs. 638 Lakhs for the year 2006-07 and 07-08 and Rs. 638 Lakhs for 2008-09 and 09-10 (Previous Year Rs. 638 Lakhs for the year 2006-07 and 2007-08). Against the above The Company has deposited Rs. 48 Lakhs under protest accounted for as an advance and obtained stay order from Hon'ble High Court, Jaipur.

l) Letter of Credit opened by banks on behalf of the Company Rs. 177 Lakhs (Previous Year Rs. 177 Lakhs)

m) Guarantees given by Banks Rs. 287.95 Lakhs (Previous Year 279.50 Lakhs)

BCF

n) Contingent Liability on account of Banker's letters of guarantee Rs. 27.20 Lakhs equivalent to AED 213,000 (Previous Year Rs. 24.53 Lakhs equivalent to AED 186,000).

o) Unutilized balances of commercial letters of credit of Rs. 45.70 Lakhs equivalent to AED 357883 (previous year Rs. 1,694.70 Lakhs equivalent to AED 12,851,772).

BZL

p) Letters of credit opened by banks on behalf of the company amounts to Rs.678.48 Lakhs (Rs. 6,492.33 Lakhs).

q) Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others amounts to Rs. 450.25 Lakhs (Rs. 236.93 Lakhs)

GGFL

r) Guarantees given on behalf of the Company of Rs. 7.44 Lakhs (Rs. 29.22 Lakhs)

B Claims against the Company not acknowledged as debts:**BCL**

i) Quality claims Rs. 1.73 Lakhs (Previous Year 1.73 Lakhs)

ii) Road Tax Penalty Rs. 4.24 Lakhs (Previous Year 4.24 Lakhs)

iii) The Company has opted for Sales Tax Incentive Scheme, 1989. Earlier 25% incentive was allowed by State Level Screening Committee, but pursuant to order of Rajasthan Tax Board, 75% incentive from Sales Tax for sales effected in Rajasthan for 9 years subject to a limit of Eligible Fixed Capital Investment (EFCI) is being availed. The Company has availed Sales Tax Incentive of Rs. 20,266.98 Lakhs upto 31st March, 2006. The Sales Tax Department filed a revision petition before the Hon'ble Rajasthan High Court, Jodhpur contesting the order of Rajasthan Tax Board, which allowed

SCHEDULE -16 (Contd.)

the Company to avail 75% sales tax incentive. The Hon'ble High Court has dismissed the revision petition of Sales Tax Department. The Department has filed a revision petition before Hon'ble Supreme Court. Pending the decision of the Supreme Court, no provision has been made for the differential Sales Tax Incentive of Rs.13,327.19 Lakhs (excluding interest, if any) availed by the Company till 31st March, 2006.

However, on introduction of Value Added Tax (VAT) in the State of Rajasthan w.e.f 1st April, 2006, an option has been given to switch over to deferment scheme for twice the remaining validity period as available under the erstwhile Sales Tax Incentive Scheme, 1989 subject to the original limit of EFCI. The Company has exercised this option w.e.f 1st April, 2006 under which 75% of VAT collected and payable after the said date is being deferred for a period of 7 years. Till 26th May, 2007, Rs. 3,813.54 Lakhs was deferred and shown as Unsecured Loan (Refer schedule 4).

During the year 2007-08, the Company has filed an application with Sales Tax department for extension of period of EFCI scheme, which was not accepted. The company has filed a case with Hon'ble Jaipur High Court to instruct the Sales Tax department to extend the EFCI scheme period. However, the company has continued to defer 75% of the VAT liability amounting to Rs. 3,967.07 Lakhs for the period 27th May, 2007 to 30th April, 2008.

Application for grant of sales tax incentive was filed to sanction the EFCI to the extent of Rs. 396.72 crores, but the SLSC sanctioned Rs. 280.47 crores in Nov.' 2000, against which Company has requested vide letter dated 13.12.2000 to the SLSC for reviewing the amount of EFCI sanctioned, but no action was taken by the SLSC. A writ petition was filed during the year 2008-09 before the Hon'ble High Court, Jaipur bench, based on the fact that the SLSC has not replied to our review application within the time frame as per the the New Rajasthan Sales Tax Incentive Scheme, 1989 and the decision is pending for review till date, hence the company has continued to avail the deferment benefit treated as deemed to be sanctioned. The amount of tax liability for the period 30th April, 2008 to 31st March, 2010 is Rs. 9,575.86 Lakhs against which we have deposited Rs. 399.21 Lakhs under protest as per the directions of the Hon'ble High Court. The matter is pending for decision before Hon'ble Rajasthan High Court.

- iv) Reduction in interest of Rs. 1,361 Lakhs for the period 1st October, 2004 to 31st March, 2005, converted to Zero Coupon Loan (ZCL) as per the Restructuring Package (RP) of the Industrial Development Bank of India Limited (IDBI) approved during the Financial Year 2004-05 was payable in four annual installments commencing from 31st March, 2010 and ending on 31st March, 2013. The Company had approached IDBI for waiver of the same since as per restructuring the Company had become eligible for waiver as it had complied with all the terms and conditions of the restructuring package. During the current year, the above Zero Coupon Loan has been accounted and same is treated as prior period expenses. The first installment of Rs. 340.30 Lakhs has, however, been paid under protest with a request to once again review the matter.
- v) The excise duty shown as deduction from turnover is total excise duty on sale of goods for the year. However, the excise duty related to the difference between opening stock, closing stock and samples etc. is shown in schedule 11 in profit and loss account.
- vi) The Company has not deposited the sum of Rs. 725.81 Lakhs (Previous Year Rs. 581.90 Lakhs), shown as current liability in Schedule 8, on account of entry tax on goods under the Rajasthan Tax on Entry of Goods into Local Area Act, 1999 on notified goods purchased from outside the state from May' 06. The company has filed a writ petition on 10.07.2006 against the notice of C.T.O. special circle, Pali for notice issued under Section 16(3) of the said "Act". The said petition has been admitted by the Hon'ble Court and a stay has been granted. Further, the case been referred to the larger bench of the Hon'ble Court.

BZL

- i) The Single Bench of the Hon'ble High Court of Kerala, has disposed the Company's Petition against the Order of the Appellate Authority (Dy. Chief Engineer KSEB) quashing the order levying penalty demand towards alleged unauthorised additional load raised by KSEB, remanding the matter with a direction to take a decision afresh in accordance with Law considering the bona fide conduct of the Company. The company had obtained all the necessary approvals as stipulated in the conditions of supply of KSEB and since there was no violation, the penal charges are not payable. The Company has filed a further writ petition before the Division Bench, challenging that portion of the order, relating to remand which was heard and reserved for judgment. In view of the above, no provision is considered necessary at this stage.
- ii) The company had disputed the increase in power tariff made by KSEB w.e.f 01-10-02. The Hon'ble Supreme Court vide judgement dated 21.04.2009 remanded the matter before the Kerala State Electricity Regulatory Commission for deciding the Company's petition afresh in accordance with Law, and pending the final decision by the Commission the stay on disconnection continued. The commission vide their order dated 8th March 2010 held that petition by the Company is devoid of merits and that the dues as per tariff effective from October 2002 is payable. The Commission also directed KSEB to provide the facility of remitting the dues in instalments as per the provision of Kerala Electricity Supply Code to enable the Company to remit the dues without hardship. Following the Order of the Commission the KSEB has raised a demand of Rs. 6,412.49 Lakhs towards dues upto 30.11.2007 comprising of principal demand of Rs. 3,124.68 Lakhs and interest of Rs. 3,287.81 Lakhs (@ 24% upto 31.10.2008) and 18% thereafter. The Company has

SCHEDULE -16 (Contd.)

not accepted the decision of the Commission and has filed an SLP in Supreme Court which is pending disposal. The Supreme Court vide its order dated 9.4.2010 has posted the matter for hearing on 30.4.2010 and directed that KSEB shall not disconnect electricity supply to the company subject to remittance of Rs.1,000 Lakhs within two weeks from date of its order which has been remitted on 21.04.2010. The company as a matter of abundant caution, has provided the principal demand as estimated by them upto November 2007 aggregating to Rs. 3,124.68 Lakhs. However, interest on the disputed demand amounting to Rs. 3,287.81 Lakhs (Rs.1361.97 Lakhs) which includes Rs. 562.44 Lakhs (Rs.363.38 Lakhs) relating to the current year, is considered not payable at this stage and hence not provided for and is included under Contingent Liabilities. In the meantime, Kerala State Electricity Regulatory Commission has issued a Schedule of tariff confirming the enhanced tariff w.e.f. 01.12.2007. The Company has filed an appeal before the Appellate Tribunal for Electricity, Delhi against the said Schedule of tariff which is pending disposal. Pending disposal of the appeal, the Company is remitting the dues as per the Schedule of tariff effective as above under protest. The amount paid relating to the current year aggregating to Rs.916.38 Lakhs (Rs.533.77 Lakhs) has been charged to the Profit and Loss Account.

- iii) Consequent upon expansion of capacity in 1982-83 of its Zinc division, Binani Industries Ltd. (BIL) became entitled to concessional tariff (pre September 1982 tariff) as per notification of the Government of Kerala dt. 06.10.1986 for a period of 5 years. From Sept 1986, KSEB imposed Power Cut in the Zinc Division of BIL and was importing power from outside the state. The concessional tariff for imported power was fixed as per the order of the Hon'ble High Court of Kerala. However, KSEB withdrew both concessional tariff as above and the liability thereon aggregating to Rs.816.88 Lakhs was included in the liabilities transferred to the company under the scheme. BIL had taken up the matter before the Hon'ble High Court of Kerala, which was pending for a long time. Since considerable time had passed and based on the legal advice obtained the said amount of Rs.816.88 Lakhs in respect of the said demands was treated as no longer payable and written back in the accounts of the Company in the year 2003-04.

The Hon'ble Single Bench of the Kerala High Court disposed the appeal with a direction to KSEB to reconsider the claim of the company for concessional tariff for the modernised plant energized before the cut-off date alone, in the earlier year. This order of the Single Bench is disputed by the company in the writ appeal filed before the Division Bench which has been admitted and interim stay against disconnection granted which is pending disposal. During the year 2007-08, KSEB cancelled the concessions and raised a demand of Rs. 4,346.79 Lakhs (including interest @ 24% p.a upto 30th November, 2007 amounting to Rs. 3,389.22 Lakhs). No demand was raised towards interest for the period from 1st December, 2007 to 31st March, 2010. The above Order was also disputed before the Division Bench. The Division Bench of the Hon'ble High Court vide their Order dated 09.02.2010 held that the counsel for KSEB has stated that the Order cancelling concessions was apparently superfluous and has been issued without considering all relevant factors and the same may be treated as withdrawn.

Accordingly the Court allowed the KSEB to treat the above said order as withdrawn and to further hear the Company in this matter. The company based on the legal opinion obtained, is hopeful of a favourable decision on final settlement of the issues involved in the matter and hence no provision is considered necessary at this stage.

GGFL

Loans and Advances include Rs.6,889 thousands (Previous Year Rs.6,889 thousands) being refund receivable from Goa Electricity Board as subsidy towards electricity charges as per the notifications then applicable. The Hon'ble High Court at Goa had scrapped the notification of 1996. The Company along with MRF and Alco filed Special Leave Petition before the Hon'ble Supreme Court, against the judgment given by Hon'ble High Court at Goa refusing benefit of rebate. Another SLP was filed by the Company challenging the judgement given by the division bench of the Hon'ble High Court declaring the 1996 notification as null and void for being issued without Cabinet's approval. The Hon'ble Supreme Court has also granted stay against the recovery notice served by the Government of Goa for the subsidy already availed by the Company. Under the circumstances, no provision has been made in the accounts in this regard.

7. UNSECURED LOANS**BIL**

Punjab National Bank — Short Term Corporate Loan — Rs. 5,000 Lakhs (Previous Year Rs. Nil)

Post dated cheques for repayment of Principal are issued.

8. SECURED LOANS**BCL****A DEBENTURES**

- i) **11.20% (Reset Rate) Secured Redeemable Non Convertible Debentures (11.20%SRNCD) — Outstanding Rs. 3,208.33 Lakhs (Previous Year Rs. 4,375 Lakhs)**

Secured by (a) a charge created on the movable and immovable properties of the Company located at Binanigram, Pindwara, Sirohi in Rajasthan both present and future (except the assets of the first phase of the 2X22.30 MW captive

SCHEDULE -16 (Contd.)

thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Syndicate Bank and the assets imported from M/s F.L. Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company) and (b) exclusive first charge on plot of land situated at village Mouj, Dhanot, Kalol, Distt. Mehsana, Gujarat subject to charges on specified movables created for securing the borrowings for working capital requirements from Banks ranking pari-passu with charges created and/or to be created in favour of Financial Institutions/Banks/Debentures Trustee(s) executed by the Company and (c) Corporate Guarantee of Binani Industries Limited (BIL).

The Debenture shall be redeemable in a period of 6 years in quarterly installments commencing from 31st March, 2007 and ending on 31st December, 2012.

ii) **11.99% (Reset Rate) Secured Redeemable Non Convertible Debentures (11.99% SRNCD) — Outstanding Rs. 1,666.67 Lakhs (Previous Year 3000 Lakhs)**

Secured by (a) a charge created on the movable and immovable properties of the Company located at Binanigram, Pindwara, Sirohi in Rajasthan both present and future (except the assets of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Syndicate Bank and the assets imported from M/s F.L. Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company) and (b) exclusive first charge on plot of land situated at village Mouj, Dhanot, Kalol, Distt. Mehsana, Gujarat subject to charges on specified movables created for securing the borrowings for working capital requirements from Banks ranking pari-passu with charges created and/or to be created in favour of Financial Institutions/Banks/Debentures Trustee(s) executed by the Company and (c) Corporate Guarantee of Binani Industries Limited (BIL).

The Debentures shall be redeemable at par in a period of 5 years in quarterly installments commencing from 30th September, 2008 and ending on 30th June, 2011.

B. TERM LOANS

BCL

I) Financial Institutions

i) **Industrial Development Bank of India Ltd. (IDBI) — Rupee Term Loans/Rupee Tied Foreign Currency Loans/Funded Interest Term Loans — outstanding Rs. 24,287.48 Lakhs (Previous Year Rs. 27,358.49 Lakhs).**

The above term loans include loans aggregating to Rs. 5,953.59 Lakhs (Previous Year Rs. 6,668.64 Lakhs), which were transferred from BIL to the Company with effect from 1st October, 2004 vide letter No.H.O.CFD-II.B-18/BCL/2274 dated 31st March, 2005 received from IDBI and agreement of take over of loans liabilities dated 30th September, 2005.

Secured/to be secured (a) first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi in Rajasthan (except the assets of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis of Syndicate Bank) and of BIL both present and future (b) first charge by way of hypothecation on all movables of the company at Binanigram, Pindwara, Sirohi in Rajasthan and BIL (save and except book debts) including movable machinery, machinery spares, tools and accessories present and future, subject to charges on specified movables created and/or to be created for securing the borrowings for working capital requirements from Banks and ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions/Banks/Debentures Trustee(s)/Other Term Lenders as detailed in the respective loan agreement(s) deed(s) of hypothecation/debenture trust deed(s) executed by the Company except the assets imported from M/s F.L. Smidth, Denmark under the Export Contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company, (c) Corporate Guarantee of BIL, (d) Pari-Passu charge on Trust and Retention Account and (e) Pari-Passu second charge on the immovable assets relating to the first phase of the 2x22.3 MW Captive Thermal Power Plant comprising of 1x22.3 MW Captive Thermal Power Plant, associated equipments and shared facilities.

ii) **Industrial Development Bank of India Ltd. (IDBI) — Zero Coupon Loan (ZCL) — outstanding Rs. 1,020.90 Lakhs (Previous Year Rs. Nil)**

Secured/to be secured by (a) first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi in Rajasthan (except the assets of the first phase of the 2X22.30 MW Captive Thermal Power Plant comprising of 1X22.30 MW Thermal Power Plant, associated equipments and shared facilities which are exclusively charged on first charge basis of Syndicate Bank) and of BIL both present and future (b) first charge by way of hypothecation on all movables of the company at Binanigram, Pindwara, Sirohi in Rajasthan and BIL (save and except book debts) including movable machinery, machinery spares, tools and accessories present and future, subject to charges on specified movables created and/or to be created for securing the borrowings for working

SCHEDULE -16 (Contd.)

capital requirements from Banks and ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions/Banks/Debentures Trustee(s)/Other Term Lenders as detailed in the respective loan agreement(s) deed(s) of hypothecation/debenture trust deed(s) executed by the Company except the assets imported from M/s F.L. Smidth, Denmark under the Export Contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company, (c) Corporate Guarantee of BIL, (d) Pari-Passu charge on Trust and Retention Account and (e) Pari-Passu second charge on the immovable assets relating to the first phase of the 2x22.3 MW Captive Thermal Power Plant comprising of 1x22.3 MW Captive Thermal Power Plant, associated equipments and shared facilities.

Zero Coupon Loan (ZCL) is payable in four annual installments commencing from 31st March, 2010 and ending on 31st March, 2013. The Company has approached IDBI for waiver of the same since as per restructuring, the Company became eligible for waiver as it has complied with all the terms and conditions of the restructuring package. The Company has provided for ZCL and paid the first installment due as on 31.3.2010 Under protest.

- iii) Eksport Kredit Finansiering A/S — Foreign Currency Loans — Outstanding Rs. 2812.49 Lakhs (previous year Rs. 3,889.14 Lakhs).

Secured by (a) exclusive first charge on the assets imported from M/s. F.L. Smidth, Denmark under the Export Contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered with EKF A/s. (b) Pari-Passu charge on Trust and Retention account and (c) Corporate Guarantee of BIL.

- iv) Industrial Development Bank of India Ltd. (IDBI) — Rupee Term Loans — outstanding Rs. 6,000 Lakhs (Previous Year Rs. 5,400 Lakhs).

Secured/to be secured (a) first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi in Rajasthan (except the assets of the first phase of the 2x22.30 MW captive thermal power plant comprising of 1x22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Syndicate Bank) and of BIL both present and future, (b) first charge by way of hypothecation on all movables of the company at Binanigram, Pindwara, Sirohi in Rajasthan and BIL (save and except book debts) including movable machinery, machinery spares, tools and accessories present and future, subject to charges on specified movables created and/or to be created for securing the borrowings for working capital requirements from Banks and ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions/Banks/Debentures Trustee(s)/Other Term Lenders as detailed in the respective loan agreement(s) deed(s) of hypothecation/debenture trust deed(s) executed by the Company except the assets imported from M/s. F.L. Smidth, Denmark under the Export Contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s. EKF A/S and the Company (c) Corporate Guarantee of BIL (d) Pari- Passu charge on Trust and Retention Account and (e) Pari-Passu second charge on the immovable assets relating to the first phase of the 2x22.3 MW Captive Thermal Power Plant comprising of 1x22.3 MW Captive Thermal Power Plant, associated equipments and shared facilities.

- v) Industrial Development Bank of India Ltd. (IDBI) — Rupee Term Loan (Rs. 10,000 Lakhs, yet to be availed) — outstanding Rs. Nil (Previous Year Rs. Nil)

Secured/to be secured by a first charge by way of hypothecation of all the movables (save and except book debts) including movable machinery, machinery spares, tools and accessories, present and future pertaining to the new cement plant along with 25 MW captive power plant and housing colony to be set up/situated at village Lodhana, Taluka Sutrapada, Dist. Junagad and a grinding unit at village Jhangar, Dist Bharuch both in the state of Gujarat and also pertaining to mining over land area of 400 hectares acquired/to be acquired for new cement plant in Gujarat subject to prior charges created and/or to be created in favour of the bankers on stocks of raw materials, semi finished and finished goods, consumable stores, book debts and such movables as may be agreed to by the lenders for securing the borrowings for working capital requirements in the ordinary course of business.

II) Banks

- i) Oriental Bank of Commerce — Rupee Term Loan — Outstanding Rs. Nil (Previous Year Rs. 249.97 Lakhs).

Secured/to be secured by (a) first pari-passu mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi in Rajasthan (except the assets of the first phase of the 2x22.30 MW captive thermal power plant comprising of 1x22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Syndicate Bank) both present and future, (b) first charge by way of hypothecation on all movables of the Company at Binanigram, Pindwara, Dist. Sirohi in Rajasthan (save and except book debts) including movable machinery, machinery spares, tools and accessories, present and future, subject to charges on specified movables created and/or to be created for securing the borrowings for working capital requirements from Banks and ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions/Banks/Debenture Trustee(s)/Other Term Lenders as detailed in the respective loan agreement(s)/deed(s) of hypothecation/debenture trust deed(s) executed by the Company except the assets imported from M/s F.L. Smidth,

SCHEDULE -16 (Contd.)

- Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s. EKF A/S and Binani Cement Ltd., (c) Corporate Guarantee of BIL, (d) pari-passu second charge on the immovable assets relating to the first phase of the 2x22.3 MW captive thermal power plant comprising of 1x22.3 MW captive thermal power plant, associated equipments and shared facilities and (e) pari-passu charge on Trust and Retention Account.
- ii) J P Morgan Chase Bank National Association — Rupee Term Loans — Outstanding Rs. Nil (Previous Year Rs. 5,571.43 Lakhs), a) pari-passu first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi, in Rajasthan (except the assets of the first phase of the 2x22.30 MW captive thermal power plant comprising of 1x22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Syndicate Bank), both present and future, ranking pari-passu with mortgage and charges created and/or to be created in favour of institutions/banks/Debenture trustee(s) as detailed in respective loan agreement(s)/deed(s) of hypothecation/debenture trust deed(s) executed by the Company, (b) pari-passu charge on Trust and Retention Account and (c) pari passu second charge on immovable assets relating to the first phase of the 2x22.3 MW captive thermal power plant comprising of 1x22.3 MW captive thermal power plant, associated equipments and shared facilities.
- iii) Syndicate Bank — Term Loan - Outstanding Rs. 15,000 Lakhs (Previous Year Rs. Nil)
Secured/to be secured by a) Corporate Guarantee of BIL b) Post dated cheques for repayment of Principal
- iv) Syndicate Bank — Rupee Term Loan — Outstanding Rs. 2,772.13 Lakhs (Previous Year Rs. 4,438.80 Lakhs)
Secured by (a) first Mortgage and exclusive charge created on immovable properties of first phase of 2x22.30 MW captive thermal power plant comprising of 1x22.30 MW thermal power plant, all associated equipments and shared facilities situated at Pindwara, Sirohi, Rajasthan and all goods and equipments forming part of the plant both present and future, (b) Secured by pari passu first mortgage and charge on underlying land and building for the first phase of 2x22.30 MW captive power plant comprising of 1x22.30 MW thermal power plant, associated equipments and shared facilities situated at Binanigram, Pindwara, Sirohi in Rajasthan both present and future, (c) pari-passu charge on Trust and Retention Account and (d) Corporate Guarantee of BIL.
- v) Syndicate Bank — Rupee Term Loan — Outstanding Rs. 1,857 Lakhs (Previous Year Rs. Nil). a) Pari-passu first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi, in Rajasthan (except the assets of the first phase of the 2x22.30 MW captive thermal power plant comprising of 1x22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Syndicate Bank), both present and future, ranking pari-passu with mortgage and charges created and/or to be created in favour of institutions/banks/Debenture trustee(s) as detailed in respective loan agreement(s)/deed(s) of hypothecation/debenture trust deed (s) executed by the Company, (b) pari-passu charge on Trust and Retention Account and (c) pari passu second charge on immovable assets relating to the first phase of the 2x22.3 MW captive thermal power plant comprising of 1x22.3 MW captive thermal power plant, associated equipments and shared facilities.
- vi) Punjab National Bank - Short Term Corporate Loan - Outstanding Rs. 5,000 Lakhs (Previous Year Rs. Nil).
Secured/to be secured by a) Corporate Guarantee of BIL, b) Post dated cheques for repayment of Principal.
- vii) Yes Bank - Short Term Loans - Outstanding Rs. Nil (Previous Year Rs. 1,500 Lakhs).
Secured/to be secured by a) Corporate Guarantee of BIL b) Post dated cheques for repayment of Principal.
- viii) Yes Bank Ltd. Term Loan - Outstanding Rs. 5,000 Lakhs (Previous Year Rs. Nil).
Secured/to be secured by a) Corporate Guarantee of Binani Industries Ltd. till the time Yes Bank is included in to working capital consortium, b) subsequent charge on movable assets of the Company, c) Post dated cheques for Principal repayment.
- ix) Dena Bank - Short Term Loan - Outstanding Rs. Nil (Previous Year Rs. 2,500 Lakhs).
Secured/to be secured by a) Unconditional and Irrevocable Corporate Guarantee of Binani Industries Ltd., b) post dated cheques for repayment of Principal.
- x) Punjab National Bank - Short Term Corporate Loan - Outstanding Rs. Nil (Previous Year Rs. 7,500 Lakhs)
Secured/to be secured by a) second charge on the fixed assets of the Company, b) Corporate Guarantee of Binani Industries Ltd. and c) Post dated cheques for repayment of Principal.
- xi) UCO Bank - Short Term Corporate Loan - Outstanding Rs. Nil (Previous Year Rs. 5,000 Lakhs)
Secured/to be secured by a) Unconditional and Irrevocable Corporate Guarantee of Binani Industries Ltd., b) Post dated cheques for repayment of Principal.

SCHEDULE -16 (Contd.)

- xii) UCO Bank - Term Loan - Outstanding Rs. 6,000 Lakhs (Previous Year Rs. Nil)
Secured/to be secured by a) Subservient Hypothecation charge on the plant and machinery of the company, b) Post dated cheques for repayment of Principal and Interest.
- xiii) Central Bank of India - Term Loan - Outstanding Rs. 5,000 Lakhs (Previous Year Rs. Nil).
Secured/to be secured by Subservient Hypothecation charge on the movable assets of the Company
- xiv) Syndicate Bank - Term Loan - Outstanding Rs. 2,663 Lakhs (Previous Year Rs. Nil).
Secured/to be secured by a) Exclusive first charge on Plant and Machinery, Equipments of 4th cement grinding unit situated at Binanigram, Pindwara, Sirohi, Rajasthan and b) pari-passu first charge on the portion of land pertaining to the 4th cement grinding unit situated at Binanigram, Pindwara, Sirohi, Rajasthan.
- xv) State Bank of India - Term Loan - Outstanding Rs. 10,000 Lakhs (Previous Year Rs. Nil).
Secured/to be secured by a) second pari-passu charge on Fixed Assets of the Company, b) Post dated cheques for repayment of Principal and Interest.
- xvi) Bank of India - Short Term Loan - Outstanding Rs. Nil (Previous Year Rs. 2,500 Lakhs).
Secured/to be secured by a) Unconditional and Irrevocable Corporate Guarantee of Binani Industries Ltd., b) Post dated cheques for repayment of Principal.
- xvii) Vijaya Bank - Term Loan (Rs. 4,000 Lakhs yet to be received) - Outstanding Rs. Nil (Previous Year Rs. Nil).
Secured/to be secured by a first charge by way of hypothecation of all the movables (save and except book debts) including movable machinery, machinery spares, tools and accessories, present and future pertaining to the new cement plant along with 25 MW captive power plant and housing colony situated at village Lodhana, Taluka Sutrapada, Dist. Junagad and a grinding unit at village Jhangar, Dist Bharuch both in the state of Gujarat and also pertaining to mining over land area of 400 hectares acquired/to be acquired for new cement plant in Gujarat subject to prior charges created and/or to be created in favour of the bankers on stocks of raw materials, semi finished and finished goods, consumable stores, book debts and such movables as may be agreed to by the lenders for securing the borrowings for working capital requirements in the ordinary course of business.

C WORKING CAPITAL DEMAND LOANS/CASH CREDIT FROM BANKS

Banks - Outstanding Rs. 7.58 Lakhs (Previous Year Rs. 736.77 Lakhs)

Secured against (a) hypothecation of Raw Materials, Stock in Trade, Stock-in-Process, Finished Goods, Consumables, Stores and Spares and Packing Material, Book Debts and other receivables belonging to the Company, second charge on immovable properties of the Company and Corporate Guarantee of BIL and (b) pari-passu charge on Trust and Retention Account.

MHL**TERM LOANS**

Banks : Rs. 39,859 Lakhs (US \$ 85 million) (Previous Year Rs. 43,945 Lakhs (US \$ 85 million))

The loan is secured by a corporate guarantee from BCL and pledge of all shares in the capital of KHL held by BCL and MHL, shares in capital of SBRCC held by KHL, shares in capital of BCF held by MHL and shares in capital of MHL held by BCL.

BCF**BANK BORROWINGS**

Overdrafts: Rs. 2,774.57 Lakhs (AED 21,728,131) (Previous Year Nil)

Trust receipts Rs. 4,406.01 Lakhs (AED 34,504,132) (Previous Year Rs. 8,658.25 Lakhs (AED 65,659,961))

Cheques discounted Rs. 6,391.90 Lakhs (AED 50,055,898) (Previous Year Rs. 10,650.08 Lakhs (AED 80,765,035))

The bank borrowings are secured by:

- Hypothecation of floating assets on pari-passu basis.
- Assignment of insurance policies.
- Assignment of bank guarantees provided by customers and issued by reputed local banks.

The bank borrowings and loans are subject to certain financial covenants including debt/equity ratios, capital gearing ratio, leverage ratio, current asset/current liability ratios, minimum net worth and dividend distribution limit.

SCHEDULE -16 (Contd.)

An analysis by bank of amounts outstanding is as follows:

Abu Dhabi Commercial Bank - Rs. 5481.33 Lakhs (AED 42,925,161) (Previous Year Rs. 8,078.81 Lakhs (AED 61,265,773))

BNP Paribas - Rs. 4,781.89 Lakhs (AED 37,447,762) (Previous Year Rs. 8,372.09 Lakhs (AED 63,489,853))

Barclays - Rs. 2,307.93 (AED 18,073,800) (Previous Year Rs. 2,857.43 (AED 21,669,370))

Bank of Baroda - Rs. 1,001.31 (AED : 7,841,438) (Previous Year Nil)

MUHL

The loan are secured by :

- Corporate guarantee of Binani Cement Limited,
- Pledging of 100% shares of the Company (held by Binani Cement Limited).
- A negative lien on the assets of the Binani Cement Factory LLC, Dubai.
- Non-disposal undertaking for the beneficial interest for 51% shares of Binani Cement Factory LLC. Dubai.
- Non-disposal undertaking for 49% shares of Binani Cement Factory LLC held by Mukundan Holdings Limited.

An analysis by bank of amounts outstanding is as follows:

Punjab National Bank: Rs. 4689.36 Lakhs (USD 10,000,000)

Bank of Baroda: Rs. 2344.68 Lakhs (USD 5,000,000)

State Bank of India: Rs. 4689.36 Lakhs (USD 10,000,000)

Syndicate Bank: Rs. 2344.68 Lakhs (USD 5,000,000)

GGFL

1 Rupee Term Loan

- i) Yes Bank Limited – Outstanding Rs. Nil (Previous Year Rs. 2,500 Lakhs)

Secured by a) Corporate guarantee of Binani Industries Limited and, b) Post dated cheques for repayment of principal amount. The Loan has been fully repaid during the year and all the charges have been satisfied.

- ii) Vijaya Bank Limited – Outstanding Rs. 2,395.78 Lakhs (Previous Year Rs. 864.98 Lakhs).

Secured by a) a first mortgage and charge on immovable properties of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) first charge by way of hypothecation of all movable including movable machinery, machinery spares, tools and accessories, present and future (except book debts) subject to charges created for securing the borrowings for working capital requirements from banks, and c) Corporate guarantee of Binani Industries Limited.

- iii) Indian Overseas Bank - Outstanding Rs. 2,343.70 Lakhs (Previous Year Rs. Nil).

Secured by a) a first pari-passu charge on the fixed assets of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) second pari-passu charge on the current assets of the Company on pari-passu with other term lender. c) Corporate guarantee of Binani Industries Limited.

2 Cash Credit from Bank

- i) Cash Credit from Punjab National Bank - Outstanding Rs. 899.99 Lakhs (Previous Year Rs. 665.02 Lakhs)

Secured by (a) hypothecation of present and future stocks of raw materials, work-in-process, finished goods, consumables, stores and spares, book debts, outstanding decrees, money receivables, claims, securities, government subsidies, investment, right and other movable assets excluding bills purchased/discounted by bank and bills against which advance has been paid which belong to the Company and (b) second charge and mortgage on immovable properties of the Company situated at Village Colvale, Taluka Bardez, Goa, both present and future.

- ii) Bills Discounted with Punjab National Bank – Outstanding Rs. 582.25 Lakhs (Previous Year Rs. 437.87 Lakhs).

Secured by bills drawn on Letters of Credit issued by approved banks.

BZL

1 Cash Credit from Bank

Bank Borrowings for Cash Credits – Punjab National Bank/Oriental Bank of Commerce.

Balance outstanding – Punjab National Bank – Debit Rs. 92.50 Lakhs (Debit Rs. 21.54 Lakhs).

Balance outstanding – Oriental Bank of Commerce – Credit Rs. 141.17 Lakhs (Debit Rs. 30.64 Lakhs)

SCHEDULE -16 (Contd.)

Secured by a) pari-passu first charge by way of hypothecation of the whole of the Current Assets of the Company viz. stocks of raw materials, packing materials, stock in process, semi finished and finished goods, consumable stores and spares, Export/Local Bills receivable, book debts, movable plant and machinery, stores and spares relating to the machinery and other movables, both present and future., b) pari-passu second charge on the fixed assets of the Company located at Binanipuram, Kerala, and c) Corporate guarantee of Binani Industries Limited, the Holding Company.

2 Short Term Loan

UCO Bank – Balance Outstanding Rs. Nil (Rs. 3,000 Lakhs)

Secured by first charge on the land and building of the Company and hypothecation of all other fixed assets of the Company at Binanipuram, Kerala or any other place of the Company, both present and future, with consent for second charges in favour of working capital lenders and collateral security by way of corporate guarantee of Binani Industries Limited

UCO Bank – Balance Outstanding Rs. 5,000 Lakhs (Rs. Nil).

Secured by exclusive first hypothecation and mortgage charge on all fixed assets of the Company, including plant and machinery and land and building and any movables therein, both present and future at Survey No. 50/10 to 55/9 in Village Kadungallor, Taluka Parur, District Ernakulam, Kerala or any other place of the Company amounting to Rs. 94 crores. The documentation of the Loan has been completed and the registration of charge with Registrar of Companies is in progress.

9. During the year 42,00,000 Zero Coupon Convertible Preference Shares of Rs 100/- each fully paid-up of Goa Glass Fibre Ltd were converted to 4,20,00,000 Equity Shares of Rs. 10/- each fully paid-up.

(Rs. in Lakhs)		
	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
10. Other Income (Consolidated)		
i) Profit from Hedging Transactions	–	721.59
ii) Interest and Dividend from Banks/Others	694.41	881.94
iii) Exchange Rate Fluctuation	1,537.73	328.24
iv) Income from 'inadvertent' flow of surplus power to RPPC	18.86	3.38
v) Profit on sale of Investments	–	38.94
vi) Profit on sale of Fixed Assets	–	289.53
vii) Sale of Carbon Credits (Certified Emission Reduction)	–	283.05
viii) Liability no longer required written back	13.10	36.64
ix) Scrap Sale	757.84	698.26
x) Subsidy income of SBRCC	972.96	1296.21
xi) Insurance Claim	342.42	183.56
xii) Others	288.26	598.01
TOTAL	4,625.58	5,359.35

11. Miscellaneous Expenses under Schedule-12 include Donation of Rs. 75 Lakhs (Previous Year Rs. 50 Lakhs)

(Rs. in Lakhs)		
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
12. (a) Managerial Remuneration		
Salary	214.56	120.54
Contribution to Provident and other funds*	13.42	6.61
Perquisites**	80.06	17.45
	308.03	144.60

** Does not include monetary value of non-cash perquisites as per Income Tax Act, 1961.

Excluding contribution to gratuity fund and provision for leave encashment since the same are provided on an actuarial basis for the Company as a whole.

SCHEDULE -16 (Contd.)

For BIL

The Company has received approval of Central Government for the payment of remuneration payable to the Managing Director, approved by shareholders as minimum remuneration vide letter no. SRN/A50398791 dt 21st April, 2009. The Company has pursuant to resolution passed by Remuneration Committee and Board of Directors on 27th January, 2010 approved payment of increment not exceeding 10% of Basic Salary to MD. The Company has vide letter SRNA79035127 dt. 22nd February, 2010 filed application with Central Government seeking approval for payment of increased remuneration.

For GGFL

The Company has received approval of the Central Government for the payment of remuneration to Whole Time Director as approved by shareholders as minimum remuneration vide letter no. SRN/ A65428773 dated 23rd December, 2009.

	(Rs. in Lakhs)	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
(b) Commission to Non-Executive Directors	28.00	19.75

	(Rs. in Lakhs)	
Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Calculation of Net Profit as per Section 349/350 of the Companies Act, 1956 for determining the commission to be paid to Non Executive Directors. (BIL)		
Net Profit/(Loss) before Tax as per Profit and Loss Account	1,664.94	3,390.47
Add:		
Managerial Remuneration	134.40	48.25
Commission paid to Non-Executive Director/s	10.00	10.00
Loss on sale of Fixed Assets	1.92	3.89
Less:		
Profit on sale of Fixed Assets	-	289.53
Net Profit/Loss (-) in terms of Section 349	<u>1,811.26</u>	<u>3,163.08</u>
Maximum remuneration as per Section 349 @ 5%	90.56	158.15
Commission to Non-Executive Directors u/s 309(4) @ 1%	18.11	31.63
Actual commission to Non-Executive Directors	10.00	10.00

	(Rs. in Lakhs)	
Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Calculation of Net Profit as per Section 349/350 of the Companies Act, 1956 for determining the commission to be paid to Non-Executive Directors. (BCL)		
Profit before Tax	42,161.24	15,455.77
Add: Directors Remuneration	60.64	53.51
Commission to Non-Executive Directors	18.00	9.75
Loss on sale of Fixed Assets	619.28	330.29
Donation	75.00	25.00
Net Profit under Section 349/350	<u>42,934.15</u>	<u>15,874.32</u>
Maximum Remuneration as per Section 349/350 @ 5%	2,146.71	793.72
Commission to Non-Executive Directors u/s 309(4) @1%	429.34	158.74
Commission actually paid to Non-Executive Directors	18.00	9.75

SCHEDULE -16 (Contd.)

	(Rs. in Lakhs)	
	For the year ended 31st March, 2010	For the year ended 31st March, 2009
13. Remuneration to Auditors		
Audit Fees	35.00	33.04
Consolidated Accounts	3.00	3.00
Tax Audit	3.06	1.72
Reimbursement of Exp. For other Matters	1.30	1.28
Cost Audit	7.38	3.98
Certification Services	0.90	0.80
	-	3.51
	<u>50.64</u>	<u>47.33</u>

14. Deferred Tax Liability of the Group as on 31.03.2010 comprises of the following (Consolidated)*:

	(Rs. in Lakhs)	
	As at 31st March, 2010	As at 31st March, 2009
a) Deferred Tax Liability		
Fixed Assets	23,077.16	19,353.17
Others	-	-
Total	<u>23,077.16</u>	<u>19,353.17</u>
b) Deferred Tax Asset		
Unabsorbed losses and depreciation	(1,210.27)	(2,449.02)
Disallowance under Income Tax Act, 1961	(2,096.83)	(494.22)
Others	-	-
Total	<u>(3,307.10)</u>	<u>(2,943.24)</u>
Provision for Deferred Tax (net)	<u>19,770.07</u>	<u>16,409.93</u>

* In case of BIL Deferred Tax Assets is not recognised in books on prudence basis.

15. Segmental Reporting as per Accounting Standard AS-17 issued by The Institute of Chartered Accountants of India (Consolidated)

	(Rs. in Lakhs)						
	Zinc and by-products	Cement	Glass Fibre	Unallocated	Sub Total	Less: Elimination	Total
Segment Revenue (net of Excise Duty)	39,542 (28,110)	229,196 (198,837)	6,046 (7,459)	57 (1,211)	274,841 (235,617)	(20) (-)	274,861 (235,617)
Inter-segment Revenue	- (-)	20 (-)	38 (-)	6,964 (1,410)	7,023 (1,410)	7,023 (1,410)	- (-)
Total Revenue	<u>39,542</u> (28,110)	<u>229,217</u> (198,837)	<u>6,085</u> (7,459)	<u>7,021</u> (1,211)	<u>281,864</u> (235,617)	<u>7,003</u> (-)	<u>274,861</u> (235,617)
Segment Result	497 (-319.95)	45,725 (19,547)	(2,584) (104)	926 (3,368)	44,564 (23,018)	(4,469) (-3523.61)	40,095 (19,175)
Income Taxes	-	-	-	-	-	-	13,018 (4,653)
Previous Year adjustment and other impact	-	-	-	-	-	-	1,361 (-)
Net Profit/Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,716</u> (14,521)
Segment Assets	35,630 (22,556)	267,426 (277,080)	13,259 (14,587)	63,091 (6,143)	379,405 (320,367)	9,368 (9,887)	370,037 (310,480)
Total Assets	<u>35,630</u> (22,556)	<u>267,426</u> (277,080)	<u>13,259</u> (14,587)	<u>63,091</u> (6,428)	<u>379,405</u> (320,367)	<u>9,368</u> (9,887)	<u>370,037</u> (310,480)
Segment Liability	27,491 (10,821)	191,181 (81,102)	8,024 (2,074)	78,676 (14,782)	305,372 (108,779)	18,059 (9,887)	287,313 (98,892)
Total Liabilities	<u>27,491</u> (10,821)	<u>191,181</u> (81,102)	<u>8,024</u> (2,074)	<u>78,676</u> (14,782)	<u>305,372</u> (108,779)	<u>18,059</u> (9,887)	<u>287,313</u> (98,892)
Capital Expenditure (net)	9,843 (1,451)	217,731 (69,815)	10,376 (1,999)	(658) (-219.12)	237,292 (73,045)	-	237,292 (72,811)
Depreciation and Amortisation	1,222 (736)	10,846 (9,243)	1,067 (805)	36 (112)	13,170 (10,896)	-	13,170 (10,896)

SCHEDULE -16 (Contd.)

Statement of Secondary Segmentwise Sales and External Receivables

	(Rs. in Lakhs)		
	Out of India Segment	Within India Segment	Total
Segment Revenue	43,474	231,387	274,861
	(51,330)	(184,288)	(235,617)
Segment Assets	62,790	307,247	370,037
	(101,203)	(209,277)	(310,480)
Capital Expenditure (net)	39,524	197,768	237,292
	(11,320)	(227,500)	(238,820)

(Figures in bracket pertains to previous year)

Notes:**(i) Business Segments**

The Company has considered "Business Segments" as the "Primary Segment" for disclosures which comprises of Zinc and by Products, Cement and Glass Fibre and its Products.

(ii) Geographical Segments

Geographical Segment is the "Secondary Segment" and location of its market, i.e., "India" and "Out of India" have been used. Since sales out of India are made to many countries without any significant difference in the value of supplies made to individual countries, these have been aggregated under "Out of India".

(iii) Segment Revenue

Segment Revenue comprises of Sales and related Income that are directly identifiable with the segment.

(iv) Segment Expenses

Directly identifiable with the segment are charged to the respective segment.

(v) All the accounting policies adopted for the segment reporting are in line with those of BIL.

16. a) Particulars of unhedged foreign currency exposure as at Balance Sheet date

(i) BCL

Particulars	Currency	(Rs. in Lakhs)	
		As at 31st March, 2010	As at 31st March, 2009
Outstanding Creditors for Coal	USD	5,602	7,465
Outstanding Creditors for Spares	DKK	0.24	-
Outstanding Creditors for Spares	USD	21.53	-

(ii) GGFL

Balances as on March 31 st , 2010	Foreign Currency amount	Equivalent in Rupees in Lakhs
Sundry Creditors	USD 6,878	3.14
	(-)	(-)
Sundry Creditors	EURO 81,583	51.42
	(-)	(-)
Sundry Creditors	GBP 36,560	25.20
	(-)	(-)
Sundry Debtors	EURO 51,324	30.60
	(EURO 52,876)	(34.62)
Sundry Debtors	USD 15,07,652	673.47
	(USD Nil)	(Nil)
Loans and Advances	EURO 45,433	28.87
	(EURO 1,41,472)	(9,384)
Loans and Advances	USD 14,266	6.51
	(USD 73,285)	(3,831)

SCHEDULE -16 (Contd.)

(ii) BZL

Balances as on 31st March, 2010	Foreign Currency Amount	Equivalent in Rupees in Lakhs
Advance to Supplier	-	3.14
	(USD 52,221)	(26.87)
Receivables	USD 105,341	47.40
	(-)	(-)
Trade Payables	USD 9,881,054	4,446.74
	(USD 2,945,962)	(1,515.70)
Other payables	-	-
	(USD 107,628)	(55.37)

b) The details of forward contracts outstanding at the year end are as follows:-

Currency	Number of Contracts	Buy Amount	Purpose
USD	9	9,600,000	Creditors Payment

17. Related Party disclosure as per AS 18 issued under Accounting Standard Rules 2006.

(a) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details below:

Particulars	(Rs. in Lakhs)		
	Enterprises where Key Management Personnel have got significant influence	Companies under Common ownership and or common management control	Total
Purchase of Material	15.23 (12.00)	- (-)	15.23 (12.00)
Sale of Fixed Assets	- (480.00)	- (-)	- (480.00)
Purchase of Fixed Asset - Transnational Trading Services Pte. Limited	- (-)	66.00 (-)	66.00 (-)
Dividend Paid	142.46 (142.76)	- (-)	142.46 (142.76)
Services charges received	5.23 (-)	- (-)	5.23 (-)
Payment towards services received	142.97 (46.50)	- (-)	142.97 (46.50)
Payment towards service rendered	30.99 (-)	- (-)	30.99 (-)
Rent paid	5.88 (3.00)	- (-)	5.88 (3.00)
Interest paid on Inter - Corporate deposit	26.00 (-)	- (-)	26.00 (-)
Compensation paid for surrender of Tenancy Rights	140.00 (-)	- (-)	140.00 (-)
Rent Received	0.03 (0.03)	- (-)	0.03 (0.03)
Loans and Advances repaid	- (10.00)	- (-)	- (10.00)
Donation			
- G D Binani Charitable Trust	25.00 (50.00)	- (-)	25.00 (50.00)
- G D Binani Charitable Foundation	50.00 (-)	- (-)	50.00 (-)

SCHEDULE -16 (Contd.)

Particulars	(Rs. in Lakhs)		
	Enterprises where Key Management Personnel have got significant influence	Companies under Common ownership and or common management control	Total
Interest Expenses			
- Kalpvriksh Holding AG	-	29.63	29.63
	(-)	(-)	(-)
Fright service availed			
- Transnational Trading Services Pte Limited	-	2,932.84	2,932.84
- Transnational Trading	-	2,011.77	2,011.77
Service charges paid for Car Usage	115.25	-	115.25
	(100.84)	(-)	(100.84)
Repayment of Loan	-	-	-
	(657.53)	(-)	(657.53)
Balance outstanding as on 31st March, 2010			
- Kalpvriksh Holding AG	-	2,844.50	-
- Inter - Corporate deposit	200	-	200.00
	(200)	(-)	(200.00)

(Figures in bracket pertain to previous year)

Note:

- 1 The remuneration paid to key management personnel as disclosed vide Note no. 12.
- 2 Names of related parties and description of relationship:
 - a) Key Management Personnel: Mr. Braj Binani, Mr. Sunil Sethy, Mr Ibrahim Ali, Mr. S.Padmakumar, Mr. V. Subramanian, Mr. Roy Kurian K. K., Mr. T. R. C Nair (from 01.04.2009 to 22.10.2009) and Mr. Sushil Bhattar w.e.f. 22.10.2009, Mr. P. Acharya, Mr. I. C. Ahuja, Mr. S. S. Khandekar.
 - b) Transactions with enterprises where Key Management Personnel have got significant influence: i) Mr. Braj Binani in Binani Metals Limited, Sambhaw Holdings Limited, K. B. Vyapar Private Limited, Triton Trading Co. Pvt. Ltd., Lexus Holding and Finance Private Limited, Miracle Securities Private Limited and G.D. Binani Charitable Foundation, ii) Mr. Sunil Sethy in Radix Technologies and iii) Mr. S. Padmakumar in English Indian Clays Ltd.
 - c) Enterprise where management personnel has significant influence: Transnational Trading Services Pte Limited, Transnational Trading, Kalpvriksh Holding AG.

18. Consolidated Earning per share is calculated as follows :

Particulars	(Rs. in Lakhs)	
	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
A Basic and Diluted EPS before extraordinary items		
Net Profit after tax attributable to equity shareholder	18,513.86	10,941.09
Less: Extraordinary Item	-	1,265.75
Net Profit after tax before extraordinary item attributable to equity shareholder	18,513.86	9,675.34
Equity shares outstanding as at the period end (in Nos.)	29,596,425	29,596,425
Weighted average number of Equity Shares used as denominator for calculating Basic and Diluted Earning Per Share	29,596,425	29,596,425
Nominal Value per Equity Share (in Rs.)	10/-	10/-
Earning Per Share (Basic and Diluted) (in Rs.)	62.55	32.69
B Basic and Diluted EPS after extraordinary items		
Net Profit after tax attributable to equity shareholder	18,513.86	10,941.09
Equity shares outstanding as at the period end (in Nos.)	29,596,425	29,596,425
Weighted average number of Equity Shares used as denominator for calculating Basic and Diluted Earning Per Share	29,596,425	29,596,425
Nominal Value per Equity Share (in Rs.)	10/-	10/-
Earning Per Share (Basic and Diluted) (in Rs.)	62.55	36.96

SCHEDULE -16 (Contd.)

19. EMPLOYEE BENEFITS:

a) Defined benefit plans as per actuarial valuation on 31st March, 2010

(Rs in Lakhs)

	Gratuity Funded	
	31.3.2010	31.3.2009
I Expenses recognised in the Statement of Profit and Loss for the year ended 31st March, 2010		
1 Current Service Cost	93.73	85.35
2 Interest Cost	61.75	60.71
3 Employees Contributions	-	-
4 Expected return on plan assets	(73.13)	(72.36)
5 Net Actuarial (Gains)/Losses	202.95	55.40
6 Past Service Cost	-	-
7 Settlement Cost	-	-
8 Total Expenses	285.30	129.10
9 Actual return on plan assets	54.96	23.12
II Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2010		
1 Present value of Defined Benefit Obligation as at 31st March, 2010	1,071.20	803.36
2 Fair value of plan assets as at 31st March, 2010	1,086.20	807.18
3 Funded status [Surplus/(Deficit)]	15.01	21.71
4 Net asset/(Liability) as at 31st March, 2010	15.01	21.71
III Change in obligation during the year ended 31st March, 2010		
1 Present value of Defined Benefit Obligation at beginning of the year	802.53	794.28
2 Current Service Cost	93.73	85.35
3 Interest Cost	61.75	60.71
4 Settlement Cost	-	-
5 Past Service Cost	-	-
6 Employees Contributions	-	-
7 Actuarial (Gains) / Losses	200.50	43.98
8 Benefits Payments	(88.89)	(180.97)
9 Present value of Defined Benefit Obligation at end of the year	1069.62	803.35
IV Change in Assets during the year ended 31st March, 2010		
1 Plan assets at beginning of the year	802.93	712.79
2 Assets acquired on amalgamation in previous year	-	-
3 Settlements	-	-
4 Expected return on plan assets	45.16	128.58
5 Contributions by Employer	296.03	28.60
6 Actual benefits paid	(88.89)	(38.90)
7 Actuarial (Gains)/Losses	(4.76)	10.24
8 Plan assets at end of the year	27.97	802.93
9 Actual return on plan assets		
V The major categories of plan assets as a percentage of total plan		
Qualifying Insurance Policy *	YES	YES
VI Actuarial Assumptions		
Discount Rate	8% - 8.25%	7.75% - 8%
Salary Escalation	4% - 7%	3% - 7%
* In case of BTCL and Ess Vee Alloy Pvt. Ltd. - No		

b) Provision towards liability for Leave Encashment made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value of liability is Rs. 196.49 Lakhs (Previous Year Rs. 215.72 Lakhs) based upon following assumptions.

Discount Rate	8.25%	7% - 8%
Salary Escalation	4%	3% - 4%

SCHEDULE -16 (Contd.)**20. Provident Fund managed by a Trust set up by the Company.**

Pending the issuance of the Guidance Note from the Actuarial Society of India, the Company has not obtained actuarial valuation of the Provident Fund liability. In view of this, the Company has expensed out the contribution made during the year amounting to Rs. 75.11 Lakhs and deficit if any arising out of actuarial valuation, shall be recognised as expense when actuarial valuation is obtained.

21. Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

For **KANU DOSHI ASSOCIATES**
Chartered Accountants

M. K. Chattopadhyaya
Group Chief Financial Officer

Braj Binani
Chairman

Jayesh Parmar
Partner

S. N. Sridhar
Sr. Vice President (Corp. Legal)
and
Company Secretary

Sunil Sethy
Managing Director

Membership No: 45375
Firm Registration No. 104746W

Place : Mumbai
Date : 23rd April, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lakhs)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Cash Flow From Operating Activities		
Net Profit Before Tax	40,095.08	19,174.53
Adjustments for:		
Depreciation	13,170.33	10,896.28
Interest and Finance Charges	13,993.16	12,109.59
Exchange Fluctuation Unrealised	(121.92)	(232.85)
Sundry Balances written off	(10.47)	6.78
Liabilities no longer required written back	(10.25)	(42.30)
Forfeiture of Upfront Deposit on Warrants	-	(1,265.75)
Loss/(Profit) on sale/discard of Fixed Assets	788.25	226.28
Other Income	(0.50)	-
Profit on sale of Investments	(19.73)	-
Interest and Dividend Income	(5,363.07)	(920.67)
Operating Profit Before Working Capital Changes	62,520.88	39,951.89
Adjustments for:		
Inventories	1,951.36	(5,560.70)
Trade and Other Receivables	17,803.64	(5,524.24)
Trade and Other Payables	(15,443.02)	17,480.84
Cash Generated from Operations	66,832.86	46,347.79
Direct Taxes Paid (including Fringe Benefit Tax) (net)	(4,130.13)	(2,145.41)
A Net Cash from Operating Activities	62,702.73	44,202.38
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(32,245.35)	(30,350.64)
Sale of Fixed Assets	32.11	550.83
Increase/decrease in Long Term/Current Investments	(47.90)	(53,217.78)
Investment in Subsidiaries/Associates	(51,726.97)	-
Interest and Dividend Income Received	5,130.64	2,085.65
Net Other Advances (Including advances to Holding Company)	-	(306.14)
Investment in Fixed Deposit	(1,080.48)	-
Other Income	6.54	-
B Net Cash Used in Investing Activities	(79,931.41)	(81,238.09)
Cash Flow from Financing Activities		
Proceeds from Capital Subsidy	-	25.00
Proceeds from Long Term Borrowings (including Funded Interest)	56,794.37	87,826.41
Repayment of Borrowings	(23,950.54)	(33,657.16)
Increase/Decrease in Bank Borrowings (net)	568.43	(1,674.84)
Towards Share Capital of Subsidiaries	22,682.40	10,245.01
Other Borrowings (net)	18,486.71	(1,277.70)
Trade deposits	395.01	294.31
Interest and Finance Charges paid	(15,167.00)	(13,341.81)
Dividend Paid/Dividend Distribution Tax Paid	(4,555.57)	(6,762.24)
Short Terms Borrowings (net)	(14,000.00)	-
Increase in Unsecured Loan	(0.09)	-
Increase in Reserves	423.07	2,681.45
C Net Cash from Financing Activities	41,676.79	44,358.43
D Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	24,448.11	7,322.72
E Opening Cash and Cash Equivalents (Cash and Bank Balances) (A+B+C)	23,308.48	15,985.75
F Closing Cash and Cash Equivalents (D+E) (Cash and Bank Balances)	47,756.59	23,308.47

Consolidated Cash Flow Statement for the year ended 31st March, 2010 (Contd.)

CLOSING CASH AND CASH EQUIVALENTS AS PER BOOKS

Particulars	(Rs. in Lakhs)
Cash in hand	19.15
Current Accounts	15,985.07
Deposit Accounts (Including margin money Rs. 27.23 Lakhs) Less than 3 months	31,650.86
Dividend Accounts	101.51
Total Cash and Cash Equivalent less than 3 months	47,756.59
Fixed Deposit more than 3 months	1,080.48
Total	48,837.07

As per our report of even date attached

For and on behalf of the Board of Directors

For **KANU DOSHI ASSOCIATES**
Chartered Accountants

M. K. Chattopadhyaya
Group Chief Financial Officer

Braj Binani
Chairman

Jayesh Parmar
Partner
Membership No: 45375
Firm Registration No. 104746W

S. N. Sridhar
Sr. Vice President (Corp. Legal) &
Company Secretary

Sunil Sethy
Managing Director

Place : Mumbai
Date : 23rd April, 2010

Statement Pursuant to Section 212 (3) and 212(5) of the Companies Act, 1956 relating to Subsidiary/ Stepdown Subsidiary Companies of Binani Industries Limited for the year ended 31st March 2010.										
Sr. No	Name of the Subsidiary Company	Binani Cement Ltd. (BCL)	Binani Zinc Ltd. (BZL)	Goa Glass Fibre Ltd. (GGFL)	B. T. Composites Ltd. (BTC.L)	Wada Industrial Estate Ltd. (WIEL)	Sankalp Holdings Ltd. (SHL)	Abhinav Holdings Ltd. (AHL)	ESS Vee Alloys Pvt. Ltd. (EVAPL)	RBG Minerals Industries Ltd. (RBG)
1	Country of Incorporation	India	India	India	India	India	Cyprus	Cyprus	India	India
2	Financial year / period of the Subsidiary Company	April 1, 2009 to March 31, 2010	April 1, 2009 to March 31, 2010	April 1, 2009 to March 31, 2010	April 1, 2009 to March 31, 2010	April 1, 2009 to March 31, 2010	January 29, 2009 to December 31, 2009	January 29, 2009 to December 31, 2009	April 1, 2009 to March 31, 2010	April 1, 2009 to March 31, 2010
3	Relation with Binani Industries Ltd (BIL)	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of BIL	Subsidiary of SHL	Subsidiary of BZL	Subsidiary of BZL
4	Information pursuant to Sec. 212 (3)									
A)	Extent of the Holding Company's interest in the Subsidiary as at the end of the Financial Year / Period :									
	Number of Shares	131,825,956 Equity Shares of Rs.10 each	60,788,138 Equity Shares of Rs.10 each	74,177,389 Equity Shares of Rs.10 each	14,000,000 Equity Shares of Rs.10 each	590,007 Equity Shares of Rs.100 each	50,000 Equity Shares of Euro 1 each	25,000 Equity Shares of Euro 1 each	100,000 Equity Shares of Rs.10 each	3,990,000 Equity Shares of Rs.10 each
	Number of Preference shares	-	-	-	5,00,000 4% Redeemable Non Cumulative Preference Shares of Rs.10 each	-	-	-	-	-
B)	% of Share Holding (Excluding Preference Share Capital)	64.91% held by BIL	89.90% held by BIL	100% held by BIL	100% held by BIL	100% held by BIL	100% held by BIL	100% held by SHL	100% Held by BZL	100% Held by BZL
	Net aggregate amount of Profits / (Losses) of the subsidiary so far it concerns members of BIL, not dealt with in the standalone accounts of the company :	18,298.20	151.94	(2,518.96)	(38.57)	(19.36)	(6.05)	(6.53)	(6.51)	-
	a) For the financial year / period of the subsidiary aforesaid (Rs. Lakhs)	12,719.99	1,067.49	338.30	(1,008.47)	(402.56)	-	-	15.39	-
	b) For the previous financial year / period of the subsidiary since it became the holding company's subsidiary. (Rs. Lakhs)	-	-	-	-	-	-	-	-	-
5	Information pursuant to Section 212 (5)									
	a) Change in the Holding company's interest between the end of the financial year of the subsidiary and holding company	-	-	-	-	-	-	-	-	-
	b) Material change between the end of the financial year of subsidiary and holding company :									
	i) Subsidiary's investment	Additional amount invested as share application money in KHL of Rs. 4,559.79 Lakhs equivalent to SGD 140.54 Lakhs, in MUHL of Rs. 461.99 Lakhs equivalent to USD 10 Lakhs and in MHL of Rs. 5,088.90 Lakhs equivalent to Rs. 110 Lakhs.	-	-	-	-	-	-	-	-
	ii) the money lent by Subsidiary	Amount borrowed from BCL by MUHL of Rs. 4,470.98 Lakhs equivalent to USD 100 Lakhs and by MHL Rs. 4,463.02 Lakhs equivalent to USD 100 Lakhs	-	-	-	-	-	-	-	-
	iii) Money borrowed by subsidiary for any purpose other than that of meeting current liabilities.	-	-	-	-	-	-	-	-	-

Statement Pursuant to Section 212(3) and 212 (5) of the Companies Act, 1956 relating to Subsidiary/Stepdown Subsidiary companies of Binani Industries Limited for the year ended 31st March, 2010	
Sr. No	Name of the Subsidiary Company
1	Binani Energy Pvt. Ltd. (BEPL) India
2	Krishna Holdings Pte. Ltd. (KHL) Singapore
3	Mukundan Holdings Ltd. (MHL) British Virgin Islands
4	Binani Cement Factory LLC (BCF) United Arab Emirates
5	Shandong Binani Rong'an Cement Co. Ltd. (SBRCC) China
6	Murari Holdings Ltd. (MUHL) British Virgin Islands
7	Binani Cement Factory (BCF) January 1, 2009 to December 31, 2009
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Note

1) On October 26, 2009, the Company has promoted a wholly owned subsidiary viz. Bhumi Resources (Singapore) Pte. Ltd. (BRS), incorporated in Singapore with a paid up capital of SGD 50 Lakhs. Its first accounting period will end on December 31, 2010.

2) On February 25, 2010, BRS has promoted a wholly owned subsidiary viz PT Anggana Energy Resources Pte Ltd. (PAER), incorporated in Indonesia with an Authorised Share Capital of USD 600,000. The shares are yet to be allotted to BRS. Its first accounting period will end on December 31, 2010.

3) BCF had acquired 100% stake in two companies viz Riddhi Siddhi Trading (South Africa) Proprietary Limited and BC Trading (Mauritius) Ltd. on 21st August 2008 and 25th September 2008 respectively. In view of the management, as there are no material transactions other than transactions related to investments which are also insignificant, their other related information has not been provided in this statement. The Board of Directors of Riddhi Siddhi Trading (South Africa) Proprietary Limited vide its resolution dated October 19, 2009, has applied for de-registration of the company with the Registrar of Companies, South Africa.

4) BCF had incorporated two companies viz BC Tradelink Ltd. and Binani Cement Factory (SFZ) Limited on August 29, 2007 and November 12, 2009 respectively. The companies are incorporated in Tanzania and Republic of Sudan respectively. As there are no transactions during the period and considering the size of the Balance Sheet, their consolidation is not considered necessary.

For and on behalf of the Board of Directors

Braj Binani
Chairman

Sunil Sethy
Managing Director

M. K. Chattopadhyaya
Group Chief Financial Officer

S. N. Sridhar
Sr. Vice President (Corp. Legal) &
Company Secretary

SUMMARISED FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARIES OF THE COMPANY IN COMPLIANCE WITH THE TERMS OF APPROVAL OF THE MINISTRY OF COMPANY AFFAIRS UNDER SECTION 212(B) OF THE COMPANIES ACT, 1956.

Sr. No	Name of the Subsidiary Company	Country of Incorporation	Relationship	Financial year ended on	Currency	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turn Over excluding other income	Profit/(Loss) before taxation	Provision for Taxation	Profit/(Loss) after taxation	Profit/(Loss) after prior items	Proposed Dividend
1	Binani Cement Ltd. (BCL)	India	Subsidiary of BIL	31st March, 2010	INR	20,310.38	47,205.39	244,361.81	176,846.05	-	185,105.08	42,161.24	12,608.40	29,552.84	28,191.63	7,108.54
2	Binani Zinc Ltd. (BZL)	India	Subsidiary of BIL	31st March, 2010	INR	6,761.81	1,356.44	35,577.23	27,458.98	-	38,399.89	505.01	336.00	169.01	169.01	-
3	Goa Glass Fibre Ltd. (GGFL)	India	Subsidiary of BIL	31st March, 2010	INR	7,417.74	(2,155.66)	13,740.23	8,478.14	-	5,436.65	(2,545.55)	(26.60)	(2,518.95)	(2,518.95)	-
4	BTComposites Ltd. (BTCL)	India	Subsidiary of BIL	31st March, 2010	INR	1,450.00	(1,022.04)	773.42	345.47	-	446.24	(38.57)	-	(38.57)	(38.57)	-
5	Wada Industrial Estate Ltd. (WIEL)	India	Subsidiary of BIL	31st March, 2010	INR	590.01	(421.92)	244.59	76.50	-	-	(19.36)	-	(19.36)	(19.36)	-
6	Sankalp Holdings Ltd. (SHL)	Cyprus	Subsidiary of BIL	31st December, 2009	USD	0.66	(0.12)	0.75	0.22	-	-	(0.12)	-	(0.12)	(0.12)	-
7	Abhinav Holdings Ltd. (AHL)	Cyprus	Subsidiary of SHL	31st December, 2009	USD	30.96	(5.82)	35.35	10.21	-	-	(6.05)	-	(6.05)	(6.05)	-
8	ESS Vee Alloys Pvt. Ltd. (EVAPL)	India	Subsidiary of BZL	31st March, 2010	INR	15.48	(6.28)	13.22	4.02	-	-	(6.53)	-	(6.53)	(6.53)	-
9	RBG Minerals Industries Ltd. (RBGL)	India	Subsidiary of BZL	31st March, 2010	INR	10.00	9.88	52.34	32.46	-	91.42	(7.57)	(0.33)	(7.24)	(7.24)	-
10	Binani Energy Pvt. Ltd. (BEPL)	India	Subsidiary of BZL	31st March, 2010	INR	399.00	-	407.82	12.88	0.30	-	-	-	-	-	-
11	Krishna Holdings Pte. Ltd. (KHL)	Singapore	Subsidiary of BCL	31st December, 2009	SIN \$	245.08	(0.94)	570.69	326.55	-	-	0.12	0.03	0.09	0.09	-
12	Mukundan Holdings Ltd. (MHL)	British Virgin Islands	Subsidiary of BCL	31st December, 2009	USD	8,179.17	(31.29)	19,046.04	10,888.16	-	-	0.52	0.04	0.48	0.48	-
13	Binani Cement Factory LLC (BCF)	United Arab Emirates	Stepdown Subsidiary of MHL & MUHL	31st December, 2009	AED	46.89	(349.89)	40,033.11	40,336.11	-	-	17.33	1.23	16.10	16.10	-
14	Shandong Binani Rong An Cement Co. Ltd. (SBRCC)	China	Stepdown Subsidiary of KHL	31st December, 2009	RMB	3,002.20	179.05	3,333.49	152.23	-	-	8.46	15.93	(7.47)	(7.47)	-
15	Murari Holdings Ltd. (MUHL)	British Virgin Islands	Subsidiary of BCL	31st December, 2009	USD	20,651.24	1,231.66	22,930.07	1,047.16	-	7,933.24	62.10	114.11	(52.01)	(52.01)	-

Notes:

- Indian Rupee equivalent figures have been arrived at by applying the exchange rate prevailing on 31st December 2009 for all Assets & Liabilities which are as follow: a) 1USD = Rs. 46.89, b) 1SIN\$ = Rs. 33.37, c) 1RMB = Rs. 6.88 and d) 1AED = Rs.12.77. Revenue items are arrived by applying the average rate prevailing during the year which are as follow: a) 1USD for MHL = Rs. 48.85, b) 1USD MUHL = Rs. 49.02, c) 1SIN\$ = Rs. 33.60, d) 1RMB = Rs. 7.16 e) 1AED = Rs 13.30
- On October 26, 2009, the Company has promoted a wholly owned subsidiary viz. Bhumi Resources (Singapore) Pte. Ltd (BRS), incorporated in Singapore with a paid up capital of SGD 50 Lakhs. Its first accounting period will end on December 31, 2010.
- On February 25, 2010, BRS has promoted a wholly owned subsidiary viz. PT. Anggana Energy Resources Pte Ltd. (PAER), incorporated in Indonesia with an Authorised Share Capital of USD 600,000. The shares are yet to be allotted to BRS. Its first accounting period will end on December 31, 2010.
- BCF had acquired 100% stake in two companies viz. Ricchi Siddhi Trading (South Africa) Proprietary Limited and BC Trading (Mauritius) Ltd. on 21st August 2008 and 25th September 2008 respectively. In view of the management, as there are no material transactions other than transactions related to investments which are also insignificant, their other related information has not been provided in this statement. The Board of Directors of Ricchi Siddhi Trading (South Africa) Proprietary Limited vide its resolution dated Oct 19, 2009, has applied for de-registration of the company with the Registrar of Companies, South Africa.
- BCF had incorporated two companies viz. BC TradeLink Ltd. and Binani Cement Factory (SFZ) Limited on August 29, 2007 and November 12, 2009 respectively. The companies are incorporated in Tanzania and Republic of Sudan respectively. As there are no transactions during the period and considering the size of the Balance Sheet, their consolidation is not considered necessary.

For and on behalf of the Board of Directors
Braj Binani
 Chairman

M. K. Chattopadhyaya
 Group Chief Financial Officer

Sunil Sethy
 Managing Director

S. N. Sridhar
 Sr. Vice President (Corp. Legal) &
 Company Secretary

Place: Mumbai
 Date : 23rd April, 2010



Binani Industries Limited

Registered Office: 706, Om Tower, 32, Chowringhee Road, Kolkata 700 071

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the **FORTY SEVENTH ANNUAL GENERAL MEETING** at "Rotary Sadan", 94/2 Chowringhee Road, Kolkata 700 020 on Friday, the 25th June, 2010 at 9.30 a.m.

Name of the Member _____

No. of Shares held _____

Folio No. _____

DP ID* _____ Client ID * _____

Name of Proxy / Representative (in Block Letters) (To be filled in if the Proxy attends instead of the Member)

Signature of the member or Proxy / Representative.
--

*Applicable for investors holding shares in Electronic Mode.



Binani Industries Limited

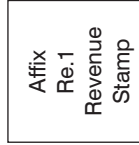
Registered Office: 706, Om Tower, 32, Chowringhee Road, Kolkata 700 071

PROXY FORM

I/We _____
of _____
being a Member/Members of **BINANI INDUSTRIES LIMITED**
hereby appoint _____
of _____
or failing him _____
of _____
or failing him _____
of _____

as my / our Proxy to attend and vote for me / us and on my / our behalf at the **FORTY SEVENTH ANNUAL GENERAL MEETING** (of the said Company) to be held at 9.30 a.m. on Friday, the 25th June, 2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010.



Signature(s) of
the Member

Folio No. _____

DP ID* _____

Client ID* _____

NOTE:

i) This Proxy must be deposited at the Registered Office of the Company, not later than 48 hours before the time of the meeting.

ii) A Proxy need not be a member.

* Applicable for Investors holding shares in Electronic Mode.

