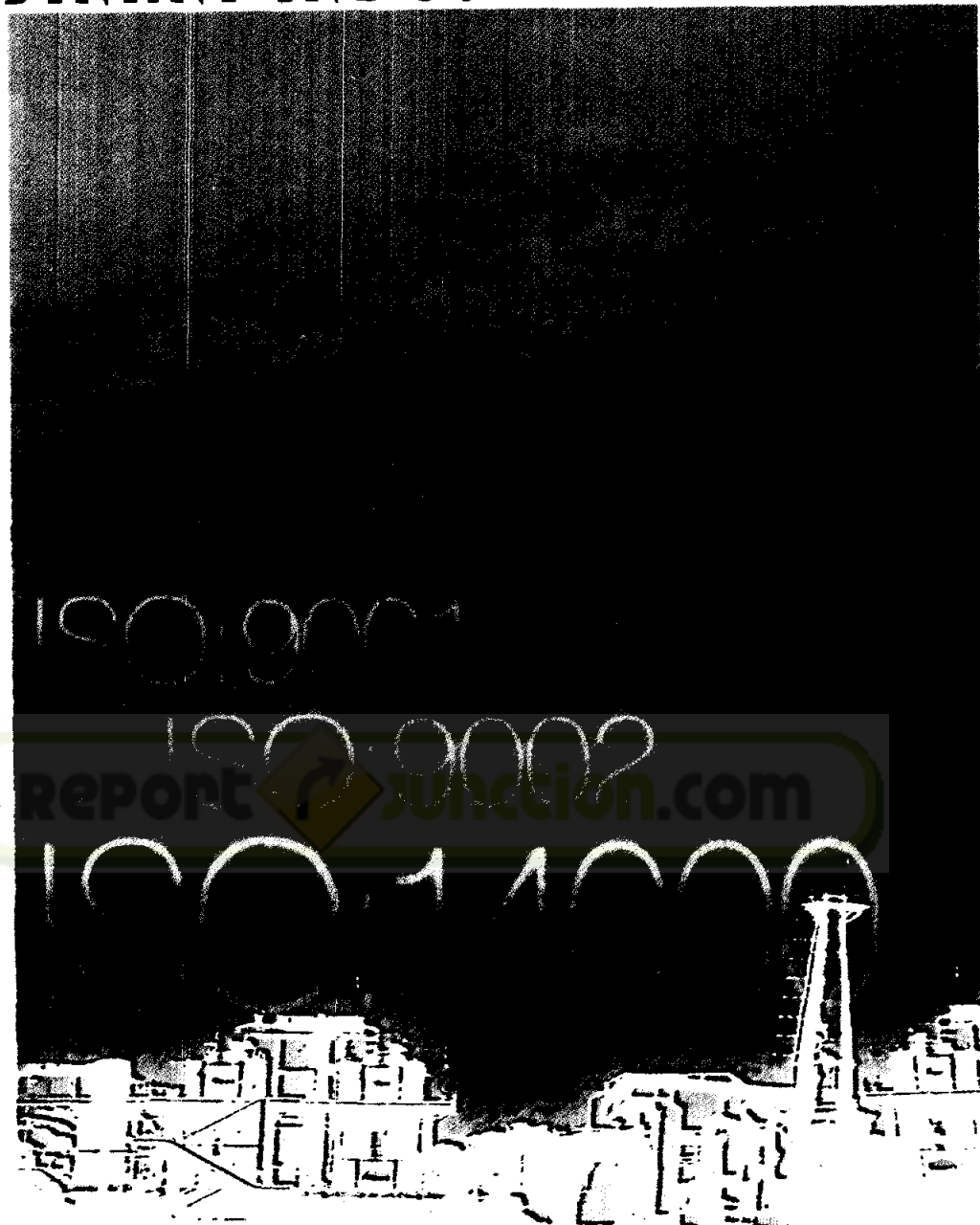


Binani

BINANI INDUSTRIES LIMITED



A N N U A L R E P O R T
2 0 0 0 - 2 0 0 1

Annual Report 2000-2001

BOARD OF DIRECTORS

Mr. Braj Binani Chairman &
 Managing Director

Mr. S. Padmakumar
Dr. V. C. Shah
Mr. A. C. Chakrabortti
Mr. E.S.Kumar

Mr. Sushil Bhatler
Mr. N. Mohan
Mr. Deo Hirawat

} Wholetime Directors

SECRETARY

Mr. T.R.C. Nair

CHIEF FINANCIAL OFFICER

Mr. M.K. Chattopadhyaya

AUDITORS

S.R.Batliboi & Co., Mumbai

LEGAL ADVISORS

Menon & Pai-Ernakulam, Kerala

BANKERS

Bank of Baroda
IndusInd Bank Limited
Bank of India
Allahabad Bank
Punjab National Bank
The South Indian Bank Limited
State Bank of Travancore

LOCATIONS**Registered Office**

Binani Buildings, 38, Strand Road,
Kolkata 700 001.

Corporate Office

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

Mumbai Office

Feltham House, 10, J.N. Heredia Marg,
Ballard Estate, Mumbai 400 001.

Project Office

901/903, Casablanca, Sector -11, Plot No. 45,
CBD, Belapur, Navi Mumbai 400614.

Udaipur Office

226(3A) Sardarpura, Udaipur 313 001.

Works

Binani Zinc
Binanipuram, Ernakulam,
Kerala 683 502

CORPORATE MANAGEMENT

Mr. Braj Binani - Co-ordinator
Mr. Sushil Bhatler - President (Projects)
Mr. S. S. Khandekar - President (Binani Cement Ltd.)
Mr. N. Mohan - President (Binani Zinc)
Mr. Rajesh Patel - President (Goa Glass Fibre Ltd.)
Mr. Deo Hirawat - President (Corporate Finance)
Mr. T.R.C. Nair - Executive Vice President
 (Corporate Affairs)

ADVISORS TO CORPORATE

Mr. Ibrahim Ali
Mr. V. Subramanian
Mr. Ram Mohan

DIVISIONS**Mumbai Office**

Mr. M.K. Chattopadhyaya- Vice President
 (Corporate Accounts)
Mr. A.K. Jain - Vice President
 (Finance & Banking)
Mr. J.R.K. Sarma - Vice President (Finance)

Projects

Mr. Roy Kurian - Asst. Vice President (Projects)
Mr. Murali Subramanian - Asst. Vice President (Projects)
Mr. G.S. Rathi - Asst. Vice President
 (Finance &Accounts)
Mr. S.B. Asawa - Asst. Vice President (Projects)

Udaipur

Mr. V.K. Ranka - Vice President (Finance)

Binani Zinc

Mr. George Thomas - Executive Vice President
Dr.K.Sasi - Vice President (R&D)
Mr. K.Roshan - Asst. Vice President (Materials)

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Thirty Eighth Annual General Meeting** of the Company will be held at 10.15 a.m. at **Kala Mandir, 48, Shakespeare Sarani, Kolkata - 700 017** on Monday, the 24th September, 2001 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, 2001.
2. To declare dividend.
3. To appoint a Director in place of Mr. A. C. Chakrabortti who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider, and if thought fit to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. S. Padmakumar 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 upto 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 Director along with a deposit of Rs.500/- be and is hereby appointed as a Director of the Company."

6. To consider, and if thought fit to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Sushil Bhatler who was appointed as an Additional Director/ Whole-time Director designated as President (Projects) 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 upto 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 Director along with a deposit of Rs.500/- be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER 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. Sushil Bhatler as Whole-time Director designated as President (Projects) for a period of 5 years from 19th January, 2001 to 18th January, 2006 on the terms and conditions including remuneration and perquisites as set out in the agreement dated 19th January, 2001 entered into between the Company and Mr. Sushil Bhatler (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. Sushil Bhatler 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. N. Mohan who was appointed as an Additional Director/ Whole-time Director designated as President (Binani Zinc) 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 upto 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 Director along with a deposit of Rs.500/- be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER 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. N. Mohan as Whole-time Director designated as President (Binani Zinc) for the period from 19th January, 2001 to 31st December, 2002 on the terms and conditions including

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remuneration and perquisites as set out in the agreement dated 19th January, 2001 entered into between the Company and Mr. N. Mohan (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. N. Mohan 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."

8. To consider, and if thought fit to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Deo Hirawat who was appointed as an Additional Director/ Whole-time Director designated as President (Corporate Finance) 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 upto 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 Director along with a deposit of Rs.500/- be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER 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. Deo Hirawat as Whole-time Director designated as President (Corporate Finance) for a period of 5 years from 19th January, 2001 to 18th January, 2006 on the terms and conditions including remuneration and perquisites as set out in the agreement dated 19th January, 2001 entered into between the Company and Mr. Deo Hirawat (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. Deo Hirawat 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."

9. 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.Jagdish Prasad Saha who has offered himself for appointment as a Director be and is hereby appointed as a Director of the Company."

By Order of the Board
For Binani Industries Limited

Mumbai
7th June, 2001

T.R. Chandramohan Nair
Executive Vice President (Corporate Affairs) & Secretary

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, the 18th September, 2001 to Monday, the 24th September, 2001 (both days inclusive).
4. Dividend, if declared, will be paid to those members whose names appear on the Company's Register of Members on 24th September, 2001 on the paid-up Equity Capital of the Company as on 31st March, 2001. In respect of shares held in the electronic form, the dividend will be payable to the beneficial owners of shares as on 18th September, 2001 as per details furnished by the depositories for this purpose.
5. Pursuant to the provisions of Section 205 A of the Companies Act, 1956, all Unclaimed / Unpaid Dividends upto and inclusive of financial year 1994-1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from The Registrar of Companies, West Bengal, Nizam Palace, II M.S.O Building, 234/4, AJC Bose Road, Kolkata - 700 020. Those members who have not encashed their dividend warrants for the financial years ended 31st March, 1996,



31st March, 1997, 31st March, 1998, 31st March, 1999 and 31st March, 2000 may claim or approach the Company as the balance will be transferred to the fund established by the Central Government on or before the respective dates indicated below:

Dividend for the year ended 31.03.1996	-	27.08.2003
Dividend for the year ended 31.03.1997	-	07.11.2004
Dividend for the year ended 31.03.1998	-	25.01.2005
Dividend for the year ended 31.03.1999	-	21.01.2006
Dividend for the year ended 31.03.2000	-	11.11.2007

After the respective dates, the Shareholders are not entitled to claim these amounts pursuant to the provisions of Section 205C (2) of the Companies Act, 1956.

6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos.5 to 9 of the notice and Item No.3 as required by the listing agreement as set above is annexed hereto.
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 from 10.00 a.m. to 1.00 p.m. at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
9. **INSPIRE OF REPEATED REQUESTS SOME SHAREHOLDERS ARE STILL HOLDING SHARE CERTIFICATES OF RS.100/- EACH. THEY ARE REQUESTED TO SURRENDER THEM IMMEDIATELY FOR EXCHANGE INTO SHARES OF RS.10/- EACH TO THE REGISTERED OFFICE OF THE COMPANY.**
10. Members who are holding shares in identical names under different ledger folios are requested to apply for consolidation of such folios and send the relevant equity share certificates to M/s MCS Ltd.
11. Members who are holding shares in single name are advised, in their own interest to get the shares transferred in joint names. There is a facility available for nomination and shareholders are advised in their own interest to nominate persons for transferring the interest on those shares. Nomination form is appended to this Notice.
12. 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.
13. As per Securities and Exchange Board of India's (SEBI) communication to the Company dated 25th April, 2000, the Equity Shares of the Company are compulsorily traded in Dematerialised form only, with effect from 21st March, 2000 at the National Stock Exchange of India Limited (NSE) as well as at the Stock Exchanges at Mumbai, Kolkata, Kochi and Chennai by all investors including individuals.

The Company has entered into Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which are functioning as the Depositories through intermediaries called Depository Participants (DPs). Further details are also available at the Company's Website.

14. Members are requested to send all correspondence relating to shares including requests for transfers, change of address, change of status, change of mandate, fresh mandate etc. to our Share Registrars and Transfer Agents.

M/s MCS Ltd.

Unit: Binani Industries Limited

Sri Venkatesh Bhavan, Plot no.27, Road No 11,

M.I.D.C Area, Andheri (East)

Mumbai - 400 093

Tel. No.821 5235 - Fax: 8350456

E-mail: mcsmum@bom2.vsnl.net.in

Shareholders who hold the shares in the dematerialised form, change of address, change of mandate and bank particulars should be notified to the concerned DP only.

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

ITEM NO. 3

Mr. A. C. Chakraborti, (71 years) is a Chartered Accountant and Member of the Institute of Chartered Accountants, England & Wales and Institute of Chartered Accountants of India. He was a Partner of M/s S. R. Batliboi & Co. and he has long association with Industrial houses of repute. He has also been associated with the Company from 1970's as Auditor. Mr. A.C. Chakraborti was inducted into the Board in the year 1997. In addition to Binani Industries Limited he is a Director of the following Companies :- M/s. La Opala Glass Ltd., Peerless Hospitex Hospital & Research Centre Ltd., Calcutta Metropolitan Group Ltd., Calcutta, Grindwell Norton Ltd., Rasoi Industries Ltd., Jagsonpal Pharmaceuticals Ltd., Tamilnadu Petroproducts Ltd., Ashok Leyland Finance Ltd., Texmaco Ltd, GIS Ltd., Peerless General Finance & Investment Company Ltd. and First India Asset Management Ltd. He is the Chairman of the Audit Committee of Ashok Leyland Finance Limited, Tamilnadu Petroproducts Limited, Grindwell Norton Limited and Peerless General Finance & Investment Company Ltd. and Member of Audit Committee of Texmaco Limited, GIS Limited and Binani Industries Limited. He is also member of Share Transfer and Grievance Committee of Grindwell Norton Limited.

ITEM NO. 5

After a distinguished academic career, Mr. Padmakumar (67 years) joined the Indian Administrative Service in 1957. He has served in the Kerala cadre of the IAS for 35 years, inclusive of varying tenures as Industries Secretary, Finance Secretary, CMD of KSIDC etc, before retiring as Chief Secretary to the Government of Kerala.

In addition to Binani Industries Limited, Mr. Padmakumar serves on the Boards of Directors of BPL Ltd., English Indian Clays Ltd., Rubfila International Ltd., City Theatres Ltd., Binani Cement Ltd., Goa Glass Fibre Ltd. and Binani Lead Ltd. He also functions as the Chairman of the Audit Committees of Binani Industries Ltd., Binani Cement Ltd. and Goa Glass Fibre Ltd. and the Investor Relations Committee of BPL Ltd., as a Member of the Audit Committees of BPL Ltd., Rubfila International Ltd. and Binani Lead Ltd., the Finance and Nominations Committee of BPL Ltd. and the Investor Relations Committee of Binani Industries Limited.

Mr. Padmakumar was inducted into the Board in June, 1981, as the nominee Director of the Kerala State Industrial Development Corporation (KSIDC). He resigned as nominee Director and was appointed Additional Director on 24th October, 2000 to hold office upto the Annual General Meeting. The Company has received notice from a shareholder proposing his candidature as a Director together with a deposit of Rs. 500/- as required under the Companies Act, 1956.

Your Directors recommend the passing of the resolution regarding his appointment as Director. None of the Directors except Mr. S. Padmakumar is interested in the resolution.

ITEM NO. 6

Mr. Sushil Bhatte was appointed as Additional Director/ Whole-time Director designated as President (Projects) at the meeting of the Board of Directors of the Company held on 19th January, 2001. Pursuant to the provisions of the Companies Act, 1956 he will hold office upto this Annual General Meeting. The Company has received a notice from a Shareholder proposing his candidature as Director along with a deposit of Rs. 500/- as required under the Companies Act, 1956. Accordingly the resolution proposing his appointment as Director is placed before you for your kind approval.

Mr. Sushil Bhatte (44 years) is B.E Chem.(Hons.) from Birla Institute of Technology, Pilani. He has been working in Binani Industries Limited from 1980 onwards in various capacities. His area of specialisation is Project Management. The major assignment handled by him are expansion of capacity of Zinc Smelter from 14000 TPA to 20000 TPA and then to 30000 TPA, setting up of the 6600 TPA Glass Fibre Project at Goa and Cement Slag grinding facility at Dubai. He is currently heading the project division of the Company and that of the subsidiaries. He is also a Director in Binani Infrastructural Services Limited.

Mr. Sushil Bhatte was appointed as Whole-time Director designated as President (Projects) at the Meeting of the Board of Directors held on 19th January, 2001 on the following terms and conditions:

1. Mr. Sushil Bhatte shall hold office of Whole-time Director designated as President (Projects) for a period of 5 years from 19th January, 2001 to 18th January, 2006 subject to the terms of employment as detailed in the agreement dated 19th January, 2001.

2. He shall be paid remuneration including perquisites as follows:-

Salary Rs.85,000 (Rupees Eighty Five Thousands only) per month.

The basic salary will be revised every year by an increment of 10% in the month of January each year.

Category - A

1. Housing Furnished Residential Accommodation will be provided with free gas, electricity, water and furnishing. In the event no accommodation is provided by the Company, he shall be entitled to house rent allowance as applicable to E1(b) grade of the Company depending upon the place of posting.
2. Medical Reimbursement (a) As per the rules as applicable to E1(b) grade of the Company presently Rs. 4000/- per month.
(b) Mediclaim - As per the rules as applicable to E1(b) grade of the Company.
(c) Personal Accident Policy - As per the rules as applicable to E1(b) grade of the Company.
3. Leave Travel Concession One month's salary per annum subject to a maximum of Rs.1,00,000/- per annum.

Category - B

1. (A) Provident Fund Company's contribution towards Provident Fund subject to ceiling of 12% of the salary.
- (B) Superannuation 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 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 without driver will be provided. All expenses of car for private purposes will be reimbursed to the Company at actuals.
2. Telephone Reimbursement of expenses at actuals. All personal calls will be reimbursed to the Company at actuals.

3. Income Tax, if any, on or in respect of the aforesaid remuneration shall be borne and paid by the incumbent.
4. In the event of loss or inadequacy of profits in any Financial Year, the Company may pay to Mr. Sushil Bhatte remuneration by way of salary and perquisites within the limits specified in Schedule XIII to the Companies Act, 1956.

Your Directors recommend the passing of the resolution regarding his appointment as a Whole-time Director designated as President(Projects). Except Mr. Sushil Bhatte none of the Directors is in any way concerned or interested in the resolution.

ITEM NO. 7

Mr. N. Mohan was appointed as Additional Director/ Whole-time Director designated as President (Binani Zinc) at the meeting of the Board of Directors of the Company held on 19th January, 2001. Pursuant to the provisions of the Companies Act, 1956 he will hold office upto the date of the Annual General Meeting. The Company has received a notice from a Shareholder proposing his candidature as Director along with a deposit of Rs.500/- as required under the Companies Act, 1956. Accordingly the resolution proposing his appointment as Director is placed before you for your kind approval.

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Mr. N. Mohan (59 years) passed his B.Tech (Hons.) in Metallurgical Engg. from IIT Bombay in 1965 and M.Tech in Metallurgical Engg. from IIT Kanpur in 1969. After a short stint in IIT Kanpur, he joined M/s. Indian Aluminium Co. in 1969 and worked in various capacities at their Cochin Plant and before joining the Zinc Division in May 1999 he worked as its Chief Executive. From May 1999, he has been functioning as the President of the Zinc Division.

Mr. N. Mohan was appointed as Whole-time Director designated as President (Binani Zinc) at the Meeting of the Board of Directors held on 19th January, 2001 on the following terms and conditions:

1. Mr. N. Mohan shall hold office of Whole-time Director designated as President (Binani Zinc) for the period from 19th January, 2001 to 31st December, 2002 subject to the terms of employment as detailed in the agreement dated 19th January, 2001.

2. He shall be paid remuneration including perquisites as follows:-

Salary Rs.75,000 (Rupees Seventy Five Thousands only) per month.

The basic salary will be revised by an increment of 10% in the month of January.

Category - A

1. Housing
Furnished Residential Accommodation will be provided with free gas, electricity, water and furnishing. In the event no accommodation is provided by the Company, he shall be entitled to house rent allowance as applicable to E1(b) grade of the Company. Presently Rs. 10,000/- p.m. in Cochin, Kerala.
2. Medical Reimbursement
 - (a) As per the rules as applicable to E1(b) grade of the Company, presently Rs. 4000/- per month
 - (b) Mediclaim - As per the rules as applicable to E1(b) grade of the Company.
 - (c) Personal Accident Policy - As per the rules as applicable to E1(b) grade of the Company.
3. Leave Travel Concession One month's salary per annum subject to a maximum of Rs. 1,00,000/- per annum.

Category - B

1. (A) Provident Fund Not Applicable
(B) Superannuation Not Applicable
2. Gratuity Not Applicable
3. Leave Leave with full salary as per 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 without driver will be provided. All expenses of car for private purposes will be reimbursed to the Company at actuals.
2. Telephone Reimbursement of expenses at actuals. All personal calls will be reimbursed to the Company at actuals.

3. Income Tax, if any, on or in respect of the aforesaid remuneration shall be borne and paid by the incumbent.
4. In the event of loss or inadequacy of profits in any Financial Year, the Company may pay to Mr. N. Mohan remuneration by way of salary and perquisites within the limits specified in Schedule XIII to the Companies Act, 1956.

Your Directors recommend the passing of the resolution regarding his appointment as a Whole-time Director designated as President (Binani Zinc). Except Mr. N. Mohan none of the Directors is in any way concerned or interested in the resolution.

ITEM NO. 8

Mr. Deo Hirawat was appointed as Additional Director/ Whole-time Director designated as President (Corporate Finance) at the meeting of the Board of Directors of the Company held on 19th January, 2001. Pursuant to the provisions of the Companies Act, 1956 he will hold office upto the date of the Annual General Meeting. The Company has received a notice from a Shareholder proposing his candidature as Director along with a deposit of Rs.500/- as required under the Companies Act, 1956. Accordingly the resolution proposing his appointment as Director is placed before you for your kind approval.

Mr. Deo Hirawat (49 years) is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Deo Hirawat has over 26 years experience in Finance, Accounts, Projects and Commercial Departments of Industrial houses in addition to Merchant Banking, Leasing, Mutual Fund and Security Market. He is currently heading the Finance and Banking functions of the Company and that of the subsidiaries. He is a Director in BT Composites Limited , Binani Infrastructural Services Limited, Binani Zinc Limited and member of Audit Committee in BT Composites Limited as a nominee of the Company, Binani Industries Limited in its subsidiaries. He is also a Director in Keshav (India) Ltd.

Mr. Deo Hirawat was appointed as Whole-time Director designated as President (Corporate Finance) at the Meeting of the Board of Directors held on 19th January, 2001 on the following terms and conditions:

1. Mr. Deo Hirawat shall hold office of Whole-time Director designated as President (Corporate Finance) for a period of 5 years from 19th January, 2001 to 18th January, 2006 subject to the terms of employment as detailed in the agreement dated 19th January, 2001.
2. He shall be paid remuneration including perquisites as follows:-

Salary Rs.70,000 (Rupees Seventy Thousands only) per month.

The basic salary will be revised every year by an increment of 10% in the month of January each year.

Category – A

1. Housing
Furnished Residential Accommodation will be provided with free gas, electricity, water and furnishing. In the event no accommodation is provided by the Company, he shall be entitled to house rent allowance as applicable to E1(b) grade of the Company depending upon the place of posting.
2. Medical Reimbursement
(a) As per the rules as applicable to E1(b) grade of the Company presently Rs. 4000/- per month
(b) Medclaim -- As per the rules as applicable to E1(b) grade of the Company.
(c) Personal Accident Policy – As per the rules as applicable to E1(b) grade of the Company.
3. Leave Travel Concession
One month's salary per annum subject to a maximum of Rs. 1,00,000/- per annum.

Category – B

1. (A) Provident Fund
Company's contribution towards Provident Fund subject to ceiling of 12% of the salary.
(B) Superannuation
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 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 without driver will be provided. All expenses of car for private purposes will be reimbursed to the Company at actuals.

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2. Telephone Reimbursement of expenses at actuals. All personal calls will be reimbursed to the Company at actuals.
3. Income Tax, if any, on or in respect of the aforesaid remuneration shall be borne and paid by the incumbent.
4. In the event of loss or inadequacy of profits in any Financial Year, the Company may pay to Mr. Deo Hirawat remuneration by way of salary and perquisites within the limits specified in Schedule XIII to the Companies Act, 1956.

Your Directors recommend the passing of the resolution regarding his appointment as a Whole-time Director designated as President (Corporate Finance). Except Mr. Deo Hirawat none of the Directors is in any way concerned or interested in the resolution.

ITEM NO. 9

Mr. Jagdish Prasad Saha has by his letter dated 26.9.2000 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 the appointment of Mr. Jagdish Prasad Saha is being included in the notice of the Annual General Meeting as required by law.

The management however does not support this resolution.

The notices under item nos. 5 to 9 and the agreements referred to in nos. 6 to 8 are available for inspection by the members of the Company at the Registered Office of the Company between 10.00 a.m to 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
For **Binani Industries Limited**

Mumbai
7th June, 2001

T.R. Chandramohanani Nair
Executive Vice President (Corporate Affairs) & Secretary

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