

BOARD OF DIRECTORS

Mr. Braj Binani - Chairman
Mr. Sunil Sethy - Executive Vice Chairman
& Managing Director

Mr. S. Padmakumar
Dr. V. C. Shah
Mr. A. C. Chakrabortti
Mr. N.C. Singhal
Ms. Nidhi Singhania
Mr. Jitender Balakrishnan

AUDIT COMMITTEE

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S.N. Sridhar

CHIEF FINANCIAL OFFICER- GROUP CONTROL ACCOUNTS

Mr. R. Venkiteswaran

CORE MANAGEMENT COMMITTEE

Mr. Braj Binani - Chairman
Mr. Sunil Sethy - Executive Vice Chairman & Managing Director
Mr. Sushil Bhatte - MD, BZL
Mr. Alok Agarwal - Sr.ED - Marketing & Strategy
Ms. Nidhi Singhania - Director
Ms. Shradha Binani
Mr. MK. Chattopadhyaya - ED & Group CFO
(Secretary to the Committee)

AUDITORS

Kanu Doshi Associates, Mumbai

BANKERS

Punjab National Bank
Axis Bank Limited
HDFC Bank Limited
Dena Bank
IDBI Bank Limited
Syndicate Bank
Bank of Baroda
Indian Overseas Bank

LEGAL ADVISORS

Udwadia & Udeshi - Mumbai
AZB Partners - Mumbai

REGISTERED OFFICE

37/2 Chinar Park,
Rajarhat New Town Road,
P.O. Hatia, Kolkata 700 157
(Tel: 033-40161800, 32562726)

CORPORATE OFFICE

Mercantile Chambers,
12, J N Heredia Marg, Ballard Estate,
Mumbai 400 001. (Tel. 022 30263000-02)

SUBSIDIARIES

Binani Cement Ltd (BCL)

Binanigram, Pindwara,
Dist. Sirohi, Rajasthan - 307 022

Binani Zinc Ltd (BZL)

Binanipuram, Ernakulam, Kerala - 683 502

Goa Glass Fibre Ltd (GGFL)

Colvale, Bardez, Goa - 403 513

BT Composites Ltd (BTCL)

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

Wada Industrial Estate Ltd

Wada, Dist Thane

BIL Infratech Ltd

37/2 Chinar Park, Rajarhat New Town Road,
P.O. Hatia, Kolkata-700 157

Binani Ready Mix Concrete Ltd

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

Sankalp Holdings Ltd (SHL)

Arch. Makariou III, 229 Meliza Court, 4th Floor,
Limassol, Cyprus.

CPI Binani Inc

1700 Wilkie Drive, P.O. Box 108, Winona,
Minnesota-55987, USA

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Pvt. Limited

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

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Eighth Annual General Meeting of the shareholders of the Company will be held at 2.00 p.m at Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700020 on Monday, the 27th June, 2011 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Ms. Nidhi Singhania who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. N.C. Singhal 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 an **Ordinary Resolution** :

"RESOLVED THAT Mr. Jitender Balakrishnan, 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 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 alongwith a deposit of Rs. 500/-, be and is hereby appointed as a Director of the Company."

By order of the Board
For Binani Industries Limited
S.N.Sridhar

Place : Mumbai Sr. Vice President (Corporate Legal)
Dated : 22nd April 2011 & 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. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No.6 of the Notice is appended hereto and forms part of this Notice.
4. 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.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 20th June, 2011 to Monday, the 27th June, 2011 (both days inclusive).
6. Dividend, if declared, will be paid to those members whose names appear on the Company's Register of Members on 27th June, 2011 on the paid up capital of the Company as on 31st March, 2011. 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 18th June, 2011.
7. 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, 31st March, 2009 and 31st March, 2010 may lodge a claim with the Company immediately failing which the balance will be transferred to the Investor Education & Protection fund established by the Central Government on or before the dates indicated below:

Sl. No.	Year ended	Last date for claiming the amount of dividend from the Company
1.	31.03.2006	10.08.2013
2.	31.03.2007	07.08.2014
3.	31.03.2008	04.08.2015
4.	31.03.2009	07.08.2016
5.	31.03.2010	06.08.2017

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 31.3.1996, 31.3.1997, 31.3.1998, 31.3.1999 and 31.3.2000 the balances on 27.8.2003, 2.12.2004, 25.1.2006, 21.01.2007 and 11.11.2007 respectively have been transferred to Investor Education & Protection Fund.

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.

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. Further, note that the Company's shares are traded in Stock Exchange(s) only in dematerialized form.
12. **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.**
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. **Recently the Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 allowed service of documents by e-mode as a Green initiative in the Corporate Governance. Members are requested to Register their e-mail addresses with the Company's Registrar & 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 -400 078, for the purpose of service of documents under Section 53 of the Companies Act, 1956 The form for sending the response is annexed at the end of the Annual Report,**
15. 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 -400 078, 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.
16. 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 and 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.
17. (i) Pursuant to the General Exemption granted by the Central Government, Ministry of Corporate Affairs under Section 212 of the Companies Act, 1956 vide Circular No.2/2011 dated 8th February, 2011, the Board of Directors at its meeting held on 22nd April, 2011, granted its consent not to attach the Director's Report, Auditors Report, Balance Sheet, Profit & Loss Accounts and Schedules and Annexures thereto of the following subsidiaries and step down subsidiaries with the Annual Accounts of the Company subject to the Company fulfilling the conditions prescribed therein.
 1. Binani Cement Ltd 2. Binani Zinc Ltd 3. Goa Glass Fibre Ltd 4. BT Composites Ltd 5. Wada Industrial Estate Ltd 6. Sankalp Holdings Ltd 7. Abhinav Holdings Ltd 8. BIL Infratech Ltd 9. Binani Ready Mix Concrete Ltd 10. Krishna Holdings Pte. Ltd, Singapore 11. Shangdong Binani Rong An Cement Co. Ltd. Republic of China 12. Mukundan Holdings Ltd. BVI 13. Binani Cement Factory LLC, Dubai 14. Murari Holdings Ltd, BVI 15. Bhumi Resources (Singapore) Pte. Ltd, Singapore 16. PT Anggana Energy Resources, Indonesia 17. Binani Cement Factory (Mauritius) Ltd, Mauritius 18. Binani Cement Factory (SFZ) Ltd 19. Swiss Merchandise Infrastructure Ltd 20. Merit Plaza Ltd 21. Binani Energy Pvt.Ltd 22. R.B.G.Minerals Inds. Ltd 23. BZ Minerals (Australia) Pty.Ltd 24. Binani Infrastructure (Mauritius) Limited and 25. Binani Cement Co. Ltd., Sudan.
- (ii) The Company has fulfilled the conditions (i) to (v) & (vii) of the said Circular by attaching the consolidated Financial Statement of the Holding and all the

Subsidiaries duly audited by the Statutory Auditors.

- (iii) The Company undertake to the Shareholders that the Annual Accounts of the aforesaid subsidiary companies and the related detailed information shall be made available to the Shareholders of the Company and that of the subsidiary companies, free of cost. A copy of the Annual Accounts of the aforesaid subsidiaries shall also be given to Shareholders free of cost on demand.
- (iv) The Annual Accounts of the Company and its Subsidiaries as above shall be kept for inspection by any shareholder in the Registered Office of the Company at 37/2, Chinar Park, Rajarhat, P.O. Hatiara, Kolkata 700 157 and Corporate Office of the Company and its Subsidiaries at Mercantile Chambers, 12 J N Heredia Marg, Ballard Estate, Mumbai 400 001

between 11.00 a.m. and 1.00 p.m. on any working day (excluding Saturdays & Sundays).

- (v) The Annual Accounts of the Company and all its Subsidiaries as above have also been posted on the Company's website www.binani.com. Any shareholder may access the Company's Website for the Annual Accounts of the Company and its Subsidiaries.

18. Ms. Nidhi Singhania and Mr N.C. Singhal , Directors retire by rotation and are eligible for re-appointment at the Annual General Meeting. Mr. Jitender Balakrishnan, Additional Director is being appointed as a Director at the ensuing Annual General Meeting. Brief resume of the said Directors as required under Clause 49 of the Listing Agreement are as under:

Name	Ms. Nidhi Singhania	Mr N. C. Singhal	Mr. Jitender Balakrishnan
Age	26	74	61
Qualifications	B.A with specialisation in Economics.	Postgraduate in Economics, Statistics and Administration.	B.E (Mechanical) & PG Diploma in Industrial Management
Expertise in specific functional area	Coordination in Cement Marketing and international operations of group	Consultant and Management Specialist	Management, Finance & Banking
Date of appointment on the Board of the Company	23.4.2009	19.1.2008	27.7.2010
Name (s) of other Companies in which Directorship held	Binani Cement Limited Binani Metals Limited CPI Binani Inc.	Deepak Fertilizers & Petrochemicals Corporation Ltd. Max India Limited. Birla Sunlife Asset Management Co. Ltd. Tolani Shipping Limited. Maha Gujarat Chamunda Cement Co. Pvt. Ltd SCI Forbes Limited Forbes Bumi Armada Limited Amal Limited Future Capital Holdings Ltd Forbes Bumi Armada Offshore Ltd. Samalpatti Power Company Pvt. Ltd. Ambit Holdings Pvt. Ltd. Gati Asia Pacific Pte Limited, Singapore.	Bharti AXA Life Insurance Co.Ltd. Bharati AXA General Insurance Co.Ltd. Usha Martin Ltd, Bhoruka Powers Ltd. Aditya Birla Finance Ltd. Polyplex Corpn. Ltd. IL&FS Investment Mangers Ltd. S.Kumar Nationwide Ltd. Sarda Energy & Minerals Ltd. India Glycols Ltd. Essar Steel Ltd. Magus Estates & Hotels Ltd.
Name(s) of the Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	Nil	Chairman Audit Committee : Max India Limited Deepak Fertilizers & Petrochemicals Corpn. Ltd Amal Limited Tolani Shipping Company Limited. Share Transfer Committee : Amal Limited Member : Shareholders & Investor Grievance Committee : Max India Limited Binani Industries Limited	Chairman Policy Holders Protection Committee : Bharti AXA Life Insurance Company Ltd. Audit Committee: Usha Martin Ltd. Member: Audit Committee: Magus Estates & Hotels Ltd.
Shareholding in the Company	6,250	Nil	Nil

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

Item No.6 :

Mr. Jitender Balakrishnan was appointed as an Additional Director on the Board at the Meeting of the Board of Directors held on 27th July, 2010 . He holds office as Director upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member alongwith a deposit of Rs. 500 /- proposing his appointment as a Director of the Company.

Mr. Jitender Balakrishnan, aged 61 years is a B. E. (Mechanical) from National Institute of Technolgy, Madras University and Post Graduate Diploma holder in Industrial Management has got wide experience in diverse fields. Mr. Jitender Balakrishnan has worked as Deputy Managing Director and Group Head of Corporate Banking in IDBI Bank Limited and was responsible for complete credit advances of USD 25 Billion , asset growth of bank in Corporate Banking , Investments, Sourcing and Debt Syndication. He has wide experience in sectors like Oil & Gas, Refineries, Power, Telecom, Airports, Ports, Steel, Cement, Fertilizers, Petrochemicals etc.

In addition to Binani Industries Limited, Mr. Jitender Balakrishnan serves on the Board of Directors of Bharati AXA Life Insurance Co. Ltd, Bharati AXA General Insurance Co. Ltd, Bhoruka Power Limited, Usha Martin Limited, Aditya Birla Finance Limited, Polyplex Corporation Limited, Sarda Energy & Minerals Limited, IL& FS Investment Managers Limited,

S. Kumars Nationwide Limited, India Glycoils Limited, Essar Steel Limited and Magus Estate & Hotels Limited.

He also functions as the Chairman of the Audit Sub Committee of Usha Martin Limited and Chairman of the Policy Holders Protection Committee of Bharati AXA Life Insurance Company Limited.

Mr. Jitender Balakrishnan's knowledge, expertise and valuable guidance could be of immense use for the Company. Therefore, your Directors recommend appointment of Mr. Jitender Balakrishnan as Director of the Company. None of the Directors is in any way concerned or interested in this resolution except Mr. Jitender Balakrishnan 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 11.00 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

Place : Mumbai
Dated : 22nd April 2011

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

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

Your Directors present the Forty Eighth Annual Report of the Company together with the Audited Statement of the Accounts for the year ended 31st March, 2011

1. FINANCIAL PERFORMANCE

(Rs. in Lacs)

Particulars	Year ended 31.3.2011	Year ended 31.03.2010
Sales/Profit on sale of fixed assets, investments/ other Income	8,591	5,104
Profit before, Depreciation, Interest, extraordinary Items and Taxation.	4,570	2,216
Provision for Depreciation	40	27
Profit before Interest, extraordinary Items and Taxation	4,530	2,189
Interest and Financial Charges	3,384	524
Profit before Exceptional items and Taxation	1,146	1,665
Provision for Taxation including Deferred Tax and Fringe Benefit Tax	-	-
Profit after Tax but before extraordinary items	1,146	1,665
Extra Ordinary Items	-	-
Profit for the year	1,146	1,665
APPROPRIATIONS / ADJUSTMENTS		
Transfer to General Reserve	(115)	[167]
Proposed Dividend	(888)	[888]
Tax on Dividend	NIL	NIL
(Loss) brought forward from last year	(3,198)	[3,975]
Adjusted with credit balance of General Reserve	115	167
(Loss) carried to balance sheet	(2,940)	[3,198]

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 on its investments and income from Management and support services provided by the Company to all its subsidiaries in the areas of Accounts, Finance, Treasury, Audit, Forex / Commodity, Risk Management, Purchase, Taxation, Corporate Strategy, Media Services etc. During the year under review, Company received from its subsidiary, Binani Cement Limited, dividend income of Rs.4,614 Lacs and Management Service fee from all its subsidiaries aggregating to Rs.3,510 Lacs. During the year, the Company earned a Net Profit of Rs.1,146 Lacs compared to Rs.1,665 Lacs in the previous year. Out of the profit of Rs.1,146 Lacs, Rs.115 Lacs has been transferred to General Reserve.

1.2 Future Prospects

The Company's flagship subsidiary, Binani Cement Limited(BCL) has a Net Profit of Rs.9,051 Lacs. During the year, Net profit of BCL has suffered compared to previous year due to increase in the cost of raw materials, freight, coal etc. Binani Zinc Limited (BZL) has made an operating profit of Rs.1,073 Lacs and Net Loss of Rs.857 Lacs after considering provision for earlier periods with respect to electricity dues to KSEB with whom the Company has reached a long term settlement in the electricity tariff matter. In view of stabilization of LME prices during the year, it is expected that BZL's performance in the coming years will be better.

Goa Glass Fibre Ltd. (GGFL) performance during the year has been significant in terms of sales, revenue and operating profit (EBIDTA).GGFL sold 14,429 MT of glass fibre products with the sales revenue of Rs.10,378 Lacs compared to 8,290 MT and Rs.5,787 Lacs respectively last year. Operating profit has been Rs.1,091 Lacs compared to operating loss of Rs.875 Lacs last year. The improved performance was mainly due to increase in the prices of glass fibre products DRM & CSM and introduction of new product, namely "wet used chopped strands". However, during the year GGFL made a Net Loss of Rs.1,089 Lacs compared to Net Loss of Rs.2,519 Lacs last year. If the prices of glass fibre products remain stable as at present, the performance of the Company is expected to be better in the coming years as well.

During the year under review, Company incorporated two wholly owned subsidiaries namely, Binani Ready Mix Concrete Limited (BRMC) for manufacture of Ready Mix Concrete and aggregates and BIL Infratech Limited (BIL Infratech) engaged in the business of execution of all the group Companies projects and also to take up and execute outside projects as well. Once these companies are fully operational, your Company is expected to earn both dividend and management service income from these subsidiaries as well. Company has also acquired 100% stake in Composite Products, Inc, Minnesota, USA which is engaged in the manufacture of Composite Moulded parts using Direct inline compounding Long Fibre Thermoplastic (D-LFT) Technology. The acquisition was made through an incorporation of an SPV, Binani Composites Inc., USA which was merged with Composites Products Inc., USA. As a result, the resultant Company CPI Binani Inc, USA has become a wholly owned subsidiary of the Company. Your Company also has a wholly owned subsidiary in Cyprus namely Sankalp Holding Limited mainly for the purpose of potential investments abroad.

Your Company also proposes to licence the Intellectual Property owned by it to its major operational subsidiaries in India and earn Royalty based on a percentage of the Net Sales Turnover(Net of inter company transfers) of each of the subsidiary in the year 2011-12 and thereafter. Company propose to incur expenditure in building its brand.

The aforesaid measures are expected to improve the income and profitability of the Company in the coming years.

2. SUBSIDIARIES

2.1. BINANI CEMENT LIMITED (BCL)

2.1.1 Industry Overview

Cement production in India has grown at a brisk pace during the last few years. Indian Cement Industry foresees a 10.50% CAGR growth in cement production during FY 2010-14. Against 9.2% growth forecast of GDP in 2011-12, industry is likely to show growth of 11%. Housing sector, increased activity in infrastructure development and exports recovery continuing to remain key growth drivers. However, huge capacity addition in pipeline, increased cost of raw materials, fuel, logistics and change in Excise duty structure are key concerns to the bottom-line in the short to medium term.

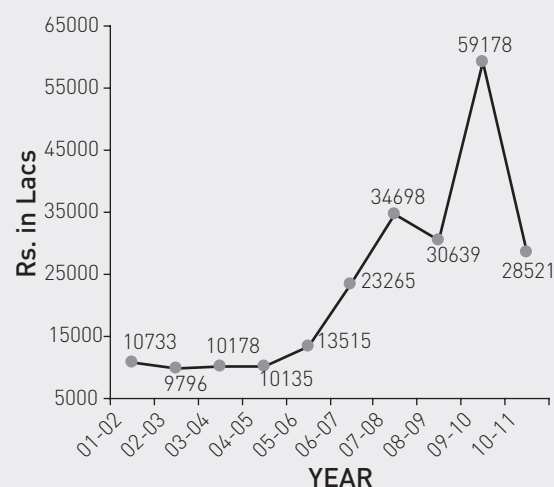
2.1.2 Financial Performance

The financial performance for the year ended 31st March, 2011 is summarized below:

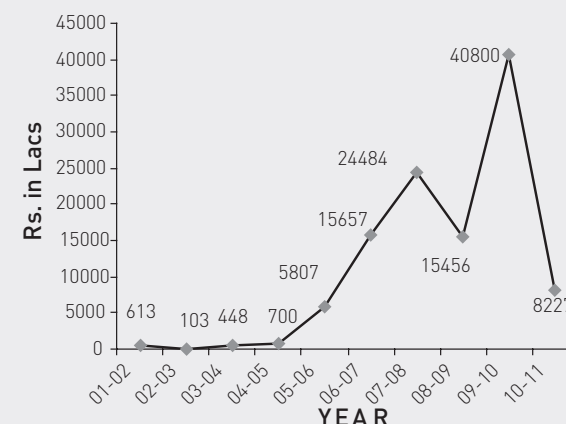
Rs. in Lacs

Particulars	2010-11	2009-10	% (increase/decrease)
Net Sales and other Income	174,335	187,216	-7
Operating Costs	145,814	128,038	14
EBIDTA	28,521	59,178	-52
Interest & Financial Charges	10,344	7,850	32
Cash Profit	18,177	51,327	-65
Depreciation and Amortisation	9,950	9,166	9
Profit before Tax	8,227	40,800	-80
Profit after Tax	9,051	28,192	-68

EBIDTA (Rs/Lacs)



PROFIT BEFORE TAX (Rs/Lacs)

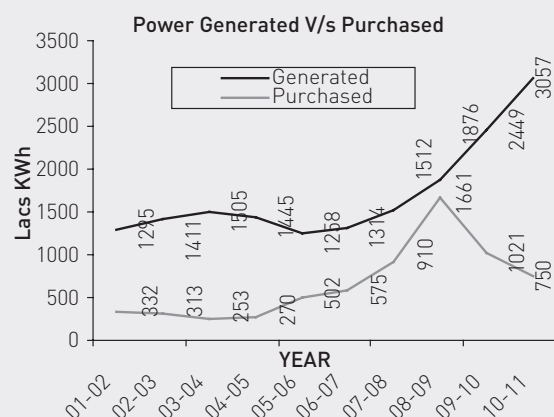
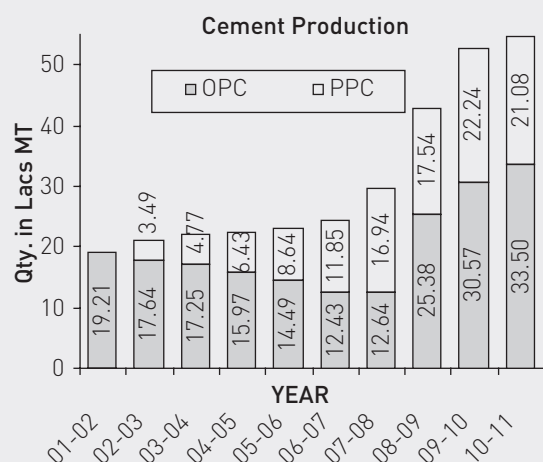


2.1.3 Review of Operations

BCL's operations continues to maintain its growth path. During the year under review, BCL's production and

sales figures have surpassed all the previous highs. The production of the cement has increased by 3.37% compared to 2009-10. BCL produced 54.58 lacs MT cement compared to 52.80 lacs MT in 2009-10. The sale of the cement has increased by 2.70% over the previous year sales. BCL sold 54.38 lacs MT of cement compared to 52.95 lacs MT in the previous year. Captive power generation during the year under review was 3,056.69 lacs KWh (net) compared to 2,449.07 lacs KWh in 2009-10.

In line with the Industry trend, BCL registered a much lower profitability during the year compared to previous year due to lower cement price, increased fuel, raw material, logistics costs and increase in excise duty from 8% to 10%. During the year, BCL has registered a Net Profit (before tax) of Rs. 8,227 Lakhs compared to Rs. 40,800 Lakhs previous year. However, from January, 2011 onwards there has been sign of improvement in the cement prices resulting in improved bottom-line.



2.1.4 Future Outlook

Indian Cement Industry : Growth in domestic cement demand is expected to remain strong on the back of growing demand from the housing sector, increased activity in infrastructure development and exports. It is anticipated that industry players will continue to increase their annual cement output in the coming years and the Country's total cement production will grow at a CAGR of around 10.5% during 2010-11 to 2013-14.

Housing and Infrastructure sector is continuing to be the key driver for cement demand in the coming years as well.

2.1.5 Project Overview

MODERNISATION / EXPANSION

Binanigram unit :

During the year 2010-11, following modifications / expansion projects have been commissioned:

- 1) Up-gradation of existing Pre-heater fans for Unit # 2 to increase capacity of Kiln.
- 2) Modification of Raw Mill-II separator to increase capacity of the mill.
- 3) Installation of pre-crushing system for reduction of feed size for Raw Mill # 2.
- 4) Up-gradation of wagon loading system by introducing third loading point with four additional wagon loaders in order to reduce rake loading time.
- 5) Installation of air cooled condenser in CPP 1 to conserve water and meet statutory obligation.
- 6) Installation of additional rail track as per requirement of railways.
- 7) Interconnection of cement silos in order to have better flexibility in packing operation.

Following modifications / expansion projects have been taken up during the year which are under progress

1. Mechanized loading arrangement of clinker in the rakes.
2. Installation of wagon tippler for unloading of coal rakes.
3. Installation of Fly ash collection system at Suratgarh Thermal Power Station in order to ensure uninterrupted supply of flyash to Binanigram and Neem Ka Thana.

Neem Ka Thana unit :

Installation of additional packer at Neem Ka Thana for having redundancy and matching grinding capacity.

Overseas Projects

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

The construction of new clinker production line of 2.5 MTPA is progressing well and it shall be mechanically completed by end of May, 2011. The No-load trials of individual equipment and groups shall start immediately thereafter. The commissioning of the project is expected to be in July, 2011. The capacity of the plant will increase to 3 million tons per annum after the commissioning of the new production line.

Binani Cement Factory LLC, Dubai (BCFLLC)

During the year, the Dubai cement grinding unit continues to be non-operational barring few intermittent operations for meeting some export requirements. The Dubai market also continues to be in slump during the year under review. To tide over the situation and to capitalise on the demand for Cement in the East African Countries, the Company has opened marketing offices through its subsidiaries in Sudan, Djibouti, Kuwait, Uganda and Madagascar. Further, marketing offices are proposed to be set up in Tanzania, Namibia, Botswana, Mozambique and Mauritius. It is also proposed to enhance the packing capacity of the Dubai plant which is expected to be completed by May, 2011. This is expected to achieve sales from the Dubai plant upto 1 Lakh MT per month from July, 2011 onwards.

Binani Infrastructure (Mauritius)Limited (BIML)

The Mauritius 1.00 MTPA Grinding Unit project of Binani Cement Factory, Mauritius is being executed through Binani Infrastructure (Mauritius) Ltd, a wholly owned subsidiary of BIL Infratech Ltd. Land for the project has been acquired from the Mauritius Port Authority (MPA). Environment Impact Assessment (EIA) study has been completed. Environmental clearance application is pending with the Mauritius Authorities. It is expected to be cleared once the Environmental Tribunal at Mauritius finally decide the objections filed by certain local Cement Industries.

2.1.6 Future Plans

Lignite Project at Nimbri Chandrawatan in District. Nagaur, Rajasthan

The Government of India allocated lignite block (56.4 sq. km) in Dist: Nagaur, Rajasthan on 7th February, 2007 for use of lignite as raw material for captive power generation. Company has acquired 72 Hectare of private land within the mining lease area and also requested

the State Government to assist in acquiring remaining private and Government land for the integrated project.

The Public hearing for the mine and 120 MW Pit Head Power Plant has been successfully completed. The recommendations have been forwarded to the Secretary State Pollution Control Board by Regional Officer, Jodhpur. Formal approval from MoEF, Government of India and State pollution Control Board is awaited.

Cement Project at Sutrapada, District, Junagad in Gujarat.

The Company proposes to set up a Greenfield Cement plant of 5.0 million tons per annum capacity at Sutrapada in Saurashtra, Gujarat. After a long delay, Government of Gujarat (GoG) announced the new mineral policy for Saurashtra and also notified the ML (Mining Lease) blocks in Saurashtra area. Company has applied for ML to the GoG on the basis of the new mineral policy and our request for the grant of ML blocks is under consideration of GoG. Further work on the project will be started after grant of ML.

Cement Grinding Unit, Orissa

The Company has plans to install one million TPA split grinding unit in Orissa. Order for project preplanning has been given to M/s. BIL Infratech Limited. In-principle approval for the acquisition of land has been granted by the Government. Acquisition of land is under progress. Process for EIA study and other statutory compliance is under progress. Basic system engineering has been done and finalization of technical specification is under progress.

2.1.7 Internal Control System

The management maintains adequate internal controls commensurate with the nature and size of operations of the Company which is designed to provide reasonable assurance that assets are safe-guarded, transactions are correctly executed and recorded in accordance with managements' authorization, applicable accounting standards and selected accounting policies which are being applied consistently. After implementation of "SAP" software in previous years at its works and in marketing functions, the Company has successfully implemented plant maintenance and Human Capital Management (HCM) and payroll system to further enhance the Internal controls. Also SOP document will be implemented shortly to document the standard practices. During the year, the Company has framed Risk Management policy and created a detailed Risk Register to identify key risks and safeguard measures to reduce

consequent impact. The Company has adequate Internal Control System which are evaluated periodically by the Internal Auditors.

The Company's internal control system provides high level of system based checks and controls. Regular internal audits and checks ensure that responsibilities are executed efficiently. The Audit committee of Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvement for strengthening them from time to time.

2.1.8 Opportunities/ Risks/ Threats/ Concerns

Opportunities

The growth of Cement Industry is directly linked with the growth of infrastructure sector. With a large percentage of Indian population being below the age of 25, the construction activity is expected to make a significant contribution in the context of growing housing needs, development of roads and other infrastructure projects etc. Despite second fastest growing economy in the world, per capita cement consumption is very low leaving large room for growth of Industry.

The Company, with its brand image, large dealer network and one of the major supplier of Cement in Rajasthan and Gujarat will witness continuous growth. The requisite boost to the industry will be given by increased Govt. / Pvt. Sector spending on infrastructure to achieve double digit GDP growth and Government's thrust in low cost housing.

Threats, Risks and Concerns

Despite a strong demand growth forecast of 10-11% in the next 3-4 years, relatively higher capacity addition in the near future and increased cost of inputs, fuel, and logistic, upward revision in interest rates may put pressure on the bottom-line in the short to medium term.

2.1.9 Recognition & Rewards

During the year 2010-11, the Company has been conferred with the following awards / recognitions :

National Award for Prevention of Pollution 2008-09 by the Ministry of Environment and Forests, in recognition for Company's commendable efforts towards conservation of energy and water, reduction in waste generation and protection of the environment through use of innovative practices.

National Award for Excellence in Water Management by the Confederation of Indian Industries (CII) in recognition

of Company's outstanding contribution towards consistent reduction in water conservation, groundwater replenishment and implementing innovative water saving schemes during the year 2009-10.

Safety Innovation Award – 2010 by the Institute of Engineers in recognition for Company's efforts towards inculcating behaviour based safety culture, reducing the risk of injuries & ill health to its employees as well as surrounding communities and overall improvement in OHS.

Greentech Environment Excellence Gold Award which is third in a row, for Company's notable contribution towards prevention and control of pollution and overall improvement in the quality of environment.

Certificate of Excellence, Best Employer 2009 given by Employees Association of Rajasthan, Jaipur for Company's commendable efforts towards improving employee-employer relations.

FE-EVI Green Business Leadership Award – 2010 for being the best performer in terms of environmental management in Cement Industry.

Most Useful presentation Award (National Award for Excellence in Water Management) -The award was given for making an outstanding presentation, showcasing the best water conservation practices, methods and technologies.

2.1.10 Corporate Social Responsibility

The Company continues to focus on upliftment of the surrounding community through various programmes like provision of food and shelter, closed toilets, use of smokeless stoves to motivate the villagers towards plantation with a view to divert them from deforestation, provision of training to adivasis on stitching of traditional dresses which can be sold to consumers through cooperative societies and cattle and poultry development. The above programmes are being carried in partnership with M/s. RBKS, an NGO. The programme will not only improve life style of target villagers but also cater to their financial needs.

The Binani Ladies Club regularly contributes towards community development and charity through distribution of school uniforms, books, clothes and blankets to needy tribal people.

2.1.11 Human Relations/ Industrial Relations

The leadership position attained by the Company over the years is due to the dedication and commitment of its employees. The Company firmly believes that