

BOARD OF DIRECTORS

Mr. Braj Binani	Chairman
Mr. S.Padmakumar	
Dr. V.C. Shah	
Mr. V. Subramanian	
Mr. P. Sheoran	Wholetime Director
Mr. Sanjai Vohra	
Mr. M.K. Chattopadhyaya	(From 03.07.2007)
Mr. S.S. Khandekar	Wholetime Director (From 23.10.2007)
Mr. I.C. Ahuja	Wholetime Director (From 23.10.2007)
Mr. D.Sundararajan	Executive Director (Upto 30.05.2007)
Mr. Sushil Bhatte	(Upto 01.10.2007)

CHIEF FINANCIAL OFFICER
(Nominated by Holding Company)

Mr. M.K. Chattopadhyaya

COMPANY SECRETARY

Mr. Atul P. Falgunia

AUDITORS

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

TERM LENDERS

IDBI Bank Limited
JP Morgan Chase Bank N.A.
UTI Bank Limited
GE Capital Services India
Export Kredit Finansiering A.S.
Oriental Bank of Commerce

BANKERS

Punjab National Bank
Dena Bank
Oriental Bank of Commerce
State Bank of Indore
Jammu & Kashmir Bank Limited
IDBI Bank Limited

AUDIT COMMITTEE

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

LOCATIONS

Registered Office:

706, Om Tower, 32 Chowringhee Road,
Kolkata – 700 071.

Corporate & Mumbai Office:

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

WORKS

1. Binanigram, Pindwara
Dist. Sirohi, Rajasthan – 307 025.
2. Village: Sirohi, Taluka: Neem Ka Thana
Dist. Sikar, Rajasthan

SUBSIDIARIES :

1. **Krishna Holdings Pte. Limited Singapore (KHL)**
8, Temasek Boulevard,
#22-03 Suntec Tower 3,
Singapore - 038988
2. **Shandong Binani Rongan Cement Co. Limited China (SBRRC)**
Fujiashuang, Dong Guan Town,
Ju County,
Rizhao City
Shandong Province
3. **Mukundan Holdings Limited**
P.O. Box 957, Offshore Incorporations,
Centre Road, Town, Tortola,
British Virgin Islands (BVI)

Associate Company

Binani Cement Factory LLC
Jebel Ali, Dubai, U.A.E.

MARKETING OFFICES:

1. 703-704, Sakar II Ellisbridge,
Ahmedabad – 380 006
2. 212-3, Somdutt Chambers – II,
9, Bhikaji Cama Place,
Delhi – 110 066
3. D-35/A, Subhash Marg, C Scheme,
Jaipur – 302 001

SENIOR MANAGEMENT

Mr. Krishan Goenka	–	Executive V.P (Logistics)
Mr. R.S. Joshi	–	Executive V.P.
Mr. Darshan Lal	–	Executive V.P. (Operations)
Mr. Manoj Damani	–	Executive V.P.
Mr. Mahendra Mehta	–	Sr. V.P. (MIS)
Mr. S.L. Parakh	–	Sr. V.P. (CPP)
Mr. B.M. Khara	–	V.P. (Marketing)
Mr. K.G. Sharma	–	V.P. (Marketing)
Mr. Digvijay Singh	–	V.P. (Marketing)

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 12th Annual General Meeting of the Company will be held at 11.30 a.m. or immediately after the conclusion of the 8th Annual General Meeting of Binani Zinc Limited if meeting concludes after 11.30 a.m. at **Kala Mandir, 48, Shakespeare Sarani, Kolkata -700 071. on Monday, the 23rd June, 2008** to transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt the Directors' Report and Audited Accounts in respect of the year ended 31st March, 2008.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. V. C. Shah, who, retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. V. Subramanian, who, retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. P. Sheoran, who, retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Joint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. M. K. Chattopadhyaya who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 85, 85A and Article 89 of the Articles of Association of the Company, holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, along with a deposit of Rs. 500/-, be and is hereby appointed as a Director of the Company liable to retire by rotation".

By Order of the Board of Directors
For Binani Cement Limited

Date : 21st April 2008
Place : Mumbai

Atul P. Falgunia
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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Instruments appointing proxies should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 18th June, 2008 to Monday, the 23rd June, 2008 (both days inclusive).
4. Dividend, if declared will be paid to those members whose names appear on the Company's Register of Members on 23rd June, 2008 on the paid up capital of the Company as on 31st March 2008. In respect of shares held in electronic form the dividend will be paid to the beneficial owners of shares as on 18th June, 2008 as per details furnished by the depositories for the purpose.
5. Those members who have not encashed their Dividend Warrants for the Financial Year ended 31st March, 2007 may claim or approach the Company as the balance will be transferred to the fund established by the Central Government on or before 7.08.2014. After the said date, the shareholders are not entitled to claim the amount pursuant to the provisions of Section 205C (2) of the Companies Act, 1956.
6. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item no. 7 of the notice alongwith a brief write up about the directors coming up for reappointment as required by listing agreement are annexed hereto.
7. The documents required under the law will be available for inspection during working hours from 10.00 a.m. to 1.00 p.m. at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
8. 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.
9. Members are requested to send all correspondence relating to shares including requests for transfer, change of address, change of status, change of mandate etc to our Share Registrar and Transfer Agents : M/s Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai -400 078. In respect of shares held in Dematerialised Mode, the shareholders should inform their concerned Depository Participant only.
10. Members may note that the Company's website is [www. Binani.com](http://www.Binani.com)
11. The contact telephone numbers and e.mail id of concerned officials of the Company and transfer agents for the purpose of complaints are as under :
Compliance Officer : 022- 30263000-02. (Mr. Atul P. Falgunia) E. mail : [atul @ binani.net](mailto:atul@binani.net)
Kolkatta : 033 22882508-09 E. Mail : [binanical @vsnl.net](mailto:binanical@vsnl.net)
Intime Spectrum Registry Limited : 022-25963838. E.mail : rajesh.mishra@intimespectrum.com

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

Item No. 7

Mr. M.K. Chattopadhyaya was appointed as Additional Director of the Company by the Board of Directors at their meeting held on 3rd July 2007 and he would hold office upto the date of this Annual General Meeting. The Company has received notice from a member of the Company alongwith a deposit of Rs. 500/- proposing his appointment as regular Director of the Company.

Mr. M. K. Chattopadhyaya, aged 51 years, is a Fellow member of the Institute of Chartered Accountants and Institute of Company Secretaries of India. He also holds a degree in Law from the University of Calcutta. He has about 27 years experience in Accounts, Taxation, Internal Audit, Finance and Secretarial matters. He joined the Holding Company with effect from 12th July, 1999 and was appointed as Chief Financial Officer of the Company with effect from 13th March, 2001. He was appointed as an additional director with effect from 3rd July, 2007.

In addition to being Director of the Company, he is also Director on the Board of BT Composites Limited.

Your Directors recommend appointment of Mr. M..K. Chattopadhyaya as Director of the Company.

None of the Directors is in any way concerned or interested in this resolution except Mr. M.K. Chattopadhyaya to the extent of his appointment.

By Order of the Board of Directors
For Binani Cement Limited

Date : 21st April 2008
Place : Mumbai

Atul P. Falgunia
Company Secretary

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEMS 3, 4 and 5 OF THE NOTICE DATED 21st APRIL, 2008

Name of the Directors	Dr. V.C. Shah	Mr. V. Subramanian	Mr. P. Sheoran
Date of Birth	19.09.1927	25.11.1930	25.12.1950
Date of appointment on the Board as Director	27.02.2006	27.02.2006	27.07.2006
Date of last reappointment as Director	-	-	-
Expertise in specific functional areas	Banking & Economist	Finance / Accounts	Projects & Production
Qualification	Ph.D in Economics	B.Com, I.C.W.A	Electrical Engineer from IIT, Kanpur
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	Nil	10 Shares (Nominee of Binani Industries Limited.)	Nil
List of outside Directorships held	Shardul Securities Limited. Coastal Roadways Limited. Ambalal Sarabhai Enterprises Limited. Binani Industries Limited.	Binani Zinc Limited Goa Glass Fibre Limited BT Composites Limited Wada Industrial Estate Limited Sambhaw Holdings Limited Amrit Kalash Finance Limited K.B. Vyapar Private Limited Triton Trading Co. Private Limited B.M. Retailers Pvt. Limited Manjushree Holdings Private Limited Vijayshree Holdings Private Limited Suryamukhi Vintrade Private Limited Total Composites Private Limited	Nil
Chairman / Member of the Committees of Board of Directors of the Company	Chairman - Investor Relations Committee Member - Audit Committee Member - Remuneration Committee	Member - Investor Relations Committee Member - Audit Committee Member - Remuneration Committee	Nil
Chairman/ Member of the Committees of Board of Directors of other Companies in which he is a Director	1.Ambalal Sarabhai Enterprises Limited. Audit Committee - Member Remuneration Committee - Member Investor Grievance Committee - Member. 2.Shardul Securities Limited. Audit Committee - Member Remuneration Committee -Member 3.Binani Industries Limited. Investor Grievance Committee - Chairman Audit Committee - Member Remuneration Committee -Member	1. Binani Zinc Limited Audit Committee - Member Remuneration Committee - Member Investor Relations Committee - Member. 2. BT Composites Limited Audit Committee - Chairman 3. Goa Glass Fibre Limited Audit Committee - Member Remuneration Committee - Member Investor Relations Committee - Member 4. Wada Industrial Estate Limited. Audit Committee - Member	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report of the Company along with the Audited Accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2008 are summarised below:

	2007-08	2006-07	Increase %
Net Sales and Other Income	99,181	68,441	45%
Operating Costs	64,483	45,176	
EBIDTA	34,698	23,265	49%
Interest and Financial charges	4,647	3,262	
Cash Profit	30,051	20,003	50%
Depreciation and Amortisation	5,567	4,346	
Profit before Tax	24,484	15,657	56%
Profit after Tax	17,582	9,561	84%

DIVIDEND

In view of the overall satisfactory performance of your Company and at the same time considering the expansion plans , your Directors recommend a Dividend of 25% i.e Rupees Two and paise Fifty only per equity share of Rs. 10/- each.

OPERATIONAL PERFORMANCE

Your Company's performance during the year 2007-08 has been its ever best. During the year the Company produced 29.58 lacs MT and sold 29.61 lacs MT of cement as against 24.28 lacs MT and 24.06 lacs MT respectively in the previous year. This could be achieved due to higher proportion of blended cement (PPC) which increased to 57% in the year 2007-08 from 49% in the previous year. During the year production of blended cement (PPC) increased by 43% over the PPC production of the previous year.

During the year the Company has also achieved highest ever sales and net profit. The net sales for the year under review rose to Rs. 979 crores as compared to Rs. 680 crores in the previous year registering a growth of 44%.

The net profit after tax registered a growth of 84% over the previous year.

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

Production	2007-08	2006-07
Cement (Lacs MT)	29.58	24.28
Clinker (Lacs MT)	29.48	19.93
Power Generation - (Lacs kWh)	1511.55	1314.23

CAPITAL STRUCTURE

During the year the Company came out with an offer for sale of 20500000 Equity Shares of Rs. 10 /- each by J P Morgan Special Situations (Mauritius) Limited at a price band of Rs. 75 to Rs. 85 per share. The issue received a fairly good response from the investors and the shares were listed on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited with effect from 28th May, 2007.

INVESTMENTS IN OVERSEAS COMPANIES

During the year under review the Company has invested in 50% of the paid up Equity Share Capital and 100% of Preference Share Capital of Krishna Holdings Pte. Limited, a special purpose vehicle registered in Singapore for holding investment of 70% in the Share Capital of Shandong Binani Rong An Cement Company Limited in China in foreign invested joint venture Company with Rong An Group which holds balance 30% of the paid up Capital of Shandong Binani Rong An Cement Company Limited.

Shandong Binani Rong An Cement Company Limited became subsidiary of Krishna Holdings Pte. Limited with effect from 30th November, 2007. The said Company has at present a capacity of 0.4 million MT per annum of Clinker and 0.5 Million MT per annum of Cement. It proposes to expand its Cement Manufacturing capacity by 2.5 million MTPA at an estimated expenditure of RMB 700 Million.

In February, 2008 the Company invested in 100% of the paid up capital of Mukundan Holdings Limited, a Company incorporated in British Virgin Islands. The wholly owned subsidiary of the Company has acquired 49% of the holdings of Binani Cement Factory LLC, Dubai which is operating 1.2 Million Tonne slag and Cement grinding facility at Jebel Ali, Dubai , UAE. The capacity is being increased to 2.0 Million Tonne per annum which is expected to be completed by September 2008.

In March 2008 , Mukundan Holdings Limited has acquired 50 % of the paid up Equity Share Capital of Krishna Holdings Pte. Limited. Due to the acquisition Krishna Holdings Pte. Limited has become a wholly owned subsidiary of the Company.

PROJECT OVERVIEW :

During the year, cement expansion project was completed and the production line up to the Kiln was commissioned and achieved its full capacity production within a short span of time. The clinker production started from 29.07.2007. The commercial production of cement started from 06.12.2007. Also one additional captive power plant having capacity of 22.3 MW was commissioned during the year. Besides, your Company is setting up one more additional captive power plant having capacity of 22.3 MW at its existing location at Binanigram which is expected to be commissioned by August, 2008.

In view of the increased production capacity, the Company has laid a Railway siding from factory to the nearest railway station Keshavganj, covering a distance of 6.5 K.M.

The Company, during the year, has also successfully commissioned its Cement Grinding unit at Neem ka Thana. In March 2008. Consequent upon commissioning of the Neem ka Thana Unit the total grinding capacity has increased to 6 Million MTPA.

FUTURE PLANS

The Company is finalizing plans for increasing its capacity upto 13 million MTPA Cement Production in the next 2 to 3 years. The Company is setting up a Cement plant in Gujarat as a Greenfield expansion and is in the process of expanding capacity of overseas plants located in China and Dubai.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

BOARD OF DIRECTORS

In accordance with Article 100 of the Articles of Association of the Company, Mr. V. Subramanian, Dr. V. C. Shah and Mr. P. Sheoran retire by rotation and being eligible, offer themselves for reappointment.

Mr. M. K. Chattopadhyaya was appointed as Additional Director of the Company at the Meeting of the Board of Directors of the Company held on 3rd July, 2007. In accordance with the provisions of the Companies Act, 1956 he will hold office of Director upto the date of this Annual General Meeting. The Company has received notice from a shareholder of the Company proposing his appointment as Director of the Company alongwith a deposit of Rs. 500 as required by law and the proposal has been placed before you for your approval.

Mr. S.S. Khandekar and Mr. I. C. Ahuja were appointed as Wholetime Directors with effect from 23rd October, 2007. The proposal for the appointment and payment of remuneration to the Wholetime Directors were adopted by the Members at the Extraordinary General Meeting held on 15th February, 2008.

During the year Mr. D. Sundararajan and Mr. Sushil Bhattar resigned as Directors of the Company.

AUDITORS

M/s Kanu Doshi Associates, Chartered Accountants and M/s Haribhakti & Co., Chartered Accountants, the joint Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The retiring Auditors have given their consent for re-appointment. The Company has received a certificate under Section 224(1) of the Companies Act, 1956 from the Auditors that their appointment, if made, will be in accordance with the limits as specified as per Section 224(1) of the Companies Act, 1956 and the proposal has been placed before you for approval.

AUDITORS' OBSERVATIONS

The Auditors in their report on standalone and consolidated accounts have made one observation/qualification and comments of Directors against the said observation /qualification is mentioned below :

Observations on standalone accounts

The reduction in interest of Rs. 1361.21 lakhs arising out of modification to the restructuring package (RP) agreed with Industrial Development Bank of India (IDBI) which was converted to zero coupon loan, is required to be paid in four annual installments commencing from 31st March, 2010 and ending on 31st March, 2013. Since the interest is to be paid in later years and as the Company is exploring outright settlement of the loan by getting upfront discount, the same will be accounted for as and when paid before the due dates.

Observations on consolidated accounts

Krishna Holdings Pte Limited, Singapore (KHL) has invested in Shandong Binani RongAn Cement Company Limited (SBRCC). Financial Statement of KHL for the period 21.3.2007 to 31.12.2007 were drawn as per Singapore Financial Reporting Standard (SFRS) instead of accounting principles accepted in India. In consolidation, SBRCC has been treated as Associate Company of KHL instead of Subsidiary. Financial statements of KHL have taken into consideration only share of profit in SBRCC as line item in Profit and Loss Account and correspondingly its 70% holding of equity capital in SBRCC is shown as investment.

Financial Statement of KHL has been considered as Non Integral Foreign operation and has been converted into Indian Rupees by adopting average rate of the day as on date of Balance Sheet for monetary and non monetary Balance Sheet items and average rate of period for Profit and Loss items. 72,66,600 Equity Shares and 94,03,400 8% Preference Shares out of paid up capital were acquired before 31.12.2007 and have been considered for calculation of Goodwill /Capital Reserve. Balance number of shares i.e 171325 Equity Shares and 228435 8% Preference Shares issued after 31.12.2007 by KHL were shown as investments. As on 31.3.2008 KHL become wholly owned subsidiary of the Company through its wholly owned subsidiary Mukundan Holdings Limited (MHL). As such there is no minority interest even though as on 31.12.2007 the Company held only 50% equity shares of KHL. Consolidation of financial statements of KHL with the Company has been done on line by line basis except all income and expenses which are directly adjusted with Goodwill and Capital Reserve.

MHL has its first accounting year ending on 31.12.2008 and as no financial statements are drawn it has not been considered for consolidation. Further Binani Cement Factory LLC (BCFLLC) became associate of MHL in March 2008 but since no accounts of Holding Company i.e. MHL are drawn as on 31.3.2008, it has not been considered for consolidation.

The overall impact of non consolidation of accounts of MHL and BCFLLC as per accounting principles accepted in India is not significant and its impact has not been ascertained.

COST AUDIT

Audit of Cost Accounts of the Company relating to Cement for the year ended 31st March 2008 will be audited by Cost Auditors, M/s K. G. Goyal & Co., Jaipur, Cost Accountants and Cost Audit Report will be submitted to the Ministry of Corporate Affairs, Government of India. Approval of the Central Government for the reappointment of M/s K. G. Goyal & Co, Jaipur, Cost Accountants as Cost Auditors for the year 2008-09 is being obtained.

CONSOLIDATED FINANCIAL STATEMENTS

As required by Accounting Standard –AS -21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, the audited consolidated financial statements of the Company and its Subsidiaries except Mukundan Holdings Limited and its Associate Company Binani Cement Factory LLC are attached.

SUBSIDIARY ACCOUNTS

Krishna Holdings Pte Limited (KHL) and the step down subsidiary Shandong Binani RongAn Cement Company Limited (SBRCL) are subsidiaries of your Company. Further your Company has invested in Mukundan Holdings Limited a 100% subsidiary formed in British Virgin Islands in February 2008. Mukundan Holdings Limited (MHL) has further invested in 49% of the holdings of Binani Cement Factory LLC, Dubai in March 2008. Since the first accounting year of Mukundan Holdings Limited ends on 31.12.2008 and as no financial statements are drawn, the accounts are not furnished. Similarly the accounts of BCF LLC, an associate company after investment will end only on 31.12.2008 and hence accounts are not furnished.

As required under Section 212 of the Companies Act, 1956 the accounts for the period ended 31st December 2007 of the subsidiaries are attached together with the statement under that Section. Mukundan Holdings Limited was incorporated on February 5, 2008 and its first accounting period will end of 31st December 2008. The Company became subsidiary on 27th February 2008. In the absence of any financial statements of the Company as on 31st March 2008 the Financial statements have not been considered for consolidation.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts for the year ended March 31, 2008, the applicable Accounting Standards have been followed and proper explanation relating to material departures, if any, have been furnished;
- accounting policies as listed in Schedule 15 to the financial statements have been selected, consistently applied and prudent judgments and estimates have been made so as to give true and fair view of the state of affairs of the Company as on 31.03.2008 and of the profit of the Company for the year ended on that day;
- proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 has been taken so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- the annual accounts for the year ended March 31, 2008 have been prepared on a going concern basis.

PARTICULARS UNDER SECTION 217

- **Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo :**

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

- **Particulars of Employees:**

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

ACKNOWLEDGEMENT

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

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

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

Braj Binani
Chairman

Place : Mumbai
Date : 21st April 2008

ANNEXURE-A TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2008

PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

[A] CONSERVATION OF ENERGY

(a) Energy conservation measures taken

CEMENT PLANT

1. Installation of variable speed drive on down hill belt conveyor.
2. Installed variable speed drive on Lime Stone Crusher Apron Conveyor to reduce down time/Energy conservation.
3. Up graded stacker travel and Coal reclaimer chain drive with variable speed drive, by replacing analog soft starter system.
4. Cement mill no 1&2 clinker W/Fs analog DC drive replaced with variable speed drive.
5. Installed variable speed drive of both Primary air fan of Kiln- 2
6. Existing low capacity water pumps (03 nos.) for L.S. Crusher compressor's water cooling is replaced with high capacity and high efficiency single pump.
7. Installed Wet fly ash system to increase PPC production resulting in reduction in specific power
8. Replaced hi-chrome table liner with sintered cast iron liners for Smooth and consistent operation of Raw mill no. 1
9. By installing high flow rate pumps for slide shoe lubrication bearings of cement mills usually reduces stoppage due to Slide shoe bearing temperature high.

THERMAL POWER PLANT

1. After modification of static part in ID fan suction duct, HT motor replaced with LT motor and V/F drive. Now fan is running on optimum load.
2. Existing low capacity pumps (03 nos.) at Malap pump house replaced with high capacity and high efficiency single pump.

Water Conservation measures taken

1. Air cooled condenser installed in new thermal power plant, saving approximately 1700 m3 water per day.
2. Roof top rain water harvesting scheme implemented on major buildings like Administrative Block, Colony Hospital, Colony School, Sadlwa and Amla village school.

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

CEMENT PLANT

1. Installation of Compact Fluorescent Lamp(CFL) at public locations and residences.
2. Installation of solar water heaters at Colony Mess and Guest House.
3. Installation of Automatic Power factor Controller to control power factor on LT side.
4. Provision of Dry fly ash system to enable to produce PPC from Cement mill no 3.
5. Provision of alternative fuel feeding in Kiln 2.
6. Replacement of Unit 1 lime stone reclaimer scrapper chain with modified design with similar to unit 2 to increase reliability.
7. Two nos. water harvesting structures are proposed to be constructed each in Malap water pump station and Amla mines area.

Measures to improve efficiency-

1. Installation of grinding media loading hoist at cement mill.
2. Installation of surveillance camera system for process applications

THERMAL POWER PLANT

1. Procurement action is to be taken for installation of ACC due to scarcity of water and to meet statutory requirement.

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

CEMENT PLANT

Due to various energy conservation measures, there was saving in power and fuel consumption.

THERMAL POWER PLANT

Due to various energy conservation measures, there was reduction in thermal power consumption %

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

Please refer Form A attached

[B] TECHNOLOGY ABSORPTION

(a) TECHNOLOGY ABSORPTION – ADAPTATION AND INNOVATION

Not Applicable

(b) TECHNOLOGY ABSORPTION – RESEARCH AND DEVELOPMENT

Not Applicable

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company does not export its products.

(a) Foreign Exchange Earnings : NIL

(b) Foreign Exchange Outgo :

- Coal	: Rs. 9376.99 Lacs
- Stores and Spares	: Rs. 594.78 Lacs
- Interest	: Rs. 319.39 Lacs
- Other Expenses	: Rs. 151.77 Lacs
- Capital Expenses	: Rs. 1643.44 Lacs

FORM A

Form as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2008.

CONSERVATION OF ENERGY

Total Energy Consumption and Energy Consumption per Unit of Production.

A Power and Fuel Consumption

		For the year ended 31/03/2008	For the year ended 31/03/2007
1	Electricity		
A	Purchased		
	Unit (KWh)	91030342	57500133
	Total Cost (Rs. Lacs)	4037.79	2637.13
	Cost/Unit Rs.	4.44	4.59
B	Own Generation		
	Unit (KWh)	151154649	131403574
	Cost of HSD / LDO Consumed (Rs. Lacs)	6.53	9.06
	Cost of Coal Consumed (Rs. Lacs)	3370.92	2441.90
	Cost of Lignite Consumed (Rs. Lacs)	514.72	386.79
	Cost of Fuel Consumed (Coal, Lignite, HSD / LDO) (Rs. Lacs)	3892.18	2837.74
	Cost/Unit Rs.	2.57	2.16
2	Fuel Consumption		
A	Coal-Imported (Steam Non-coking) (Used in Kiln for Clinker Production)		
	Quantity (M.T.)	334320	204628
	Total Cost (Rs. Lacs)	14749.41	7049.53
	Cost/Unit Rs.	4411.76	3445.05
B	Lignite - (Used in Kiln for Clinker Production)		
	Quantity (M.T.)	0	3319
	Total Cost (Rs. Lacs)	0	49.60
	Cost/Unit Rs.	0	1494.74
C	Pet Coke (Used in Kiln for Clinker Production)		
	Quantity (M.T.)	9077	23180
	Total Cost (Rs. Lacs)	399.37	967.47
	Cost/Unit Rs.	4399.92	4173.69
D	Alternative Fuel - (Used in Kiln for Clinker Production)		
	Quantity (M.T.)	6965	10723
	Total Cost (Rs. Lacs)	86.20	99.30
	Cost/Unit Rs.	1237.68	926.03
E	Lignite - (Used in Captive Power Plant)		
	Quantity (M.T.)	31899	25922
	Total Cost (Rs. Lacs)	514.72	386.79
	Cost/Unit Rs.	1613.61	1492.12
F	Coal-Imported (Steam Non-coking) (Used in Captive Power Plant)		
	Quantity (M.T.)	77835	71282
	Total Cost (Rs. Lacs)	3370.92	2441.90
	Cost/Unit Rs.	4330.86	3425.70
3	A HSD / LDO - (Used in Kiln for Clinker Production)		
	Quantity (Litre)	385256	242627
	Total Cost (Rs. Lacs)	110.82	71.97
	Average Rate Rs.	28.77	29.66
B	HSD / LDO - (Used in Captive Power Plant)		
	Quantity (Litre)	22873	30503
	Total Cost (Rs. Lacs)	6.53	9.06
	Average Rate Rs.	28.56	29.70

B Consumption per ton of Cement Production

Electricity (KWh)		Coal, Lignite, Pet Coke and Alternative Fuel		HSD / LDO (Ltr.)	
2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
71.33	75.25	0.12	0.10	0.13	0.10

ANNEXURE - B

Statement of Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended for the Financial Year 2007 - 2008

Name	Age (Years)	Designation / Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (Year)	Date of Commencement of Employment	Previous Employment
Mr. I.C. Ahuja@	65	Executive Director (Projects)	3,000,000	BE (Mech) (Hons)	44	23.10.2007	Dy. Managing Director, IICEC, Iran
Mr. R.S. Joshi	53	Executive Vice President	3,686,537	M.A. (Economics)	31	10.10.2005	Vice President (Commercial) Grasim Industries Limited
Mr. Sheoran P.	57	President (Works)	4,021,215	B.Tech	35	24.07.2006	Director (Tech.) , Zuari Cement Limited
Mr. D. Sundararajan@	52	Executive Director	4,665,000	M.Sc , BL, ICWA, CAIIB	32	01.05.2005	Head of M & A, Idea Cellular Limited
Mr. S.S. Khandekar@	60	Executive Director	1,322,581	B.Tech.,Diploma in Operation Mgt., Diploma in Mgt. from AIMA	38	23.10.2007	Mangalam Cement Limited President (Technical)

- Note:
1. Remuneration includes salary and allowances , medical benefits, leave travel assistance and perquisites.
 2. Does not include monetary value of non cash perquisites as per Income tax Act, 1961.
 3. @ part of the year

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

India's GDP grew at about 8.7% in 2007-08. With this in the back drop, the cement industry maintained a good growth.

The country's GDP is projected to continue to grow at around average 8.5% and the driver of growth continues to be service and manufacturing sector which are expected to grow at 10.7% and 9.4% respectively.

The Indian cement industry has registered a production growth of about 9-10% for the last three consecutive years but in 2007-08 it is expected to be around 7.13%. However, it is expected that from 2008-09 the production growth will be back to around 9-10%. The per capita consumption of cement is around 130kg in India which compares poorly with the world average of 355 kg. This emphasizes the tremendous scope for growth in the Indian cement industry in the long term. Annual demand of cement is expected to increase at the rate of 11.5% in the 11th five year plan (2007-2012) period.

It is expected that India would spend double on infrastructure over the next five years to sustain its record economic growth and modernize its infrastructure.

Growth in cement consumption in 2007-08 was about 10 per cent over the previous year in the North and South, 15 per cent in the West, 5 per cent in the Centre and 2 per cent in the East. These contribute to a 9 per cent growth across India.

INDUSTRY OVERVIEW

The cement industry in India is also experiencing a boom on account of the overall growth of the Indian economy. The production during the year 2007-08 has increased by average rate of 7.13% over 2006-07. The demand for cement, being a derived demand, primarily depends upon the industrial activity, real estate business, construction activity and investment in the infrastructure sector. With increased demand from the respective sectors, industry has witnessed good growth for the third consecutive year. The cement industry also expects continued buoyancy in demand, driven by housing and infrastructure sectors. The demand for the cement is also continuing to grow around 9%.

During the second half of 2007-08, the Indian economy has seen an inflationary trend and to keep inflation under check the government has taken several measures including increase in rates of interest on loans by banks making the loans costlier. The impact of this has resulted in marginal decrease in demand of cement from the housing and real estate sectors as rates of interest for housing loans has increased.

The Cement prices remained firm during the year and expected to remain firm in the medium- term. The rise in coal and fuel prices is a cause of worry and it may force the Industry players to pass on the increase in input costs to customers.

COMPANY'S PERFORMANCE

1. FINANCIAL PERFORMANCE

The financial performance for the year ended 31st March, 2008 is summarised below:

(Rs. in Lacs)

	2007-08	2006-07	% Increase
Sales and Other Income	99,181	68,441	45
EBIDTA	34,698	23,265	49
Cash Profit	30,051	20,003	50
Profit before Tax	24,484	15,657	56
Profit after Tax	17,582	9,561	84

