

## BOARD OF DIRECTORS

Mr. Braj Binani	Chairman
Ms. Nidhi Binani	(From 23.04.2009)
Mr. S. Padmakumar	
Dr. V.C. Shah	
Mr. V. Subramanian	
Mr. Sanjai Vohra	
Mr. M.K. Chattopadhyaya	
Mr. Ramakrishna Moogimane	(From 23.10.2008)
Mr. P. Acharya	Wholetime Director (From 01.01.2009)
Mr. P. Sheoran	Wholetime Director (Upto 31.12.2008)
Mr. S.S. Khandekar	(Upto 29.01.2009)
Mr. I.C. Ahuja	(Upto 29.01.2009)
Mr. Shishir Jain	(Alternate Director to Mr. Sanjai Vohra From 29.01.2009)

## 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  
Syndicate Bank  
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 and 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. Ltd. Singapore (KHL)**  
8, Temasek Boulevard,  
#22-03 Suntec Tower 3,  
Singapore – 038988
2. **Shandong Binani Rong'An Cement Co. Ltd. China (SBRR)**  
Fujiazhuang, Dong Guan Town,  
Ju County,  
Rizhao City  
Shangdong Province
3. **Mukundan Holdings Limited (MHL)**  
P.O. Box 957, Offshore Incorporations Centre,  
Road Town, Tortola.  
British Virgin Islands (BVI)
4. **Murari Holdings Limited (MrHL)**  
Akara Building, 24 De Castro Street,  
Wickham Cay, Road Town, Tortola  
British Virgin Islands (BVI)

## Associate Company

Binani Cement Factory LLC  
Jabel Ali, Dubai

## 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. "Miracle" 22, Shubham Enclave  
Jamnalal Bajaj Marg, C Scheme,  
Jaipur – 302 001

## SENIOR MANAGEMENT

Mr. R.S. Joshi	– Executive V.P.
Mr. Krishan Goenka	– Executive V.P. (Logistics)
Mr. Darshan Lal	– Executive V.P. (Operations)
Mr. Mahendra Mehta	– Executive V.P.
Mr. S.L. Parakh	– Sr. V.P. (CPP)
Mr. B.M. Khara	– V.P. (Marketing)
Mr. Digvijay Singh	– V.P. (Marketing)
Mr. Kauslesh Maheshwari	– V.P. (Marketing)
Mr. R.K. Ghia	– V.P. (Technical)
Mr. K.K. Jain	– Asst. V.P. (Accounts)
Mr. R.S. Bhati	– Dy. G.M. (Mech.) & Unit Head, CGU

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## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 13th Annual General Meeting of the Company will be held at 11.30 a.m. or immediately after the conclusion of the 9th Annual General Meeting of Binani Zinc Limited, if meeting concludes after 11.30 a.m. at **Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 on Friday , 26th June, 2009** 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, 2009.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of M.K. Chattopadhyaya, who, retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Braj Binani , who, retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Joint Statutory Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Ramkrishna Moogimane who was appointed as an Additional Director by the Board of Directors 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".

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

"RESOLVED THAT Miss Nidhi Binani who was appointed as an Additional Director by the Board of Directors 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 her 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".

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT Mr. P. Acharya who was appointed as an Additional Director by the Board of Directors at its Meeting held on 23<sup>rd</sup> October, 2008 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 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".

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals, if any, consent of the Company be and is hereby accorded to the appointment and payment of Remuneration and Perquisites to Mr. P. Acharya, as Wholetime Director w.e.f. 1<sup>st</sup> January, 2009 to 28<sup>th</sup> February, 2012 on the terms and conditions as set out in the agreement dated 22<sup>nd</sup> January, 2009 entered into between the Company and Mr. P. Acharya (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 agreement as the Board of Directors may consider necessary and as may be agreed to by Mr. P. Acharya 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. P. Acharya 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. P. Acharya be paid the same remuneration and perquisites as set out in the Agreement dated 22<sup>nd</sup> January, 2009 as minimum remuneration provided that in any event the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule XIII to the said Act, and such other amount or perquisites as provided in the said Schedule XIII as may be amended from time to time for the entire tenure or such period as may be approved by the Shareholders of the Company and Central Government."

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

**Atul P. Falgunia**  
Company Secretary

Date : 23<sup>rd</sup> April 2009

Place : Mumbai

**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 Friday, the 19<sup>th</sup> June, 2009 to Friday , the 26<sup>th</sup> June, 2009 ( both days inclusive ).
4. Dividend , if declared will be paid to those members whose names appear on the company's Register of Members on 26<sup>th</sup> June, 2009 on the paid up capital of the Company as on 31<sup>st</sup> March, 2009. In respect of shares held in electronic form the dividend will be paid to the beneficial owners of shares as on 19<sup>th</sup> June, 2009 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 31<sup>st</sup> March, 2007 and 31<sup>st</sup> March, 2008 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 and 30.07.2015. After the said date, the shareholders are not entitled to claim the amount pursuant to the existing provisions of Section 205 C (2) of the Companies Act, 1956.
6. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item no. 6, 7 and 8 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. Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2009 form part of the report annexed hereto. The Accounts, Reports of the Subsidiaries are annexed hereto.
10. 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 Link Intime India Private 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.
11. Members may note that the Company's website is [www. Binani.com](http://www.Binani.com)
12. The contact telephone numbers and e.mail id of concerned official of the Company and transfer agents for the purpose of correspondence 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)  
Link Intime India Pvt. Ltd.: 022-25963838. e.mail : [rajesh.mishra@linkintime.co.in](mailto:rajesh.mishra@linkintime.co.in)

**Explanatory Statement under Section 173 (2) of the Companies Act, 1956.**  
**Item No. 6**

Mr. Ramkrishna Moogimane was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 23<sup>rd</sup> October, 2008 under Section 260 of the Companies Act, 1956 read with Article 85, 85A and 89 and he would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. Ramkrishna Moogimane as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting. The said notice is accompanied by a deposit of Rs. 500 as required by law.

Mr. Ramkrishna Moogimane , an M.A, LL.B from Bombay University , is a veteran banker. He joined State Bank of India as direct officer and worked for a little over 20 years in various capacities and assignments covering both line and staff, domestic and international including merchant banking. He also had a 4 year stint as Head of Credit and Operations at the Tokyo branch of the Bank. Later on, he took over as G. M and C.E.O of a Middle Eastern Bank for its India and Srilanka operations and following that as President & C.O.O. of a new generation private sector bank. The last executive assignment held by him was as a Group Treasurer of a reputed Industrial Group of India. He has been a financial consultant /advisor and is on the Board of other Companies. Besides being a Director of the Company, he is also Director in Mercator Lines Limited, ST. Gobain Securit India Limited and Summit Securities Limited.

Your Directors recommend appointment of Mr. Ramkrishna Moogimane as Director of the Company.

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

**Item No. 7**

Ms. Nidhi Binani was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 23<sup>rd</sup> April, 2009 under Section 260 of the Companies Act, 1956 read with Article 85, 85A and 89 and she would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Ms. Nidhi Binani as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting. The said notice is accompanied by a deposit of Rs. 500 as required by law.

Ms. Nidhi Binani, aged 24 years, is B.A with specialization in Economics from St. Xavier's College, Mumbai. During her graduation period she has prepared project report on issues relating to labour migration within India and various steps taken by Government and NGO's to improve the condition of migrant workers, quota removal on imports of textiles, a market research study on the popularity and knowledge relating to mediclaim policies. She has also attended various investment workshops on the Stock Market that covered important aspects such as capital market, mutual funds, IPO's, derivatives and index futures etc. She is a promoter non executive director.

In the last two years, Ms. Nidhi Binani has been deeply involved in the structuring of the international operations of the group and has been coordinating the Cement marketing from the Corporate office. In the process she has acquired valuable experience in the operations of the group.

Besides being a Director of the Company, she is also Director in Binani Metals Limited and Binani Industries Limited.

Your Directors recommend appointment of Ms. Nidhi Binani as Director of the Company.

None of the Directors is in any way concerned or interested in this resolution except Ms. Nidhi Binani and Mr. Braj Binani to the extent of her appointment.

**Item No. 8 :**

Mr. P. Acharya was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 23<sup>rd</sup> October, 2008 under Section 260 of the Companies Act, 1956 read with Article 85, 85A and 89 and he would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. P. Acharya as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting. The said notice is accompanied by a deposit of Rs. 500 as required by law.

Mr. P. Acharya has also been appointed as Whole-time Director of the Company for the period from 1<sup>st</sup> January, 2009 to 28<sup>th</sup> February, 2012.

Mr. P. Acharya, aged about 56 years, is a Mechanical Engineer from M.B.M. Engineering College, University of Jodhpur. Mr. P. Acharya, has more than 32 years experience. He has worked in cement industries in organisations such as Dalmia Cement ( Bharat ) Limited as Executive Director, Senior Vice President ( Tech ) with Gujarat Ambuja Cement Limited and in various managerial capacities in Lakshmi Cement Limited, Manikgarh Cement Limited, Udaipur Cement Limited etc.

Considering his long experience, the remuneration proposed to be paid to Mr. P. Acharya is comparable with the prevailing market rate and commensurate with his practical experience, professional qualifications and technical competence.

The following are the details of the Remuneration and perquisites payable to Mr. P. Acharya as Wholetime Director of the Company which was duly recommended by the Remuneration Committee and the Board of Directors of the Company.

1. Mr. P. Acharya be appointed as Wholetime Director of the Company with effect from 1<sup>st</sup> January, 2009 to 28<sup>th</sup> February, 2012.

2. Salary:

Basic Salary of Rs.3,50,000/- (Rupees Three Lakh Fifty Thousand only) per month plus perquisites for the period from 1<sup>st</sup> January, 2009 till 28<sup>th</sup> February, 2012. The Basic salary will be revised in the month of January, 2010, 2011 and 2012 by an increment not exceeding 10% or such amount as may be determined by the Chairman.

3. Perquisites:

**Category A**

- 1) Housing : Furnished Residential Accommodation will be provided.
- 2) Medical Reimbursement : 10% of Basic Pay or such sum as applicable to M-0 grade of the Company from time to time.
- 3) Medical and Group Insurance : As per the rules as applicable to M-0 grade of the Company from time to time.
- 4) Leave Travel Concession : 10% of the basic pay.

**Category B**

- 1) Provident Fund: 12% of the basic pay.
- 2) Gratuity: As applicable in case tenure of 5 years is completed inclusive of extension, if any. In the event of non completion of 5 years, compensation equivalent to gratuity amount will be paid.
- 3) Leave : Leave will full salary as per the rules of the Company. The leave accumulated and not availed may be encashed at the end of the tenure.

**Category C**

- 1) Car : Company maintained Car ( without Driver ) will be provided. All expenses of Car for private purposes to be reimbursed to the Company at actuals.
- 2) Telephone : All personal STD calls to be reimbursed to the Company at actuals.

4. He is not entitled to payment of any sitting fees for attending the Meetings of the Board or a Committee thereof.
5. Termination : The appointment shall be terminable by the Company giving to him a notice of three month's of such termination or on payment of three month's Salary in lieu thereof.

It is proposed to pay him the same remuneration as minimum remuneration even in the absence or inadequacy of profits subject to necessary approvals.

Your Directors recommend the resolution for your approval. None of the Directors except Mr. P. Acharya is concerned or interested in the resolution.

A copy of the Agreement referred to in the Resolution in Item no. 8 of the accompanying notice and the notices received under Section 257 of the Companies Act, 1956 will be open for inspection by the Members of the Company at the Registered Office of the Company between 11.00 a.m to 1.00 p.m on any working day except Saturdays and Sunday's upto the date of the ensuing Annual General Meeting.

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

**Atul P. Falgunia**  
**Company Secretary**

Date : 23rd April, 2009  
Place : Mumbai

**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 AND 4 OF THE NOTICE DATED 23RD APRIL, 2009**

<b>Name of the Director</b>	<b>Mr. M. K. Chattopadhyaya</b>	<b>Mr. Braj Binani</b>
Date of Birth	30.03.1957	14.12.1959
Date of appointment on the Board as Director	03.07.2007	01.04.2005
Date of last reappointment as Director	-	2 <sup>nd</sup> July, 2007
Expertise in specific functional areas	Finance /Accounts	Entrepreneurship & Management
Qualification	B.Com, FCA, FCS, LLB	B.Com
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	10 Shares ( Nominee of Binani Industries Limited )	10 Shares (Nominee of Binani Industries Limited)
List of outside Directorships held	BT Composites Limited	Binani Industries Limited Binani Zinc Limited Goa Glass Fibre Limited Wada Industrial Estate Limited Binani Metals Limited
Chairman / Member of the Committees of Board of Directors of the Company	Member – Audit Committee Member – Investor Relations Committee Member – Finance Committee Member – Remuneration Committee	Member –Investment Committee
Chairman/ Member of the Committees of Board of Directors of other Companies in which he is a Director	<b>BT Composites Limited</b> Member – Audit Committee Member - Remuneration Committee	<b>1. Binani Zinc Limited</b> Member – Finance Committee <b>2. Binani Industries Limited</b> Member – Finance Committee <b>3. Goa Glass Fibre Limited</b> Chairman - Investor Relations Committee Chairman - Finance Committee <b>4. Wada Industrial Estate Limited</b> Member - Audit Committee <b>5. Binani Metals Limited</b> Member - Share Transfer Committee Member - Buy Back Committee.

## DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company along with the Audited Accounts for the financial year ended 31st March, 2009.

### FINANCIAL RESULTS

The financial results for the year ended 31st March, 2009 are summarised below:

	2008-09	2007-08	Rs. in Lakhs Increase %
Net Sales and Other Income	150270	99181	52%
Operating Costs	119631	64483	
EBIDTA	30639	34698	-12%
Interest & Financial charges	7152	4647	
Cash Profit	23487	30051	-22%
Depreciation and Amortisation	8031	5567	
Profit before Tax	15456	24484	-37%
Profit after Tax	10867	17582	-38%

### DIVIDEND

Considering the performance of your Company and the future expansion plans, your Directors recommend a Dividend of 21% i.e Rupees Two and paise Ten only per equity share of Rs. 10/- each.

### OPERATIONAL PERFORMANCE

Your Company during the year 2008-09 has achieved highest production since its inception. During the year, the Company produced 42.92 lakhs MT and sold 42.43 lakhs MT of cement as against 29.58 lakhs MT and 29.61 lakhs MT respectively in the previous year. This increase in production is mainly contributed by the full years production of the new unit commissioned in the previous year at Binanigram and that of Grinding unit at Neem Ka Thana which commenced commercial operations from 1st September, 08.

Consequently the Company has also achieved its highest Sales ever. The net sales for the year under review rose to Rs. 1,496 crores as compared to Rs. 979 crores in the previous year registering a growth of 53%. In order to tap the demand potential of the far off market the Company has started the marketing of the cement in Maharashtra and West Bengal during the year 2008-09.

However, in the backdrop of the global economic turmoil which effected the Indian economic scenario your Company could not remain insulated from the market forces. During the second and third quarters of the financial year, the profitability of the Company was adversely affected due to the substantial increase in the cost of imported coal; a major cost component. With the subsequent dropping of international prices of Coal, the fourth quarter of the financial year showed a far better financial performance. Inspite of this since the adverse impact of the earlier cost increases could not be passed on to consumers due to market forces, the net profit before tax during the year 2008-09 has been lower by 37% over the previous year.

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

	2008-09	2007-08
Production		
Cement (Lakhs MT)	42.92	29.58
Clinker ( Lakhs MT)	41.73	28.80
Power Generation - (lakhs kWh)	1876.39	1511.55

### INVESTMENTS IN OVERSEAS COMPANIES

During the year under review, the Company has invested in 100 % of the paid up Equity Share Capital of Murari Holdings Limited, a special purpose vehicle registered in British Virgin Islands for holding 51% of the beneficial interest in the paid up Share Capital of Binani Cement LLC in Dubai

### PROJECT OVERVIEW :

#### Binanigram Plant, Dist Sirohi

During the year 2008-09 Dry fly ash handling system for cement mills was erected and commissioned, which is a single location unloading system of dry fly ash from tankers as well as from open trucks and also provided an option of producing PPC in recently commissioned Cement Mill.

Expansion of Railway yard by addition of railway line no. 4 for material loading in wagons was also completed during the year.

With a aim to conserve the environment, as a part of global CDM project, we have targeted to reduce CO2 emission by reducing 5% of total coal consumption for producing clinker by using alternate fuel and for which the Alternate fuel handling system was commissioned during the year.

Erection of the first 22.3 MW captive power plant was completed in March, 2008 and the second 22.3 MW Captive power plant is in progress and is expected to be completed by the end of May, 2009 with full capacity power generation by the end of August, 2009. These power plants are Air Cooled and will substantially reduce the requirement of scarce water resources at our disposal.

#### Cement grinding unit - Neem ka Thana

At Neem Ka Thana grinding unit balance work of railway siding and 132 KVA power line is scheduled to be completed by the end of June, 2009 and full capacity of the mill output can be achieved thereafter.



## **FUTURE PLANS**

The Company has planned to increase its cement manufacturing capacity to 6.25 million tons per annum by installation of the 4th cement grinding mill and packing plant along with truck loaders at Binanigram which is expected to be commissioned by December, 2009. The Company is also planning for de-bottlenecking of Kiln-2 line by enhancing the capacity of Preheater fans which shall increase the production of clinker and also enable the use of pet coke therein. To match this increased clinker production the up-gradation of Unit-2 Raw Mill by providing in-line pre-crushing system for reduction of feed size and modification of separator and other auxiliaries is also proposed.

The Government of India allocated the lignite mines on 7th February, 2007 to the Company as captive use for power generation. The Mining Lease application is in process with the State/Central government along with the approval of mining Plan. The projected schedule for completion of the project is March, 2010 at a cost of Rs. 100 crore.

Expansion of Dubai plant capacity is already under way and is expected to be completed by June, 2009. The Company has signed an MOU with the Government of Gujarat for facilitation of approvals, allocation of limestone mines etc for the greenfield Cement plant of a annual 2.5 million tones Clinker /Cement production capacity for which financial closure has already been done. The project is expected to be commissioned by mid 2011. The Company also proposes to expand the capacity of Shandong Binani Rongan Cement Company from the present level of 0.5 million metric tons per annum by further 2.5 million tons per annum which is expected to be commissioned in first half of 2011.

## **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 Wholtime Director of the Company is given as Annexure E.

## **AUDIT COMMITTEE**

The Company has complied with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. 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. Braj Binani and Mr. M. K. Chattopadhyaya retire by rotation and being eligible, offer themselves for reappointment.

Mr. Ramakrishna Moogimane, Mr. P. Acharya and Miss Nidhi Binani were appointed as Additional Directors of the Company at the Meeting of the Board of Directors of the Company held on 23rd October, 2008 and 23rd April, 2009 respectively . In accordance with the provisions of the Companies Act, 1956 they would hold office of Director upto the date of this Annual General Meeting. The Company has received notice from shareholders of the Company proposing their appointment as Directors of the Company alongwith a deposit of Rs. 500 as required by law and the proposals have been placed before you for your approval.

Mr. P. Acharya was appointed as Wholtime Director with effect from 1st January, 2009. The proposal for the appointment and payment of remuneration to the Wholtime Directors have been placed before you for approval.

During the year, Mr. S.S. Khandekar and Mr. I. C. Ahuja resigned as Directors of the Company. Mr. Shishir Jain was appointed as an Alternate Director to Mr. Sanjai Vohra at the Meeting of the Board of Directors held on 29th January, 2009.

## **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 / Consolidated 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 instalments commencing from 31st March, 2010 and ending on 31st March, 2013. The Company has represented to IDBI to grant waiver of the entire differential interest loan of Rs. 13.61 Crores and is hopeful of getting the waiver and hence no provision has been made. If waiver is not granted the same will be accounted for as and when paid before the due dates.

## **COST AUDIT**

Audit of Cost Accounts of the Company relating to Cement for the year ended 31st March, 2009 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 2009-10 is being obtained.

## **SUBSIDIARY ACCOUNTS**

Krishna Holdings Pte Limited (KHL) and Shandong Binani RongAn Cement Company Limited (SBRCCCL) subsidiary of Krishna Holdings Limited 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. The Company has further investment in Murari Holdings Limited (MrHL) in October 2008. Since the first accounting year of Murari Holdings Limited ends on 31.12.2009 and as no financial statements are drawn, the accounts are not furnished.

As required under Section 212 of the Companies Act, 1956 the Statement pursuant to Section 212 of the Companies Act, 1956 relating to the subsidiaries i.e Krishna Holdings Pte Limited, Singapore, Mukundan Holdings Limited, British Virgin Islands, Shandong Binani RongAn Cement Company Limited, China and Binani Cement LLC, Dubai are annexed to this report. The Accounts and Reports of the Subsidiaries are annexed to this report.

Murari Holdings Limited was incorporated on October, 30, 2008 and its first accounting period will end of 31st December, 2009. The Company became subsidiary on 30th October, 2008. In the absence of any financial statements of the Company as on 31st March, 2009 the Financial statements have not been considered for consolidation.

## **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 and associates except Murari Holdings Limited are attached.

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- in the preparation of the Annual Accounts for the year ended March 31, 2009, 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 31.03.2009 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, 2009 have been prepared on a going concern basis.

## **PARTICULARS UNDER SECTION 217**

### **Ø Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo :**

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

### **Ø Particulars of Employees:**

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

## **STOCK EXCHANGES – COMPLIANCES OF LISTING AGREEMENTS**

The Company has paid the listing fee for the year 2009-10 to both the Stock Exchanges. As required by the listing agreements with the Stock Exchanges and AS -21, Consolidated Accounts and Auditors Report thereon have been annexed forming part of the Annual Report.

## **ACKNOWLEDGEMENT**

Your Board of Directors 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 : 23rd April 2009



**ANNEXURE- A TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2009  
PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956**

**[A]. CONSERVATION OF ENERGY**

**[a] Energy conservation measures taken**

**CEMENT PLANT**

1. Installed Compact fluorescent lamp (CFL) at Public locations and residences.
2. Installed solar water heaters at Colony Mess and Guest House.
3. Installed Automatic Power factor Controller to control power factor on LT side.
4. Cement mills slide shoes lubrication pumps - rewinded motors replaced with energy efficient motors.
5. Installed water spray system in kiln 2 down comer duct to reduce gas volume handling on pre heater fans resulting in increase of production.
6. Installed separate Alternate fuel handling system to increase utilization of alternate fuel.
7. Optimize running hours of Bag house transport system in kiln 1 & 2 with reverse air fan operation.
8. Installed Dry fly ash feeding system- Sub system to utilize more open truck fly ash to produce PPC resulting in reduction in specific power of compressors.
9. In packing plant, Rake loading time was reduced after optimize use of and modification in Wagon loading system resulting in reduction of specific power.
10. Jet pulse filters of Raw Mill 2 & Coal Mill 2 taken in sequence mode to avoid idle running hours of drives.
11. To reduce downtime and easy fault finding of kiln 1 main drive and Cooler grates drives panel upgraded with DCS500 system.

**THERMAL POWER PLANT**

1. To decrease downtime of CPP2, bed ash cooler modified with bottom hopper discharge design resulting in bad material draining from furnace after cooling.
2. Modification made in Coal chain feeder drives to avoid jamming of chain feeder while feeding coal in Boiler of CPP2.

**Water Conservation measures Taken**

1. Two injection wells constructed in colony to harvest entire rooftop water.
2. Construction of 4 nos. of water harvesting structures in Amli & Thandiberi Mines.
3. Water flow meters installed at various locations of plant to monitor water consumption.

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

**Cement plant**

1. Replacement of cooling water pumps with energy efficient pumps.
2. Provision of increase of production of Raw mill 2 by installing secondary crusher or VFD at main motor to increase speed of table.
3. Replacement of higher capacity preheater fans in Kiln 2 to meet clinker production/ utilize pet coke.
4. Replacement of 70 W Street Lights with CFL to reduce energy consumption and increase the illumination.
5. Installation of Power Boss in the motors with variable load in Belt conveyors of Raw material Feeding for conservation of energy.
6. Installation of power saving scheme in Street Lights in colony after midnight.
7. Installation of High tension capacitors in the main incomer and load centre for improving power factor
8. Up gradation of Silo feed Bucket elevator of Cement mill 2 to higher capacity.
9. To study the feasibility of Cement Mill 3 optimization by shifting intermediate diaphragm.

**Measures to improve efficiency-**

1. Installation of grinding media loading hoist at cement mill.
2. Installation of vacuum cleaning system at packing plant.
3. Development of substitutes for imported and original equipment spares to reduce spares cost & dependability on OEMs.
4. Installation of fire resistant belt conveyors for alternate fuel feeding to eliminate fire hazards.

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

**Cement Plant :**

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

**Thermal Power Plant :**

Due to modification in CPP-2, running of the power plant improved resulting in less internal energy 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 & DEVELOPMENT

Not Applicable

**[C] FOREIGN EXCHANGE EARNINGS AND OUTGO :**

During the year the Company has exported Clinker to Dubai. The Company is exploring further avenues to increase the Exports in the future years. There has been no exports of Cement during the year under review since the prices in the domestic market are more remunerative than exports. Further there was a ban on Cement exports imposed by the Government of India and hence no export was possible during period of ban.

<b>a. Foreign Exchange Earnings</b>	<b>Rs. In Lakhs</b>
- Exports	Rs. 2,611.83
- Sale of Certified Emission Reduction	Rs. 719.74
<b>b. Foreign Exchange Outgo</b>	<b>Rs. In Lakhs</b>
- Loan repayment	Rs. 589.78
- Coal	Rs. 17,632.27
- Stores & Spares	Rs. 1,704.76
- Interest	Rs. 385.37
- Other Expenses	Rs. 195.18
- Capital Expenses	Rs. 1,568.95

