

Binani Industries Limited

BOARD OF DIRECTORS

Mr. Braj Binani	Chairman
Mr. S. Padmakumar	
Dr. V. C. Shah	
Mr. A. C. Chakrabortti	
Mr. Sushil Bhatner	Managing Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. T.R.C. Nair

CHIEF FINANCIAL OFFICER

Mr. M.K. Chattopadhyaya

CORPORATE MANAGEMENT

Mr. Braj Binani	-	Chairman
Mr. Ibrahim Ali	-	Advisor
Mr. Sushil Bhatner	-	Managing Director
Mr. D.Sundararajan	-	Executive Director (BCL)
Mr.T.R.C Nair	-	Executive Vice President (Corporate & Legal)
Mr.M.K.Chattopadhyaya	-	Sr.Vice President(Corporate)

SENIOR MANAGEMENT

Mr. Mahendra Mehta	-	Sr.V.P. (MIS)
Mr. A.K.Jain	-	VP (Finance & Banking)
Mr. K.Roshan	-	VP (Commercial)
Mr. Murali Subramanian	-	VP
Mr. Amit Singha	-	VP (New Delhi)
Mr. V.Sivaraman	-	VP (Commercial)
Mr. K.Sasikumar	-	VP (Taxation.)
Mr. Atul Falgunia	-	VP (Secretarial)
Mrs. Vishalakshi Sridhar	-	AVP (Finance)
Mr. S.R.Dakhera	-	AVP (Accounts)

AUDITORS

M/s. Kanu Doshi Associates, Mumbai

BANKERS

Punjab National Bank
UTI Bank Limited

LOCATIONS :

Registered Office of the Company & its Subsidiaries [Except R.B.G Minerals Inds. Ltd and Binani Mazak Pvt. Limited.]

706, Om Tower, 32, Chowringhee Road, Kolkata 700 071
Email:binanical@vsnl.net
Phone: 03322882508
Fax: 03322882510

Corporate Offices of the Company & its Subsidiaries

Mercantile Chambers, 12, J N Heredia Marg,
Ballard Estate, Mumbai 400 001.
Email:mumbai@binani.net
Phone:02222640040/1/2/3/4
Fax:02222640045

Mumbai Office

Feltham House, 10, J.N.Heredia Marg,
Ballard Estate, Mumbai 400 001.
Phone:02222634951/2/3
Fax:02222634960

SUBSIDIARIES

Binani Zinc Limited

Binanipuram, Ernakulam,Kerala 683502

Binani Cement Limited

Binanigram, Pindwara,
Dist. Sirohi, Rajasthan 307022

Goa Glass Fibre Limited

Colvale , Bardez, Goa 403 513

Wada Industrial Estate Limited

Wada, Dist Thane

BT Composites Limited

C5 to C9, Madkaim Industrial Estate,
Mardol Post, Madkaim, Goa 4003 404.

Ess Vee Alloys Private Limited.

Plot No.113, D.S.S.Industrial Estate,
Piparia, Silvassa 396 230
Dadra & Nagar Haveli(U.T)

R.B.G.Minerals Industries Limited[Regd.Office]

226 (3A), Sardarpura, Udaipur - 313 001 (Raj).

Binani Mazak Pvt.Limited.(Regd.Office)

Mercantile Chambers, 12, J.N. Herdia Marg,
Ballard Estate, Mumbai - 400001

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Fourth Annual General Meeting of the Company will be held at 9.30 a.m. at **Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700 017** on Monday the 2nd July 2007 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, 2007
2. To declare dividend
3. To appoint a Director in place of Mr. Braj Binani who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider, and if thought fit to pass, with or without modification, the following resolution as a SPECIAL 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 as may be required, the Company hereby accords its approval for the appointment of Mr. Sushil Bhatte as the Managing Director of the Company for a period of 3 years from 1st April 2007 to 31st March 2010 on the terms and conditions including remuneration and perquisites as set out in the agreement entered into between the Company and Mr. Sushil Bhatte (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. Sushil Bhatte 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."

"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. Sushil Bhatte be paid the same remuneration as minimum remuneration for the entire period or such period may be permitted by the Central Government."

6. To declare the result of the Special Resolution passed through postal ballot for enhancement of Corporate Guarantee limits to Rs.1600 Crores.

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

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

Mumbai
24th April, 2007

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 Wednesday the 27th June 2007 to Monday, the 2nd July, 2007(both days inclusive).
4. Dividend, if declared, will be paid to those members whose names appear on the Company's Register of members on 2nd July, 2007 on the paid up capital of the Company as on 31st March 2007. In respect of shares held in electronic form (Demat mode), the dividend will be payable to the beneficial owners of shares as on 27th June 2007 as per details furnished by the depositories for the purpose.
5. Pursuant to the provisions of Section 205A 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 year ended 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:

a. Dividend for the year ended 31.03.2000	-11.11.2007
b. Dividend for the year ended 31.03.2006	-10.08.2013

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.

In respect of the dividend for the years ended 31.3.1996, 31.3.1997, 31.3.1998 and 31.3.1999 the balances on 27.8.2003, 2.12.2004, 25.1.2006 and 21.01.2007 respectively have been transferred to Investor Education & Protection Fund.

6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 read with dept. of Company Affairs notification F.No. 5/48/2001-CL-V published in Gazette of India Extraordinary Part-II Section 3, Sub Section (i) dated 16-1-02 in respect of item No.5 of the notice along with abrief write-up about the Director coming up for reappointment as required by the listing agreement are annexed hereto.
7. The accounts, the reports and all other documents required under the law to be annexed thereto including that of subsidiaries 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.
8. 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 Intime Spectrum Registry Limited.
9. 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 available on request.
10. If there are any Shareholders still holding Share Certificates of the Company with the name Binani Zinc Limited, they should immediately write to the Registered Office of the Company asking for change of name stickers to be affixed on such Share Certificates to change the name to Binani Industries Limited indicating the number of such certificates being held.
11. As per Securities and Exchange Board of India (SEBI) communication to the Company dated 25th April, 2000, the Equity Shares of the Company are compulsorily traded in Dematerialized form only, with effect from 21st March, 2000 at the Stock Exchanges at Mumbai, Kolkata, Kochi (since delisted) and Chennai (since delisted) 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). Details are available at Company's Website.

During the year under review the Company has got its Shares listed at the National Stock Exchange (NSE) and the Symbol / Scripcode is BINANIIND

12. Members may note that the Company's website is www.binani.net.
13. **Inspite of repeated requests, some shareholders(mostly upto Folio No. 34409) are still holding 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.**
14. 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.
15. 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 Intime Spectrum Registry Limited.

Unit: Binani Industries Limited, C-13 Pannalal Street, Mills Compound, L B S Marg, Bhandup (W), Mumbai -400 071,
Tel.No.25963838 - Fax: 022-25946969 E-mail: isrl@intimespectrum.com

16. Shareholders who hold the shares of the Company in the dematerialised form, change of address if any, should be notified to the concerned Depository Participant (DP) only.
17. Binani Zinc Limited(BZL) had forwarded Physical Share Certificates to all shareholders including those who were holding shares in Dematerialised mode in the Company as on record date viz.30.4.2004 as per the scheme of arrangement for hiving off the erstwhile Zinc Division to BZL. These Shares have been issued free of cost which means the shareholders of the Company in addition to their continued shareholding in the Company have also become shareholders of BZL. Those shareholders who have not received BZL's Share Certificates are requested to contact BZL immediately. The Shares of BZL can be dematted either through National Securities Depository Limited and Central Depository Services India Limited and ISIN Number of the Company is INE310H01010. However being unlisted the Shares of the Company cannot be traded in demat mode.
18. Pursuant to the exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956, the Directors' Report, Auditors' Report, Balance Sheet, Profit and Loss Account of the Subsidiaries viz. Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited, BT Composites Limited, Wada Industrial Estate Limited, Ess Vee Alloys Pvt. Limited, R.B.G. Minerals Industries Limited and Binani Mazak Pvt.Limited for the year ended 31st March, 2007 are not attached to this report. The same will be furnished to the shareholders free of cost on request. They have been kept for inspection at the Registered Office of the Company and have been posted at Company's Website www.binani.net and also on SEBI website under EDIFAR. Consolidated Financial Statements for the year ended 31st March, 2007 form part of the report annexed hereto. As directed by the Central Government abstract of the Financial Statements of the Subsidiaries are attached to this report.
19. Contact telephone Numbers and E-mail Id of:
Compliance Officer – 022- 22634951-53 : trc@binani.net
General Manager (Secretarial) at Registered Office at 706, Om Tower, 32 Chowringhee Road, Kolkata 700 071. Tel.: 033-22882508
Email: binanical@vsnl.net

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 AND DETAILS AS REQUIRED UNDER LISTING AGREEMENT

Mr. Braj Binani (Item No.3) [As required under Listing Agreement]

1. Background Details

Mr. Braj Binani, B.Com (Hons) aged 49 years was functioning as coordinator from June 1983, inducted as a Director of Binani Industries Limited with effect from 5th July, 1988 and he was appointed as the Managing Director with effect from 1st January 1997. He was appointed as the Vice Chairman of Binani Industries Limited with effect from 14th October 1998 and as the Chairman with effect from 3rd October, 2000. Mr. Braj Binani was also CMD of Binani Cement Limited and Binani Zinc Limited and Chairman of Goa Glass Fibre Limited and Wada Industrial Estate Limited, Subsidiaries of the Company. He has rich entrepreneurial skills coupled with long years of industrial experience and knowledge in commodity business.

In addition to Binani Industries Limited, Mr. Braj Binani serves on the Boards of Directors of Binani Metals Limited, Binani Cement Limited, Wada Industrial Estate Limited, Goa Glass Fibre Limited and Binani Zinc Limited. He is the member of Finance Committee of Binani Cement Limited and member of the Share Transfer Committee of Binani Metals Limited. He was a member of BCL Offer Committee and BIL Offer Committee.

He resigned as Managing Director of the Company and its Subsidiaries, namely Binani Cement Limited and Binani Zinc Limited with effect from 31st March, 2005. Consequently, he was appointed as Additional Director and Chairman of the Company, Binani Cement Limited and Binani Zinc Limited with effect from 1st April, 2005. He was appointed as regular Director at the Annual General Meeting held on 20th June 2005.

(Mr. Sushil Bhatte (Item No.5))

I. GENERAL INFORMATION A/C

Binani Industries Limited (BIL) had been engaged in the manufacture of Primary Zinc Metal and its by-products Cadmium and Sulphuric Acid. In the year 1994 it was decided to diversify into manufacture of Glass Fibre and Ordinary Portland Cement. In the year 1996 facilities for manufacture of Glass Fibre and articles were set up in Colvale, Bardez, Goa. In the year 1997 the Company set up facilities for the manufacture of Cement at Binanigram Pindwara, Sirohi, Rajasthan. Facilities for manufacture of Glass Fibre and Cement were set up as divisions of BIL. However in the year 1998 Cement division was hived off to a Wholly Owned Subsidiary, Binani Cement Limited and in the year 1999, Glass Fibre Division was hived off to a Wholly Owned Subsidiary, Goa Glass Fibre Limited. The Zinc Division was hived off to Binani Zinc Limited with effect from 1.4.2002. Presently the Company is a holding Company with no manufacturing activity.

II. INFORMATION ABOUT THE APPOINTEE A/C.

Mr. Sushil Bhatte is B.E.Chem.(Hons) from Birla Institute of Technology & Science, Pilani, aged 50 years was appointed as Additional Director/ Wholetime Director designated as President (Projects) at the Meeting of the Board of Directors of the Company held on 19th January 2001 and his appointment was approved at the Meeting of the Shareholders held on 24th September 2001. He has been now appointed as Managing Director at the meeting of the Board of Directors held on 31st January 2007. Prior to his appointment as Managing Director in Binani Industries Limited, Mr. Sushil Bhatte has been working in the Company since 1980 in various capacities. His area of specialisation is Project Management. The major assignment handled by him has been the successful implementation of the expansion of capacity of Zinc Smelter initially from 14000 TPA to 20000 TPA and thereafter from 20000 TPA to 30000 TPA along with modernisation of the Zinc Smelter incorporating the latest state of the art technology for the manufacture of Zinc Metal.

Mr. Sushil Bhatte has also handled the project for the manufacture of 6600 TPA Glass Fibre at Colvale, Bardez, Goa which was commissioned in March 1996 and the Cement Slag Grinding facility at Dubai. In addition to the Company, he is a Director in the following Companies also:

Banani Cement Ltd.	Goa Glass Fibre Ltd.
Binani Zinc Ltd.	Wada Industrial Estate Ltd.
Ess Vee Alloys Pvt.Ltd.	Binani Mazak Pvt. Ltd.
R.B.G. Minerals Industries Ltd.	

He is also member of the following Committees:

Audit Committee:

Binani Cement Limited,	Binani Zinc Limited,
Goa Glass Fibre Limited,	Wada Industrial Estate Limited

Finance Committee:

Binani Cement Limited,	Binani Industries Limited,
Goa Glass Fibre Ltd.,	Binani Zinc Limited (Chairman)

Remuneration Committee :

Binani Cement Limited	Goa Glass Fibre Limited
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Investor Relations Committee:

Binani Cement Limited,	Binani Industries Limited,
Goa Glass Fibre Limited,	Binani Zinc Limited (Chairman)

JP Morgan Offer Committee:

Binani Cement Limited

BIL Offer Committee

Binani Industries Limited	Binani Cement Limited
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He resigned as Wholetime Director in Binani Industries Limited with effect from 15th January 2005 and was appointed Wholetime Director in Binani Zinc Limited from 16th January, 2005. He resigned as Wholetime Director in Binani Zinc Limited from 24th April, 2006 and was appointed as Wholetime Director in Binani Industries Limited and also Group CEO with effect from 25th April, 2006. As Group CEO he was overall in charge of the operations of BZL, GGFL, BCL and BTCL. He was involved in all development /debottlenecking exercise of the subsidiaries including the expansion project of BCL. He resigned as Whole Time Director w.e.f. 31/3/07

The remuneration proposed to be paid to Mr. Sushil Bhatte is given below:-

Remuneration including perquisites :

1. Basic Salary	Rs.3,00,000 (Rupees Three Lakhs only) per month. Basic Salary will be revised at the end of each year by an increment not exceeding 10% or such amount as may be determined by the Board / Chairman.
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2. Perquisites

Category – A

- Housing : House Rent Allowance @ 20% of Basic Salary.
- Medical Reimbursement :10% of the Basic Pay or such as applicable to A grade of the Company from time to time.
- Leave Travel Concession One month's Salary per annum.

Category – B

- Provident Fund
Company's contribution towards Provident Fund subject to ceiling of 12% of the salary.
Contribution to Provident Fund will not be included in the computation of the ceiling of perquisites to the extent it is not taxable under the Income Tax Act.
- Gratuity
Gratuity will be payable for each completed year of service at the rate of 15 days' salary including for past period of service with the Company /

	Subsidiary Company / Associate Company(ies)
3. (A) Insurance	Personal Accident Insurance as applicable to 'A' Grade of the Company.
(B) Mediclaim	As per rules applicable to 'A' grade of the Company.
5. Leave	Leave with full salary as per Rules of the Company. Leave accumulated and not availed may be encashed as per the rules of the Company from time to time.
Category – C	
1. Car	Two (2 Nos.) Company maintained cars without driver will be provided. All expenses of cars for private purposes will be reimbursed to the Company at actuals.
2. Telephone	All personal STD Calls to be reimbursed.

Other Terms :

Income Tax, if any, on or in respect of the aforesaid remuneration and perquisites shall be borne and paid by Mr. Sushil Bhatte.

Mr. Sushil Bhatte, so long as he functions as Managing Director, shall not be paid any sitting fees for attending the meetings of the Board or any committees thereof. He shall not be liable to retire by rotation.

Mr. Sushil Bhatte shall not, so long as he functions as such Managing Director become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Board and any such approvals as may be necessary.

The Agreement may be terminated by either party by giving the other party three month's notice in writing.

In the event of loss or inadequacy of profits in any Financial Year, the Company may pay to Mr. Sushil Bhatte by way of salary and perquisites the same remuneration as minimum remuneration subject to such approvals including that of Central Government for a maximum period of 3 years or such period as may be permitted by Central Government. The remuneration payable, including perquisites and the monetary value thereof, is subject to revision from time to time within the overall limits 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.

3. Recognition or Awards. : Not applicable

4. Job Profile and his suitability :

He has been associated with the Zinc division of the Company since 1980 and his area of specialisation is Project Management. Mr. Sushil Bhatte is presently the Managing Director of the Company and is responsible for the future development plans of the Group.

5. Comparative Remuneration profile with respect to industry, Size of Company, Profile of the position and person :

Mr. Sushil Bhatte was a Wholtime Director designated as Group CEO in Binani Zinc Limited till 24th April, 2006 and later as Wholtime Director & Group CEO from 25th April, 2006 till 31st March, 2007. He has vast experience in handling Projects and was associated with the erstwhile Zinc division of the company since 1980. He is having more than 22 years experience of implementing various diversification and expansion projects. He has successfully handled implementation of the Expansion of Zinc Smelter and its modernisation, implemented the Glass Fibre Project at Goa and Cement Slag Grinding Facility at Dubai. Considering his experience and the responsibilities given of handling different projects the remuneration proposed to be paid is comparable with the prevailing Market rate. If the Company does not pay the Remuneration as proposed the Company may find difficult to find such an experienced technocrat. Under the Circumstances the company is seeking your approval for his appointment and payment of remuneration.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial Personnel, if any ;

Mr. Sushil Bhatte is not in receipt of any Salary, Perquisites or Remuneration from any Company other than Binani Industries Limited and he does not have any interest in the Shareholding of the other companies. He holds 200 Equity Shares in the Company.

III : OTHER INFORMATION

a. Reasons for Inadequate Profits :

The Company is presently a holding company with no manufacturing activity. The Company has no stream of Income other than dividend income from the investment in the subsidiaries and capital gains arising out of divestment of its investment in subsidiaries. None of the subsidiaries have been in a position to declare dividend till 2006 resulting in inadequate profits to the Company. However, during the year the Company made profit on sale of its investment in BCL. In the current year also the Company has made substantial profits on sales of its Shares in BCL. With the possible declaration of dividend by BCL and BZL during the year 2007, the profitability of the Company is likely to go further up. By divesting the Shares held in BCL, the Company has been able to reduce the inter Company balance thus reducing the interest liabilities also which will increase the profitability.

b. Steps taken for Improvement

During the year ended 31st March, 2007 Binani Cement Limited (BCL) the major subsidiary of the company has posted a net profit of Rs. 95.61 Crore. Binani Zinc Limited (BZL) has also posted a net profit of Rs. 7.66 Crore during the year. The Company has also reduced its expenditure substantially. The Company may offload its stake in other subsidiaries taking an overall view of its investments.

c. Expected Increase in Productivity /Profitability

The Company expects to achieve higher profits consequent upon the improvement in the profitability of BCL and BZL and the likelihood of dividend income from them. The Financials expected to be achieved in the future years is given below:

	Rs. In Million	
Year ended 31 st March	2007-08	2008-09
Operating Profit before Interest & Depn.		
(Including income from sale of investments in subsidiaries)	430	1161
Interest & Financial Charges	49	21
Cash Profit	380	1140
Depreciation/Amortisation	11	11
Profit before Tax	370	1129
Income Tax	41	124
Net Profit after Tax	329	1005

The Special Resolution as set out in Item No.6 of the Notice is proposed and the Directors recommend the passing of the same. None of the Directors except Mr. Sushil Bhatte may be deemed to be concerned or interested in the Resolution.

Item No.6.

As you are aware, the Company has sent postal ballot to all Shareholders in connection with the enhancement of Corporate Guarantee to Rs.1600Crores. The result of the said ballot paper will also be declared at the AGM scheduled to be held on 2nd July, 2007 as mentioned in the Ballot Paper.

The relevant documents under the above items are available for inspection by the members of the Company 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 upto the date of this meeting.

By Order of the Board
For Binani Industries Limited

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

Mumbai
24th April, 2007

**DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS
REPORT TO THE SHAREHOLDERS**

Your Directors present the Forty Fourth Annual Report of the Company together with the Audited Statement of the Accounts for the year ended 31st March, 2007.

1. Financial Performance

	(Rs. in Lacs)	
	<i>For the year ended 31.03.2007</i>	<i>For the year ended 31.03.2006*</i>
Sales /Profit on sale of fixed assets, investments/ other Income	12,302	3,671
Profit before , Depreciation, Extraordinary Items and Taxation.	10,965	1,531
Provision for Depreciation	(66)	(106)
Profit before Extraordinary Items and Taxation	10,899	1,425
Loan to Subsidiary written off	(1,000)	(276)
Assets written off on impairment	-	(389)
Interest for earlier years written back on one time settlement of Loans	1,222	1,107
Investment in subsidiaries written off	(9,443)	(320)
Profit after Extraordinary items but before Taxation	1,678	1,547
Provision for Taxation including deferred tax and Fringe Benefit Tax	(54)	(62)
Profit after Tax	1,624	1,485
APPROPRIATIONS / ADJUSTMENTS		
Transfer to General Reserve	(163)	(75)
Proposed Dividend	(740)	(444)
Tax on Dividend	(126)	(62)
Transfer from Debenture Redemption Reserve	-	875
Transfer from General Reserve	-	75
(Loss) brought forward from last year	(7,827)	(9,681)
(Loss) carried to balance sheet	(7,232)	(7,827)

*Previous years' figures have been regrouped / reclassified wherever necessary.

Review of Operations

During the year under review the Company had sold 20,500,000 Equity Shares of Rs.10/- each held in BCL to Ganesha Prime Holdings (Mauritius) Limited for a net consideration of Rs.147 Crore and the proceeds of sale have been utilized to reduce inter company balance between the Company, Binani Cement Limited(BCL), Binani Zinc Limited(BZL) and Goa Glass Fibre Limited(GGFL) and to retire the ICD's. This has enabled BZL to do an One Time Settlement (OTS) with Industrial Development Bank of India Limited (IDBI) and become a debt free Company. The Company also paid an amount of Rs.5 Crore to IDBI for an OTS of BT Composites Limited dues with IDBI. Consequently the Company also does not have any institutional loans.

During the year, as a measure of prudence, the Company has written off:

- (a) Rs.8,432 Lacs being the difference between the carrying cost of investment in Equity Shares of BCL and face value of shares held arose out of cancellation of Equity Shares by BCL in terms of scheme of arrangement for cancellation of shares approved

by the Hon'ble High Court at Calcutta in earlier year.

- (b) Loan to BT Composites Limited for Rs.1,000 Lacs.
(c) Investment in Equity Shares for Rs.929 Lacs and in Preference shares for Rs.50 Lacs in BT Composites Limited.
(d) Investment in Equity Shares of Wada Industrial Estate Limited for Rs.32 Lacs.

During the year the Company also sold the moulding machinery at book value plus excise duty and Value Added Tax (VAT) (Rs.95.82 Lacs) to BT Composites Limited, wholly owned subsidiary of the Company. Consequently the Company ceased to have any manufacturing activity.

Scheme of Arrangement for Swap of Shares

The Hon'ble High Court at Calcutta has approved the scheme of arrangement for swap of the equity shares of the Company held by its shareholders with the equity shares of BCL and BZL held by the Company. Formal order of the Hon'ble High Court is awaited. However, in view of the proposed offer for sale of shares of BCL, the swap scheme would be considered for implementation only after the lock-in period of one year as per SEBI Guidelines.

Future Prospects

The main operating subsidiaries namely Binani Cement Limited (BCL), Binani Zinc Limited (BZL) and Goa Glass Fibre Limited (GGFL) are doing well. Since BCL has already declared a dividend of 20% for the year ended 31/03/07 the Company will receive approximately Rs. 26.37 Crore as dividend income during the current year.

Your Company being a holding Company having no manufacturing activity, the position in respect of the subsidiaries are as follows:-

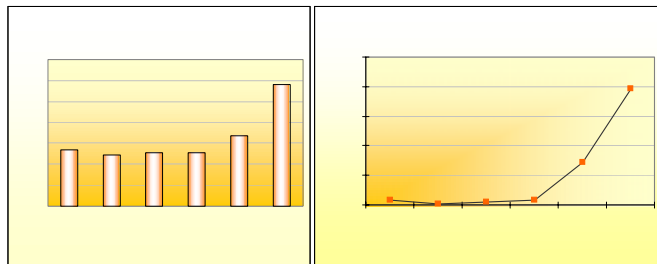
1 BINANI CEMENT LIMITED (BCL)**Industry Overview**

As part of the high growth rate of the national economy, Cement Industry has recorded a double digit growth for the second consecutive year.

Financial Performance

The financial results for the year ended 31st March, 2007 are summarised below :

	Rs. In Lacs		
	2006-07	2005-06	Increase
Sales and Other Income	68441	49325	39%
Operating Costs	44876	35810	
EBIDTA	23265	13515	72%
Interest & Financial charges	3262	3417	
Cash Profit	20003	10098	98%
Depreciation and Amortisation	4346	4291	
Profit before Tax	15657	5807	170%
Profit after Tax	9561	5296	81%



The Company has attained record levels of performance under production, sales, sales realization and capacity utilization. During the year the Company produced 24.28 Lacs MT and sold 24.06 Lacs MT of Cement as against 23.13 Lacs MT and 23.43 Lacs MT respectively during the previous year. This was made possible by higher proportion of blended Cement (PPC) which increased from 37% in the previous year to 49% in the year 2006-07. The capacity utilization during the year was 108%. The average sales realization for the year increased substantially which resulted in higher net profit.

Marketing

The Cement market continues to remain buoyant with rising demand from housing, industry and infrastructure sectors. The Company's record sales of 24.06 Lacs MT indicates a growth of 2.69 % over the previous year

Capital Structure

In July 2006, Ganesha Prime holdings (Mauritius) Limited , a wholly owned subsidiary of Credit Suisse Private Equity Partners Asia, L. P. acquired an equity stake in the Company by purchasing 20,500,000 Equity Shares from Binani Industries Limited, the Holding Company for Rs. 1.50 billion at Rs. 73 per equity share. It currently holds 10.09% of the equity share capital of the Company along with its affiliate.

Further JPMorgan Special Situations (Mauritius) Limited has decided to divest 20,500,000 equity shares of Rs. 10/- each constituting 10.09% of the total paid up share capital of the Company to public through the 100% book building route. SEBI has already issued observations through letter dated 14th February 2007 in respect of the draft Red Herring Prospectus filed for the offer for sale. The Company expects to open the issue on 7th May, 2007 and complete the entire allotment and listing by May, 2007. The Company's shares will be listed in both National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE)

Project Overview

The major work of 3.05 MTPA Cement expansion project has been completed and kiln was test fired on 16.03.2007. The commercial production of cement plant is expected to start by end May, 2007. Besides, the Company is also setting up two additional captive power plants having capacity of 22.3 MW each in 2 phases at its existing location at Binanigram. These are expected to be commissioned by June '07 and Oct '07 respectively.

In view of the increased production capacity, the Company has completed work for Railway siding and track from factory to the nearest railway station Keshavganj, having a distance of 6.5 K.M which will be operational from May 2007.

The total cost of the Cement expansion and the Power Plant is estimated to be Rs. 575 Crores.

Neem ka Thana

Of the two grinding mills ordered as part of the expansion, one is being relocated to the Neem Ka Thana site so as to take advantage of proximity to fly ash source as well as the North markets. The required Land has already been acquired and environmental clearances received. Necessary orders for civil works and procurement of balancing equipments have already been finalised. Construction work has commenced. The unit is likely to be commissioned by Oct '07. The cost of the project which will be funded through internal accruals is under finalization.

Future Plans

The Company is finalizing plans to increase its capacity upto 10 to 12 million tonnes Cement Production in the country during the coming 3 to 4 years and is evaluating Gujarat and Eastern India as possible Greenfield locations.

Strengths/Opportunities/Threat/Risks/Concerns

Strengths

The state of the art Cement Plant can be ranked amongst the best run plants in the country in terms of its energy and power consumption. Bulk of its power requirement is met through its captive power facility which operates on coal / lignite blend, keeping the cost of generation very competitive. The Company enjoys a very good brand image and strong net work of Market Organizers and Dealers. The policy of cash

and carry is being maintained. The Company is in the process of more than doubling its capacity with the commissioning of its expansion by May, 2007.

Weakness

Being land – locked and away from ports, the Company is presently unable to exploit the distant lucrative markets.

Opportunities

The cement market is growing upwards as a result of a boom in housing and infrastructure. The expanded plant capacity will enable the Company to leverage its strength and increase its presence in the cement deficient North markets. The Railway siding will give the Company a much greater reach to exploit the more distant lucrative markets. The proportion of PPC is being increased to have better yields.

Threats, Risks and Concerns

The presence of multinationals and consolidation of industry may play a key role to decide the future of the industry. The proposed increase in production capacity by nearby cement plants would increase competition. Considerable increase in PPC production may lead to non availability of fly ash at economical rates which may affect the PPC market as well as margins. The Central Govt. has recently increased Excise Duty on cement and abolished the duty on cement import which may adversely affect the cement market.

Recognition and Awards

During the 30th Mines Safety Week organized by Directorate of Mines, Udaipur, the Company's mines bagged best overall performance shield for the year 2006. Besides this, several other prizes were also won by Amli and Thandiberi Mines.

During the 17th Mines Environment and Mineral Conservation Week, the Company's mines won 10 prizes including the most prestigious and coveted prize for overall performance.

At 5th chapter conventions of quality circles, the Company's Pragati Quality Circle bagged excellent award and Amar Jyoti Quality Circle got distinguished award.

The Company has also been awarded the "Certificate of Merit" by Hon'ble Minister of Power Govt. of India for energy conservation in Cement Industries and " Commendation Certificate" in appreciation of efforts in Energy Conservation for the year 2006 by Ministry of Power.

Social Responsibility and Community Development

The Company's plant at Sirohi is the leading industrial unit in the region and the people in the adjoining areas look forward to the Company for social support. The Company continues to provide the necessary support to the economically backward people of the adjoining villages through various community development, education and health care programmes. These include donations, small constructions, repairing works, etc. The Company has invested around Rs. 2 lacs for installation of new hand pumps and maintenance of old hand pumps. The company has donated tarpaulins to flood affected victims of Barmer District and donations have been given for various social activities.

The Company continues to organize an eye camp at Binanigram in March every year. The Company's doctor also visits the nearby villages on a weekly basis and distributes free medicine to villages.

The Binani Ladies club regularly contributes towards community development and charities through the distribution of school uniforms, books, cloths to needy tribal people and blankets, mattresses and pillows to Adivasi hostel, Pindwara.

Human Resources and Industrial Relations

The Company keeps up their commitment towards the development and growth of their employees. An average 3.16 mandays per person have been spent on training during the year.

Employees are also motivated and their team spirit strengthened through various departmental quality circles and other awareness programs, being organized from time to time. The company continues to maintain a healthy working environment and cordial industrial relations.

2. BINANI ZINC LIMITED (BZL)**Industry Overview**

The demand for zinc in India is estimated at approximately 420KT and is expected to grow at 10-12% over the next 3 years. Steel galvanizing, accounting for 75% of the market, is also set to witness strong growth.

Zinc prices on LME touched unprecedented levels during the year. In December 2006, Zinc prices were at USD 4405 per T (average). The average zinc prices in the London Metal Exchange was approx. USD 3578 /T. There is strong demand from China and the fundamentals of zinc are strong.

On January 21, 2007, Government of India reduced the import duty on Zinc from 7.5% to 5% with immediate effect. The import duty on concentrate remained at 2%. The VAT scheme has been adopted by all the states.

Review of Operations

The Company produced 32,624 MT zinc ingots as compared to 17,748 MT in 2005-06. Sales turnover has increased substantially, mainly on account of the peaked global zinc prices. Treatment charges were considerably low in 2006-07 as the concentrate availability was tight.

The Company has diversified into alloy manufacturing and 71.82 MT alloy was produced during the year. The Company has entered into a 50:50 joint Venture (JV) with Mazak International Limited (MIL) U.K. for marketing Zinc alloys.

The Company has commenced exports of zinc metal to Europe and a few East Asian countries. In spite of the severe shortage in concentrate supply, the Company has been successful in maintaining sufficiency of raw material.

Financial Performance

	(Rs. Lakhs)	
	2006-07	2005-06
Net Sales & other Income	58,441	18,116
Operating costs	53,677	16,851
EBIDTA	4764	1,265
Interest & Financial Charges	1,711	493
Cash Profit	3053	772
Depreciation & Amortisation	665	644
Balance Profit	2388	128
Provision for power charges for earlier years	970	-
Profit before Tax	1418	128
Profit after Tax	766	59

Future Plans

The Company intends to set up hydel plants in the 2 sites allotted by the Kerala State Government. Detailed Project Reports are prepared. Land acquisition formalities are being completed.

De-bottling exercise is being continued with renewed vigour.

The Company is working towards waste disposal systems that would reduce environmental concerns significantly. A Technology Transfer Agreement for the conversion of the Jarosite residue to the more environment friendly Jarofix, has been signed with M/s CE Zinc, Canada for this purpose.

The efforts for setting up captive mines are progressing. Allotment has been received for Basantgarh mines from State of Rajasthan. Rajasthan State Mines and Minerals Limited (RSMML), a co-investor in RBG along with the Company, has got approval for renewal for mining lease of Deri mines. The Company is co-ordinating with Gujarat Minerals Development Corporation (GMDC), another co-investor in RBG Minerals Industries Limited (RBG), on the renewal of Ambaji mining lease. These three mining leases form part of the Company's captive mining project through its wholly owned subsidiary RBG. Efforts for tying up funding for the captive mines project are in progress.

Strength /Opportunities/ Threats/Risks/Concerns**Strength / Opportunities**

The Company has increased the number of sales depots in the country, especially in Northern India. More depots are planned to be opened during the coming year, in North and North East regions. This will help to improve domestic sales. Export market is also targeted as an option. The Company's product quality and brand equity are favourable factors.

Threats/Risks/Concerns

The major external factors that can have a significant bearing on the Company's performance are:

1. Fluctuation in zinc prices
2. Enhanced metal supply in market
3. Low Treatment Charges

Concentrate availability can create difficulties during 2007-08. In view of the above position, the company has already contracted for the entire concentrate requirements for year 2007-08.

The Company also undertake hedging activities as a protection against wide fluctuations in zinc price.

Human Resources/Industrial Relations

The Company had cordial and harmonious industrial relations for the past several years. On 4th January 2007, a productivity linked Long term Wage Settlement was signed for a period of 3 years. The Company give considerable importance to knowledge management. The ongoing knowledge and skill upgradation programmes have served to improve the employee morale and competency building.

Social Responsibility

On Occupational Health and safety, the Company is extending service on health and safety to the neighbouring industries as well as the local community. Ghanshyam Binani Health Centre is recognised as a "Centre of Public Health Importance" by the medical colleges in the state and medical students visit the centre to study systems relating to Occupational Health.

Ghanshyam Binani Community hall serves as a nodal centre for all the community development initiatives of the Company. A series of empowerment programmes for women and children were conducted this year including Health talks, Multi- speciality medical camp, Vocational training for women, Career counselling for school children and talks on the problems of adolescent girls.

3. GOA GLASS FIBRE LIMITED (GGFL)**Industry Overview**

The composites market has grown globally at double digit rates. It is now the material of choice in a wide variety of user segments, replacing wood and steel. Glass Fibre as reinforcement continues to dominate this sector, (vis-à-vis other competing fibres), with a share of 85-90%.

With Indian economy growing at 8% and substantial investment in Infrastructure, Automotive and Energy sectors, the demand for composites and glass fibre is expected to record a significant growth rate in the forthcoming years. The Company is geared to exploit this opportunity through strategic initiatives in product mix and technology.

The Company also enjoys a good brand equity and presence in the export market. The key accounts are spread across different countries and continents, minimizing geographical risks.

Review of operations**Operations:**

During the year under review, the Company produced 11377 MT as compared to 9924 MT during the previous year, an increase of 14.6 %. The capacity utilization achieved was 110% based on an installed capacity of 10300 MTPA.

Binani Industries Limited

Operational efficiencies have significantly improved after the installation of the Uninterrupted Power Supply (UPS) and implementation of best practices.

The Company got certified for Integrated Management System (ISO 9001:2000, ISO14001:2004, OHSAS 18001:1999) which will enhance the customer satisfaction and continually improve performance on quality, safety, health and environment.

Sales :

The Company's sales for the year 2006-07 stood at 12081 MT with a revenue of Rs 85.44 Crores as against sales of 9745 MT and revenue of Rs.71.27 Crores in 2005-06. Sales of company products achieved all time high of 12081 MT which indicates a 24% increase over the previous year. The Company was successful in commercializing new products which also gained wide customer acceptance.

Financial Performance

	(Rs. Lakhs)	
	2006-07	2005-06
Gross Sales & Related Income	8544	7127
EBIDTA	965	836
Interest and Finance Charges	143	138
Cash Profit / (Loss)	822	698
Depreciation	767	641
Net Profit / (Loss) before Tax	56	57
Net Profit / (Loss) after Tax	45	46

Future Prospects

The Company's focus areas will be to find a strategic partner for infusing technology and increase Plant capacity and development of new product lines to cater to the future growth Markets like Wind Energy & Filament Winding. The focus will be on maximizing revenues through sale of products which yield maximum contribution and to achieve volume growth through new products and new markets world wide.

Strength/ Opportunity / Threats / Risks/ Concerns

Strength / Opportunities

The glass fibre and composites markets are witnessing a strong growth stimulus. This is primarily on account of infrastructure investment in several countries including India. Wind energy and pipeline systems are two applications where GF reinforcements are finding extensive usage. With inventory levels under control, more flexibility exists for pricing hikes

Threats

The availability of cheap Chinese imports is of course a threat. However with firming up of prices globally, quality glass fibre reinforcements are expected to witness hardening of prices. Peak customs duty has been reduced from 12.5% to 10%. The tariffs will continue to be lowered in the coming years as well

Concerns

The weakening trend in the US\$ may affect export earnings in the short term. Volume growth and technology for new applications are to be achieved in a reasonable period of time to fully exploit the growth opportunities. The Company is taking steps for identifying a strategic partner and for diversifying its product portfolio

Risk

Export earnings of the Company are subject to the vicissitudes in the forex market. The Company is diversifying the export markets for increasing its earnings in a basket of currencies. It also undertakes risk assessment and forward hedging to mitigate the risks of forex exposure. The Company has obtained and made current all statutory clearances and approvals and thus there is no risk to its right to operate

Human Resources / Industrial Relations

Industrial relations continued to be harmonious.

As part of the on going exercise of employee performance enhancement, training programmes have been conducted for all categories of employees on technical, behavioral and safety aspects which has resulted in visible improvement of skill and enhancement of performance at shop floor operations.

The Organization has introduced performance based incentives to team members and pay for performance for its executives and staff to provide a healthy competitive work environment and to boost the morale of its employees.

The organization also conducted employee survey to continuously improve the work environment and the motivational level.

Social Responsibility

As a part of social responsibility, awareness programmes on safety, health and environment were conducted for contract labours and employees. The organization also extended support to the local community (Colvale) by arranging free medical camp. The Company has also provided financial support for cultural and educational activities for the local communities.

5. BT COMPOSITES LIMITED (BTCL)

Financial Performance

	(Rs. in lacs)	
	2006-07	2005-06
Gross Sales	345.58	91.59
Loss before tax and Extra Ordinary items	(191.70)	(219.69)
Profit / Loss before Tax and after		
Extra Ordinary Items	1671.45	(788.24)
Profit / Loss after Tax	1612.15	(789.44)
Loss brought forward from last year	(2322.26)	(1532.82)
Balance Carried to Balance sheet	(710.10)	(2322.26)

Review of Operations

Infrastructural sectors such as Power and Construction along with the Transportation continued to be the drivers of the country's impressive economic growth during the year. As the Company products are manufactured mainly for the Construction and Power sectors, the year witnessed a significant increase in Sales Income from a level of Rs. 86 lakhs to Rs. 309 lakhs. The production for the year at 283 MT was higher than the previous year by 163 MT.

Sectional Panel Tanks related products continued to be the main contributor accounting for nearly 52% of Sales revenue followed by Electrical enclosures and related products contributing 30%. Panels for the Shelter market contributed 15%.

During the year, the Company successfully exported Water Tank panels to the Middle East. The Company expects increased export volumes during the next fiscal year.

Several process improvements have been successfully implemented to upgrade the quality of the products. Considerable efforts have been invested in upgrading the raw material selection and testing procedures to ensure consistency and reliability of supplies.

Future Prospects

The Company sees a vast market potential for its products against the backdrop of strong economic growth. The Company proposes to intensify its marketing efforts for the Sectional Panel tanks by putting in place, a robust distributor network. The Company also proposes to widen its product range for the Power sector. Intense efforts are proposed for the development of improved panels for the shelter market.

In order to strengthen its technology base and widen its products portfolio to include products for the growing auto sector, the Company is actively engaged in identifying a suitable technology partner with an international presence.

6. ESS VEE ALLOYS PRIVATE LIMITED**Financial Performance**

	(Rs. Lakhs)	
	2006-07	2005-06
Sales (Net)	758.88	214.72
Profit /(Loss) before Tax	28.70	3.24
Net Profit / (Loss)	19.53	3.01
Balance of Profit / (Loss) b/f	0.04	(2.97)
Balance Carried to Balance Sheet	19.57	0.04

Business Review

During the year the production and sales were as follows:

	Kgs.	
	2006-07	2005-06
Production		
Zinc Alloys	3,90,971	2,20,375
Aluminium Alloys & dross	3,868	3,996
Sales		
Zinc Alloys	4,01,159	2,13,884
Aluminium Alloys & dross	5,920	2,328

In line with the stated objective of the company to establish in the Zinc based die-casting alloys business, the production and sales of Zinc die-casting alloys recorded 88% increase evidencing greater acceptance in the market. However margins continued to be under pressure, with aggressive competition and continuing increase in base metal prices characterized by severe volatility. The Company was able to establish itself with select / key customers.

Future Prospects

The Company looks forward to consolidate its presence in the Zinc Alloys market and achieve significantly higher capacity utilization.

7. WADA INDUSTRIAL ESTATE LIMITED (WIEL)

The Consultant engaged by Binani Metals Limited(BML) to whom the Company's land at Wada was given for development purposes reported that the project is unviable. Consequently BML has cancelled the Lease Agreement with the Company. However the Company is exploring the possibilities of development of the land for residential and or commercial purposes and accordingly changed the object clause of the Company to undertake activities relating to real estate. Consequently the name of the Company has been changed to Wada Industrial Estate Limited with effect from 29th January 2007.

8. R.B.G.MINERALS INDUSTRIES LIMITED**Review of Operations.****Mines****Ambaji**

The Mining Scheme has been approved by the Controller of Mines, IBM, Ajmer. Ministry of Environment & Forest (MOEF) has considered the proposal in the Expert committee and formal approval letter is expected.

Deri

Environment Clearance has been obtained from MOEF. The consent under Air & Water Act has been obtained from Rajasthan State Pollution Control Board (RSPCB).

Basantgarh

Environment Clearance has been obtained from MOEF vide letter No. J-11015/140/2006-IA.II(M) dated January 17, 2007 for 650 tpd mining unit. The consent under Air and Water Act has been obtained from RSPCB. The lease execution in favour of the Company is in progress. The Mining Lease was granted in December 2005; the final sanction is expected from Government of Rajasthan

Deri Water Dam:

The required NOC for construction of water dam has been obtained.

Beneficiation Plant**Environment Clearance -**

Environment Clearance is awaited.

Basic Engineering

Basic Engineering and Supervision agreement have been awarded. The equipment procurement is underway

9. BINANI MAZAK PVT.LIMITED (BMPL).**Financial Performance**

	(Rupees)	
	2006-07	2005-06
Interest Income/Sales	14354	9003
Profit/(Loss) before Tax	(5735)	(40973)
Profit / (Loss) after Tax	(5735)	(40973)
Balance of Profit / (Loss) b/f	(20258)	20715
Balance Carried to Balance Sheet	(25993)	(20258)

Business Review and Change of Name

To pursue Zinc alloys business it was decided to convert the Company into a Joint Venture (JV) between Mazak International Limited (MIL) U.K. and Binani Zinc Limited (BZL) on 50:50 partnership basis. Accordingly the name of the Company was changed to Binani Mazak Pvt. Limited. Fresh Certificate of Incorporation consequent upon change of name has been received from the Registrar of Companies (ROC), Maharashtra. The Company has also changed its objects to undertake activities relating to manufacture and sale of zinc and aluminum alloys, pigments, Dyes etc. The ROC Maharashtra has issued Certificate of Registration of special resolution confirming the alteration of objects clause.

Both the partners have contributed the initial contribution for the JV and have agreed to induct Mr.Dara Mehta, Solicitor, Little & Co. as the Independent Chairman of the JV and the formal induction will take place shortly.

Future Prospects

Sale / Purchase Agreements for sourcing of Zinc are under negotiations. The Company is also carrying out pre-marketing activities for establishing distribution channels, technical services etc. as a prelude to sales.

Dividend

In view of the overall performance, prospects and income earned during the year, your Directors recommend a dividend @ 25%.

Board of Directors

In accordance with Article 100 of the Articles of Association of the Company, Mr. Braj Binani retires by rotation and being eligible, offer himself for reappointment.

Mr. Sushil Bhatte who was appointed as Wholtime Director with effect from 20th April, 2006 resigned as Wholtime Director on 31st March 2007 and he was appointed as Managing Director with effect from 1st April, 2007. The relevant proposal has already been placed before you for your approval.

Auditors' Observations

Observations made in the Auditors' Report on the Accounts of the Company (Standalone Account) are dealt with in the Notes to the Accounts at the appropriate place and are self explanatory.

The management response to the Auditors' observations in the consolidated balance sheet in respect of Binani Zinc Limited, Binani Cement Limited and Goa Glass Fibre Limited are given below in the same seriatim

Binani Zinc Limited (BZL)

As regards the non-provision of differential electricity charges, penal electricity charges and interest on differential electricity charges on BZL aggregating to Rs.20715 Lacs, the management concurs with the views taken by the Board of Directors of BZL.

Binani Cement Limited (BCL)

As regards the non – provision of interest of Rs.1361.21 lakhs arising out of the modification to the Restructuring Package (RP) agreed with Industrial Development Bank of India (IDBI) which was converted to Zero Coupon Loan (ZCL) by IDBI, the management concurs with the views of the Board of Directors of Binani Cement Limited in this regard.