

#### BOARD OF DIRECTORS

Mr. Braj Binani - Chairman  
Ms. Nidhi Singhania  
Mr. S. Padmakumar  
Dr. V.C. Shah  
Mr. V. Subramanian  
Mr. M.K. Chattopadhyaya  
Mr. Ramakrishna Moogimane  
Mr. P. Acharya - Wholetime Director  
Mr. Sanjai Vohra - Upto 20th July, 2009  
Mr. Shishir Jain - (Alternate Director to Mr. Sanjai Vohra upto 20th July, 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  
Syndicate Bank  
Axis Bank Limited  
Export Kredit Finansiering A.S.  
State Bank of India  
UCO Bank  
Central Bank of India  
Yes Bank Limited

#### 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.  
Tel.: 033-22882516

##### Corporate & Mumbai Office:

Mercantile Chambers,  
12, J.N. Heredia Marg,  
Ballard Estate, Mumbai – 400 001.  
Tel.: 022-30263000-02

#### WORKS

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

#### SUBSIDIARIES:

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

#### MARKETING OFFICES:

1. 703-704, Sakar II, Ellisbridge,  
Ahmedabad – 380 006
2. 231,233,235, Ansal Chambers –II,  
6, Bhikaji Cama Place,  
Delhi – 110 066
3. "Miracle" 22, Shubham Enclave  
Jamnalal Bajaj Marg, C Scheme,  
Jaipur – 302 001

#### MANAGEMENT COMMITTEE

Mr. P. Acharya – Whole Time Director & CEO  
Mr. Darshan Lal – Executive V.P. (Operations)  
Mr. Mahendra Mehta – Executive V.P.  
Mr. R.K. Ghia – V.P. (Technical)

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## **NOTICE TO SHAREHOLDERS**

Notice is hereby given that the 14th Annual General Meeting of the Members of the Company will be held at 11.30 a.m or immediately after the conclusion of the 10th Annual General Meeting of Binani Zinc Limited if the meeting concludes after 11.30 a.m. at **Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 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. S. Padmakumar , who, retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. V.C. Shah , who, retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. V. Subramanian , who, retires by rotation and being eligible, offers himself for reappointment.
6. To appoint M/s Haribhakti & Co and M/s Kanu Doshi Associates, Chartered Accountants as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors /Committee thereof to fix their remuneration.

### **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 pursuant 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 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 designated as Chief Executive Officer w.e.f. 1st July, 2009 to 28th February, 2012 on the terms and conditions as set out in the supplementary agreement dated 31st August, 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 supplementary 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 Section 269, 309 and 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 Supplementary 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 revised remuneration and perquisites as set out in the Supplementary Agreement dated 31st August, 2009 as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and Central Government."
8. 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 Cement Limited**

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

Place : Mumbai

Date : 23rd April, 2010

**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 ).
5. Dividend, if declared will be paid to those members whose names appear on the company's Register of Members on 17th June, 2010 on the paid up capital of the Company as on 31st March, 2010. In respect of shares held in electronic form the dividend will be paid to the beneficial owners of shares as on 17th June, 2010 as per details furnished by the depositories for the purpose.
6. Those members who have not encashed their Dividend Warrants for the Financial Year ended 31st March, 2007, 31st March, 2008 and 31st March, 2009 may lodge a claim with the Company failing which the balance will be transferred to the Investor Education and Protection Fund established by the Central Government on or before 7.08.2014, 4.08.2015 and 7.08.2016 respectively. After the above dates, the shareholders are not entitled to claim the amount pursuant to the existing provisions of Section 205 C (2) of the Companies Act, 1956.
7. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of items no. 7 and 8 of the notice alongwith a brief write up about the directors coming up for reappointment as required by listing agreement in respect of items no. 3, 4 and 5 of the notice are annexed hereto and forms part of this notice.
8. The documents required under the law will be available for inspection during working hours from 11.00 a.m. to 1.00 p.m. at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
9. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copy of the Annual Report and Attendance Slip duly completed to the Meeting.
10. 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 Krishna Holdings Pte Limited, Singapore, Shandong Binani Rongan Cement Company Limited, China, Mukundan Holdings Limited, British Virgin Islands, Murari Holdings Limited, British Virgin Islands and Binani Cement LLC, Dubai 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](http://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 is attached to this report.
11. Members are requested to:
  - a) Notify promptly any change in their address and send all correspondence relating to shares including requests for transfers, change of status, change of mandate, fresh mandate etc either to the Company at its Registered Office or to the Company's Registrar and Share Transfer Agents M/s Link Intime Pvt. Limited. Unit: Binani Cement Limited, C-13, Pannalal Silk Mills Compound, L.B.S .Marg, Bhandup (W), Mumbai -400 071, Tel.No.022-25946970 - Fax: 022-25946969 E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
  - b) Notify the change in the address and change in the bank mandate to the concerned Depository Participants only if the shares are held in dematerialized form.
  - c) Send their queries, if any, at least 15 days in advance of the meeting at the Company's Registered office so that information can be made available at the meeting.
  - d) Fill in the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their client ID and DPID for identification of attendance at the meeting.
12. Members may note that the Company's website is [www. Binani.com](http://www.Binani.com)

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEMS 3, 4 AND 5 OF THE NOTICE DATED 23RD APRIL, 2010**

<b>Name of the Directors</b>	<b>Mr. S. Padmakumar</b>	<b>Dr. V.C. Shah</b>	<b>Mr. V. Subramanian</b>
Age	76 Years	82 Years	79 Years
Date of appointment on the Board as Director	27.01.2003	27.02.2006	27.02.2006
Date of last reappointment as Director	2.07.2007	23.06.2008	23.06.2008
Qualification	M.A ( Economics), IAS	Ph.d in Economics	B.Com, ICWA
Expertise in specific functional areas	Retired IAS Officer. Was Chief Secretary to the Govt. of Kerala	Banking & Economist	Finance & Accounts.
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	NIL	12,240 Equity Shares of Rs. 10 each.	10 Equity Shares of Rs. 10 each. (Nominee of Binani Industries Limited)
Name of other Companies in which Directorships held	BPL Limited English India Clays Limited Binani Industries Limited Goa Glass Fibre Limited Binani Zinc Limited Wada Industrial Estate Limited City Theatres Pvt. Ltd.	Binani Industries Limited Shardul Securities Limited. Ambalal Sarabhai Enterprises Limited Coastal Roadways Limited	Binani Zinc Limited Goa Glass Fibre Limited BT Composites Limited Binani Metals Limited Wada Industrial Estate Limited. Sambhaw Holdings Limited Amrit Kalash Finance Ltd. K.B. Vyapar Private Ltd. B.M. Retailers Private Ltd. Manjushree Holdings Private Ltd. Vijayshree Holdings Private Ltd. Suryamukhi Vintrade Private Ltd. Total Composites Private Ltd. Binani Energy Pvt. Ltd. Everest Goods Pvt. Ltd.
Chairman / Member of the Committees of Board of Directors of the Company (As per clause 49 of the Listing Agreement )	Chairman –Audit Committee Member –Investor Relations Committee	Chairman – Investor Relations Committee Member –Audit Committee	Member –Audit Committee Member –Investor Relations Committee
Chairman/ Member of the Committees of Board of Directors of other Companies in which he is a Director. ( As per Clause 49 of the Listing Agreement )	<b>Chairman – Audit Committee</b> Binani Industries Limited Binani Zinc Limited Wada Industrial Estate Limited <b>Member – Audit Committee</b> Goa Glass Fibre Limited BPL Limited <b>Member –Investor Relations Committee</b> Binani Industries Limited. Goa Glass Fibre Ltd BPL Limited.	<b>Chairman – Investor Relations Committee</b> Binani Industries Limited <b>Member – Investor Relations Committee</b> Ambalal Sarabhai Enterprises Limited <b>Member –Audit Committee</b> Binani Industries Limited Ambalal Sarabhai Enterprises Limited	<b>Chairman – Audit Committee</b> BT Composites Limited <b>Member –Audit Committee</b> Wada Industrial Estate Limited Binani Zinc Limited Goa Glass Fibre Limited <b>Member –Investor Relations Committee</b> Binani Zinc Limited Goa Glass Fibre Limited

**Explanatory Statement under Section 173 (2) of the Companies Act, 1956.**

**Item No. 7 :**

Mr. P. Acharya had been appointed as Whole-time Director of the Company for the period from 1st January, 2009 to 28th February, 2012. The said appointment was ratified by the shareholders at their Annual General Meeting held on 26th June, 2009.

At the time of his appointment the Board had approved Basic Salary of Rs. 3,50,000 per month plus perquisites. The Board of Directors pursuant to a resolution passed at the Meeting held on 21st July, 2009 promoted and designated Mr. P. Acharya as Chief Executive Officer of the Company on a revised basic pay of Rs. 3,75,000 plus perquisites with effect from 1st July, 2009 till 28th February, 2012. After joining the Company in a short span of nearly 10 months, Mr. P. Acharya has made significant contribution in terms of improvement in productivity and profitability of the Company.

In view of the significant contribution made by Mr. P. Acharya over the past 10 months, the Board of Directors felt that it would be appropriate and in the interest of the Company to increase his Basic Salary from 3,50,000 p.m to Rs. 3,75,000 p.m with effect from 1st July, 2009. The Remuneration Committee and the Board of Directors at their respective meetings held on 21st July, 2009 had unanimously approved the payment of increased remuneration to Mr. P. Acharya.

Mr. P. Acharya, aged about 57 years, is a Mechanical Engineer from M.B.M. Engineering College, University of Jodhpur. He has more than 33 years working experience 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 and Udaipur Cement Limited

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 Supplementary Agreement for revised Remuneration and Perquisites payable to Mr. P. Acharya as Wholetime Director designated as Chief Executive Officer of the Company which was duly recommended by the Remuneration Committee and the Board of Directors of the Company.

**1. Appointment:**

Mr. P. Acharya be appointed as Chief Executive Officer of the Company with effect from 1st July, 2009 to 28th February, 2012.

**2. Salary:**

Basic Salary of Rs.3,75,000/- (Rupees Three Lakh Seventy Five Thousand only) per month plus perquisites for the period from 1st July, 2009 till 28th February, 2012. The basic salary will be revised in the month of January 2010, 2011 and 2012 by an increment not exceeding 10% of the basic pay or such amount as may be determined by the Chairman.

**3. Perquisites:**

**Category A**

1. Housing : Furnished Residential Accomodation will be provided.
2. Medical Reimbursement : 10% of Basic Pay or such sum as applicable to M-B grade of the Company from time to time.
3. Medical and Group Insurance : As per the rules as applicable to M-B 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 with full salary as per the rules of the Company. The leave accumulated and not availed may be encashed at the end of the tenure ( As per the Rules of the Company).

**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.
3. He is not entitled to payment of any sitting fees for attending the Meetings of the Board or a Committee thereof.
4. Termination : The appointment shall be terminable by the Company giving to him a notice of one Calender month or on payment of one 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 is concerned or interested in the resolution except Mr P. Acharya

A copy of the Supplementary Agreement dated 31st August, 2009 entered into between the Company and Mr.P. Acharya referred to in the Resolution as Item No. 7 of the accompanying notice 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 Annual General Meeting.

**Item no. 8**

Presently, the Common Seal of the Company is affixed on every instrument on which seal is required to be affixed in the presence of any two Directors and Secretary of the Company. In view of increase in activities of the Company and at times due to exigencies, the documents are required to be signed immediately during which time some of the Directors are not immediately available. Therefore, the directors recommend for your approval that the existing seal provisions in Articles of Association of the Company be amended/ altered as proposed in the Resolution.

None of the Directors are concerned or interested in the Resolution.

A copy of the Memorandum and Articles of Association referred to in the Resolution as Item No. 8 of the accompanying notice 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 Annual General Meeting.

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

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

Place : Mumbai

Date : 23rd April, 2010



## DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors have pleasure in presenting the Fourteenth Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2010.

### FINANCIAL RESULTS

The financial results for the year ended 31st March, 2010 are summarised below:

Rs. in Lakhs

Particulars	2009-10	2008-09	Increase %
Net Sales and Other Income	187,216	150,270	25%
Operating Costs	128,038	119,631	
EBIDTA	59,178	30,639	93%
Interest & Financial Charges	7,850	7,152	
Cash Profit	51,327	23,487	119%
Depreciation and Amortisation	9,166	8,031	
Profit Before Tax	40,800	15,456	164%
Profit After Tax	28,192	10,867	159%

### DIVIDEND

Keeping in view the overall excellent performance of your Company and the future expansion plans, your Directors recommend a Dividend of 35% i.e. Rupees Three and paisa Fifty only per equity share of Rs. 10/- each.

### OPERATIONAL PERFORMANCE

Your Company during the year 2009-10 has achieved the highest ever production of 52.80 lacs MT and sold 52.95 lacs MT of cement as against 42.92 lacs MT and 42.43 lacs MT respectively in the previous year. Increase in production is mainly contributed by full year operations at the Neem Ka Thana Grinding Unit and commissioning of 4th Cement Mill at Binanigram in December 2009.

Against the backdrop of sustained growth in cement demand supported by the various stimulus measures introduced by the Government of India, made it possible for the Company to achieve the highest ever Sales. The net sales for the year under review rose to Rs. 1,851 Crores as compared to Rs. 1,490 Crores in the previous year registering a remarkable growth of 24%.

The sustained price of the cement during the year under review, increased sales volume coupled with softening of Coal price in international market during the first three quarters resulted in higher net realisations by your company which ultimately contributed in achieving the highest ever profit before tax of Rs. 408.00 Crores, an increase of 164% over the previous year.

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

Production	2009-10	2008-09
Cement (Lacs MT)	52.80	42.92
Power Generation - Lacs kWh)*	2,449.07	1,876.39

\*Excluding trial generation in 2009-10.

### INVESTMENTS IN OVERSEAS COMPANIES

During the year under review the Company has invested in 100% of the paid up Equity Share Capital of Bhumi Resources (Singapore) Pte Limited, a special purpose vehicle registered in Singapore for holding investments in Coal Mines in Indonesia.

### 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 2010. 22.3 MW Captive Power Plant (Unit II) commissioned in the month of June 2009.

Further to achieve enhanced capacity upto 8000 TPD from Kiln II and to enable the use of Pet Coke, following modifications in the plant are under progress :

- Up-gradation 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 expected to be completed by June 2010.

#### **Overseas Projects**

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

SBRCCCL , China plant capacity is being expanded from the present 0.5 MTPA to 3.00 MTPA. Land has been acquired and necessary Government permissions from the Republic of China have been received . The Order for the plant and machinery has 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 neighbouring middle east countries and in Africa. To capitalize on the demand of Cement in East African 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.

#### **FUTURE PLANS**

##### **Cement Project at Sutrapada, District Junagad in Gujarat**

The Company proposes to set up a Greenfield Cement plant of 2.5 million tonnes per annum capacity at Sutrapada which is proposed to be funded through a mix of debt and internal accruals.

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

##### **Lignite Project at Nimbri Chandrawatan in District. Nagaur, Rajasthan**

The Government of India allocated lignite block in District :Nagaur, Rajasthan on 7th February, 2007 for use of lignite as raw materials captively for power generation. 64 Hectare of 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.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **CORPORATE GOVERNANCE**

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

#### **AUDIT COMMITTEE**

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

#### **BOARD OF DIRECTORS**

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



Mr. P. Acharya, Wholetime Director, was promoted as Chief Executive Officer of the Company with effect from 1st July, 2009 with increase in remuneration. The proposal for the payment of increased remuneration to the Wholetime Director has been placed before you for approval.

During the year Mr. Sanjai Vohra and Mr. Shishir Jain, Nominee Directors of JP Morgan Special Situations (Mauritius) Limited resigned as Directors of the Company with effect from 20th July, 2009.

#### **AUDITORS**

M/s Haribhakti & Co and M/s Kanu Doshi Associates, Chartered Accountants, the joint Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. 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 and comments of Directors against the said observation is mentioned below:

##### **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 2(ix) and (x) of Schedule 15 to notes on 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.

#### **COST AUDIT**

Audit of Cost Accounts of the Company relating to Cement for the plants at Binanigram and Neem Ka Thana for the year ended 31st March, 2010 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 2010-11 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 Bhumi Resources (Singapore ) Pte Limited whose first accounting year ends on 31st December, 2010 are attached.

#### **SUBSIDIARY ACCOUNTS**

Krishna Holdings Pte Limited (KHL) and Shandong Binani Rong'An Cement Company Limited ( SBRCCCL) subsidiary of Krishna Holdings Limited are subsidiaries of your Company. Further your Company has invested in Mukundan Holdings Limited and Murari Holdings Limited, 100% subsidiary formed in British Virgin Islands. Mukundan Holdings Limited (MHL) and Murari Holdings Limited (MuHL) have further invested in 100% of the holdings of Binani Cement Factory LLC, Dubai. The Company has made further investment in Murari Holdings Limited and Mukundan Holdings Limited during the year. The Company has further invested in 100% wholly owned subsidiary M/s Bhumi Resources (Singapore ) Pte Limited and since the first accounting year of Bhumi Resources (Singapore ) Pte Limited ends on 31.12.2010 no financial statements are drawn and hence 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, Murari Holdings Limited, British Virgin Islands, Shandong Binani Rong'An Cement Company Limited, China and Binani Cement LLC, Dubai are annexed to this report. The Company has been granted exemption by the Ministry of Corporate Affairs from attaching the accounts of subsidiaries to the Annual Report for the year 2009-10.

Bhumi Resources ( Singapore ) Pte Limited was incorporated on 26<sup>th</sup> October, 2009 and its first accounting period will end of 31st December, 2010. The Company became wholly owned subsidiary on 26th October, 2009. In the absence of any financial statements of the Company as on 31st March, 2010 the financial statements have not been considered for consolidation.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the Annual Accounts for the year ended March 31, 2010 , the applicable Accounting Standards have been followed and proper explanation relating to material departures, if any, have been furnished;

- b) accounting policies as listed in Schedule 15 to the financial statements have been selected, consistently applied and prudent judgments and estimates have been made so as to give true and fair view of the state of affairs of the Company as on 31.03.2010 and of the profit of the Company for the year ended on that day;
- c) proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 has been taken so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d) the annual accounts for the year ended March 31, 2010 have been prepared on a going concern basis.

**PARTICULARS UNDER SECTION 217**

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

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

➤ **Particulars of Employees:**

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

**STOCK EXCHANGES – COMPLIANCES OF LISTING AGREEMENTS**

The Company has paid the listing fee for the year 2010-11 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, 2010.