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Binani Industries Limited

BOARD OF DIRECTORS

Mr. Braj Binani	- Chairman
Mr. Sunil Sethy	- Managing Director
Mr. S. Padmakumar	
Mr. A.C. Chakrabortti	
Dr. V.C. Shah	
Mr. N.C. Singhal	
Ms. Nidhi Singhania	

AUDIT COMMITTEE

Mr. S. Padmakumar	- Chairman
Mr. A.C. Chakrabortti	- Member
Dr. V.C. Shah	- Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S.N.Sridhar

GROUP CHIEF FINANCIAL OFFICER

Mr. M.K. Chattopadhyaya

CORPORATE MANAGEMENT

Mr. Braj Binani	- Chairman
Mr. Sunil Sethy	- Managing Director
Mr. Ibrahim Ali	- Advisor
Mr. S.S. Khandekar	- ED - Co-ordination (Operations)
Mr. I.C. Ahuja	- ED - Projects
Mr. Sushil Bhatner	- ED - Special Projects
Mr. Alok Agarwal	- ED - Strategy Planning
Mr. M.K. Chattopadhyaya	- Group CFO
Mr. Krishan Goenka	- Jt. President - Logistics
Mr. S.N.Sridhar	- Sr.VP (Corp.Legal) & Co.Secretary

AUDITORS

Kanu Doshi Associates, Mumbai

BANKERS

Punjab National Bank
Axis Bank Limited
HDFC Bank Ltd.
Dena Bank
IDBI Bank Limited
Syndicate Bank
Bank of Baroda

LEGAL ADVISORS

Udwadia & Udeshi
Mumbai

REGISTERED OFFICE

706, Om Tower,
32, Chowringhee Road,
Kolkata-700071. (Tel: 033-22882508)

CORPORATE OFFICE

Mercantile Chambers,
12, J N Heredia Marg,
Ballard Estate,
Mumbai-400001. (Tel :022-30263000-02)

SUBSIDIARIES

Binani Zinc Limited (BZL)

Binanipuram, Ernakulam, Kerala-683502

Binani Cement Limited (BCL)

1. Binanigram, Pindwara, Dist. Sirohi, Rajasthan-307022.
2. Village Sirohi, Neem Ka Thana, Sikar, Raj.

Goa Glass Fibre Limited (GGFL)

Colvale, Bardez, Goa-403 513.

Wada Industrial Estate Ltd (WIEL)

Wada, Dist Thane.

BT Composites Limited (BTCL)

C5 to C9, Madkaim Industrial Estate,
Mardol Post, Madkaim, Goa-4003 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)

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

Binani Energy Pvt. Ltd (BEPL)

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

Krishna Holdings Pte. Ltd, Singapore (KHL) &

Bhumi Resources (Singapore) Pte. Ltd.

Regd. Office-#29-04 A, Clifford Centre,
24 Raffles Place, Singapore-048621

Shandong Binani Rong An Cement Co. Ltd, China (SBRCC)

Regd. Office-Fujiazhuang, Dong Guan Town,
Ju County, Rizhao City, Shandong Province, China

Mukundan Holdings Limited (MHL)

Regd. Office-P.O. Box 957, Offshore Incorporations Centre,
Road Town, Tortola, British Virgin Islands (BVI).

Murari Holdings Limited (MUHL)

Regd. Office-Akara Building, 24 De Castro Street
Wickams Cay I, Road Town, Tortola, British Virgin Islands (BVI).

Binani Cement Factory LLC (BCFLLC)

Regd. Office-Jabel Ali, Dubai.

Sankalp Holdings Limited (SHL) &

Abhinav Holdings Limited (AHL)

Regd. Office-Arch.Makariou III, 229 Meliza Court,
Limassol, Cyprus.

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Link Intime India Pvt. Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (W), Mumbai-400 078.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Seventh Annual General Meeting of the shareholders of the Company will be held at 9.30 a.m. at **Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700020** on Friday the 25th June, 2010 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors' thereon.
2. To declare dividend on equity shares.
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 a Director in place of Mr. S. Padmakumar who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s. Kanu Doshi Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors and/or Committee thereof to fix their remuneration.

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the prior approval of Central Government and such other approvals, if any, consent of the Company be and is hereby accorded to the payment of revised Remuneration and Perquisites to Mr. Sunil Sethy as Managing Director w.e.f. 1st January, 2010 to 9th November, 2013 on the terms and conditions as set out in the supplementary agreement dated 30th January, 2010 entered into between the Company and Mr. Sunil Sethy (a copy of which is placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions of the said supplementary agreement as the Board of Directors may consider necessary and as may be agreed to by Mr. Sunil Sethy 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 and the terms of the aforesaid Agreement between the Company and Mr. Sunil Sethy shall be suitably modified to give effect to such variation or increase as the case may be."

"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. Sunil Sethy be paid

the increased remuneration and perquisites as set out in the supplementary Agreement dated 30th January 2010 as minimum remuneration for the entire tenure or such period as may be approved by the Shareholders of the Company and Central Government."

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any of the Companies Act, 1956, Article 126 of the Articles of Association of the Company relating to "The Seal" be and is hereby altered/amended as under:

THE SEAL

126. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a Committee of the Board authorized by the Board in the behalf and, save as provided in Article 14 (1) hereof, two Directors or one Director and the Secretary, if any or one Director and Authorized person duly authorized by the Board shall sign every instrument to which seal is affixed. Provided nevertheless, that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

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

S. N. Sridhar

**Place : Mumbai Sr. Vice President (Corporate Legal)
Dated : 23rd April, 2010 & Company 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **The proxy form in order to be effective should be duly stamped, signed and completed in all respects and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.**
3. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a certified copy of the resolution appointing him/her as duly authorized representative has been deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 18th June, 2010 to Friday the 25th June, 2010 (both days inclusive).

5. Dividend, if declared, will be paid to those members whose names appear on the Company's Register of members on 25th June, 2010 on the paid up capital of the Company as on 31st March, 2010. In respect of shares held in electronic form (Demat mode), the dividend will be paid to the beneficial owners position received from the depositories as at the close of 17th June, 2010.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, all unclaimed/unpaid Dividends upto and inclusive of financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, Nizam Palace, II M.S.O Building, 234/4, AJC Bose Road, Kolkata - 700 020. Those members who have not encashed their dividend warrants for the financial years ended on 31st March, 2006, 31st March, 2007, 31st March 2008 and 31st March, 2009 may lodge a claim with the Company immediately failing which the balance will be transferred to the Investor Education and Protection fund established by the Central Government on or before the dates indicated below:

Sr. No.	Dividend for the year ended	Last date for claiming the dividend from the Company
1.	31.3.2006	10.08.2013
2.	31.3.2007	07.08.2014
3.	31.3.2008	04.08.2015
4.	31.3.2009	07.08.2016

After the above dates, the Shareholders are not entitled to claim the outstanding dividend 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.

7. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Items No.6 and 7 of the Notice is appended hereto and forms part of this Notice.
8. Members 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 the Company's Registrars & Share Transfer Agents of the Company
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 of the Company still holding Share Certificates of the Company with the old 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. Members who are holding shares in physical form are advised to get their physical shares dematerialized in their own interest so that they get their dividend credited into their Bank Account directly. This will not only enable them to get quicker credit of the dividend amount but also save them from facing unnecessary hardship of the dividend warrants getting lost in postal transit. The Company's shares are traded in Stock Exchange(s) only in dematerialized form.
12. In spite 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.
13. 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.
14. Members are requested to:
 - a) Notify promptly any change in their address and send all correspondence relating to shares including requests for transfers, change of status, change of mandate, fresh mandate, etc. either to the Company at its Registered office or to the Company's Registrar and Share Transfer Agents **M/s Link Intime India Pvt. Limited** Unit: Binani Industries Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078, Tel.No. 022-25946970 - Fax: 022-25946969 E-mail: rnt.helpdesk@linkintime.co.in
 - b) Notify the change in the address and change in the bank mandate to the concerned Depository Participants only if the shares are held in dematerialized form.
 - c) Send their queries, if any, at least 15 days in advance of the meeting at the Company's Registered office so that information can be made available at the meeting.
 - d) Fill in the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their client ID and DPID for identification of attendance at the meeting.
15. 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 of the Company 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 or through Central Depository Services India Limited and ISIN Number of the Company is INE310H01010. However, being unlisted the Shares of BZL cannot be traded in demat mode.

16. 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 Energy Pvt. Limited for the year ended 31.03.2010 and Krishna Holdings Pte. Limited, Singapore, Shandong Binani

Rong'An Cement Co. Ltd. China, Binani Cement Factory LLC, Mukundan Holdings Limited, Sankalp Holding Limited, Abhinav Holdings Limited and Murari Holdings Limited for the year ended 31st December 2009 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.com Consolidated Financial Statements for the year ended 31st March, 2010 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.

17. Mr. Braj Binani, Chairman and Mr S. Padmakumar, Director retires by rotation and is eligible for reappointment at the Annual General Meeting. Mr Sunil Sethy, Managing Director's, remuneration is being revised. Brief resumes of the said Directors are as under:

Name	Mr Braj Binani	Mr S. Padmakumar	Mr. Sunil Sethy
Age	52 years	76 years	58 years
Qualifications	B.Com. (Hons.)	M.A. Econ, IAS	B.Com. , ACA
Expertise in specific functional area	Industrialist	Retired IAS Officer, was Chief Secretary to the Govt. of Kerala	Finance, Accounts, Legal, Secretarial, HR and Strategy
Date of appointment on the Board of the Company	5 th July, 1988	20 th June, 2005	24 th October, 2008
Name (s) of other Companies in which Directorship held	Binani Metals Ltd. Binani Cement Ltd. Binani Zinc Ltd. Goa Glass Fibre Ltd.	BPL Ltd. English Indian Clays Ltd. Binani Cement Ltd. Binani Zinc Ltd. Goa Glass Fibres Ltd. Wada Industrial Estate Ltd. City Theatres Pvt. Ltd.	Wada Industrial Estate Ltd.
Name(s) of the Companies in which Committee Membership(s)/ Chairman-ship(s) held (as per Clause 49 of the Listing Agreement)	Member- Investment Committee-Binani Cement Ltd; Member, Finance Committee, Binani Industries Ltd. and Binani Zinc Ltd.	Chairman, Audit Committee, Binani Industries Ltd, Binani Cement Ltd., Binani Zinc Ltd. and Wada Industrial Estate Ltd. Member-Investor Relations Committee-BPL Ltd., Binani Industries Ltd, and Binani Cement Ltd. Member-Audit Committee-BPL Ltd. and Goa Glass Fibre Ltd. Member-Finance Committee-BPL Ltd. Chairman-Finance Committee-Binani Cement Ltd. Chairman-Remuneration Committee-Binani Industries Ltd., Binani Cement Ltd., BPL Ltd., Goa Glass Fibre Ltd. and Binani Zinc Ltd.	Member : Audit Committee – Wada Industrial Estate Limited. Member : Investor Relations Committee : Binani Industries Limited. Member : Finance Committee-Binani Industries Limited.
Shareholding in the Company	53,125 Equity Shares of Rs. 10 each	Nil	Nil

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

ITEM NO.6

The appointment of Mr. Sunil Sethy was approved by the Board of Directors on 24th October, 2008 and shareholders through Postal ballot on 9th January, 2009. Subsequently the Central Government accorded its approval for appointment of Mr. Sunil Sethy as Managing Director of the Company for a period of 5 years commencing from 10th November, 2008 to 9th November, 2013 and approved payment of remuneration for a period of 3 years commencing from 10th November, 2008 to 9th November, 2011.

At the time of appointment, the Board had approved his increment not exceeding 10% of the Basic Salary only once in the entire period of 5 years to be paid in December, 2010. After joining the Company, in a span of 15 months, Mr Sunil Sethy has made significant contribution to the entire group in the form of able leadership, strategy, team building and growth of the Company as well as its subsidiaries. During the past 15 months, the Company's income and profitability and of its subsidiaries turnover and profitability have increased significantly. He has played a key role and contribution in strategizing the distribution and marketing of Cement and its products resulting in significant improvement in sales and profitability of the subsidiary, Binani Cement Limited. He has also played a significant role in Company's other manufacturing subsidiaries viz Binani Zinc Limited and Goa Glass Fibre Limited to improve its sales and profitability.

In view of significant contribution made by Mr. Sunil Sethy over the past 15 months, the Board of Directors felt that it would not be appropriate and in the interest of the Company to give only "one increment" not exceeding 10% of his basic salary in the entire span of 5 years (as originally approved by the Board) and decided to revise his remuneration by giving an "annual increment" not exceeding 10% of his Basic Salary, the first increment due and payable in January, 2010 subject to the approval of the shareholders and Central Government.

The Remuneration Committee and the Board of Directors at its respective meetings held on 27th January, 2010 approved payment of an "annual increment" not exceeding 10% of Mr. Sethy's basic salary, the first increment due and payable in January, 2010. It is also proposed to pay the Remuneration approved by Central Government and the increment as minimum remuneration even in the event of loss or inadequacy of profits in the Company.

The information about the Company and the appointee is as under:-

GENERAL INFORMATION:

- (1) **Nature of Industry:** Binani Industries Limited was incorporated in the year 1962. It is presently a holding Company holding shares in its major subsidiaries viz: Binani Cement Ltd engaged in the manufacture and sale of Ordinary Portland Cement (OPC), Pozzolona Portland Cement (PPC), Binani Zinc Ltd, engaged in the manufacture of Primary Zinc Metal and its by products Cadmium and Sulphuric Acid, Goa Glass Fibre Ltd,

engaged in the manufacture of Glass Fibre and Articles thereof respectively.

- (2) **Date of Commencement of commercial operations:** Not Applicable
- (3) **In case of new Companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus:** Not Applicable.

(4) **Financial Performance:**

Rs. in Lakhs

Financial Parameters	2005-06	2006-07	2007-08	2008-09	2009-10
Gross Income	3671	12302	2793	5118	5104
Net Profit (PAT)	1485	1624	1493	3377	1665
Total Amount of Dividend Paid	444	740	888	888	888
Dividend Declared (%)	15%	25%	30%	30%	30%

- (5) **Export performance and net foreign exchange collaborations:** NIL
- (6) **Foreign investments or collaborators, if any:** Not applicable

Being a holding company with no manufacturing activity, the performance of the Company is not generally comparable.

1. **Appointee's Background**

Appointee's qualification, experience, past performance:

Mr. Sunil Sethy aged 59 years, is a Fellow Member of the Institute of Chartered Accountants of India (FCA 1974) (35th rank of All India merit list of Chartered Accountant (inter) and 37th rank of All India Merit list of Chartered Accountant (Final).

Mr. Sunil Sethy has over 35 years experience in diversified business in the domain of finance, accounts, strategy and legal having been associated with Acme Tele Power Limited, Chambal Fertilizers and Chemicals Limited, Evernet Everest Limited, U B Group, PSI Data Systems, Eicher Goodearth Limited, Zuari Agrochemicals and Usha Sales Pvt. Limited in various capacities including as Chief Financial Officer and Managing Director of Chambal Fertilizers and Chemicals Limited and Corporate Director of Acme Telepower Limited.

2. **Past Remuneration:** The details of remuneration received by Mr. Sunil Sethy during the last three years are as under:

Amount in Rs.

Year	2006-07	2007-08	2008-09
Remuneration received	1,00,16,264	1,09,65,203	1,03,40,934

3. **Recognition or awards:**

35th rank (All India) CA inter
37th rank (All India) CA Final

4. Job profile and his suitability:

Mr. Sunil Sethy is a Fellow Member of Institute of Chartered Accountants and has more than 35 years experience in diversified businesses in the domain of Finance, Accounts, Treasury, Strategy, HR, Secretarial. He has also worked as CFO and as Managing Director and Corporate, Director prior to his employment in the Company. Considering his professional qualifications and long years of experience in the Corporate Sector he is considered the most appropriate person for the post of Managing Director.

5. Proposed Remuneration

The remuneration proposed to be paid to Mr. Sunil Sethy is proposed to be modified as under:

In the Agreement dated 18th November 2008 sub clause 1 of clause 5 in the said agreement with reference to the increment be varied/modified as under:

Basic Salary will be revised every year by an increment not exceeding 10% as may be determined by the Board/Chairman, the first increment is due and payable in January 2010.

All other terms and conditions of the agreement dated 18th November 2008 shall remain unchanged.

Brief Details of Salary approved earlier:

Basic Salary

Rs.8,00,000/- (Rupees Eight Lakhs only) per month.

Perquisites

Category – A

Housing: Fully furnished residential accommodation will be provided subject to a maximum Rs. 3,00,000/- per month at actuals including outgoings of society charges, electricity and water, etc.

Category – B

- a. Provident Fund : NIL
- b. Superannuation : NIL
- c. Gratuity : Nil
- d. Insurance : Personal Accident Insurance as per Company's guidelines not exceeding Rs. 4,000 p.a.
- e. Mediclaim : As per rules applicable to MA grade of the Company.
- f. Leave : Leave with full Salary as per the rules of the Company but not exceeding 30 days leave for every completed year of services. Leave accumulated but not availed may be encashed as per rules of the Company.

Category – C

- 1. **Car:** Two (2) Company maintained cars without driver will be provided. All expenses of car for private purposes will be reimbursed to the Company at actuals.
- 2. **Telephone:** Reimbursement of expenses at actuals.

6. Comparative Remuneration profile with respect to industry, size of the Company of the position and person.

Being a holding Company comparative remuneration profile with respect to industry not applicable. However, on a consolidated basis the Company would fall within the category of a diversified Company. As on 31st March 2009 the consolidated turnover was Rs.2,569 crore and the net profit was Rs.145 crore. Considering the fact that the incumbent is a Senior Chartered Accountant having worked in various manufacturing sectors and also considering the fact that he was in receipt of a salary of Rs.109.65 lakh just prior to the present employment, the salary proposed in comparable with the existing compensation packages of identically placed Companies.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: NIL

OTHER INFORMATION:

(1) Reason of loss or inadequate profits:

The Company being a holding Company, its main source of income is dividend from its Subsidiaries. Since Binani Cement Limited is the only dividend paying Company and other Companies are not in a position to declare any dividend, the profit is inadequate. All the Subsidiaries are in commodity Business which is affected by a host of factors over which the respective Companies have little control.

(2) Steps taken or proposed to be taken for improvement:

All round efforts are being made to cut-down cost and to increase efficiencies which is likely to enhance profitability.

(3) Expected increase in productivity and profits in measurable terms:

The main subsidiary Binani Cement Limited is expected to achieve higher volumes in the current year on enhanced capacity which in turn is likely to achieve better results.

DISCLOSURES:

- (a) In addition to the salary he will be entitled to notice pay of 3 month's basic pay in the event of termination of service.
- (b) Leave accumulated but not availed may be encashed as per the rules of the Company.

A copy of the Agreement dated 18th November 2008 and supplemental agreement dated 30th January 2010 between the Company and Mr. Sunil Sethy in respect of item No.6 including the Annual Report for 2009-10 for and all other reports required under law to be annexed thereto including the Annual Reports of subsidiaries will be available for inspection by the Members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and Sundays upto the date of AGM.

Binani
BRAIN BINANI GROUP

The Memorandum & Articles of Association will be available for inspection by the Members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays and Sundays upto the date of AGM.

None of the Directors are concerned or interested in the resolution.

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

S. N. Sridhar
Sr. Vice President (Corporate Legal)
& Company Secretary

Place : Mumbai
Dated : 23rd April, 2010

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

Your Directors present the Forty Seventh Annual Report of the Company together with the Audited Statement of the Accounts for the year ended 31st March, 2010.

1. Financial Performance

(Rs in Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Sales/Profit on sale of fixed assets, investments/other Income	5,104	5,118
Profit before, Depreciation, Interest, extraordinary Items and Taxation.	2,216	2,859
Provision for Depreciation	27	33
Profit before Interest, extraordinary Items and Taxation	2,189	2,826
Interest and Financial Charges	524	702
Profit before Exceptional items and Taxation	1,665	2,124
Provision for Taxation including Deferred Tax and Fringe Benefit Tax	—	13
Profit after Tax but before extraordinary items	1,665	2,111
Extra ordinary Items	—	1,266
Profit for the year	1,665	3,377
APPROPRIATIONS/ADJUSTMENTS		
Transfer to General Reserve	(167)	(350)
Proposed Dividend	(888)	(888)
Tax on Dividend	NIL	Nil
(Loss) brought forward from last year	(3,975)	(6,464)
Adjusted with credit balance of General Reserve	167	350
(Loss) carried to balance sheet	(3,198)	(3,975)

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

1.1 Review of Operations

The Company being a holding company has no manufacturing activities. Its main source of income is Dividend from its Subsidiaries and income earned by providing Management and support services to all its Subsidiaries in the areas of Accounts, Finance, Treasury, Audit, Forex/Commodity, Risk Management, Purchase, Taxation, Corporate Strategy, Media Services, Project Management, etc. During the year under review, Company received from its Subsidiary, Binani Cement Limited, dividend income of Rs. 2,768 Lakhs and Management Services fee from all its subsidiaries aggregating to Rs. 2,300 Lakhs. During the year, the Company earned a Net Profit of Rs. 1,665 Lakhs, compared to Rs. 3,377 Lakhs in the previous year. Out of the profit of Rs. 1,665 Lakhs, Rs. 167 Lakhs has been transferred to General Reserve.

1.2 Future Prospects

The Company's flagship Subsidiary, Binani Cement Limited (BCL) has done exceptionally well and is expected to maintain the exceptional performance in the coming years as well. Binani Zinc Limited (BZL) has also done reasonably well and has earned a Net profit of Rs.169 lakh. As the LME prices has increased gradually during the year and has now become stable, it is expected that BZL's performance in the coming years will be reasonable. Goa Glass Fibre Limited (GGFL) has not done well and has incurred losses during the year. This was mainly due to dumping of Glass Fibre Products by China in the Country. Besides, submitting representation to the Government of India to levy Anti Dumping Duty on the Glass Fibre products, Company has taken remedial measures to improve both the production and sales of glass fibre products and also measures to reduce costs. With the above measures, it is expected to pull out itself from the present situation, in the coming years.

2. SUBSIDIARIES

We present below a brief report on the operations of Company's major subsidiaries:

2.1. BINANI CEMENT LIMITED (BCL)
2.1.1 Industry Overview

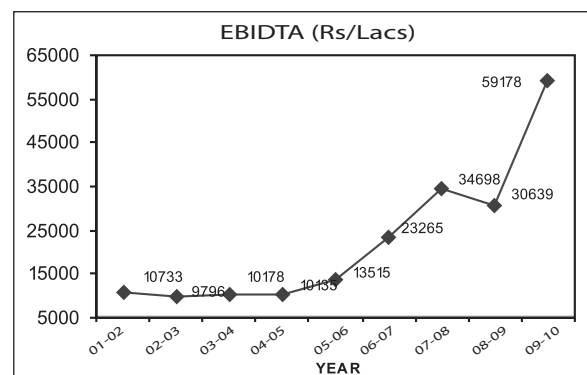
The Cement Sector is expected to grow by 9-10% in the Financial Year 2010-11 compared to India's expected GDP of 8.5%. The housing and construction sector generates 50% of the overall demand of cement in the country and the demand is expected to continue in the coming years as well. But the expected capacity additions, increased cost of raw material, fuel and logistics, proposed service tax on housing sector and gradual withdrawal of stimulus package granted to the Cement Industry will have pressure on margins in the coming years.

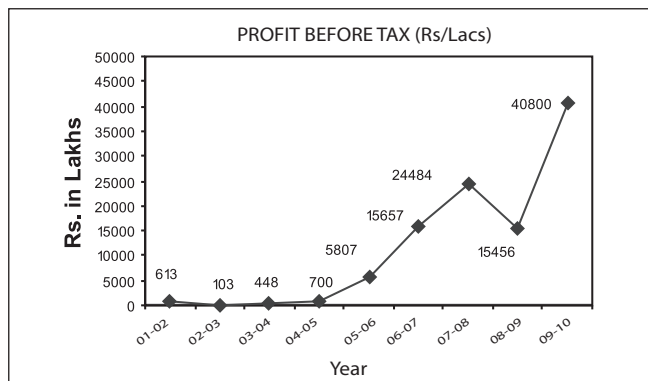
2.1.2 Financial Performance

The financial performance for the year ended 31st March, 2010 is summarized below:

Rs. in Lakhs

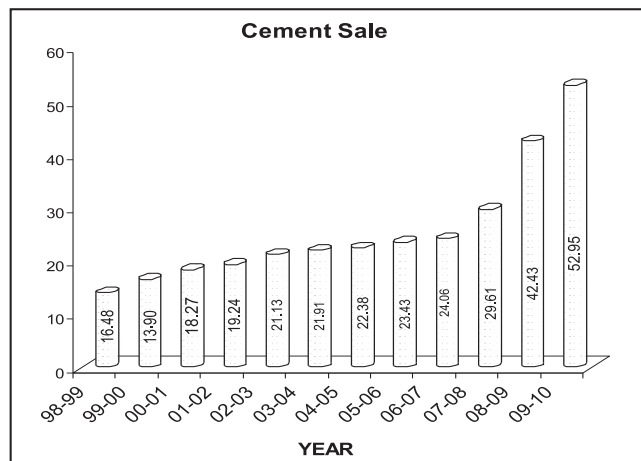
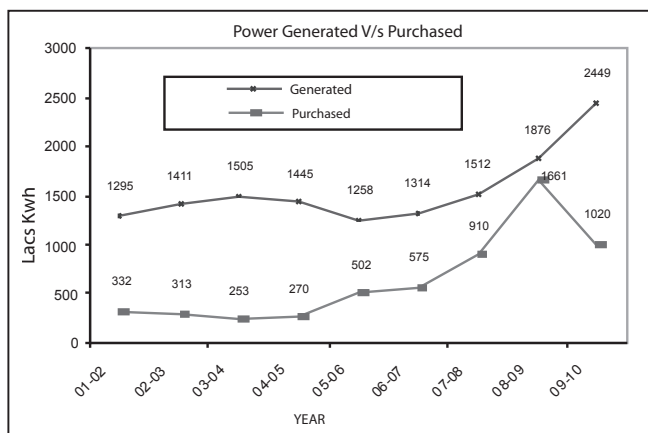
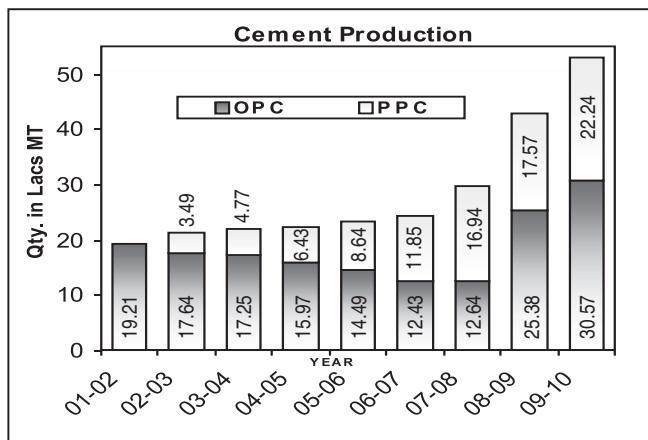
Particulars	2009-10	2008-09	% Change
Sales & Other Income	1,87,216	1,50,270	25
EBIDTA	59,178	30,639	93
Cash Profit	51,327	23,487	119
Profit before Tax	40,800	15,456	164
Profit after Tax	28,192	10,867	159





2.1.3 Review of Operations

During the year under review, the company surpassed all previous bests in all areas and continue to maintain its growth path. Company produced 52.80 lac MT of cement compared to 42.92 Lac MT in the previous year, an increase of 23%. Sales was 52.95 lac MT compared to 42.43 MT in the previous year, an increase of 25%, Captive power generation was 2,449.07 lac KWh (net) compared to 1,876.39 lac KWh in 2008-09. Profit before Tax was the highest ever at Rs.40,800 Lakhs, an impressive growth of 164% compared to Rs.15,456 Lakhs during 2008-09. The higher profit could be achieved mainly due to increase sales volumes, low coal price and higher net realization.



2.1.4 Future Outlook

Growth in domestic cement demand is expected to remain strong, given the revival in the housing sector, continued Government spending on the rural infrastructure, and gradual increase in the number of infrastructure projects being executed by the private sector. The trend in demand growth seen during the last five years is expected to continue over the medium term. Further, with Government targeting 8-10% GDP growth rate, cement demand should grow at 9-10% over the next few years.

The key drivers of Cement Industry in India are:

- Buoyant real estate market in non metro cities;
- Increase in infrastructure spending in power, road, port and urban infrastructure;
- Increase in rural demand driven by National Rural Employment Guarantee Act (NREGA);
- Low-cost housing in urban and rural areas under schemes like Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Indira Aawas Yojana;
- Favourable interest rates and tax benefits on housing.
- Domestic Industrial growth and major expansion plans announced across different segments;

2.1.5 Project Overview

Expansion Projects/Railway Sidings

Binanigram Unit :

During the year, the 4th Cement Mill of 110 TPH capacity was commissioned in December 2009. Packing plant expansion by installation of fifth packer and four additional truck loaders completed in January'10. 22.3 MW Captive Power Plant (Unit II) commissioned in the month of June 2009.

Further, to achieve enhanced capacity upto 8,000 TPD from Kiln II and to enable the use of Pet coke, following modifications in the plant are under progress:

- Upgradation of existing Pre-heater fans;
- Modification of Raw Mill-II separator;
- Building construction for installation of pre-crushing system for reduction of feed size.

Up-gradation of wagon loading system is being undertaken