



Binani

BRAJ BINANI GROUP

Binani

BINANI CEMENT LIMITED

ANNUAL REPORT 2012-13

BOARD OF DIRECTORS

Mr. Braj Binani – Chairman
Mrs. Nidhi Singhania
Mr. V. Subramanian
Mr. Ramakrishna Moogimane
Mr. P. Acharya - Wholetime Director – upto 15th July 2013
Mr. T.R.C.Nair
Miss Shradha Binani – effective 5th August, 2012
Mr. S.Sridhar – effective 5th August, 2012

AUDIT COMMITTEE

Mr. Ramakrishna Moogimane
Mr. V. Subramanian
Mr. T.R.C. Nair

EXECUTIVE DIRECTOR & CFO – GROUP CONTROL ACCOUNTS (Nominated by Holding Company)

Mr. R. Venkiteswaran

COMPANY SECRETARY

Mr. Atul P. Falgunia

AUDITORS

M/s. Kanu Doshi Associates

TERM LENDERS & BANKERS

Bank of Baroda
Central Bank of India
Canara Bank
Dena Bank
Indian Overseas Bank
IDBI Bank Limited
Jammu & Kashmir Bank Limited
Oriental Bank of Commerce
Punjab National Bank
State Bank of Patiala
State Bank of Bikaner & Jaipur
Syndicate Bank
State Bank of India
Unicredit Bank AG
Union Bank of India
United Bank of India
Yes Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

601, Axis Mall, C Block, Action Area-1,
New Town, Rajarhat, Kolkata-700 156.

CORPORATE & MUMBAI OFFICE

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

PLANT LOCATIONS

1. Binani Cement Limited
Binanigram, Pindwara, Sirohi,
Rajasthan – 307031.
2. Binani Cement Limited
Village : Sirohi, Taluka : Neem Ka Thana
District : Sikar Rajasthan.
3. Shandong Binani RongAn Cement
Company Limited
Fujiashuang Village, Dongguan Town,
Ju County of Rizhao Municipality
Shandong Province,
Peoples Republic of China.
4. Binani Cement Factory LLC
Jebel Ali, Dubai, UAE

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
Parivahan Marg, C Scheme, Jaipur – 302 001
4. Flat no. 2&3, Jeet Apartments, Airport Road,
Ratanada, Jodhpur – 342001
5. B-211, Second Floor, Pacific Business Park, Plot No. 37/1,
Site IV, Sahibabad, Ghaziabad - 201010 (U.P.)
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 17th Annual General Meeting of the Members of the Company will be held on Saturday, 28th September, 2013 at 2.15 p.m or immediately after the conclusion of the 13th Annual General Meeting of Binani Zinc Limited if the meeting concludes after 2.15 p.m., at Kala Mandir, 48, Shakespeare Sarani, Kolkata -700 017, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss 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. Ramkrishna Moogimane, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs. Nidhi Singhania, who retires by rotation and being eligible, offers herself for reappointment.
4. To reappoint 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 / Audit Committee to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following, as an **Ordinary Resolution**
"RESOLVED THAT Miss Shradha 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 alongwith a deposit of ₹ 500 /- from a Member of the Company under Section 257 of the Companies Act, 1956 proposing Miss Shradha Binani's candidature for the office of the Director, be and she 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 as an **Ordinary Resolution**
"RESOLVED THAT Mr. S. Sridhar 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 alongwith a deposit of ₹ 500 /- from a Member of the Company under Section

257 of the Companies Act, 1956, proposing Mr. S. Sridhar's candidature for the office of the Director, be and he 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 a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any of the Companies Act, 1956 and Rules framed thereunder and subject to such approvals and permissions as may be necessary, the Articles of Association of the Company be altered as under by inserting the following new Articles/Sub-Articles:

- a. Article 67A after existing Article 67
"For the purpose of quorum at any General Meeting participation by Members in General Meeting through video conferencing or through any other electronic or such other media as permitted by applicable laws from time to time, shall be considered as valid."
- b. Article 76 (3) after Article 76(2)
"The voting in a General Meeting or by Postal Ballots shall also include electronic voting as permitted by the applicable laws from time to time."
- c. Article 111A after existing Article 111
"For the purpose of quorum, participation by Directors at any Board Meeting or Committee Meeting through video conferencing or through any other electronic or other media, as permitted by applicable laws from time to time, shall be considered as valid."
- d. sub-Article 161 (3) after existing Article 161 (2)
"Notwithstanding anything contrary contained in the Articles of Association, the Company may send any communication including Notice of General Meeting, Annual Reports to any person by electronic mode, as may be permitted under the law."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and it is hereby authorized to take all such steps, as may be necessary to give effect to this Resolution."

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

**Atul P. Falgunia
Company Secretary**

Place : Mumbai
Date : 27th July, 2013

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 Member 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 Monday, 23rd September, 2013 to Saturday, 28th September, 2013 (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 07.08.2014, 04.08.2015, 07.08.2016, 06.08.2017 and 06.08.2018 respectively. After the above dates, the Members 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 profile in respect of the Directors proposed to be reappointed under item nos. 2 and 3 of the Notice is 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 nos. 5, 6 and 7 of the Notice alongwith a brief write up about the Director proposed to be appointed are also annexed hereto.
8. The documents, as required under the provisions of the Companies Act, 1956, 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 upto 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 has allowed service of documents by e-mode as a part of Green initiative. 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. The Annual Accounts of the Company and all its subsidiaries, have also been posted on the Company's website www.binani.com. Any Member may access the Company's website for the Annual Accounts of the Company and its Subsidiaries and also available for inspection at the Registered Office and Corporate Office of the Company.
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.

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

Item No. 5

Miss Shradha Binani was appointed as an Additional Director on the Board effective 5th August, 2012 at the Meeting of the Board of Directors held on 20th July, 2012. She holds office as Director upto the date of this Annual General Meeting. The Company has received a notice from a Member alongwith a deposit of ₹ 500/- proposing her appointment, as a Director of the Company.

Miss Shradha Binani, aged 25 years, holds a Bachelors Degree in Science and International Politics from the City University, London. She belongs to the Promoter Group and is advising on the International operations of Glass Fibre business. She has, during her studies, undertaken keen interest in international marketing and has been associated with acquisition of 3B Fibreglass, Europe, the rebuild of furnace and expansion of capacity in Glassfibre business of the Group.

In addition to Binani Cement Limited, Miss Shradha Binani is also a Director of Binani Industries Limited and Alternate Director in Binani Metals Limited.

The Board believes that Miss Shradha Binani's knowledge and valuable guidance would be beneficial to the Company. Therefore, your Directors recommend appointment of Miss Shradha Binani, as Director of the Company.

Except Mr. Braj Binani and Mrs Nidhi Singhania, none of the Directors is in any way concerned or interested in this Resolution.

Item No. 6

As part of the continuous endeavor to broaden the Board by inducting professionals from diverse field, Mr. S. Sridhar was appointed as an Additional Director on the Board effective 5th August, 2012 at the Meeting of the Board of Directors held on 20th July, 2012. He holds office as Director upto the date of this Annual General Meeting. The Company has received a notice from a Member alongwith a deposit of ₹ 500/- proposing appointment of Mr. S. Sridhar, as a Director of the Company.

Mr. S. Sridhar, aged 62 years, holds degree from IIT, Delhi and did his Masters from Jamnalal Bajaj Institute of Management Studies, Mumbai. He is a banker with more than 38 years experience in Commercial and Development Banking of which 10 years has been at CEO/Board level. He had been the Chairman and Managing Director of Central Bank of India until May 2011 and also of National Housing Bank. He is widely acknowledged to be an innovative, market oriented banker and strategic thinker providing transformational leadership to the organizations he has worked. Mr. Sridhar has been a pioneer in championing the concept of affordable housing in India and contributed significantly to public policy formulation.

Mr. S. Sridhar is a Director on the Board of Directors of Strides Arcolab Limited, Ferro Alloys Corporation Limited, Development Credit Bank Limited, Sewa Grih Rin Private Limited, J.P. Morgan Mutual Fund India Private Limited and Incube Trustee Company Private Limited.

Mr. S. Sridhar's knowledge, expertise and valuable guidance could be of immense benefit to the Company. Hence, your Directors recommend appointment of Mr. S. Sridhar as Director of the Company.

Except for Mr. S. Sridhar, none of the Directors is in any way concerned or interested in this Resolution.

Item No. 7

The Ministry of Corporate Affairs (MCA) vide Circular No. 27/2011 and 28/2011 dated 20th May, 2011 and Circular No. 35/2011 dated 6th June, 2011 permitted Companies to hold Board Meetings and Shareholders' Meeting through Video Conference facility. However, participating through Video Conference facility at Shareholders Meeting is currently optional.

Further, MCA vide Circular No. 17/2011 dated 21st April, 2011 allowed Companies to service of documents such as Notices/other communications as required under Section 53 of the Companies Act, 1956 through electronic mode provided that Company has obtained e.mail addresses of its Members by giving advance opportunity to shareholders to register their e.mail address.

To implement the above, alteration It is proposed to the Articles of Association by inserting enabling provisions as set out in Special Resolution under Item no. 7.

In terms of Section 31 of the Companies Act, 1956 approval of the Members by way of Special Resolution is necessary to alter the Articles of Association of the Company.

The Directors recommend the passing of the Special Resolution.

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

The Articles of Association of the Company, incorporating the proposed alteration will be available for inspection by the Members of the Company 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 upto the date of this Meeting.

PROFILE OF THE DIRECTORS PROPOSED TO BE REAPPOINTED, VIDE ITEMS 2 and 3 OF THE NOTICE DATED 23rd APRIL, 2013

Name of the Director	Mr. Ramkrishna Moogimane	Mrs. Nidhi Singhania
Date of Birth	69	29
Date of appointment on the Board as Director	23rd October, 2008	23rd April, 2009
Expertise in specific functional areas	Financial Consultant/Advisor	Coordination in International Operations of Group
Qualification	M.A, LLB.	B.A with specialisation in Economics
Number of Equity shares held in the Company by the Director or for other persons on a beneficial basis	Nil	Nil
List of outside Directorships held	St. Gobain Securit India Limited Summit Securities Limited	Binani Industries Limited Binani Metals Limited
Chairman/Member of the Committees of Board of Directors of the Company	Chairman – Audit Committee Member – Remuneration Committee Member – Investor Relations Committee Member – Finance Committee	Nil
Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director	Chairman – Audit Committee in St. Gobain Securit India Limited Member – Remuneration Committee in St. Gobain Securit India Limited	Nil

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

Place : Mumbai
Date : 27th July, 2013

**Atul P. Falgunia
Company Secretary**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Seventeenth Annual Report of the Company along with the Audited Financial Statements for the Financial Year ended 31st March, 2013.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2013 are summarised below :

(₹ in Lakhs)

Particulars	31st March, 2013	31st March, 2012
Total Revenue	228,018	205,668
Profit before Depreciation, Interest, Taxation and Exceptional Items.	47,133	33,060
Provision for Depreciation	10,543	10,355
Interest and Financial Charges	21,090	16,140
Profit/(Loss) before Tax & Exceptional items	15,500	6,565
Exceptional Items	-	1,250
Provision for Tax	3,518	475
Profit after Tax	11,982	4,840
Balance of Profit brought forward from previous year	34,312	28,710
Surplus available for appropriation	46,294	33,550
Appropriations:		
Transfer from Debenture Redemption Reserve	438	762
Balance carried forward to Balance Sheet	46,732	34,312

OPERATIONS OVERVIEW

During the year under review, the Company's performance has improved in terms of volume as well as turnover and profitability. The Company has achieved highest ever production of 56.56 lakhs MT and sold 56.81 lakhs MT of cement as against 55.84 lakhs MT and 56.12 lakhs MT respectively in the previous year.

Operating Income increased from ₹ 202,781 lakhs to ₹ 221,694 lakhs i.e. by 9.33%, which is mainly because of higher sales volume and prices.

Despite higher cost of inputs and logistics, Company's Profit after Tax improved to ₹ 11,982 lakhs mainly due to higher realizations and lower fuel costs, as against ₹ 4,840 lakhs in the previous year.

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

Production	2012-13	2011-12
Cement (Lakhs MT)	56.56	55.84
Power Generation (net) - Lakhs kWh	3520.47	3281.65

DIVIDEND

Even though the Company has earned good Profits after tax, with a view to conserve resources for growth of the business, the Directors have not recommended dividend for the financial year ended 31st March, 2013.

INVESTMENTS IN SUBSIDIARIES

During the year under review, with a view to provide back up support to the operating subsidiaries overseas, the Company has further invested ₹ 1,025 lakhs in its subsidiary Murari Holdings Limited by providing capital support for meeting its long term obligations. Further, an aggregate amount of ₹ 17,906 lakhs granted to Murari Holdings Limited and Mukundan Holdings Limited as loans, was converted into Preference Shares which were allotted in April, 2013.

During the year under review, the Company has invested ₹ 255 lakhs in Share Capital of Binani Ready Mix Concrete Limited (BRMC).

OUTLOOK

The Company has chalked out plans to implement its different expansion and new projects in India and Overseas in high growth markets. These projects, upon commissioning, are expected to help the Company achieving boost in its performance on long term sustainable basis.

SUBSIDIARY COMPANIES

In accordance with the general Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, under Section 212 of the Companies Act, 1956, the Balance Sheet and Statement of Profit and Loss and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However, the financial information of the Subsidiary Companies and also the step down Subsidiaries are disclosed in this Annual Report in compliance with the said Circular. The Annual Accounts of the Subsidiary Companies are available to any Member of the Company and kept for inspection by the Members, at the Registered Office and Corporate Office of the Company. The copies of the aforesaid Annual Accounts of the Subsidiary Companies shall be provided to any Member of the Company who may be interested in receiving the same.

PERFORMANCE OF SUBSIDIARIES

Binani Energy Private Limited : During the year under review, the Company has acquired all the shares of Binani Energy Private Limited (BEPL) to make it a wholly owned subsidiary of the Company. Presently no activities are being carried out in the said Company. It has proposed to acquire power assets in the near future through Scheme of Arrangement. BEPL incurred a loss of ₹ 0.23 lakhs for the year 2012-13.

Binani Ready Mix Concrete Limited: Binani Ready Mix Concrete Limited (BRMC) has achieved a turnover of ₹ 2,333 lakhs but due to higher costs the operations resulted in loss of ₹ 343 lakhs. Considering the liquidity constraints and the fact that

additional investments would not yield results, the Directors of the Company have considered prudent to discontinue operations of RMC business for the time being and to review re-entry into RMC business at an appropriate time.

Swiss Infrastructure Limited & Merit Plaza Limited : Swiss Infrastructure Limited and Merit Plaza Limited have reported loss of ₹ 1.08 lakhs and ₹ 0.36 lakhs respectively for the year ended 31st March, 2013.

Overseas Holding Subsidiaries : Krishna Holdings Pte Limited, incorporated in Singapore, earned a profit of ₹ 224 lakhs after tax while Mukundan Holdings Limited (BVI) incurred a loss of ₹ 656 lakhs. Similarly Murari Holdings Limited (BVI) incurred a loss of ₹ 499 lakhs and Bhumi Resources (Singapore) Pte Limited earned a profit of ₹ 122 lakhs after tax.

Overseas Operating Subsidiaries : Shandong Binani Rongon Cement Company Limited (SBRCC), China achieved a turnover of ₹ 35,600 lakhs and incurred a loss of ₹ 3,600 lakhs due to higher cost and low realizations. Further, Binani Cement Factory LLC incorporated in United Arab Emirates (BCF LLC) achieved a lower turnover of ₹ 7,553 lakhs. However, due to lower capacity utilization, lack of demand, higher cost and low price realization, it incurred loss of ₹ 4,219 lakhs during the year 2012-13.

A Statement showing the details in respect of all the subsidiary companies along with their brief results are given in the Statement under Section 212 (8) as annexed to the Annual Report.

EXIT OFFER OF SHARES

The Exit Offer which opened on 30th May, 2011 closed after expiry of one year on 29th May, 2012. At the end of the Offer on 29th May, 2012, the Promoters' Shareholding has increased to 98.43%.

PRIVATELY PLACED NON-CONVERTIBLE DEBENTURES

The Company had during the year fully redeemed the privately placed Non-Convertible Debentures issued to Axis Bank Limited. Hence, the Debentures which were listed on Bombay Stock Exchange have been delisted after 31st December, 2012.

SHIFTING OF REGISTERED OFFICE

The Company had taken an approval of the Members through Special Resolution by Postal Ballot for shifting the Registered Office of the Company from the State of West Bengal to State of Rajasthan. The Company had filed a petition before the Regional Director, Eastern Region which has been withdrawn later.

The Company has now shifted its Registered Office from 37/2, Chinar Park, New Town, Rajarhat Main Road, Kolkata -700 157 to 601, Axis Mall, C Block, Action Area -1, New Town, Rajarhat, Kolkata -700 156 with effect from 19th June, 2013.

SCHEME FOR TRANSFER OF POWER UNDERTAKING

With a view to give thrust to the Power Business, as a part of the business strategy of the Group, the Directors of the Company have proposed the transfer of Power Undertaking of

the Company to its wholly owned subsidiary M/s Binani Energy Private Limited (BEPL) with the Appointed Date of 1st April, 2013. The Transfer of Assets and Liabilities shall be at the book value for a consideration amount of ₹ 11,362.62 lakhs which is based on Valuation Report of the Auditors. The Company has initiated the process to file the Scheme with the High Court at Kolkata in this regard.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company's shares have been delisted with effect from 23rd 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 adopt 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 Practising Company Secretary, M/s. Uma Lodha & Company confirming compliance is set out in the Annexure, forming part of this Report.

BOARD OF DIRECTORS

In accordance with Article 100 of the Articles of Association of the Company, Mr. Ramkrishna Moogimane and Mrs. Nidhi Singhania, retire by rotation and being eligible, offer themselves for reappointment.

During the year under review, Miss Shradha Binani and Mr. S. Sridhar were appointed as Additional Directors on the Board effective from 5th August, 2012. They hold office as Additional Directors upto the date of the ensuing Annual General Meeting. The Company has received a Notice from a Shareholder alongwith a deposit of ₹ 500/- each proposing the appointment of Miss Shradha Binani and Mr. S. Sridhar, as Directors at the ensuing 17th Annual General Meeting. The Board recommends appointment/reappointment of the above Directors'.

Mr. P. Acharya, Whole-time Director has resigned as Director of the Company with effect from 15th July, 2013. The Directors wish to place on record their appreciation for the significant and valuable contribution made by Mr. P. Acharya during his tenure as Whole-time Director.

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 reappointment, if made, will be in accordance with the limits as specified as

per Section 224(1) of the Companies Act, 1956. The Directors recommend their reappointment.

AUDITORS' OBSERVATIONS

There are no qualifications in the Auditors Report on standalone and consolidated financial statements and hence need no explanations.

COST AUDIT

The Cost Audit Report for 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, 2013 will be filed with the Ministry of Corporate Affairs, Government of India after approval by the Board. Approval of the Central Government for the reappointment of M/s K. G. Goyal & Co, Jaipur, Cost Accountants as Cost Auditors for the year 2013-14 has been 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 year /first accounting period ended 31st December, 2012, the consolidation of their financial statements has been done for the year/period ended 31st March, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the Annual Accounts for the year ended 31st March, 2013, 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. 24 to the standalone 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 31st March, 2013 and of the Profit of the Company for the year ended on that date;
- 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 31st March, 2013 have been prepared on a going concern basis.

PARTICULARS UNDER SECTION 217 OF THE COMPANIES ACT 1956

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 provided in the Annexure 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 and forms part of this Report.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude for the assistance, continued co-operation and support received from the Holding Company, Government of India, the State Governments, Financial Institutions, Banks, Valued Customers, Dealers, Distributors, Market Organisers, Suppliers, Contractors and all Stakeholders 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 Executives, Staff and Workers at all levels.

**For and on behalf of the Board
For Binani Cement Limited**

**Braj Binani
Chairman**

Place : Mumbai
Date : 27th July, 2013

ANNEXURE TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

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 slip power recovery system in Calcliner string fan of Kiln2.
2. Optimized the Kiln string fan speed of Kiln 2 after installation of analyzer in both calciner outlets.
3. Replacement of 04 nos. Cooler fans of 315kW motors with 250 kW energy efficient motors thereby reducing fixed losses.
4. Facilitate connectivity of RM2 to CF Silo 1 to avoid production loss of Kiln 1 in want to raw meal and vice versa of CF Silo 1 to RM2.
5. Optimized performance of some critical jet pulse filters for lowering differential pressure thereby saving in power consumption and improved bags life.
6. Installed solar water heater in plant canteen and colony mess.
7. Replacement of conventional sodium vapor well glass type lights with LED type lights in Unit 1 Preheater (60 no's)
8. Replaced 11 kW motor to low rating 7.5 kW motor in RM 2 Reclaimer belt 332BC1 magnetic separator.
9. Lighting transformer of CM4 area lighting also used for CM3 lighting.
10. Facilities of connectivity of transformer (TR#3) of CPP3 with main Incomer substation (MISS 1) during stoppage of CPP1 thereby saving in T& D losses.

Cement Plant – Neem ka Thana

1. Optimized JPFs fan (06 no's) flow by changing size of pulley.
2. Idle running of JPFs (411FN5, 411FN6) are avoided by providing interlocking with respective drives.
3. Facility provided delta to star in low loading motors (04 no's drives)
4. Spare transformer breaker was continuously charged to avoid moisture problem and consumed No load power. Now charging optimized weekly basis with 8 hrs.
5. Installed Variable Frequency Drive (VFD) on Mill ESP fan, Separator vent fan and wagon tippler JPF fan and now controlling by VFD in place of damper.
6. Modification in lighting distribution and switching system in packing house and fly ash system area.
7. Replaced 150 Watt HPSV lamps with 56 watt T5 CFL lamps (10 nos).

Thermal Power Plant

1. Installation of Modified design discharge chutes of CHP primary & secondary screen out to improve the CHP feeding rate & to avoid the coal jamming.

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 and low rating firing blower and LT motor.
2. Installation of slip power recovery system in Kiln string fan of Kiln 2.
3. Installation of Waste heat recovery system in both kilns cooler to utilize waste heat.
4. Installation of additional membrane bags with modification in modules to optimize the running of reverse air fan of bag house of unit 2.
5. Upgradation of existing energy management system incorporating more metering facility, Indication and switching features of isolated HT capacitors banks.
6. Provision of enhancement of mining operations by procuring high capacity machines.
7. Provision of energy saving LED lights in plant area.
8. Implementation of ISO 50001 (Energy Management System)
9. Replacement of 2 nos Cooler fans motor with energy efficient motors.
10. Provision of interchange of grid resistance circuit of CM3 with CM4.

Thermal Power plant

1. Installation of VFD for CEP pumps in CPP.
2. Installation of sonic soot blower at Super Heater of Unit 2 & 3.

Measures to improve efficiency

1. Installed Refracta constables and bricks at kiln outlet tip and adjacent 1.2 mtr bricks to enhance refractory life in Kiln1.
2. Automation of Physical laboratory for effective and better control of variation in parameters.
3. Modified grinding media pattern to improve 1 day compressive strength in PPC Cement.
4. Automation of shell cooling fans of both kiln interlocking provided with burning zone shell temperature to enhance refractory life and avoid unnecessary running of fans.