

Binani

1996-1997

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Binani

BOARD OF DIRECTORS

Mr. Ghanshyam Binani
Mr. Gokul Binani
Mr. Braj Binani
Dr. Dara P. Antia
Mr. K. A. Varugis
Mr. S. Padmakumar
Dr. V. C. Shah
Mr. S. Mukhopadhyay
Mr. A. C. Chakraborti

Chairman
Vice Chairman
Managing Director

CORPORATE MANAGEMENT COMMITTEE

Mr. Braj Binani	Co-ordinator
Mr. Ibrahim Ali	Advisor & Co-ordinator (Projects)
Mr. S. P. Saigal	Advisor (Corporate Finance)
Mr. J. D. Woodall	Chief Exec. Officer (Glass Fibre Divn)
Mr. V. Subramanian	Exec.Vice President (Corporate)
Mr. Sushil Bhatler	President (Zinc Divn.)
Mr. S. S. Khandekar	President (Cement Divn.)

VICE PRESIDENT (LEGAL) & SECRETARY

Mr. T. R. Chandramohan Nair

AUDITORS

S. R. Batliboi & Co Mumbai

LEGAL ADVISORS

Menon & Pai	Ernakulam, Kerala
Little & Co.	Mumbai

BANKERS

Bank of Baroda
State Bank of Travancore
ABN Amro Bank
Standard Chartered Bank
Bank Internasional Indonesia
Bank of India
Allahabad Bank

SENIOR EXECUTIVES

CORPORATE OFFICE

Mr. R. Venkiteswaran	Vice President (Finance)
Mr. A. R. Beriwal	Vice President (Projects)

ZINC DIVISION

Mr. B. N. Rathi	Exec.Vice President
MR. T. V. Peter	Advisor (Maintenance)
Mr. George Thomas	Vice President (Production)
Mr. Paul Paliath	Vice President (HRD)
Mr. K. Vijayan	Vice President (Projects)
Dr. K. Sasi	Vice President (R & D)

GLASS FIBRE DIVISION

Mr. A. Prasad	Dy.Chief Exec.Officer
Mr. M. M. Gole	General Manager (Production)
Mr. M. Subramanian	General Manager (Projects)
Mr. S. Bansal	General Manager (Technical)
Mr. S. Nigam	General Manager (Technical)
Mr. S. Ramachandran	General Manager (Finance)

CEMENT DIVISION

Mr. R. C. Mittal	Advisor (Mumbai)
Mr. Krishnamoorthy	Consultant (Marketing)
Mr. B. D. Damani	Vice President (Projects)
Mr. S. V. P. Gupta	General Manager (P & Q.C.)
Mr. V. K. Ranka	General Manager (Finance)
Mr. A. K. Singh	General Manager (Electrical)
Mr. V. Sivaraman	General Manager (Materials)
Mr. M. A. Bohra	General Manager (Mechanical)
Mr. D. Vijay Kumar	General Manager (Personnel, Admn.)

MINERAL EXPLORATION DIVISION

Mr. R. N. Sinha	President
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BINANI INDUSTRIES LIMITED

(formerly Binani Zinc Limited)

REGISTERED OFFICE

Binani Buildings
38, Strand Road,
Calcutta 700 001

CORPORATE OFFICE

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

WORKS

Binani Zinc

Binanipuram, Ernakulam, Kerala

Binani Glass Fibre

Colvale, Bardez, Goa

Binani Cement

Binanigram, Pindwara, Sirahi, Rajasthan

Binani Industries Limited**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Thirty-fourth Annual General Meeting of the company will be held at 10.15 a.m. at **Kalamandir, 48, Shakespeare Sarani, Calcutta - 700 017** on Friday, 26th September, 1997 to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Accounts in respect of the year ended 31st March, 1997.
2. To declare dividend.
3. To appoint a Director in place of Dr. Dara. P. Antia who retires by rotation.
4. To appoint a Director in place of Mr. K. A. Varugis who retires by rotation.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

6. To consider, and if thought fit to pass, with or without modification the following resolution as an **ORDINARY RESOLUTION**:
 "RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and subject to such other approvals if any, the company hereby accords its approval for the appointment of Mr. Braj Binani as the Managing Director of the company for a period of 5 years from 1st January, 1997 to 31st December, 2001 on the terms and conditions including remuneration and perquisites as set out in the agreement dated 29th November, 1996 entered between the company and Mr. Braj Binani (a copy of which is placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions in the said agreement as the Board of Directors may consider necessary and as may be agreed to by Mr. Braj Binani 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."
7. To consider, and if thought fit to pass, with or without modification the following resolution as an **ORDINARY RESOLUTION**:
 "RESOLVED THAT Mr. A.C. Chakraborty who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the company holds such office until the conclusion of this Annual General Meeting, and in respect of whom the company has received a notice from a member of the company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director along with a deposit of Rs. 500/- be and is hereby appointed as a Director of the company."
8. To consider, and if thought fit to pass, with or without modification the following resolution as an **ORDINARY RESOLUTION**:
 "RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, Mr. I. C. Agarwal who has offered himself for appointment as a Director be and is hereby appointed as a Director of the company."
9. To consider, and if thought fit to pass, with or without modification the following resolutions as a **SPECIAL RESOLUTION**:
 "RESOLVED THAT pursuant to Sections 94, 16 and 31 and other applicable provisions if any, of the Companies Act, 1956, the Authorised Share Capital of the company be increased from Rs. 35,00,00,000/- (Rupees Thirty Five Crores) divided into 3,50,00,000 (Three Crores Fifty Lacs) Equity shares of Rs. 10/- each to Rs. 60,00,00,000/- (Rupees Sixty Crores) divided into 3,50,00,000 (Three Crores Fifty Lacs) Equity shares of Rs. 10/- each, 10,00,000 (Ten Lacs) Preference shares of Rs. 100/- each and 1,50,00,000 (One Crore Fifty Lacs) Unclassified shares of Rs. 10/- each, with the powers to issue the new shares on such terms and conditions and with such rights and privileges attached thereto as the Board shall determine, subject to any directions of the company at General Meeting at the time of issue thereof."
 "RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association of the company be and is hereby substituted by the following:
 V The Share capital of the company is Rs. 60,00,00,000/- (Rupees Sixty Crores) divided into 3,50,00,000 (Three Crores Fifty Lacs) Equity shares of Rs. 10/- each, 10,00,000 (Ten Lacs) Preference shares of Rs. 100/- each and 1,50,00,000

Binani

(One Crore Fifty Lacs) Unclassified shares of Rs. 10/- each, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify, abrogate or reclassify any rights, privileges or conditions in any such manner as may for the time being be provided by the regulations of the company."

"RESOLVED FURTHER THAT Article 4 of the Articles of Association of the company be and is hereby altered to read as follows:

4. The Share Capital of the company is Rs. 60,00,00,000/- (Rupees Sixty Crores) divided into 3,50,00,000 (Three Crores Fifty Lacs) Equity shares of Rs. 10/- each, 10,00,000 (Ten Lacs) Preference shares of Rs. 100/- each and 1,50,00,000 (One Crore Fifty Lacs) Unclassified shares of Rs. 10/- each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the company for the time being, with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify, abrogate or reclassify any rights, privileges or conditions in any such manner as may for the time being be provided by the regulations of the company."

By order of the Board

(T. R. CHANDRAMOHANAN NAIR)

VICE PRESIDENT (LEGAL)

& SECRETARY

Mumbai
27th June, 1997

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.
2. Instruments appointing proxies should be deposited at the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
3. The Register of Members and Share Transfer books of the company will remain closed from Tuesday, 16th September, 1997 to Friday, 26th September, 1997 (both days inclusive)
4. Dividend, if declared will be paid to those members whose names appear on the company's Register of Members as on 26th September, 1997.
5. Those members who have not encashed their dividend warrants for the financial years ended 31st March, 1994, 1995 and 1996 may claim or approach the company for payment as the balance will be transferred to the General Revenue Account of the Central Government on or before the respective dates indicated below :

Dividend for the year ended 31.03.94	16.08.97
Dividend for the year ended 31.03.95	18.08.98
Dividend for the year ended 31.03.96	27.08.99
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items no 6 to 9 of the notice as set above is annexed hereto.

Binani Industries Limited

7. 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.
8. The accounts, the reports and all other documents required under the law to be annexed thereto will be available for inspection during working hours 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. **SHAREHOLDERS WHO ARE STILL HOLDING SHARE CERTIFICATES OF RS. 100/- EACH ARE REQUESTED TO SURRENDER THEM IMMEDIATELY FOR EXCHANGE INTO SHARES OF RS.10/- EACH TO THE REGISTERED OFFICE OF THE COMPANY.**
10. M/s MCS Limited have been appointed as Share Registrars and Transfer Agents of the company. Correspondence relating to shares including requests for transfers, change of address, change of status, change of mandate, fresh mandate etc. should be sent directly to M/s MCS Limited at the following address:
M/s MCS Limited
Unit: Binani Industries Limited,
SRI VENKATESH BHAVAN,
Plot No 27, Road No 11,
M.I.D.C. Area,
Andheri(East)
Mumbai- 400 093.
11. Members who are holding shares in identical name(s) under different ledger folios are requested to apply for consolidation of such folios and send the relevant equity share certificate to M/s MCS Limited.
12. Members who are holding shares in single name are advised, in their own interest to get the shares transferred in joint names.
13. Those shareholders who have not received the adhesive stickers for affixing in the share certificates consequent upon change of name are advised to write to the Registered Office indicating the number of share certificates held.

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

Item No 6

Mr. Braj Binani was appointed as a Managing Director of the company at the meeting of the Board of Directors held on 28th November, 1996 on the following terms and conditions:

- I. Mr. Braj Binani shall hold office of Managing Director for a period of 5 years from 1st January, 1997 to 31st December, 2001 subject to the terms of employment as detailed in the agreement dated 29th November, 1996.
- II. He shall be paid remuneration including perquisites as follows:
 1. Salary Rs. 1,00,000/- (Rupees One lakh) per month

Category- A

- | | |
|----------------------------|--|
| 1. Housing | Furnished residential accommodation will be provided with free gas, electricity, water and furnishing. The perquisites relating to gas, electricity, water and furnishing value of the same be evaluated as per the Income Tax Rules 1962.
In the event no accommodation is provided by the company he shall be entitled to house rent allowance equivalent to 60% of the salary. |
| 2. Medical Reimbursement | Reimbursement of expenses incurred for self and family subject to ceiling of one month's salary in a year or three months's salary over a period of three years. |
| 3. Leave Travel Concession | One month's salary per annum. |
| 4. Club Fees | Fees and expenses of not exceeding two clubs will be borne by the company. |

Binani

Category- B

- | | |
|-------------------------|--|
| 1. (A) Provident Fund | Company's contribution towards provident fund subject to ceiling of 10% of salary. |
| (B) Superannuation Fund | Company's contribution towards Superannuation Fund @ 15 % of the annual salary. |
| | Contribution to Provident Fund, pension or Superannuation Fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. |
| 2. Gratuity | Gratuity will be payable for each completed year of service at the rate of 15 days' salary. |
| 3. Leave | Leave with full salary as per the rules of the company. The leave accumulated but not availed may be encashed as per the rules of the company from time to time. |

Category- C

- | | |
|--------------|--|
| 1. Car | Company maintained car will be provided. All expenses for private purposes will be reimbursed to the company at actuals. |
| 2. Telephone | Reimbursement of expenses at actual. All personal calls will be paid by Mr. Braj Binani. |

- III. Income Tax if any on or in respect of the aforesaid remuneration shall be borne and paid by Mr. Braj Binani.
- The appointment of Mr. Braj Binani and his remuneration are to be approved by the members in general meeting and the Directors commend this resolution for acceptance by the members.
- Individual Notices dated 9th December, 1996 of the terms and conditions of the appointment of Mr. Braj Binani were despatched to all the members of the company on 14th December, 1996 pursuant to Section 302 of the Companies Act, 1956.
- Mr. Braj Binani, Mr. Ghanshyam Binani and Mr. Gokul Binani are interested in the resolution as they are related to each other. Save and except the above none of the Directors is concerned or interested in the resolution.

Item No 7

Mr. A. C. Chakrabortti was appointed as Additional Director of the company by the Board of Directors at their meeting held on 16th July, 1996.

According to the provisions of Section 260 of the Companies Act, 1956 Mr. A.C. Chakrabortti holds office only up to the date of the ensuing Annual General Meeting.

A notice has been received from one of the shareholders of the company under Section 257 of the Companies Act, 1956 proposing him as a candidate for the office of Director.

Mr. A. C. Chakrabortti is a Chartered Accountant of eminence and has been associated with the industry for many years. In view of his wide experience in the industry, it is desirable that the company should continue to avail of his services as a member of the Board.

Your Directors recommend his appointment as a Director. Except Mr. A.C. Chakrabortti none of the Directors is in any way concerned or interested in the resolution.

Item No 8

Mr. I. C. Agarwal has by his letter dated 11th March, 1997 given notice to the company under Section 257 of the Companies Act, 1956 proposing himself as a candidate for the office of Director of the company.

The resolution for Mr. I.C. Agarwal's appointment is being included in the notice of the Annual General Meeting as required by law.

The management however does not support this resolution.

Binani Industries Limited

Item No 9

The present Authorised Capital of the company is Rs. 35 Crores divided into 3,50,00,000 Equity shares of Rs. 10/- each. Taking into account the future development plans of the company it is felt necessary to increase the Authorised Capital of the company to Rs. 60,00,00,000/- divided into 3,50,00,000 Equity shares of Rs. 10/- each aggregating Rs.35,00,00,000/-, 10,00,000 Preference shares of Rs. 100/- each aggregating Rs. 10,00,00,000/-and 1,50,00,000 Unclassified shares of Rs.10/- each aggregating Rs.15,00,00,000/-. Your Directors recommend the passing of the resolution. None of the Directors are concerned or interested in the resolution except to the extent of their shareholding.

The copy of the agreement entered between the company and Mr.Braj Binani, copy of the Memorandum and Articles of Association of the company and the relevant notices under Item Nos.7 & 8 are available for inspection by the members of the company at the registered office of the company between 10.00 a.m and 1.00 p.m on any working day of the company except Saturdays and Sundays upto the date of the meeting.

By order of the Board

(T. R. CHANDRAMOHANAN NAIR)
VICE PRESIDENT (LEGAL)
& SECRETARY

Mumbai
27th June, 1997

SHAREHOLDER'S DIARY

1. DATE OF ANNUAL GENERAL MEETING : **FRIDAY 26TH SEPTEMBER, 1997.**
2. TIME AND VENUE : **10.15 A. M. AT "KALAMANDIR"
48, SHAKESPEARE SARANI, CALCUTTA - 700 017.**
3. DATE OF BOOK CLOSURE : **16TH SEPTEMBER, 1997 TO 26TH SEPTEMBER, 1997.**
4. DIVIDEND PROPOSED : **RS. 3.00 PER SHARE (30%)**
5. TAX ON DIVIDEND : **DIVIDEND WOULD BE TAX FREE IN THE HANDS OF SHAREHOLDERS.**
6. DIVIDEND PAYMENT : **ON OR BEFORE 6TH NOVEMBER, 1997 TO MEMBERS WHOSE NAMES
APPEAR ON THE REGISTER OF MEMBERS ON 26TH SEPTEMBER, 1997.**
7. SHARE DETAILS
 - MARKET LOT : **50**
 - LISTED AT : **BOMBAY, CALCUTTA, COCHIN, & MADRAS STOCK EXCHANGES AND NATIONAL
SECURITIES DEPOSITORY LIMITED (NSDL)**
 - TRADED AT : **NATIONAL STOCK EXCHANGE.**
8. SHARE TRANSFER AND OTHER COMMUNICATIONS TO BE ADDRESSED TO : **M/S MCS LIMITED
UNIT: BINANI INDUSTRIES LTD
SRI VENKATESH BHAVAN, PLOT NO.27, ROAD NO. 11,
M.I.D.C AREA, ANDHERI (EAST) MUMBAI - 400 093.**
9. COMPLIANCE OFFICER (AS REGISTERED WITH SEBI) : **MR. A. BABU
DEPUTY SECRETARY,
BINANI INDUSTRIES LIMITED
"BINANI BUILDINGS" 38, STRAND ROAD, CALCUTTA - 700 001.**

Binani

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Thirty Fourth Annual Report together with the Audited Statement of the Accounts for the year ended 31st March, 1997.

(Rs. Lacs.)

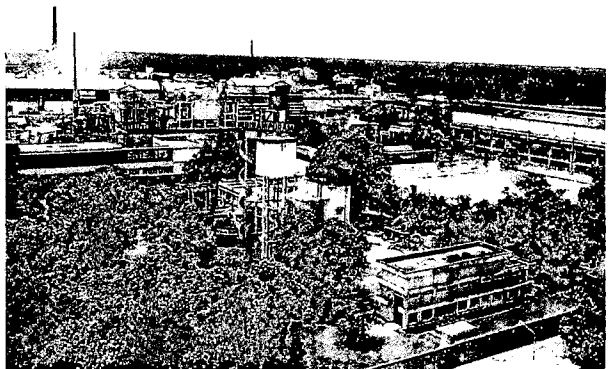
	1996-97	1995-96
Sales and Related income	19683	16504
Profit before Tax	2122	3951
Provision for taxation	274	—
Profit after Tax	1848	3951
Balance of profit B/F	414	326
Provision no longer required	—	32
Depreciation written back	—	448
Available for appropriation	2262	4757
Appropriations :		
Proposed Dividend	834	850
Tax on Dividend	84	—
Transfer to General Reserve	975	3493
Balance carried to Balance Sheet	369	414

OPERATIONS DURING 1996-97

ZINC DIVISION Despite severe power cut ranging from 70-100% and related load restrictions imposed by Kerala State Electricity Board (KSEB) during the year, the zinc plant operations can be considered satisfactory. Production of 29272 MTs of Zinc Ingots during the year has been the highest by the Company - with capacity utilisation at about 98%. The prices and the demand for Zinc Metal have shown an upward trend in the latter half of the year.

GLASS FIBRE DIVISION With the start up of the furnace on 27.3.1996 at the Glass Fibre Division, the Plant started built up of capacity leading to product stabilisation in October '96. Products were launched in the market from August/September '96. By March '97, capacity utilisation touched 75%. Glass Fibre product exports were also initiated in December '96; the product has been accepted in domestic as well as international markets. This favourable situation was however neutralised by reason of excess capacity in the Industry during 96/97 and supply exceeding demand internationally, resulting in prices showing substantial downward trend.

CEMENT DIVISION The 1.5 million TPA Cement Plant under implementation at Binanigram, Pindwara, Sirohi, Rajasthan, commenced operations with the kiln being fired on 27th March, 1997. The grinding unit was also commenced in June '97. The plants are under stabilisation.



ZINC FACTORY, BINANIPURAM

Binani Industries Limited

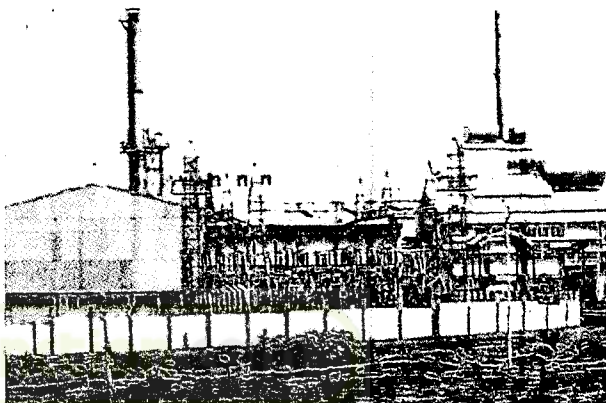
The name of "Binani" being well-known, it was decided to use this as Brand name for company's cement product in the targetted markets of Rajasthan, Gujarat, Delhi, Punjab, UP and Haryana from early July '97.

The captive thermal 25 MW Power Plant is under construction. It is scheduled to commence operations in December, 1997.

3. PROSPECTS FOR 1997-98

- a. **ZINC DIVISION:** The prices of zinc have firmed up, which is expected to prevail during 1997/98. Operations during first three months of the current month have been affected by 100% power cut introduced by Kerala State Electricity Board. In the circumstances the Company had to depend upon captive power generation which can meet only 45% of the normal requirements. However, depending on a favourable monsoon, the power supply position may improve after July, 1997 as otherwise the situation will continue to be difficult.

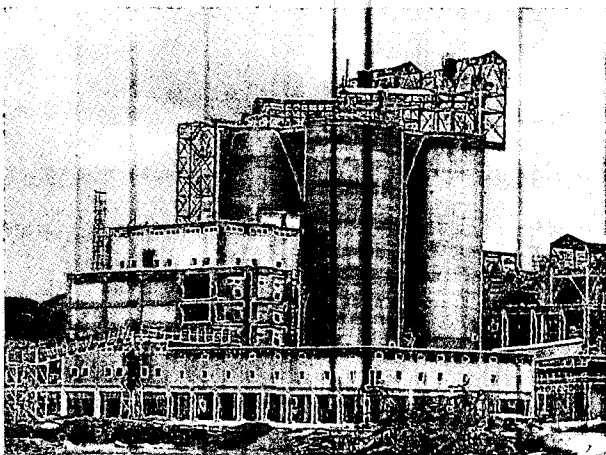
The Company has already taken steps to acquire one more DG Set of 10MW capacity which together with existing two DG Sets will meet approximately 90% of the power requirements of zinc division. Efforts are being made to start the additional captive generation by March '98. Kerala State Electricity Board, has increased the power tariff substantially, which will have adverse impact on operations. However, taking an overall view of increased price realisation, improved operational efficiencies and cost reduction measures and, subject to reasonable availability of power from Electricity Board, Zinc operations are expected to yield satisfactory results.



GLASS FIBRE FACTORY, GOA

- b. **GLASS FIBRE DIVISION:** Currently, the division is operating at capacity utilisation of 75%. Due to sluggishness in the market, both domestic and international, the prices have dropped substantially. This will have its impact on overall margins of Glass Fibre Division.

For our Glass Fibre Division, the reinforcement products, like Chopped Strand Mat and Woven Rovings have been accorded approval by Indian Register of Shipping (IRS) and very recently, these products have received international accreditation from Lloyd's Register of Shipping (LRS), U.K. These approvals will boost up acceptability of our products in the international markets.



CEMENT FACTORY, BINANIGRAM

- c. **CEMENT DIVISION:** The overall general slowdown of the economy will have its impact on the Cement demand and prices. However with the build up of capacity utilisation resulting in economies of scale and low debt/equity norms for this highly capital intensive industry, we expect to achieve reasonable results subject to our being able to stabilise and build up the Cement plant operations on schedule at Binanigram.