



Binani

BRAJ BINANI GROUP

Binani

BINANI INDUSTRIES LIMITED

ANNUAL REPORT 2012-13

BOARD OF DIRECTORS

Mr. Braj Binani - Chairman
Mr. Sunil Sethy - Executive Vice-Chairman & Managing Director
Mr. N.C.Singhal
Mrs. Nidhi Singhania
Mr. Jitender Balakrishnan
Mr. V.Subramanian
Mr. Sudhakar Rao
Miss Shradha Binani - effective 5th August, 2012
Mr. Rahul Asthana - effective 6th April, 2013

AUDIT COMMITTEE

Mr. Jitender Balakrishnan
Mr. N.C.Singhal
Mr. V. Subramanian

CORE MANAGEMENT COMMITTEE

Mr. Braj Binani - Chairman
Mr. Sunil Sethy - Executive Vice-Chairman & Managing Director
Mr. Sushil Bhatler - Managing Director, Binani Zinc Ltd.
Mrs.Nidhi Singhania - Director
Miss Shradha Binani - Director
Mr. M.K.Chattopadhyaya - Executive Director
(Secretary to the Committee)

EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER- GROUP CONTROL ACCOUNTS

Mr. R. Venkiteswaran

PRESIDENT & COMPANY SECRETARY

Mr. K.K.Saraf

AUDITORS

Kanu Doshi Associates, Mumbai

TERM LENDERS & BANKERS

IFCI Limited
EXIM Bank
Punjab National Bank
IDBI Bank Limited
Syndicate Bank
Indian Overseas Bank
Dena Bank

LEGAL ADVISORS

AZB & Partners, Mumbai
Udwadia Udeshi & Argus Partners, Mumbai

REGISTERED OFFICE

601, Axis Mall, 6th floor, Block-C
Action Area-I, Rajarhat, New Town,
Kolkata-700 156.

CORPORATE OFFICE

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

SUBSIDIARIES' PLANT LOCATIONS

- Binani Cement Limited**
a) Binanigram, Pindwara, Sirohi, Rajasthan -307031
b) Village Sirohi, Taluka:Neem Ka Thana, Dist-Sikar, Rajasthan.
- Binani Zinc Limited**
Binanipuram, Ernakulam, Kerala- 683502
- Goa Glass Fibre Limited**
Colvale, Bardez, Goa - 403513
- BT Composites Limited**
C5 to C9, Madkaim Indl.Est. Mardol Post, Goa- 403404
- 3B Fibreglass SPRL.**
Route de Maestricht 67, 4651, Battice, Belgium
- 3B Fibreglass AS**
Tollenesveien 60, 4760, Birkeland, Norway
- CPI Binani Inc.**
1700 Wilkie Drive Winona, MN 55987, USA
- Shandong Binani Rong'An Cement Co.Ltd.**
Fujiazhuang,Dong Guan Town,
Ju Country, Rizhao City, Shandong Nagar,China
- Binani Cement Factory LLC.**
Jabel Ali, Dubai.

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

NOTICE is hereby given that the 50th Annual General Meeting of the Shareholders of the Company will be held on Saturday, 28th September, 2013 at 12.30 P.M. at Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700 017 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss 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 Mrs. Nidhi Singhania who retires by rotation and being eligible, offers herself for reappointment.
4. To resolve that Mr. Jitender Balakrishnan, who retires by rotation and who has not sought reappointment, hence not to be reappointed and the resulting vacancy not to be filled-up.
5. To reappoint 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 / Audit Committee to fix their remuneration.

SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modification(s), the following, as an **Ordinary Resolution** :
"RESOLVED THAT Miss Shradha Binani, 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 alongwith a deposit of ₹ 500/- under Section 257 of the Companies Act, 1956, proposing the candidature of Miss Shradha Binani for the office of Director be and she is hereby appointed as a Director of the Company."
7. To consider, and if thought fit, to pass, with or without modification(s), the following, as an **Ordinary Resolution** :
"RESOLVED THAT Mr. Rahul Asthana, 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 alongwith a deposit of ₹ 500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Rahul Asthana for the office of Director be and he is hereby appointed as a Director of the Company."

8. To consider, and if thought fit, to pass, with or without modification(s), the following, as an **Ordinary Resolution** :

"Resolved that in supersession of the Resolution passed by Postal Ballot by the Shareholders on 26th November 2010, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "The Board "which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company pursuant to Section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956 for borrowing from time to time any sum or sums of moneys for the business purpose of the Company notwithstanding that the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, i.e. Reserves not set apart for any specific purpose, provided, however that the aggregate amount of moneys which may be borrowed shall not at any time exceed the limit of ₹2,500 Crores (Rupees Two Thousand Five Hundred Crores only).

"Resolved further that for the purpose of giving effect to this Resolution, the Board of Directors be and it is hereby authorised to do all such acts, deeds matters and things, as may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowings aforesaid and to execute all documents or writings as may be necessary, to give effect to this Resolution."

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

"Resolved That pursuant to the provisions of Section 31 and all other applicable provisions, if any of the Companies Act, 1956 and Rules framed thereunder and subject to such approvals and permissions as may be necessary, the Articles of Association of the Company be and is altered as under by insertion of the following new Articles/Sub-Articles:

- a. Article 67A after existing Article 67

'For the purpose of quorum at any General Meeting participation by Members in General Meeting through video conferencing or through any other electronic or such other media as may be permitted by applicable laws from time to time, shall be considered as valid.'

- b. Article 76 (3) after Article 76(2)

The voting in a General Meeting or by Postal Ballots shall also include electronic voting, as may be permitted by the applicable laws from time to time.'

- c. Article 111A after existing Article 111

'For the purpose of quorum, participation by Directors at any Board Meeting or Committee Meeting through video conferencing or through any other electronic or other media, as may be permitted by applicable laws from time to time, shall be considered as valid.'

- d. sub-Article 161 (3) after existing Article 161 (2)

'Notwithstanding anything contrary contained in the Articles of Association, the Company may send any communication including Notice of General Meeting, Annual Reports to any person by electronic mode, as may be permitted under the law.'

"RESOLVED FURTHER THAT the Board of Directors of the Company be and it is hereby authorized to take all such steps, as may be necessary, to give effect to this Resolution."

By order of the Board
For Binani Industries Limited

Place : Mumbai

K.K. Saraf

Dated : 27th July, 2013

President & Company Secretary

NOTES:

- 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.**
- 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.**
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6,7,8 and 9 of the Notice is appended hereto and forms part of this Notice.
- No person shall be entitled to attend or vote at the meeting as a duly Authorized Representative of any Body Corporate which is a Member 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September, 2013 to Saturday, the 28th September, 2013 (both days inclusive).
- Dividend, if declared, will be paid to those Members whose names appear on the Company's Register of Members on 28th September, 2013. In respect of shares held in electronic form (Demat mode), the dividend will be paid to the beneficial owners as per the position received from the depositories as at the close of 28th September, 2013.

7. Pursuant to the provisions of Section 205A of the Companies Act, 1956, all unclaimed / unpaid Dividends declared by the Company will be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government on or before the dates indicated below:

S.No.	Dividend for Year ended	Last date for claiming the amount of 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
5.	31.3.2010	06.08.2017
6.	31.3.2011	08.08.2018
7	31.3.2012	15.09.2019

Therefore, all those Members who have not encashed the Dividend Warrants, are requested to write to the Company or the Company's Registrar & Share Transfer Agents immediately. After the above dates, no claim shall lie against IEPF or the Company in respect of the aforesaid unpaid/unclaimed dividend amounts pursuant to the provisions of Section 205C (2) of the Companies Act, 1956.

- 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.
- 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 Members are advised in their own interest to nominate persons for transferring the interest in those shares . Nomination form is available on request.
- Those Members of the Company who are still holding Share Certificates of the Company with the old name Binani Zinc Limited, should immediately write to the Registered Office of the Company asking for stickers for change of name, to be affixed on such Share Certificates . The Share Certificates need not be sent, only the details of the Certificates are to be furnished.
- Members, who are holding shares in physical form, are advised to get their physical shares dematerialized in their own interest which will facilitate quick credit of the dividend into their Bank Account directly and also save them from unnecessary hardship that may be caused in case of the dividend warrants getting lost in postal transit. Members may note that the Company's shares are traded in the Stock Exchange(s) only in dematerialized form.
- In spite of repeated requests, some shareholders are still holding share certificates of ₹100/- each. They are requested to send them to the Registered Office of the

Company immediately for exchange with the Shares of ₹10/- each.

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. The Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 has 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, to facilitate service of documents under Section 53 of the Companies Act, 1956.
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, if the shares are held in dematerialized form.
- c) Send their queries, if any, in respect of Annual Accounts of the Company at least 15 days in advance of the meeting, to the Company's Registered Office so that information can be made available at the meeting.

As required under Clause 49 of the Listing Agreement, Brief Profile of Mrs. Nidhi Singhania, Miss Shradha Binani and Mr. Rahul Asthana, proposed to be re-appointed / appointed at this Annual General Meeting, is given hereunder:

Name	Mrs. Nidhi Singhania	Miss Shradha Binani	Mr. Rahul Asthana
Age	29 years	25 years	60 Years
Qualifications	B.A with specialisation in Economics	Bachelors Degree in Science and International Politics	B. Tech, MBA
Expertise in specific functional area	Coordination in International Operations of Group	Coordination in International Operations of the Group and looking after Glass Business	Expertise in handling and implementation of large Infrastructure projects.
Date of appointment on the Board of the Company.	23rd April, 2009	5th August, 2012	6th April, 2013
Name (s) of other Companies in which Directorship held	Binani Cement Limited Binani Metals Limited Shangdong Binani Rongon Cement Co. Limited, China	Binani Cement Limited Binani Metals Limited (Alternate Director) 3B Binani Glassfibre Sarl 3B Fibreglass SPRL Project Bird Holding II 3B Fibreglass Norway AS CPI Binani Inc.	Mumbai Metro Rail One Limited City & Industrial Corporation Limited (CIDCO) Maharashtra State Road Development Corporation (MSRDC)
Name(s) of the Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	NIL.	NIL.	NIL.
Shareholding in the Company	6,250 Shares	NIL	NIL

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

Item No.6 :

Miss Shradha Binani was appointed as an Additional Director on the Board effective 5th August 2012 at the Meeting of the Board of Directors held on 20th July 2012. She holds office of Director upto the date of this Annual General Meeting. The Company has received a notice from a Member along with a deposit of ₹ 500 /- proposing her appointment as a Director of the Company.

Miss Shradha Binani aged 25 years holds a Bachelors Degree in Science and International Politics from the City University, London. She belongs to the Promoter Group. She has, during her studies, undertaken keen interest in international marketing. Miss Binani has been associated with acquisition of 3B Group, the rebuild of furnace and expansion of capacity in Glassfibre business of the Group.

Besides, Binani Industries Limited, Miss Shradha Binani is on the Board of Directors of Binani Cement Ltd and other Companies in the Binani Group.

Your Directors believe that Miss Shradha Binani's association with the Company will be beneficial to the Company. Therefore, the Directors recommend appointment of Miss Shradha Binani as Director of the Company.

Except for Mr. Braj Binani and Mrs Nidhi Singhania , none of the Directors is in any way concerned or interested in this Resolution.

Item No. 7 :

It is continuous endeavor to broad base the Board by inducting the Professionals from diverse field, As a part of this, Mr. Rahul Asthana was appointed as an Additional Director on the Board at the Meeting of the Board of Directors held on 6th April 2013. He holds office of Director upto the date of this Annual General Meeting. The Company has received a notice from a Member alongwith a deposit of ₹ 500/- proposing appointment of Mr. Rahul Asthana as Director of the Company.

Mr. Rahul Asthana aged 60 years, a B. Tech from IIT, Kanpur and Masters in Business Administration from University of Ljubljana, Slovenia. Mr. Asthana brings with him rich experience of over 35 years in administration of public enterprises and worked in various departments of the Government of Maharashtra and had been Chairman of Mumbai Port Trust. He had been involved in the implementation of large infrastructural projects. He was earlier Director of the Company before his appointment in various Government Organisations. He retired as the Metropolitan Commissioner, Mumbai Metropolitan Regional Development Authority (MMRDA), before joining the Board of the Company.

Mr. Asthana holds Directorship in Mumbai Metro Rail One Limited, City & Industrial Corporation Limited (CIDCO) and Maharashtra State Road Development Corporation (MSRDC) etc. Mr. Rahul Asthana's knowledge, expertise and valuable guidance will be beneficial for the Company. Hence, the Directors recommend appointment of Mr. Rahul Asthana as Director of the Company.

Except for Mr. Rahul Asthana , none of the Directors is in any way concerned or interested in this Resolution.

Item No.8 :

Through a Resolution passed by Postal Ballots on 26th November 2010, the Members of the Company had authorized the Board

of Directors of the Company to borrow moneys for Company's business notwithstanding that the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, i.e. to say reserves not set apart for any specific purpose, provided, however that the aggregate amount of moneys which may be borrowed, shall not at any time exceed the limit of ₹ 1000 Crores (Rupees One Thousand Crores only)."

The Company may have to resort to borrow moneys from Financial Institutions/ Banks to meet the long term requirement of funds and also to support the enhanced business activities of its Subsidiaries. Thus, it is considered expedient to increase the borrowing limits of the Board of Directors from the existing ₹1000 Crores (Rupees One Thousand Crores only) to ₹2500 Crores (Rupees Two Thousand Five Hundred Crores only). The Resolution proposed is for increasing the borrowing powers of the Board of Directors from the present limit of ₹ 1000 Crores to ₹ 2500 Crores .

The Directors recommend the Resolution for your approval .

None of the Directors is concerned or interested in the Resolution.

Item no. 9 :

The Ministry of Corporate Affairs (MCA) vide Circular No. 27/2011 and 28/2011 dated 20th May 2011 and Circular No. 35/2011 dated 6th June 2011 has permitted the Companies to hold Board Meetings and Members' Meetings through Video Conference facility.

Further, MCA vide Circular No. 17/2011 dated 21st April 2011 allowed companies servicing of the documents such as Notices/ other communications, as required under Section 53 of the Companies Act, 1956 through electronic mode provided that Company has obtained e-mail addresses of its Members by giving advance opportunity to the Members to register their e-mail address.

To implement the above, alteration is proposed in the Articles of Association by inserting enabling provisions as set out in Special Resolution under Item no. 9.

In terms of Section 31 of the Companies Act, 1956 approval of the Members by way of Special Resolution is necessary to alter the Articles of Association of the Company.

The Directors recommend the passing of the Resolution.

None of the Directors is concerned or interested in the Resolution.

The Articles of Association of the Company, incorporating the proposed alteration will be 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 : 27th July, 2013.

K.K. Saraf
President & Company Secretary

DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS REPORT

Dear Members,

Your Directors present the Fiftieth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2013

1. FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Total Revenue	18,734.19	19,004.05
Profit before Depreciation, Interest & Taxation and Exceptional Items.	6,884.83	9,112.54
Provision for Depreciation	119.17	64.63
Interest and Financial Charges	9,384.00	10,672.01
Loss before Tax & Exceptional items	(2,618.34)	(1,624.10)
Exceptional Items	4,111.87	3,626.70
Provision for Tax	255.20	634.42
Profit after Tax	1,238.33	1,368.18
APPROPRIATIONS:		
Transfer to General Reserve	(124.00)	(137.00)
Proposed Dividend	(887.89)	(887.89)
Tax on Dividend	(150.90)	(144.04)
Loss Brought Forward from Previous Year	(2,603.25)	(2,939.50)
Transferred from General Reserve	124.00	137.00
Loss carried to Balance Sheet	(2,403.71)	(2,603.25)

2. REVIEW OF OPERATIONS

The Company, being a Holding Company, has no manufacturing activities. Its main revenue streams are the income from management services fees for the management and support services provided to its major Subsidiaries, Income from Royalty for use of its Intellectual Property Rights such as Brand Logo and Trade Mark by the Subsidiaries & Brand promotion/development expenses incurred by the Company and dividend from investments.

For providing management and support services to the Subsidiaries, the Company has created a Talent Pool comprising of Professionals with rich experience in different functional areas. This facilitates the Company in providing expertise and support services to its Subsidiaries in the areas of Accounts, Finance, Treasury, Audit, Forex / Commodity, Risk Management,

IT, HR, Secretarial and Legal, Purchase, Taxation, Corporate Strategy, Media Services etc. The Company regularly takes initiatives in Brand Promotion & Brand Building exercise and spends considerable amount on advertisement which help the Subsidiaries derive significant benefits.

During the year under review, the Company earned total Revenue of ₹ 18,734.19 Lacs which included Management Services fee of ₹ 5,251.50 Lacs, Royalty of ₹12,676.66 Lacs and Interest/Dividend and other income amounting to ₹ 806.03 Lacs.

During last year, the Company had sold 49% stake in its Subsidiary, Goa Glass Fibre Limited (GGFL) to 3B Binani Glass Fibre S.a.r.l. (3B Binani), a wholly owned subsidiary of the Company in order to consolidate its Glass Fibre business and to leverage on technology and product strength of 3B Fibreglass SPRL, Belgium. During the year under review, the Company sold its balance 51% stake in GGFL to 3B Binani, which resulted in profit of ₹4,112.16 Lacs.

For the year, 2012-13, the Company earned Profit after Tax of ₹1,238.33 Lacs as against ₹1,368.18 Lacs in the previous year.

3. DIVIDEND

Your Directors have recommended a dividend of ₹ 3/- per share (30%) the same as last year, which will have an outgo of ₹1,038.79 Lacs, inclusive of Dividend Distribution Tax.

4. OUTLOOK

The year 2012-13 has been a challenging year particularly for Glass Fibre and Zinc business. Glass Fibre business was affected due to uncertainty in the European economy, Chinese imports despite anti-dumping duty, high inventory and low capacity utilisation etc. Profitability in case of Zinc business was severely affected due to various factors which included lower zinc prices on LME, variations in Exchange rates and steep hike in power tariff etc.

Various steps have been taken to improve the revenue and profitability of the Glass Fibre and Zinc business in particular, which include change in product-mix, efficiency in manufacturing operations through technological improvement etc. All these steps are expected to start yielding returns in the coming years

which would help the Company earn dividend on its investments in the years to come.

Your Directors have also initiated various strategic measures in the year under review to improve the earnings and the overall profitability of the Company. In this direction, the Directors have decided, 'in- principle' to divest the Company's stake in Binani Cement Limited (BCL) to the extent of 40% of the share capital of BCL, which will improve the cash flow of the Company, reducing the interest cost significantly by retiring some of its debts. The Company initiated necessary steps such as appointment of Advisors, Investment Banker, Legal Advisor, preparation and circulation of information Memorandum to key financial Investors. Both Vendor due -diligence and discussion with prospective Investors are in progress. The entire process is expected to be completed during second half of the current Financial Year.

Your Directors therefore, are hopeful of much improved performance for the current Financial Year, barring unforeseen circumstances.

4. SUBSIDIARIES

4.1 Report on Subsidiary Companies

In accordance with the general Circular No. 2/2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs, Government of India, under Section 212 of the Companies Act, 1956, the Balance Sheet and Statement of Profit and Loss and other documents of the Subsidiary Companies are not being attached to the Balance Sheet of the Company. However, the financial information of the Subsidiary and also the step down Subsidiary Companies are disclosed in this Annual Report in compliance with the said Circular. The Annual Accounts of the Subsidiary and Step Down Subsidiary Companies are kept for inspection by the Shareholders, at the Registered Office and Head Office of the Company. The Copies of the aforesaid Annual Accounts of the Subsidiary Companies shall be provided to any Member of the Company who may be interested in receiving the same.

A brief note on the Company's major operating Subsidiaries are covered in the Management Discussion & Analysis Report, forming part of this Report.

4.2. Loans/Investments in Subsidiaries

During the year under review, the Company made following loans/ investments with a view to provide backup support to operating subsidiaries:

- 4.2.1 Invested an aggregate sum equivalent to ₹ 31,198.28 lacs in 3B Binani Glassfibre S.a.r.l, Luxembourg and provided loan ₹ 77.45 lacs to CPI Binani Inc, USA.
- 4.2.2 A total amount of ₹ 4,575 lacs was paid as loan to Goa Glass Fibre Limited out of which a sum of ₹ 25 crores was converted into 6% Redeemable Non-cumulative Preference Shares of ₹ 100/- each.
- 4.2.3 Invested a sum of US \$ 1000 in Binani Global Cement Holdings Pvt. Limited in Singapore towards initial capital at the time of its incorporation.
- 4.2.4 An aggregate of ₹ 54.70 lacs paid as loan to Wada Industrial Estate Limited.

4.3 Financial Highlights and Business Outlook of the Company's major Subsidiary Companies

The Financial Highlights and Business Outlook in respect of the Company's major Subsidiaries and also of Step Down Subsidiary, Goa Glass Fibre Limited, are given below:

4.3.1 Binani Cement Limited (BCL)

Financial Highlights

(₹ in Lacs)

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Total Revenue	228,017.84	205,667.58
Profit before, Depreciation, Interest & Taxation and Exceptional Items.	47,132.33	33,060.18
Provision for Depreciation	10,542.86	10,354.61
Interest and Financial Charges	21,089.69	16,140.07
Profit/(Loss) before Tax & Exceptional items	15,499.78	6,565.50
Exceptional Items	-	1,250.34
Provision for Tax	3,517.30	475.37
Profit after Tax	11,982.48	4,839.79

Operations Review

During the year under review, BCL reported robust performance both in terms of top line as well as the bottom line. It has achieved highest ever production of 56.56 lacs MT & sold 56.81 lacs MT of cement as against 55.84 lacs MT & 56.12 lacs MT respectively in the previous year.

Despite higher input costs and logistics expenses, BCL earned significantly higher Profits after Tax at ₹ 11,982.48 lacs as against ₹ 4,839.79 lacs in the previous year. This is mainly attributed to better realizations and lower fuel costs.

The cement production and power generation details are as under :-

Production	2012-13	2011-12
Cement (Lacs MT)	56.56	55.84
Power Generation (net) - Lacs kWh	3,520.47	3,281.65

In line with the previous years, BCL continued to reduce its dependence on Grid Power.

Business Outlook

Indian Cement Industry :

The Indian Economy is currently witnessing its lowest GDP growth in recent years leading to sluggish demand and capacity utilization. This has impacted the Cement Industry especially in the Industrial and Infrastructure segment. However, various measures taken by the Government in recent past to fuel the economy may lead to a more positive impact in the later part of the year. The pressure on the bottom-line will however, remain in short term due to over supply situation and increase in logistic costs.

Company Outlook

Given the supply overhang, muted demand and high price volatility conditions, BCL plans to improve margins by changing its product mix by increasing share of Pozzolona Portland Cement (PPC) to Ordinary Portland Cement (OPC) and volume enhancement by focusing on its primary markets where it has good brand equity. With all these steps, BCL is reasonably confident of fostering improved results in FY'14.

BCL has also chalked out plans to implement its different expansion and new projects in India and Overseas in high growth markets. The above projects, upon commissioning, are expected to help BCL achieving boost in its performance on long term sustainable basis.

During the current year, with a view to give thrust to the Power Business, as a part of the business strategy of the Group, BCL has also decided to hive-off its Power Business to its wholly owned subsidiary, Binani Energy Private Limited.

4.3.2 3B Binani Glassfibre S.a.r.l (3B Binani)

Financial Highlights (Consolidated excluding Goa Glass Fibre Ltd.)

(Euro in Million)	
Particulars	Year ended 31.3.2013
Total Revenue	154.27
Profit before, Depreciation, Interest & Taxation and Exceptional Items.	13.43
Provision for Depreciation	13.63
Interest and Financial Charges	20.87
Loss before Tax & Exceptional items	(21.07)
Exceptional Items	-
Provision for Tax	0.55
Loss after Tax	(21.62)

Industry Overview

During 2012-13, the European industry continued facing major challenges which started in the year 2011 such as financial and economic crisis. As a consequence, the overall climate remained negatively impacted by an overall sentiment of uncertainty and unpredictability. Demand remained relatively flat over the period and pricing suffered due to cheap Chinese imports into Europe. Major uses of fibreglass products can be seen in the automotive, construction and wind energy industries. The Glass Fibre Automotive market was significantly down in 2012 due to lower production of cars. This drop was mostly compensated with more plastic use into the cars. The wind energy and construction markets were however stable.

Operations Overview

The overall performance of the 2 manufacturing units at Belgium and Norway is considered good and capacity was partially constrained to cope with the lower market demand. The production ramp upto normal efficiencies went on well. Average realization was however, on the lower side due to cheap Asian imports.

Business Outlook

The year 2013 is expected to remain in line with 2012. Market scenario is expected to show sign of improvement from the year 2014.

3B Binani continues to focus on its core markets (Automotive, Electronics and Consumer Goods) for Chopped Strands products and on Construction for its

Direct Roving products. It is in the process of optimizing the product mix with the continuous intent to move towards value added products in order to improve the profitability and keep ahead of Asian competition. Both Units are also focusing on improving their cost structure by optimizing their production to reach the best efficiencies within the Industry.

4.3.3 Goa Glass Fibre Limited (GGFL)

Financial Highlights

(₹ in Lacs)

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Total Revenue	11,085.41	10,095.25
Profit/(Loss) before, Depreciation, Interest & Taxation and Exceptional Items.	(577.94)	1,266.28
Provision for Depreciation	1,482.28	1,382.74
Interest and Financial Charges	1,521.92	1,209.45
Loss before Tax & Exceptional items	(3,582.14)	(1,325.91)
Exceptional Items	-	(29.86)
Provision for Tax	(0.01)	5.49
Loss after Tax	(3,582.13)	(1,361.26)

Operations Review

During the year 2012-13, GGFL produced 14,590 MT. It sold 15,503 MT as against 13,386 MT in the previous year. Chinese imports put the pricing pressure and slow down in Automotive and Infrastructure Sectors also impacted the demand for the glass fibre products.

During the year under review, GGFL ceased to be a direct subsidiary of the Company, consequent upon the sale of the balance stake of 51% in GGFL by the Company to 3B Binani Glassfibre Sarl (3B Binani), Luxembourg, a wholly owned subsidiary of the Company. Therefore, GGFL has become a wholly owned subsidiary of 3B Binani and a step-down subsidiary of the Company.

Business Outlook

The Indian market for the glass fibre products is expected to remain soft. The challenging competitive environment will continue to put pressure on margins due to Chinese Imports.

GGFL is currently focusing on optimizing the product mix by giving thrust to the products with better margins,

thereby improving profitability. This will also improve capacity utilisation and contain the operational cost. With this perspective, focus was on Chopped Strand Mat during the year 2012-13 which provided better margin and will also help maximizing the production and sales in future.

With the integration of India Operations with 3B Europe to leverage on synergies in marketing and the strong technology base of the European facilities, GGFL is looking forward to optimize its product portfolio by adding high value export sales.

With the projected availability of natural gas in Goa, GGFL targets achieving significant reduction in energy costs which would enable the business to be more competitive. Further, a modernization plan aiming at a 20% capacity increase based on higher technology equipments (bushings, automatic triple winders) is under way. This together with higher exports and developing a new product for wind energy for India is the base of the next year plan. Consequently, the performance of GGFL is expected to improve substantially in the years to come.

4.3.4 Binani Zinc Limited (BZL)

Financial Highlights

(₹ in Lacs)

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Total Revenue	44,860.00	40,709.05
Loss before , Depreciation, Interest & Taxation and Exceptional Items.	(1,450.80)	(1,194.46)
Provision for Depreciation	887.42	904.01
Interest and Financial Charges	1,021.41	1,518.74
Loss before Tax & Exceptional items	(3,359.63)	(3,617.21)
Exceptional Items	2,052.20	1,908.13
Provision for Tax	(263.00)	(253.12)
Loss after Tax	(1,044.43)	(1,455.96)

Operations Review

India's economic growth rate in 2012-13 was the lowest in a decade. The slowdown in the Indian Economy impacted the industrial growth in the Country which in turn, affected the pace of growth in zinc consumption.

For the year 2012-13, BZL produced higher volume of Zinc at 32,836 MT as against 30,824 MT in the previous