

Binani Industries Limited

BOARD OF DIRECTORS

Mr. Braj Binani Chairman
Mr. S. Padmakumar
Dr. V. C. Shah
Mr. A. C. Chakrabortti
Mr. N.C. Singhal (w.e.f. 19/01/2008)
Mr. Sushil Bhatler (upto 31/03/2008)

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. T.R.C. Nair – Executive Vice President
(Corporate & Legal) & Secretary
Mr. M.K. Chattopadhyaya – Chief Financial Officer

SENIOR MANAGEMENT

Mr. Jayant kumar – Sr. VP (Projects)
Mr. Amit Singha – VP (New Delhi)
Mr. V. Sivaraman – VP (Commercial)
Mr. K. Sasikumar – VP (Taxation & Internal Audit)
Mr. Atul Falgunia – VP (Secretarial)
Mr. Ramawatar Sharma – VP (Banking)
Mrs. Visalakshi Sridhar – VP (Finance)
Mr. Kaushlesh Maheshwari – VP (Marketing)
Mr. Hemant Mogra – VP (Corporate Accounts)

AUDITORS

M/s. Kanu Doshi Associates, Mumbai

BANKERS

Punjab National Bank
UTI Bank Limited
HDFC Bank Limited

LOCATIONS:

Registered Office of the Company & its Subsidiaries
[Except R.B.G Minerals Inds. Limited, Krishna Holdings Pte. Limited, Shandong Binani Rongan Cement Co. Limited and Binani Energy Pvt. Limited]

706, Om Tower, 32, Chowringhee Road,
Kolkata 700 071
Email: binanical@vsnl.net
Phone: 033-22882508
Fax: 033-22882510

Corporate Office of the Company & its Subsidiaries

Mercantile Chambers,
12, J N Heredia Marg, Ballard Estate,
Mumbai 400 001.
Email: mumbai@binani.net
Phone: 022-30263000/3001/3002
Fax: 022-22634960/ 22640045

Project Office (BCL)

Feltham House,
10, J.N. Heredia Marg, Ballard Estate,
Mumbai 400 001.
Phone: 022-22634951/2
Fax: 022-22634953

SUBSIDIARIES

Binani Zinc Limited (BZL)

Binanipuram, Ernakulam, Kerala - 683502

Binani Cement Limited (BCL)

Binanigram, Pindwara,
Dist. Sirohi, Rajasthan 307022

Goa Glass Fibre Limited (GGFL)

Colvale, Bardez, Goa - 403 513

Wada Industrial Estate Limited (WIEL)

Wada, Dist Thane

BT Composites Limited (BTCL)

C5 to C9, Madkaim Industrial Estate,
Mardol Post, Madkaim,
Goa - 403 404.

Ess Vee Alloys Private Limited. (Ess Vee)

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

R.B.G. Minerals Industries Limited (RBG) [Regd. Office]

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

Binani Energy Pvt. Limited, (BEPL) (Regd. Office)

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

Krishna Holdings Pte. Limited, Singapore (KHL)

8 Temasek Boulevard,
#22-03 Suntec Tower 3,
Singapore - 038 988

Shandong Binani RongAn Cement Co. Limited, China (SBRCC)

Fujiashuang, Dong Guan Town,
Ju County,
Rizhao City,
Shandong Province, China
Mukundan Holdings Limited (MHL)
P.O. Box 957, Offshore Incorporations,
Centre Road, Town, Tortola,
British Virgin Islands (BVI)

Associate Company

Binani Cement Factory LLC
Jebel Ali, Dubai

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Fifth 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 23rd June 2008 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, 2008
2. To declare dividend
3. To appoint a Director in place of Mr. S. Padmakumar 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 an Ordinary Resolution:

"RESOLVED THAT Mr. N.C. Singhal, 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."

Mumbai
21st April, 2008

By Order of the Board
For Binani Industries Limited
(T. R. Chandramohan Nair)
Executive Vice President (Corporate & Legal)
& 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 Wednesday the 18th June, 2008 to Monday the 23rd June, 2008 (both days inclusive).
4. Dividend, if declared, will be paid to those members whose names appear on the Company's Register of members on 23rd June, 2008 on the paid up capital of the Company as on 31st March, 2008. In respect of shares held in electronic form (Demat mode), the dividend will be payable to the beneficial owners of shares as on 18th June, 2008 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, 2006 and 31st March, 2007 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 31.03.2006 -10.08.2013
 - b. Dividend for the year ended 31.03.2007 - 07.08.2014

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 31.03.1996 , 31.03.1997 , 31.03.1998 , 31.03.1999 and 31.03.2000 the balances on 27.08.2003, 02.12.2004, 25.01.2006, 21.01.2007 and 11.11.2007 respectively have been transferred to Investor Education & Protection Fund.
6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No.5 of the Notice along with a brief 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. **Such Share Certificates need not be send; only the details of the Certificates are to be furnished for issue of another set of Stickers for change of name.**
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. **Those shareholders who are still holding shares in physical form are advised to get their shares dematted in their own interest.**
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 and change of Bank mandate if any, should be notified to the concerned Depository Participant (DP) only.
17. Binani Zinc Limited(BZL) a subsidiary of the Company 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 , Binani Energy Pvt. Limited, Krishna Holdings Pte.Limited, Singapore and Shandong Binani Rongan Cement Co.Ltd. China for the year ended 31st March, 2008 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 t March, 2008 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 – Mr. T.R.C.Nair, Executive Vice President(Corporate & Legal) & Secretary
Tel.Nos. 022- 30263000 - 3002 : 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

ITEM NO.3 (MR. S. PADMAKUMAR)

After a distinguished academic career, Mr. S.Padmakumar (74 years) joined the Indian Administrative Service in 1957. He has served in the Kerala Cadre of the IAS for 35 years in various positions such as Industries Secretary, Finance Secretary, CMD of Kerala State Industrial Development Corporation (KSIDC) etc. before retiring as Chief Secretary to the Government of Kerala. Mr. S.Padmakumar was inducted into the Board in June 1981 as the Nominee Director of KSIDC . He resigned as Nominee Director and was appointed as Additional Director on 24th October 2000 . The Shareholders of the company had appointed him as a Director liable to retire by rotation at the Annual General Meeting held on 20th June, 2005.

In addition to Binani Industries Limited, Mr. S.Padmakumar serves on the Boards of Directors of BPL Limited, English Indian Clays Limited , Binani Cement Limited, Goa Glass Fibre Limited and Wada Industrial Estate Limited and as Chairman of City Theatres (P) Limited . He also functions as the Chairman of the Audit Committee of Binani Industries Limited, Binani Cement Limited and Wada Industrial Estate Limited and as Member of Investor Relations Committee of BPL Limited , Binani Industries Limited and Binani Cement Limited, as Member of the Audit Committee of BPL Limited and Goa Glass Fibre Ltd. and as the Member of Finance Committee of BPL Limited , as the Chairman of Finance Committee of Binani Cement Limited, as the Chairman of Remuneration Committee of BPL Limited and as the Member of Remuneration committee of Binani Cement Limited , Binani Industries Limited, Goa Glass Fibre Limited and Binani Zinc Limited.

ITEM NO.5 (MR. N. C. SINGHAL)

Mr. N.C. Singhal was appointed as Additional Director of the Company with effect from 19th January, 2008 by the Board of Directors at their meeting held on 23rd October, 2007 and he would hold office upto the date of this Annual General Meeting. The Company has received notice from a member of the Company along with a deposit of Rs.500/- proposing his appointment as Director of the Company.

Mr. N.C. Singhal was the founder Chief Executive Officer, designated as the Vice-Chairman & Managing Director of the erstwhile SCICI Limited (formerly known as The Shipping Credit & Investment Corporation of India Limited), since December 1986 till August 1996. Before moving over to the SCICI, Mr. Singhal was a senior executive of The Industrial Credit & Investment Corporation of India Limited (since renamed as ICICI Limited), for 15 years from 1971 to 1986 and of the Oil & Natural Gas Commission, from 1958 to 1971. Mr. Singhal was deputed by the Government of India as a Banking Expert to the Industrial Development Bank of Afghanistan, Kabul, during 1974-75, as part of the World Bank sponsored programme for setting up the Bank. He was also engaged as a Consultant and Management Specialist with the Asian Development Bank, Manila. Currently, he is a member of Advisory Board of several industrial houses and institutions.

In addition to Binani Industries Limited, Mr. N C Singhal serves on the Boards of Directors of Shapoorji Pallonji Finance Limited, Mumbai, Deepak Fertilizers & Petrochemicals Corporation Limited, Pune Max India Limited, New Delhi , Max New York Life Insurance Company Limited, New Delhi, Axis Bank Limited, Ahmedabad, Birla Sun Life Asset Management Company Limited, Mumbai, Tolani Shipping Limited, Mumbai, XL Telecom Limited, Secunderabad, Mahagujarat Chamunda Cements Limited, Mumbai , Forbes Bumi Armada Limited, Mumbai and Ambit Holdings Pvt. Limited, Mumbai and as Chairman of SCI Forbes Limited and Samalpatti Power Company Pvt. Limited Chennai.

He also functions as the Chairman of the Audit Committee of Max India Limited, Axis Bank Limited and Ambit Holdings Pvt. Limited and as the Chairman of the Remuneration Committee of Samalpatti Power Company Pvt. Limited.

He also functions as the Member of Audit Committee of Deepak Fertilisers & Petrochemicals Corporation Limited, Max New York Life Insurance Company Limited and Tolani Shipping Company Limited and as the Member of the Remuneration Committee of Birla Sun Life Asset Management Company Limited , Max India Limited and Axis Bank Limited

He also functions as Trustee of Ashapura Educational Foundation, Mumbai and as the Member of Other Committees of Advisory Board, International Chamber of Commerce –Financial Investigations Services, London, International Chamber of Commerce – Marine Transport Commission, Paris, Supervisory Board, Ashapura Group, Mumbai, Board of Governors, Institute Of Management Studies, Ghaziabad, Board of Governors, Tolani Maritime Institute, Induri and Strategic Advisory Group, Development Credit Bank, Mumbai.

Your Directors recommend appointment of Mr. N.C.Singhal as Director of the Company. None of the Directors is in any way concerned or interested in this resolution except Mr. N.C.Singhal to the extent of his appointment.

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.

Mumbai
21st April, 2008

By Order of the Board
For Binani Industries Limited
(T. R. Chandramohan Nair)
Executive Vice President (Corporate & Legal)
& Secretary

Binani Industries Limited

Binani

BRAJ BINANI GROUP

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

Your Directors present the Forty Fifth Annual Report of the Company together with the Audited Statement of the Accounts for the year ended 31st March, 2008.

1. Financial Performance

(Rs.Lakhs)

	For the year ended 31.03.2008	For the year ended 31.03.2007
Sales /Profit on sale of fixed assets, investments/ other Income	2,793	12,302
Profit before , Depreciation, Extraordinary Items and Taxation.	1,537	10,965
Provision for Depreciation	(42)	(66)
Profit before Extraordinary Items and Taxation	1,495	10,899
Loan to Subsidiary written off	-	(1,000)
Interest for earlier years written back on one time settlement of Loans	-	1,222
Investment in subsidiaries written off	-	(9,443)
Profit after Extraordinary items but before Taxation	1,495	1,678
Provision for Taxation including deferred tax and Fringe Benefit Tax	(2)	(54)
Profit after Tax	1,493	1,624
APPROPRIATIONS / ADJUSTMENTS		
Transfer to General Reserve	(150)	(163)
Proposed Dividend	(888)	(740)
Tax on Dividend	-	(126)
Transfer from Debenture Redemption Reserve	-	-
Transfer from General Reserve	-	163
(Loss) brought forward from last year	(7,069)	(7,827)
(Loss) carried to balance sheet	(6,614)	(7,069)

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

2. Review of Operations

The Company being a holding Company has no manufacturing activity and dividend from the subsidiaries is the main source of income. During the year the Company received a dividend of Rs. 2,637 lakhs from Binani Cement Limited.

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

3. 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. Consequent upon the listing of Shares of BCL, the Shares of BCL anyway cannot be subject to swap till the lock-in period is over viz. 28th May, 2008 A view in the matter will be taken after the lock-in period is over in view of the changed scenario.

4. 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 25 % for the year ended 31.03.2008, the Company will receive approximately Rs. 32 Crore as dividend income during the current year.

5. Subsidiary Companies

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

A. BINANI CEMENT LIMITED (BCL)

Industry Overview

The country's GDP is projected to continue to grow at around average 8.5% and the driver of growth continues to be service and manufacturing sector which are expected to grow at 10.7% and 9.4% respectively.

The cement industry in India is also experiencing a boom on account of the overall growth of the Indian economy. The production during the April '07- Mar.'08 has increased by average rate of 7.13% over 2006-07. The demand for cement, being a derived demand, primarily depends upon the industrial activity, real estate business, construction activity and investment in the infrastructure sector. With increased demand from the respective sectors, industry has witnessed good growth for the third consecutive year. The cement industry also expects continued buoyancy in demand, driven by housing and infrastructure sectors. The demand for cement is also continuing to grow around 9%.

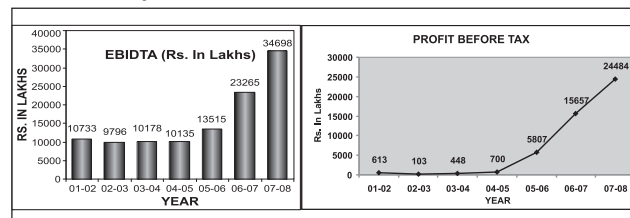
The Cement prices remained firm during the year and expected to remain firm in the medium- term. .

Financial Performance

The financial results for the year ended 31st March, 2008 are summarised below :

	2007-08	2006-07	%change
Net Sales and Other Income	99,181	68,441	45
Operating Costs	64,483	45,176	
EBIDTA	34,698	23,265	49
Interest & Financial charges	4,647	3,262	
Cash Profit	30,051	20,003	50
Depreciation and Amortisation	5,567	4,346	
Profit before Tax	24,484	15,657	56
Profit after Tax	17,582	9,561	84

Review of Operations



BCL's performance during the year 2007-08 has been its ever best. During the year the Company produced 29.58 lacs MT and sold 29.61 lacs MT of cement as against 24.28 lacs MT and 24.06 lacs MT respectively in the previous year registering an increase of 22% and 23% respectively over the previous year This could be achieved due to higher production of blended cement (PPC) which increased to 57% in the year 2007-08 from 49% in the previous year. During the year production of blended cement (PPC) increased by 43% over the PPC production of the previous year. BCL has also achieved highest ever sales and net profit in its entire history. The net sales for the year under review rose to Rs. 979 crores as compared to Rs. 680 crores in the previous year registering a growth of 44%.

The net profit after tax registered a growth of 84% over the previous year.

Project Implementation

The cement expansion project has been completed and commissioned during the year. The production of clinker from new unit started from 29.07.2007 and Cement from 06.12.2007. The Cement Grinding unit at Neem ka Thana was commissioned in March' 08. Consequently the Company's production capacity stands increased to 6 Mn. MT per annum. The power consumption per ton of cement production is also ever lowest to 70.94 KWh for the year.

One additional captive power plant having generation capacity of 22.3 MW was commissioned in March '08. The Own power generation during the year under review was 1511.55 lacs KWh (net) as against 1314.03 lacs KWh in 2006-07. One more captive power plant having capacity of 22.3 MW is being set-up at the same site which is expected to be commissioned by August 2008.

A Railway siding has also been laid from the factory to the nearest Railway Station Keshavganj covering a distance of 6.5 KMS to cater to the enhanced capacity of Cement/Clinker.

Investments in Overseas Companies

During the year under review BCL has invested in 50% of the paid up Equity Share Capital and 100% of Preference Share Capital of Krishna Holdings Pte. Limited, a special purpose vehicle registered in Singapore for holding investments of 70% in the share Capital of Shandong Binani Rong An Cement Company Limited in China in foreign invested joint venture Company with Rong An Group which holds balance 30% of the paid up Capital of Shandong Binani Rong An Cement Company Limited.

Shandong Binani Rong An Cement Company Limited became subsidiary of Krishna Holdings Pte. Limited with effect from 30th November 2007. The said Company has present capacity of 0.4 million MT of Clinker per annum and 0.5 Million MT of Cement per annum. It also proposes to expand its Cement Manufacturing capacity by 2.5 million MTPA at an estimated expenditure of RMB 700 Million.

In February 2008 BCL invested in 100% holding in Mukundan Holdings Limited, a Company incorporated in British Virgin Islands. The wholly owned subsidiary of BCL has acquired 49% of the holdings of Binani Cement Factory LLC, Dubai which is operating 1.2 Million Tonne slag and Cement grinding facility at Jebel Ali, Dubai, UAE. The capacity is being increased to 2.0. Million Tonne per annum which is expected to be completed by September 2008.

In March 2008, Mukundan Holdings Limited has acquired 50 % of the paid up Equity Share Capital of Krishna Holdings Pte. Limited. Due to the acquisition, Krishna Holdings Pte. Limited has become a wholly owned subsidiary of BCL.

Marketing

The Cement market continues to remain buoyant with rising demand from housing, industry and infrastructure sectors. The Company's record sales of 29.61 Lacs MT indicates a growth of 23 % over the previous year

Capital Structure

During the year BCL came out with an offer for sale of 20,500,000 Equity Shares of Rs. 10/- each held by J. P. Morgan Special Situations (Mauritius) Limited at a price band of Rs. 75 to Rs. 85 per share. The issue received a fairly good response from the investors and the shares were listed on the Bombay Stock Exchange Limited and The National Stock Exchange of India Limited with Effect from 28th May 2007.

Future Plans

BCL is finalizing plans for increasing its capacity upto 13 million Tonnes Cement Production in the next 2 to 3 years. BCL is setting

up a Cement plant in Gujarat as a Greenfield expansion and is in the process of expanding capacity of overseas plants located in China and Dubai.

Strengths/Opportunities/Threat/Risks/Concerns

Strengths

The state of the art Cement Plant at Sirohi having a single location of cement capacity and having its own mines of Lime stone, which is a major raw material, in its close vicinity give it a advantage of cost effectiveness. During the year under review BCL has commissioned the Cement grinding unit at Neem Ka Thana giving it an advantage to cater and increase its presence in the far off Northern markets. 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. BCL enjoys a very good brand image and has a strong network of Market Organizers and Dealers. The policy of cash and carry is also being maintained since the very beginning.

Weakness

Being Land-Locked and away from ports BCL is presently unable to exploit the distant lucrative markets.

Opportunities

The cement market is going upwards and the demand is expected to grow at the rate of 11.5% in the 11th five year plan (2007-2012). The expanded plant capacity will enable BCL to increase its presence in the cement market. Also the establishment of the Cement Grinding unit at Neem ka Thana will enable BCL to cater and increase its presence in the far off cement deficient Northern markets.

Threats, Risks and Concerns

The ongoing and proposed increase in production capacity of 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 increasing cost of inputs such as Coal, fuel and cost of power generation may affect the margins. Owing to increasing competition the increasing cost burden may not be fully passed on to the customers. With the ban on cement exports the domestic prices will come under pressure particularly in Gujarat through which maximum cement was being exported.

Recognition and Awards

The 31st Annual Mines safety Week held under Directorate of Mines, Udaipur was organized at Binanigram. BCL's Amli mines again bagged "overall best performance (Hilly Terrain)" shield for the year 2007. Besides this, several other prizes were also won by Amli and Thandiberi Mines.

During the 18th Mines Environment & Mineral Conservation Week, BCL's Amli Mines won the Second prize for overall performance and won 7 other prizes.

At the 6th Local Chapter Conventions of Quality Circles held at Rajsamand in October 2007, BCL's Pragati Quality Circle bagged excellent award and at 21st National Chapter Conventions of Quality Circles at Kolkata held in December 2007, BCL's Pragati Quality Circle won the Distinguished Award.

Social Responsibility and Community Development

BCL continues to discharge its social responsibilities along with the achievement of its own goals and objectives. BCL's plant at Sirohi is a leading industrial unit in the region and therefore the people of the adjoining areas look forward to BCL for various social supports. BCL continues to provide necessary support to economically backward people of the adjoining villages through various community development programmes in the form of donations, repair and maintenance of hand pumps, rain water

Binani Industries Limited

Binani

BRAJ BINANI GROUP

harvesting, uniforms and books to students and salary for teachers in Vaikalpik School.

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

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

Human Resources and Industrial Relations

BCL continuously strives towards the development of its employees, to upgrade their skills and to boost the motivation levels of its human resource through various mechanisms. On an average 3.37 man days per person have been spent on training during the year under review.

Employees also get motivated and their team spirit gets strengthened through the various departmental quality circles and other awareness programme being organized from time to time. BCL continues to maintain healthy working environment and cordial industrial relations throughout the year.

The efforts put in by employees at all levels are highly commendable and have contributed immensely to the excellent performance of the Company.

Subsidiaries of Binani Cement Limited

As mentioned earlier, Binani Cement Limited(BCL) alongwith Mukundan Holdings Limited (Mukundan) a wholly owned subsidiary incorporated in British Virgin Islands acquired the entire paid-up equity capital of Krishna Holdings Pte Limited(KHL), a Special Purpose Vehicle (SPV)incorporated in Singapore and thus KHL has also become a Wholly Owned Subsidiary of BCL. KHL acquired 70% stake in Shandong Binani Rongan Cement Co. Ltd. China (SBRCC) which has Cement manufacturing facilities in Shandong province of China making it also a subsidiary of BCL. Mukundan Holdings Limited also acquired 49% equity stake in Binani Cement Factory LLC which has Slag and Cement grinding facilities at Jabel Ali, Dubai.

B. BINANI ZINC LIMITED (BZL)

Industry Overview

The demand for Zinc in India is estimated at approximately 470 KT. Indian Zinc metal demand is expected to grow at 10% over the next 3 years driven by transportation, consumer durables and construction sector. Steel galvanizing, accounting for more than 50% of the market, is set to witness strong growth.

The average Zinc price in the London Metal Exchange during 2007-08 was approximately US \$ 2,986 / MT. Import duty on Zinc was at 5%. The import duty on concentrate remained at 2%. All States have adopted the VAT Scheme and CST was reduced to 3% w.e.f. 1st March 2007.

Review of Operations

Zinc production was 31,903 MT during the year 2007-08 as compared to 32,624 MT in 2006-07. The plant capacity utilization was 84%. BZL sold 30,743 MT of Zinc (including 51 MT of Alloy) during the year 2007-08 as compared to 31,864 MT in 2006-07. The current year zinc sales include export of 1,735 MT. Average Treatment Charges improved in 2007-08 as the concentrate market eased out.

Financial Performance

(Rs. Lakhs)

	2007-08	2006-07
Net Sales & other Income	48,164	58,441
Operating costs	45,573	53,677
EBIDTA	2,591	4,764
Interest & Financial Charges	1,277	1,711
Cash Profit	1,324	3,053
Depreciation & Amortisation	694	665
Balance Profit	620	2,388
Provision for power charges for earlier years	Nil	970
Profit before Tax	620	1,418
Profit after Tax	328	766

Future Plans

BZL is working towards waste disposal systems that would solve environmental concerns significantly. A technology transfer agreement has been signed with M/s. CE Zinc, Canada for conversion of the

Jarosite residue to the more environment friendly jarofix. Debottlenecking exercise is being continued with renewed vigour.

BZL is making all efforts for setting up its captive mines.

Strengths/Opportunities

BZL has increased the number of Sales Depots in the country, especially in Northern India. BZL's product quality and brand equity are favourable factors.

Threats/Risks/Concerns

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

- Fluctuation in zinc prices
- Enhanced metal supply in market

BZL has drawn up a comprehensive plan to mitigate the perceived threats.

Prices are expected to remain volatile. However, BZL has attained sufficient expertise in hedging to safeguard itself from wide fluctuations in zinc price.

Concentrate availability is expected to improve and contracts are being concluded to cover requirement.

Human Resources/Industrial Relations

Industrial relations continued to be maintained at cordial level, and the productivity-based long-term settlement provisions were implemented. Learning and development is the focus; with training and development imparted at 4.45 mandays per employee per year on the average.

Occupational health of employees were closely monitored through annual medical examination conducted, and lifestyle consultation at our Ghanshyam Binani Health Centre (GBHC).

Industrial hygiene study recommendations were implemented. Training, awareness and competence to employees, contractors and contractors' labour on industrial safety, worker safety, and workplace safety were provided.

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.

During the year, GBHC catered out-reach annual medical examination services to 242 employees in five industrial units around, besides organising multi-specialty camps / health talks to employees and community. First Aiders' training was conducted in partnership with Indian Medical Association for other industries.

GBHC serves as a platform for corporate social responsibility initiatives. 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.

C. GOA GLASS FIBRE LIMITED (GGFL)

Industry Overview

The fiber glass reinforcements market has grown globally especially in wind energy and automobile sectors. The growth is mainly attributed due to OEM manufactures and to a great extent by organized sectors.

The exponential growth in direct roving product in wind energy sector has prompted in diversifying product mix so as to enable to cater the demand in Indian market. GGFL is getting geared to exploit this opportunity to break supply and demand chain.

Review of Operations

During the year under review, GGFL produced 11,716 MT as compared to 11,367 MT achieved during the previous year. The capacity utilization achieved was 114% based on an installed capacity of 10,300 MTPA. The operations which were consistent during the year under review have shown continual improvement with significant progress being achieved towards the end of the Financial Year. Improved operating efficiencies have matched up to increased production levels

Sales

GGFL's sales for the year 2007-08 stood at 11,688 MT with a revenue of Rs. 85.89 Crore as against sales of 12,081 MT and revenue of Rs. 85.44 Crore in the year 2006-07. GGFL was successful in improving Domestic sales for better realizations in view of US Dollar depreciation against Indian Currency.

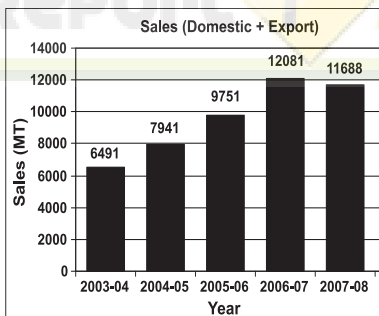
Financial Performance

	(Rs. Lakhs)	
	2007-08	2006-07
Sales & Related Income	8,589	8,544
EBIDTA	1,311	965
Interest and Finance Charges	120	143
Cash Profit	1,191	822
Depreciation	780	767
Net Profit before Tax	411	56
Net Profit after Tax	361	43

Future Prospects

GGFL's focus areas are Furnace rebuild with capacity enhancement with Technological advancements and product quality which is planned to commence during 1st Quarter of 2009.

Usage of technological advanced glass formulation which is environmental friendly and improved properties in glass fibre reinforcements. Adopting improved designs of furnace and Forehearth from internationally reputed companies to augment the melting capacity by redesigning the furnace and forehearth with increased glass depths and thereby increased throughputs and better efficiencies. Addition of production facilities for the production of Direct Roving such as Auto Winders for improving glass to filament conversion efficiency. Oxy-LPG combustion system in Forehearth for energy conservation and De-bottlenecking of the Effluent Treatment Plant.



Strength/Opportunity/Threats/Risks/Concerns

Strengths

Committed and relatively young workforce, Best HR initiatives, Flagship product CSM well accepted in Global market and experienced Consultants from Glass Fibre industry.

Weakness

Low scale of operation, limited product range, high dependency on CSM and lack of R&D facility.

Opportunities

Booming market, lot of opportunities in other product portfolios like Direct roving and Tie up with OEM's.

Threats

Stiff competition and Dollar depreciation against Rupee.

EPCG OBLIGATION.

Certain machineries were imported during the previous year by paying import duty at the rate of 5% under the EPCG scheme in respect of which GGFL had a future export obligation of US \$ 267,103 to be completed over a period of 8 years from 5th December, 2005. GGFL fulfilled the above mentioned export obligation and an application has been filed to seek discharge from the export obligation.

Human Resources / Industrial Relations

Industrial relations continued to be harmonious with the active participation of the Union in all the programmes initiated by the management. As part of the on going exercise of the employee performance enhancement, training programmes have been conducted for all categories of employees on technical, behavioral and safety aspects. This resulted in visible improvements of skill and enhancement of performance at shop floor operations. Awareness programmes on safety, health and environment were conducted for contract labours and employees.

Social Responsibility

As a part of corporate social responsibility GGFL extended support to the local community (Colvale) by arranging free medical camp. GGFL has also provided financial support for cultural and educational activities for the local communities.

D. BT COMPOSITES LIMITED (BTCL)

	(Rs. Lakhs)	
	2007-08	2006-07
Gross Sales	534	345.58
Loss before tax and Extra Ordinary items	(252)	(191.70)
Profit / (Loss) before Tax and after Extra Ordinary Items	(252)	1,671.45
Profit / (Loss) after Tax	(254)	1612.15
Loss brought forward from last year	(710)	(2,322.26)
Balance Carried to Balance sheet	(964.08)	(710.10)

Review of Operations

During the last year, industry sectors like housing, power, transportation continued to be the drivers for the country's and economic growth. Products manufactured by BTCL to these industry segments were very well received and the level of awareness for GRP products has been increased manifold which is evident from the number of enquiries received and the increase in the sales revenue for the year.

During the year under review the Sales and operating Income increased to Rs.470.53 Lacs as against Sales and Operating Income of Rs.309 Lacs achieved in the previous year. The production also increased to 413.89 MTs as against 283MT achieved in the previous year. The Electrical Sector contributed nearly 43% of the Sales Revenue, Sectional Panel Tanks contributed to 30% and Shelter Market contributed 22% to the Sales revenue. The Water tank panels have received internationally accepted approval of WRAS (U. K.). During the year the Company successfully exported Water Tank panels of Rs.46.87 lacs as against Rs.12 Lacs in the previous 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.

During the year under review, BTCL has received letter from BIFR stating that consequent upon its net worth becoming positive, the Company has ceased to be a BIFR Company.

Binani Industries Limited

Future Prospects

An alternate cost effective water tank design has been prepared which will be offered to the customers. The new products like single phase meter box, three phase meter box, electrical sheets and chequered plates are expected to be launched in the market for the electrical industry segment. BTCL has also developed various grades of DMC for various articles produced by the Electrical Industry.

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

BTCL perceives vast potential for its products against the backdrop of the continuing strong economic growth. BTCL is in the process of intensifying its marketing efforts with a robust distributor network and special focus is being given to institutional sales as it will yield volumes. BTCL is also taking steps to reduce wastage and reduce its cost of production.

BTCL expects further increased domestic and export volumes during the next fiscal year.

Capital Structuring

During the year under review the Capital of BTCL was structured through an increase in Authorised Share Capital and Issued share Capital. The Authorised share Capital was increased from Rs.10 Crores to Rs.15 Crores by the creation of additional 5,000,000 Equity Shares of Rs.10 each. The issued shares capital was increased due to the support of the holding Company by an additional infusion of Rs. 5 Crores towards 5,000,000 Equity Shares of Rs.10 each at par.

E. WADA INDUSTRIAL ESTATE LIMITED (WIEL)

FINANCIAL RESULTS (Rs. Lakhs)

	(Rs. Lakhs)	
	2007-08	2006-07
Other Income	3.75	9.91
Loss before extraordinary item and tax	(16.00)	(12.18)
Assets written off on impairment	-	(13.86)
Loss after extra ordinary item but before tax	(16.00)	(26.04)
Loss brought forward from last year	(363.79)	(337.75)
Balance Carried to Balance Sheet	(379.79)	(363.79)

Review of Operation

The Company had changed the name to undertake activities relating to development of real estate. The Company is still evaluating options for the effective use of the land for developing it for commercial activities.

During the year under review the Company earned Income of Rs.3.75 Lakhs as compared to Income of Rs. 9.91 Lakhs earned in the previous year. During the year the Company has incurred loss before extraordinary item of Rs.16 Lakhs as compared to Loss of Rs.12.18 Lakhs in the previous year.

F. ESS VEE ALLOYS PRIVATE LIMITED (ESS VEE) (Wholly owned subsidiary of BZL)

Financial Performance

	(Rs. Lakhs)	
	2007-08	2006-07
Sales (Net)	323.13	758.88
Profit before Tax	1.68	28.70
Net Profit	1.01	19.53
Balance of Profit B/f	19.57	0.04
Balance Carried to Balance Sheet	20.58	19.57

Business Review

During the year the production and sales were as follows:

	Kgs.	
	2007-08	2006-07
Production		
Zinc Alloys	2,18,551	3,90,971
Aluminium Alloys & dross	2,556	3,868
Sales		
Zinc Alloys	2,17,374	4,01,159
Aluminium Alloys & dross	-	5,920

Future Prospects

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

While high Zinc and Aluminium prices can impact negatively on the die-casting sector due to the threat of substitution, the Company does not foresee any noticeable shift in the immediate future.

G. R.B.G.Minerals Industries Limited

(Wholly owned subsidiary of BZL)

Review of Operations.

Mines

Ambaji

GMDC joined RBG for joint exploitation on 01-09-2001 on approval from Govt. of Gujarat vide letter no. GMDC/102001/852/CHH - 1 dated 13.11.2001. The Mine Plan has been approved by the Controller of Mines, IBM, Ajmer on September 27, 2006. Ministry of Environment & Forest (MoEF), Government of India on August 23, 2006 gave consent in principle for renewal of mining proposal subject to Compensatory Afforestation (CA), payment of Net Present Value (NPV) etc. Environment Clearance obtained from MoEF vide letter No. J-11015/ 107/2007-IA.II(M) dated July 18, 2007 for 184.98 Ha. (171.430 Ha. forest land). In-principle approval for diversification of a 171.430 Ha. forest land was obtained from forest department.

Deri

The Mining Lease (ML) Agreement for 63 Ha. near Village Deri has been Executed on June 16, 2007 in favour of Rajasthan State Mines & Minerals Limited (RSMML) Udaipur and registered on June 22, 2007 at Abu Road, Sirohi. After presentation on March15, 2008; the Managing Director, RSMML asked concerned official to expedite the process of ML transferring and settle all the pending issues in regard to expenditures incurred at Deri Mines.

Basantgarh

The Mining Lease in favour of R.B.G. Minerals Industries Limited, Udaipur was executed on August 23, 2007 and registered on September 7, 2007. The khasara details of proposed site for diversion of nalla were collected to know the land owners for acquisition and negotiation.

Water Dam

23.31 Hectares of Land is identified as replacement of Forest Land under submergence. DFO shall forward the proposal to State Govt. for inspection shortly.

Beneficiation Plant

Environment Clearance

Environment Clearance obtained from Ministry of Environment & Forest (MoEF) vide letter No. J-11015/109/2007-IA.II(M) dated February 19, 2008 for Copper, Lead and Zinc ore Beneficiation Plant.

An application vide RBG/Chappri/Ben./RPCB/08/880 dated February 29, 2008 submitted to Member Secretary, Rajasthan State Pollution Control Board, Jaipur for Consent to establish under Air (Prevention & Control of Pollution) Act 1981 and Water (Prevention & Control of Pollution) Act 1974 for 2000 tpd Beneficiation Plant.

Basic Engineering

Basic Engineering has been completed and offers for procurement of equipment received and evaluated. Orders will be placed on transfer of Deri and Ambaji mines.

Proposal to set up a new Smelter

The Proposal to set up a 50,000 TPA Zinc Smelter near to Ambaji Mining Project, which has distinct advantages has been considered and a feasibility report is being prepared which is expected to be ready by July 2008.

H. BINANI ENERGY PRIVATE LIMITED

Wholly owned subsidiary of BZL
(Previously Binani Mazak Private Limited)

Financial Performance

	(Rupees)	
	2007-08	2006-07
Interest Income/Sales	386,548	14,354
Profit/(Loss) before Tax	359,846	(5,735)
Provision for Tax	103,884	Nil
Profit / (Loss) after Tax	255,962	(5,735)
Balance of (Loss) b/f	(25,993)	(20,258)
Balance Carried to Balance Sheet	229,969	(25,993)

Business Review and Change of Name

The proposal to set-up a Joint Venture with M/s. Mazak International Limited could not be persuaded as the commercial issues between the Joint Venture Partners could not be resolved. Consequently it was decided to extinguish the Joint Venture and the entire remittance of Rs.50 Lakhs received from M/s. Mazak International Limited was returned to them and the part of the amount received from Binani Zinc Limited, the holding Company was also returned.

Since the alloy business could not be undertaken, the Board of Directors decided to pursue the business of dealing in generation and distribution of electricity and other related matters. Consequently, the Memorandum of Association of the Company was changed to undertake activities relating to generation of electricity. The Company's name was also changed to Binani Energy Pvt. Limited as per the fresh Certificate of Incorporation consequent upon change of name received from the Registrar of Companies with effect from 11th April, 2008.

6. Capital Restructuring

After obtaining the approval of the Shareholders, 50,00,000 Warrants convertible into equal number of Equity Shares were issued to one of the Promoter entities in accordance with SEBI Guidelines on preferential issues at a price of Rs. 253.15 per warrant. The warrants are required to be converted into Equity Shares over a period of 18 months from the date of allotment viz. 18th March, 2008.

7. Dividend

In view of the overall performance, prospects and income earned during the year, your Directors recommend a dividend @ 30%.

8. Board of Directors

In accordance with Article 100 of the Articles of Association of the Company, Mr. S.Padmakumar retire by rotation and being eligible, offer himself for reappointment. Mr. Sushil Bhattar resigned with effect from 31st March 2008.

Mr. N.C. Singhal was appointed as Additional Director of the Company at the Meeting of the Board of Directors of the Company held on 23rd October, 2007. In accordance with the provisions of the Companies Act, 1956 he will hold office of Director upto the date of this Annual General Meeting. The Company has received notice from Shareholder of the Company proposing his appointment as Director of the Company along with a deposit of Rs.500/- each as required by law. The proposal has accordingly been placed before you for your approval.

9. 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

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Binani Zinc Limited (BZL)

As already clarified in Note No.7 of Schedule 17 (Notes to Accounts) the Management strongly feels that since BZL has complied with all the conditions of drawing additional load and obtained the requisite approvals, the penal charges raised by KSEB is disputed by BZL. Since the matter is sub-judice, no provision is considered necessary regarding the disputed demand aggregating to Rs.1,078.78 lakhs, treating it as contingent liability.

Regarding the disputed increase in power tariff by KSEB, as clarified in Note No.8 of Schedule 17(Notes to Accounts), which is pending before the Hon'ble Supreme Court, the management is of the view that BZL has a strong case in view of a favourable decision taken in an identical case and hence no provision has been considered necessary for the interest amount of Rs.998.59 lakhs.

Regarding the pre-82 tariff concession, as clarified in Note 9 of Schedule 17, the management is of the firm view that BZL is entitled to the concession which is sub-judice and hence no provision for Rs.4,346.79 lakhs has been considered necessary.

Binani Cement Limited (BCL)

Clarified in Note No.10 as appearing in schedule 17 (Notes to Accounts) regarding non- provision of interest of Rs.1361.21 lakhs arising out of modification to the restructuring package agreed with Industrial Development Bank of India (IDBI) which was converted to zero coupon loan, BCL has agreed for the payment of the liability. The liability is to be paid in four annual instalments from 31st March 2010 to 31st March 2013 Since the interest is to be paid in later years the same will be accounted on payment basis.

Observations on consolidated accounts of BCL

Krishna Holdings Pte Limited, Singapore (KHL) has invested in Shandong Binani RongAn Cement Company Limited (SBRCC) . Financial Statement of KHL for the period 21.3.2007 to 31.12.2007 were drawn as per Singapore Financial