

BOARD OF DIRECTORS

Mr. Braj Binani – Chairman
Ms. Nidhi Singhania
Ms. Shradha Binani –
[Alternate Director to Ms. Nidhi Singhania – from 21/4/2012]
Mr. S. Padmakumar – till 20/11/2011
Dr. V.C. Shah – till 20/11/2011
Mr. V. Subramanian
Mr. M.K. Chattopadhyaya – till 21/4/2012
Mr. Ramakrishna Moogimane
Mr. P. Acharya – Sr. Executive Director & Wholetime Director
Mr. T.R.C.Nair – from 21/4/2012

AUDIT COMMITTEE

Mr. Ramakrishna Moogimane
Mr. V. Subramanian
Mr. M.K. Chattopadhyaya – till 21/4/2012
Mr. T.R.C. Nair – from 21/4/2012

COMPANY SECRETARY

Mr. Atul P. Falgunia

CHIEF FINANCIAL OFFICER – GROUP CONTROL ACCOUNTS (Nominated by Holding Company)

Mr. R. Venkiteswaran

MANAGEMENT COMMITTEE

Mr. P. Acharya – Sr. Executive Director & Wholetime Director
Mr. Darshan Lal – President (Operations)
Mr. R.P. Sharma – President (Works) .
Mr. Dinesh Randad – EVP (Operations)
Mr. R.K. Ghia – Sr. V.P. (Technical)

AUDITORS

M/s. Kanu Doshi Associates

TERM LENDERS & BANKERS

IDBI Bank Limited
Syndicate Bank
Axis Bank Limited
Export Kredit Finansiering A.S.
State Bank of India
UCO Bank
Central Bank of India
Bank of Baroda
Punjab National Bank
Dena Bank
Oriental Bank of Commerce
Jammu & Kashmir Bank Limited
Canara Bank
Indian Overseas Bank

REGISTRAR & TRANSFER AGENTS

M/s Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (w)
Mumbai – 400 078.

LOCATIONS

Registered Office:

37/2, Chinar Park, New Town, Rajarhat Main Road,
P.O. Hatiara, Kolkata – 700 157.

Corporate & Mumbai Office:

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

WORKS

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

INDIAN SUBSIDIARIES:

1. Binani Ready Mix Concrete Limited
2. Merit Plaza Limited
3. Swiss Merchandise Infrastructure Limited

OVERSEAS SUBSIDIARIES:

1. **Krishna Holdings Pte. Ltd. Singapore (KHL)**
21, Bukit Batok Crescent, No 15-74 WCEGA
Tower, Singapore – 658065.
2. **Shandong Binani Rongan Cement Co. Ltd. China (SBRRC)**
Fujiashuang, Dong Guan Town, Ju County,
Rizhao City Shangdong Province
3. **Mukundan Holdings Limited**
P.O. Box 957, Offshore Incorporations, Centre Road,
Town, Tortola, British Virgin Islands (BVI)
4. **Murari Holdings Limited**
Akara Building, 24 De Castro Street, Wickham Cay,
Road Town, Tortola British Virgin Islands
5. **Binani Cement Factory LLC**
Jabel Ali, Dubai
6. **Bhumi Resources (Singapore) Pte Limited**
21, Bukit Batok Crescent, No 15-74 WCEGA Tower,
Singapore – 658065.

MARKETING OFFICES:

1. 705-706, 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
4. Flat no. 2&3, Jeet Apartments, Airport Road,
Ratannada, Jodhpur – 342001
5. 1st Floor, Eldeco Corporate Chamber-1,
Vibhuti Khand, Gomti Nagar, Lucknow -226010
6. 401, Krishna Building, 4th Floor,
224-A, A.J.C. Bose Road, Kolkata -700 017.
7. Feltham House, 1st Floor, 10, J. N. Heredia Marg,
Ballard Estate, Mumbai – 400 001.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 16th Annual General Meeting of the Members of the Company will be held at 2.15 pm or immediately after the conclusion of the 12th Annual General Meeting of Binani Zinc Limited if the meeting concludes after 2.15 pm at Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 on Saturday, the 4th August, 2012 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and the Profit and Loss Statement for the year ended on that date together with the Reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Braj Binani, who, retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. V. Subramanian, who, retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s Kanu Doshi Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors/Committee thereof to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. T. R. C. Nair 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, alongwith a deposit of Rs. 500/- be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. 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 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 Sr. Executive Director and Wholtime Director w.e.f. 1st March, 2012 to 28th February, 2014 on the terms and conditions as set out in the agreement dated 21st March, 2012 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 21st March, 2012 as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and Central Government."

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

"Resolved that in supersession of the Resolution passed at the Meeting of the Shareholders held on 15th February, 2008 consent of the Company be and is hereby accorded and such consent shall be deemed to have always been accorded to the Board of Directors (hereinafter referred to as "The Board " which term shall be deemed to include any committee which the Board may constitute for this purpose) of the Company pursuant to Section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956 for borrowing from time to time any sum or sums of moneys for the business purpose of the Company notwithstanding that the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, i.e. to say reserves not set apart for any specific purpose, provided, however that the aggregate amount of moneys which may be borrowed shall not at any time exceed the limit of Rs. 3,000 Crores (Rupees Three Thousand Crores only)."

"Resolved further that for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowings aforesaid and further to do all such acts, deeds and things and to execute all documents of writings as may be necessary, proper, desirable or expedient to give effect to this Resolution."

By order of the Board
For Binani Cement Limited

Atul P. Falgunia
Company Secretary

Place : Mumbai
Date : 21st April 2012

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 Saturday, 28th July, 2012 to Saturday, 4th August, 2012 (both days inclusive).
5. Those members who have not encashed their Dividend Warrants for the Financial Year ended 31st March, 2007, 31st March, 2008, 31st March, 2009, 31st March 2010 and 31st March 2011 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, 7.08.2016, 6.08.2017 and 6.08.2018 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.
6. A brief write up about the directors coming up for reappointment in respect of items no. 2 and 3 of the notice are annexed hereto and forms part of this notice.
7. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item no. 5, 6 and 7 of the notice alongwith a brief write up about the director coming up for appointment are annexed hereto.
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. The Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 allowed service of documents by e-mode as a Green initiative in the Corporate Governance. Members are requested to Register their e-mail addresses with the Company's Registrar & Share Transfer Agents M/s. Link Intime India Pvt. Limited Unit: Binani Cement Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai - 400 078 for the purpose of service of documents under Section 53 of the Companies Act, 1956
11. i) Pursuant to the General Exemption granted by the Central Government, Ministry of Corporate Affairs under Section 212 of the Companies Act, 1956 vide Circular No.2/2011 dated 8th February, 2011,

the Board of Directors at its meeting held on 28th January, 2012 granted its consent not to attach the Director's Report, Auditors Report, Balance Sheet, Profit and Loss Statements of the subsidiaries viz Swiss Merchandise Infrastructure Limited, and Merit Plaza Limited for the year ended 31st March 2012, Krishna Holdings Pte Limited, Singapore, Shandong Binani Rongan Cement Company Limited, China, Mukundan Holdings Limited, British Virgin Islands, Murari Holdings Limited, British Virgin Islands, Bhumi Resources (Singapore Pte Limited, PT Angganna Energy Resources, Indonesia, Binani Cement Factory (Mauritius) Limited, Mauritius, Binani Cement Factory (SFZ) Limited, Sudan, Binani Cement Company Limited, Sudan, BC Tradelink Limited, (Tanzania), Binani Cement Company WLL (Kuwait), Binani Cement Factory (Kenya) Ltd., Binani Cement SARL, Djibouti, Binani Cement (Uganda) Ltd., Binani Cement LLC, Dubai. Binani Mineral Resources (Mongolia) LLC, Rightside Investments (Pty) Ltd, Binani Cement Co Ltd (South Sudan), Trans Africa Cement Ltd, Mauritius, Weighbridge Investments (Pty) Ltd. Botswana, Christo Schutte Investments Number Nine Pty Ltd, Namibia and Binani Cimentos (Mozambique) LDA for the year ended 31st December 2011 with the Company's Annual Accounts. Accordingly, the same are not attached to the Annual Report of the Company.

- (ii) The Company has fulfilled the conditions (i) to (v) & (vii) of the said Circular by attaching the consolidated Financial Statement of the holding and all the Subsidiaries duly audited by the Statutory Auditors.
- (iii) The Company undertake to the shareholders that the Annual Accounts of the aforesaid Subsidiary Companies and the related detailed information shall be made available to the Shareholders of the Company and that of the Subsidiary companies free of cost. A copy of the Annual Accounts of the aforesaid subsidiaries shall also be given to Shareholders free of cost on demand.
- (iv) The Annual Accounts of the Company and its subsidiaries as above shall be kept for inspection by any shareholder at the Registered Office of the Company at 37/2, Chinar Park, Rajarhat, P.O. Hatiara, Kolkata 700 157 between 11.00 a.m. and 1.00 p.m. on any working day (excluding Saturdays & Sundays) upto the date of the Annual General Meeting.
- (v) The Annual Accounts of the Company and all its subsidiaries as above have also been posted on the Company's Website www.binani.com. Any shareholder may access the Company's website for the Annual Accounts of the Company and its subsidiaries.
12. 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

- 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.
13. Members may note that the Company's website is www.binani.com

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

Item No. 5

Mr. T. R. C. Nair was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 21st April, 2012 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. T. R. C. Nair 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. T.R. C. Nair, aged about 60 years is a post graduate and graduate in law besides being a fellow member of the Institute of Company Secretaries of India. He also has a diploma in Personal Management and Industrial Relations. Mr. T.R. C. Nair has over 35 years of experience including more than 25 years of experience in secretarial and legal matters. His last assignment was as Executive Director (Corporate Legal) & Company Secretary of Binani Industries Limited. He is now acting as Advisor /Consultant. He has been associated with Braj Binani Group for the last two decades.

Besides being a Director of the Company, he is also Director in BT Composites Limited, Goa Glass Fibre Limited, Binani Metals Limited and Binani Zinc Limited. He is also on the Board of some Private Limited Companies of Braj Binani Group.

Your Directors recommend appointment of Mr. T. R. C. Nair as Director of the Company.

None of the Directors is in any way concerned or interested in this resolution except Mr. T. R. C. Nair to the extent of his appointment.

Item No. 6

Mr. P. Acharya has been appointed as Sr. Executive Director & Whole-time Director of the Company for the period from 1st March, 2012 to 28th February, 2014. .

Mr. P. Acharya, aged about 60 years, is a Mechanical Engineer from M.B.M. Engineering College, University of Jodhpur. Mr. P. Acharya, has more than 35 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. He is a professional and does not hold any shares of the Company.

The following are the details of the Remuneration and perquisites payable to Mr. P. Acharya as Sr. Executive Director & 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 1st March, 2012 to 28th February, 2014 .

2. Salary:

A. Basic Salary: Basic Salary has been fixed at Rs. 7,10,843 p.m plus variable pay of Rs. 61,758 and perquisites based on the basic salary per month for 2 years or till such time as may be permitted by the Central Government.

Basic Salary and Variable pay will be revised every year in the month of April as may be determined by the Chairman / Executive Vice Chairman & Managing Director of Binani Industries Limited (Holding Company) /Board of Directors.

B. Perquisites:

Category – A

1. **House Rent Allowance (HRA) :** Rs. 2,50,000 p.m.

Category –B

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.

Category –C

3. **Residence Telephone & Mobile Phone :** The Company will provide one landline telephone with STD facility at the residence of Mr.P. Acharya. The Company will reimburse / pay expenses for official calls on monthly basis . All personal STD/ISD call charges shall be paid by Mr. P. Acharya

3. Minimum Remuneration

In the event of loss or inadequacy of profits in any Financial Year, the Company may pay Mr. P. Acharya by way of salary and perquisites the remuneration approved as minimum remuneration for a period not exceeding 2 years subject to such approvals including that of Central Government

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 one month of such termination or on payment of one month's Basic Salary in lieu thereof.

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

Item No. 7

"At the Extra Ordinary General Meeting held on 15th February, 2008 , the Shareholders of the Company had authorized the Board of Directors of the Company to borrow moneys for Company's business notwithstanding that the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary

course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, i.e. to say reserves not set apart for any specific purpose, provided, however that the aggregate amount of moneys which may be borrowed shall not at any time exceed the limit of Rs. 2,000 Crores (Rupees Two Thousand Crores only)."

The Company is expected to borrow moneys from Financial Institutions and Banks for the expansion programme of the Company and its subsidiaries and for meeting the long term working capital requirements. Thus the Resolution as proposed above is for increasing the borrowing powers of

the Board of Directors from the present limit of Rs. 2,000 Crores to Rs. 3,000 Crores .

The Directors recommend the resolution for your approval None of the Directors are concerned or interested in the resolution.

A copy of the Agreement referred to in the Resolution as Item no. 6 of the accompanying notice and notice referred to in the resolution appearing as item no. 5 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.

FOLLOWING INFORMATION ARE FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEMS 2 and 3 OF THE NOTICE DATED 21st April, 2012

Name of the Director	Mr. V. Subramanian	Mr. Braj Binani
Date of Birth	25.11.1930	14.12.1959
Date of appointment on the Board as Director	27.02.2006	01.04.2005
Date of last reappointment as Director	25th June, 2010	26th June, 2009
Expertise in specific functional areas	Finance & Accounts.	Entrepreneurship & Management
Qualification	B.Com, ICWA	B.Com
Number of Equity shares held in the Company by the Director or for other persons on a beneficial basis	10 Equity Shares of Rs. 10 each. (Nominee of Binani Industries Limited)	50 Equity Shares of Rs. 10 each. (Nominee of Binani Industries Limited)
List of outside Directorships held	Binani Zinc Limited Goa Glass Fibre Limited BT Composites Limited Binani Metals Limited Wada Industrial Estate Ltd. Sambhaw Holdings Limited Amrit Kalash Finance Ltd. K.B. Vyapar Private Ltd. Swiss Merchandise Infrastructure Limited Merit Plaza Limited . B.M. Retailers Pvt. Limited Vijayshree Holdings Private Ltd. Suryamukhi Vintrade Private Ltd. Total Composites Private Ltd. Binani Energy Pvt. Ltd. Everest Goods Pvt. Ltd.	Binani Industries Limited Binani Zinc Limited Goa Glass Fibre Limited Binani Metals Limited
Chairman / member of the Committees of Board of Directors of the Company	Member –Audit Committee Member –Investor Relations Committee	Nil
Chairman/ Member of the Statutory (Audit / Investor Relations) Committees of Board of Directors of other Companies in which he is a Director	Chairman – Audit Committee BT Composites Limited Binani Zinc Limited Binani Metals Limited Wada Industrial Estate Limited Member –Audit Committee Goa Glass Fibre Limited Binani Industries Limited Member –Investor Relations Committee Binani Zinc Limited Goa Glass Fibre Limited	Nil

By Order of the Board
For Binani Cement Limited

Atul P. Falgunia
Company Secretary

Place : Mumbai
Date : 21st April, 2012

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Sixteenth Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2012 are summarised below:

Rs. in Lacs

Particulars	2011-12	2010-11	Increase (Decrease) %
Net Sales and Other Income	205,668	174,335	18%
Operating Costs	172,607	145,814	18%
EBIDTA	31,810	28,521	12%
Interest & Financial charges	16,140	10,344	56%
Cash Profit	15,670	18,177	(14%)
Depreciation and Amortisation	10,355	9,950	4%
Profit before Tax	5,315	8,227	(35%)
Profit after Tax	4,840	9,051	(47%)

OPERATIONAL PERFORMANCE

During the year 2011-12, the Company has achieved highest ever production of 55.84 Lakhs MT and sold 56.06 Lakhs MT of cement as against 54.58 Lakhs MT and 54.38 Lakhs MT respectively in the Previous Year.

Sales volumes increased by 3.20% and net turnover increased from Rs. 1,733.23 crore to Rs. 2,027.81 crore i.e. by 17%, which is mainly due to higher sales volumes and increased Cement prices.

Despite increase in cement prices, profit (before tax) dropped to Rs. 5,315 Lakhs from Rs. 8,227 Lakhs during Previous Year which is mainly due to higher input costs of coal, power and other raw materials, higher logistics and Interest costs.

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

Production	2011-12	2010-11
Cement (Lakhs MT)	55.84	54.58
Power Generation (net) - Lakhs kWh	3,281.65	3,056.69

INVESTMENTS IN OVERSEAS COMPANIES -

During the year under review the Company has further invested in its overseas subsidiaries Mukandan Holdings Limited and Murari Holdings Limited by providing equity support for meeting its long term obligations.

PROJECT OVERVIEW :

MODERNISATION / EXPANSION

Binanigram unit :

During the year 2011-12 following modifications / expansion projects have been commissioned:

- Truck loading capacity has been enhanced by 5000 tonnes per month during non availability of rake with the installation of additional 2 nos. truck loaders. System commissioned in March'12.
- Alternate feeding circuit for Cement Mill 3 and 4 commissioned in March'12.
- Fly ash loading system commissioned in August'11 at Suratgarh Super Thermal Power station.

Neem Ka Thana unit :

Packer 2 commissioned in May'11 and handed over for commercial production.

Following modifications / expansion projects are under progress:

- Installation of wagon tippler for unloading of coal rakes and coal conveying belt conveyor. Erection of belt conveyor is in progress whereas the job of wagon tippler is awaiting approval from Railways and State PWD department.
- Engineering and pre-execution activities for Mechanized loading arrangement of clinker in the rakes has been done and awaiting approval from Railways and State PWD department.

Overseas Projects

- Shandong Binani Rongan Cement Co. Ltd., China (SBRCCCL)
The capacity of the plant has been increased to 3 million tons per annum after commissioning of 2.5 MTPA clinkerisation unit during the year.
- Binani Cement Factory L.L.C., Dubai
Cement Mill#3 has been commissioned during the year

Binani Cement Factory LLC, Dubai (BCFLLC)

The Dubai market continues to be in slump during the year under review. To tide over the situation and to capitalise on the demand for Cement in the East African Countries, the Company has opened marketing offices through its subsidiaries in Sudan, Dibrouti, Kuwait, Uganda and Madagascar. Further marketing offices are proposed to be set up in Tanzania, Namibia, Botswana, Mozambique and Mauritius. Packing capacity of Dubai plant has been enhanced. However initially despatches are 20000 MT per month only which will be increased depending upon demand and price realisable.

FUTURE PLANS

Overseas

- The growth in cement consumption in China is expected to remain robust. With the new Clinkerisation Plant of SBRCC, which commenced operations in December 2011 now stable and operating at 90% capacity utilization with improved

thermal efficiency following the successful commissioning of the new waste heat recovery system, the Company plans to keep pace with the demand by setting up a split-CGU to ramp up the cement output.

- The East African markets that have been tapped by the Company are expected to continue growing at a healthy pace fuelled by investments in Construction. As the Company's Grinding Unit in the UAE is ideally located to supply the East African markets, the Company targets a clinkerisation facility in the Middle East either through organic or inorganic route, to feed this Grinding Unit.

India

- Inflationary pressures and weak Government finances are expected to adversely impact the growth of the infrastructure and housing sectors during the next Financial Year. Some recovery is expected in the latter half of the year with marginal softening of the interest rates. However, the Company believes that the long-term growth prospects of our economy are intact. the Company's growth agenda for this vertical includes continued efforts towards setting up Greenfield opportunities for Grey Cement in the western part of India.
- While energy and transportation costs are expected to continue on a higher trend and put pressure on pricing in the near term, the Company firmly believes that the markets have the capacity to absorb cost increases in the long run. To mitigate the risks associated with energy cost and availability, the Company recognizes that investing in Captive Coal Assets is an important step. Efforts are on to identify and pursue investments in such assets from a long term perspective.
- Company has been allotted Nimbri lignite mine. A detailed techno-economic study is underway for an early exploitation of lignite.
- BCL is consciously improving its Pozzolana Portland Cement (PPC) share to capitalize on the perceived opportunities associated with Kyoto protocol and its CDM which can additionally bring financial benefits.

With the acquisition of RMC business from BIL, the way forward is to leverage on the synergies and grow the business.

Lignite Project at Nimbri Chandrawatan in District. Nagaur, Rajasthan

The Government of India allocated lignite block (56.4 sq. km) in Dist: Nagaur, Rajasthan on 7th February, 2007 for use of lignite as raw material for captive power generation. Company has acquired 72 Hectare of private land within the Mining Lease area and also requested State Government to assist in acquiring remaining private and government land for the integrated project.

The Public hearing for mine and 120 MW Pit Head Power Plant has been successfully completed. The recommendations have been forwarded to the Secretary State Pollution Control Board by Regional Officer, Jodhpur. Formal approval from MoEF, Government of India and State pollution Control Board are awaited.

EXIT OFFER OF SHARES

The Company had last year applied for delisting of the Company's shares from Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Both the Stock Exchanges have granted approval and the Company's shares have been delisted with effect from 30th May, 2011. The Company has consequently sent an exit offer to the remaining public shareholders to tender their shares in the exit offer. The exit offer has been open from 30th May, 2011 and shall close on 29th May, 2012. The exit offer payments are being made on fortnight settlement cycle and till 31st March, 2012 the promoters shareholding has increased to 97.49%. The offer shall close on 29th May, 2012 and thereafter there shall be no exit option for the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company's shares have been delisted with effect from 30th May, 2011 and as such the Company is not required to give a Management Discussion and Analysis Report. However the Company has as a measure of good corporate practice annexed the Management Discussion and Analysis to this report.

CORPORATE GOVERNANCE

Your Company is committed to maintaining the good Corporate Governance practices. The Company's Equity Shares have been delisted from the Stock Exchange and as such is not required to submit corporate governance report, however a separate section on voluntary compliance of 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 Wholetime 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. The Audit Committee has been reconstituted and now has 3 independent Directors while earlier the Audit Committee comprised of 2 Independent Directors and 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. Braj Binani and Mr. V. Subramanian, retire by rotation and being eligible, offer themselves for reappointment.

Mr. P. Acharya, Wholetime Director, was reappointed as Sr. Executive Director and Wholetime Director with effect from 1st March, 2012 for a period of 2 years. The proposal for the payment of remuneration to the Wholetime Director has been placed before you for approval.

During the year, Mr. T.R.C. Nair was appointed as Additional Director on the Board at the Meeting of the Board of Directors held on 21st April, 2012. He holds office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received notice from a shareholder alongwith a deposit of Rs. 500 /- proposing the appointment of Mr. T.R.C.Nair as regular director at the ensuing 16th Annual General Meeting.

During the year Mr. S. Padmakumar and Dr. V. C. Shah, retired as Directors of the Company with effect from 20th November,

2011 and Mr. M.K. Chattopadhyaya resigned as Director of the Company with effect from 21st April, 2012. The Directors wish to record their appreciation for the significant and valuable contribution made by the Directors during their tenure as Directors on the Board of the Company.

Further Ms. Shradha Binani has been appointed as an Alternate Director to Ms. Nidhi Singhania at the Meeting of the Board of Directors held on 21st April, 2012.

AUDITORS

M/s Kanu Doshi Associates, Chartered Accountants, the 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 not made any observations and hence management comments are not required.

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, 2012 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 2012-13 is being obtained.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared in compliance with the Accounting Standard(AS) 21 issued by the Institute of Chartered Accountants of India. With a view to bridge the gap between the different accounting periods of the holding company and the overseas subsidiaries and step down subsidiaries whose accounting years/first accounting period ending 31st December 2011, the consolidation of their financial statements has been done for the combined year/period ended 31st December 2011 and quarter ended 31st March, 2012.

Accordingly, for the purpose of consolidation i) the audited accounts of the overseas subsidiaries/step down subsidiaries for their years/first accounting period ended 31st December, 2011 ii) their unaudited accounts for the quarter ended 31st March, 2012 iii) unaudited accounts for the period ended 31st March, 2012 of the companies whose first accounting year/period would close on 31st December 2012 and iv) the audited accounts of Indian/overseas subsidiaries/step down subsidiaries for the year/period ended 31st March, 2012 have been considered, as the case may be.

STATEMENT PURSUANT TO SECTION 212

The statement pursuant to Section 212 of the Companies Act, 1956 relating to the subsidiaries is annexed to this report. The Board of Directors at their meeting held on 28th January, 2012 have given their consent for not attaching the financial statements of

the subsidiaries referred to in the aforesaid annexed statement, pursuant to general circular no. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs, Government of India.

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, 2012, 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 Note no. 22 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 31.03.2012 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, 2012 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.

ACKNOWLEDGEMENT

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

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

Braj Binani
Chairman

Place : Mumbai

Date : 21st April 2012

ANNEXURE A TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

[A] CONSERVATION OF ENERGY

a) Energy conservation measures taken

Cement Plant - Binanigram

1. Installed variable frequency drive in Raw Mill 2 Secondary Crusher Jet pulse filter fan (352FN1).
2. Installed Variable frequency drive in Packer no 4 JPF fan (644FN1).
3. To reduce line pressure drop of main compressor house of Kiln 2/ RM2 and packing plant compressors connected to cement mills by connecting CM1, 2 & 3 with CM4 compressors house thereby dedicated compressors for cement mill section.
4. Optimize CM 4 vent Bag house compressed air consumption by providing DP base logic.
5. Installed grid resistance circuit with vapromatic LRS in O-Sepa fan of CM 4 in place of damper control.
6. Replacement of 02 no's fine coal blower of 187 kW motor to 160 /132 kW motor in Kiln 2 to reduce fixed losses of motors.
7. Installed 70 no's LED based street light in colony in place of 70 Watt HPSV.
8. Reduction of power consumption of water pumps by modifying water spray system of Cooler hydraulic room P & V system in Kiln 2.
9. Replacement of LS Crusher Apron conveyor DC motor to AC Motor resulting in power saving due to no requirement of motor cooling blower (2 no's blower with DC motor stopped)

Cement Plant – Neem ka Thana

1. Sepax dedusting JPF bag house screw conveyor replaced with air slide.
2. Installed variable frequency drive in Sepax Dedusting JPF fan and Mill vent fan
3. Installed HT Capacitor bank at 132KV substation.
4. Optimized dedusting in gypsum hoper feeding system.

Thermal Power Plant

1. Replaced existing ACC fan blade of unit II with aerodynamic high efficiency blades (four numbers in phase II).
2. Installed one stand by common cooling water pump for CPP2 & CPP3.

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

Cement Plant – Binanigram

1. Installation of high flame momentum burner in Kiln 1 to utilize more pet coke
2. Installation of slip power recovery system in Kiln 2 both Preheater fans

3. Provision of connection of RM 2 with CF Silo 1 (Avoid loss of production in Kiln 1 in want of raw meal)
4. Installation of automatic clinker loading and coal unloading system
5. Provision of enhancement of mining operations by procuring high capacity machines.
6. Provision of energy saving devices LED lights and energy saver starters
7. To improve Kiln 1 cooler ESP efficiency by refurbishing of first field.
8. Implementation of ISO 50001 (Energy Management System)

Thermal Power plant

1. Installation of lime stone feeding system to increase more pet coke use.
2. Fabrication of bypass chute of primary coal crusher (Stacking) for Pet Coke stacking.
3. Installation of over bed firing system at AFBC boiler to use alternative fuel.
4. Installation of sonic soot blower at Super Heater of Unit 2 & 3.

Measures to improve efficiency

1. Installed additional oil pumps for slide shoes lubrication system in Cement Mill1,2 & 3 for avoiding stoppage / Breakdown.
2. Installed coating repellent bricks (Kronal-60) in safety zone of Kiln 1 .
3. Installed blaster to avoid dust setting in cooler hood slop area in Kiln 2.
4. Installed SS ring at burner tip to enhance burner life in Kiln1.
5. Installed slide gate below bag house hoppers in Kiln 1 to eliminate hazard due to spillage of hot material while maintenance work.
6. Installed sonic soot blower on CPP 3 boiler APH, reduction in flue gas temperature by 5°C.

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 consumption.

Thermal Power Plant : Due to various energy conservations measures , there was saving in the internal consumption and boiler heat rate.

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

1. **Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plan.**

The Company has not exported clinker or cement during the year since the prices in the domestic markets were more remunerative than the price in the export market. The Company will however explore

the possibility of exporting its products in the future depending on the price becoming more remunerative for the Company in overseas markets.

Rs. Lakhs

2. FOREIGN EXCHANGE EARNED AND USED

Foreign Exchange Earnings	Nil
Foreign Exchange Outgo *	
Loan Repayment	651.36
Coal/Raw Material	22,437.04
Stores & Spares	1,023.48
Interest	95.35
Other Expenses	55.51
Capital Expenses **	949.27

* Excluding Investment in overseas subsidiaries

** Net of refund of earlier advances

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 2011-12

Name	Age (Yrs)	Designation / Nature of Duties	Remuneration Received (Rs. Lacs)	Qualifications	Experience (Years)	Date of commencement of Employment	Previous Employment
Mr. P. Acharya	60	Senior Executive Director & Wholetime Director	88.09*	B.E.(Mech.) & MBA	33	17.11.2008	Executive Director M/s Dalmia Cement (Bharat) Ltd.
Mr. R.S. Joshi	57	President (Corporate Affairs)	80.91	M.A. (Economics)	35	10.10.2005	Vice President (Commercial) M/s Grasim Industries Ltd.
Mr. Darshan Lal	53	President-Tech. (Cement Group)	61.19	B.E.(Chemical)	30	18.01.1996	Manager (Process) M/s.CCW, Chittorgarh (Raj.)
Mr. Mahendra Mehta @	58	Executive Vice President	67.98	B.COM, C.A. & I.C.W.A. (INTER)	32	23.06.2008	Senior Vice President M/s.Binani Industries Ltd.,
Mr. R.P. Sharma #	54	President (Works)	20.95	B.TECH.(Chemical Engg.) & PGDMM	31	30.11.2011	Vice President M/s Ambuja Cements Ltd.

Note :

- Remuneration includes salary and allowances, medical benefits, leave travel assistance and perquisites
- *Does not include monetary value of non cash perquisites as per Income Tax Act, 1961, amounting to Rs. 5.57 Lakhs (Previous Year Rs. 4.21 Lakhs)
- @ part of the year upto 16.01.2012
- # part of the year from 30.11.2011