

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. T.R.C. Nair

CHIEF FINANCIAL OFFICER

Mr. M.K. Chattopadhyaya

CORPORATE MANAGEMENT

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

SENIOR MANAGEMENT

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

AUDITORS

M/s. Kanu Doshi Associates, Mumbai

BANKERS

Punjab National Bank
UTI Bank Limited

LOCATIONS :

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

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

Corporate Offices of the Company & its Subsidiaries

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

Mumbai Office

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

SUBSIDIARIES

Binani Zinc Limited

Binanipuram, Ernakulam,Kerala 683502

Binani Cement Limited

Binanigram, Pindwara,
Dist. Sirohi, Rajasthan 307022

Goa Glass Fibre Limited

Colvale , Bardez, Goa 403 513

Wada Industrial Estate Limited

Wada, Dist Thane

BT Composites Limited

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

Ess Vee Alloys Private Limited.

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

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

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

Binani Mazak Pvt.Limited.(Regd.Office)

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

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Fourth Annual General Meeting of the Company will be held at 9.30 a.m. at **Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700 017** on Monday the 2nd July 2007 to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Accounts in respect of the year ended 31st March, 2007
2. To declare dividend
3. To appoint a Director in place of Mr. Braj Binani who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider, and if thought fit to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT subject to the provisions of Sections 198,269,309,310, Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and subject to such other approvals as may be required, the Company hereby accords its approval for the appointment of Mr. Sushil Bhatler as the Managing Director of the Company for a period of 3 years from 1st April 2007 to 31st March 2010 on the terms and conditions including remuneration and perquisites as set out in the agreement entered into between the Company and Mr. Sushil Bhatler (a copy of which is placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions in the said agreement as the Board of Directors may consider necessary and as may be agreed to by Mr. Sushil Bhatler within the overall limits as specified in Schedule XIII to the Companies Act, 1956 for the time being in force or any statutory modification or re-enactment thereof and/ or any rules or regulations framed thereunder."

"RESOLVED FURTHER THAT even in the absence or inadequacy of profits in any financial year, subject to the approval of the Central Government and such other approvals as may be required, Mr. Sushil Bhatler be paid the same remuneration as minimum remuneration for the entire period or such period may be permitted by the Central Government."

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

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

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

Mumbai

24th April, 2007

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Instruments appointing proxies should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 27th June 2007 to Monday, the 2nd July, 2007(both days inclusive).
4. Dividend, if declared, will be paid to those members whose names appear on the Company's Register of members on 2nd July, 2007 on the paid up capital of the Company as on 31st March 2007. In respect of shares held in electronic form (Demat mode), the dividend will be payable to the beneficial owners of shares as on 27th June 2007 as per details furnished by the depositories for the purpose.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, all Unclaimed / Unpaid Dividends upto and inclusive of financial year 1994-1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim the amount from The Registrar of Companies, West Bengal, Nizam Palace, II M.S.O Building, 234/4, AJC Bose Road, Kolkata - 700 020. Those members who have not encashed their dividend warrants for the financial year ended 31st March 2000 may claim or approach the Company as the balance will be transferred to the fund established by the Central Government on or before the respective dates indicated below:
 - a. Dividend for the year ended 31.03.2000 -11.11.2007
 - b. Dividend for the year ended 31.03.2006 -10.08.2013

After the respective dates, the Shareholders are not entitled to claim these amounts pursuant to the provisions of Section 205C (2) of the Companies Act, 1956.

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

6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 read with dept. of Company Affairs notification F.No. 5/48/2001-CL-V published in Gazette of India Extraordinary Part-II Section 3, Sub Section (i) dated 16-1-02 in respect of item No.5 of the notice along with abrief write-up about the Director coming up for reappointment as required by the listing agreement are annexed hereto.
7. The accounts, the reports and all other documents required under the law to be annexed thereto including that of subsidiaries will be available for inspection during working hours from 10.00 a.m. to 1.00 p.m. at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.
8. Members who are holding shares in identical names under different ledger folios are requested to apply for consolidation of such folios and send the relevant equity share certificates to M/s Intime Spectrum Registry Limited.
9. Members who are holding shares in single name are advised, in their own interest to get the shares transferred in joint names. There is a facility available for nomination and shareholders are advised in their own interest to nominate persons for transferring the interest on those shares. Nomination form is available on request.
10. If there are any Shareholders still holding Share Certificates of the Company with the name Binani Zinc Limited, they should immediately write to the Registered Office of the Company asking for change of name stickers to be affixed on such Share Certificates to change the name to Binani Industries Limited indicating the number of such certificates being held.
11. As per Securities and Exchange Board of India (SEBI) communication to the Company dated 25th April, 2000, the Equity Shares of the Company are compulsorily traded in Dematerialized form only, with effect from 21st March, 2000 at the Stock Exchanges at Mumbai, Kolkata, Kochi (since delisted) and Chennai (since delisted) by all investors including individuals.

The Company has entered into Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which are functioning as the Depositories through intermediaries called Depository Participants (DPs). Details are available at Company's Website.

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

12. Members may note that the Company's website is www.binani.net.
13. **Inspite of repeated requests, some shareholders(mostly upto Folio No. 34409) are still holding certificates of Rs.100/- each. They are requested to surrender them immediately for exchange into shares of Rs.10/- each to the Registered Office of the Company.**
14. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copy of the Annual Report and Attendance Slip duly completed to the Meeting.
15. Members are requested to send all correspondence relating to shares including requests for transfers, change of address, change of status, change of mandate, fresh mandate etc. to our Share Registrars and Transfer Agents:-

M/s Intime Spectrum Registry Limited.

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

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

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

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

1. Background Details

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

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

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

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

I. GENERAL INFORMATION A/C

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

II. INFORMATION ABOUT THE APPOINTEE A/C.

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

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

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

He is also member of the following Committees:

Audit Committee:

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

Finance Committee:

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

Remuneration Committee :

Binani Cement Limited Goa Glass Fibre Limited

Investor Relations Committee:

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

JP Morgan Offer Committee:

Binani Cement Limited

BIL Offer Committee

Binani Industries Limited Binani Cement Limited

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

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

Remuneration including perquisites :

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

2. Perquisites

Category – A

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

Category – B

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

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

Other Terms :

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

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

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

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

In the event of loss or inadequacy of profits in any Financial Year, the Company may pay to Mr. Sushil Bhatte by way of salary and perquisites the same remuneration as minimum remuneration subject to such approvals including that of Central Government for a maximum period of 3 years or such period as may be permitted by Central Government. The remuneration payable, including perquisites and the monetary value thereof, is subject to revision from time to time within the overall limits specified in Schedule XIII to the Companies Act, 1956 for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations framed thereunder.

3. Recognition or Awards. : Not applicable

4. Job Profile and his suitability :

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

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

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

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

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

III : OTHER INFORMATION

- a. Reasons for Inadequate Profits :
- The Company is presently a holding company with no manufacturing activity. The Company has no stream of Income other than dividend income from the investment in the subsidiaries and capital gains arising out of divestment of its investment in subsidiaries. None of the subsidiaries have been in a position to declare dividend till 2006 resulting in inadequate profits to the Company. However, during the year the Company made profit on sale of its investment in BCL. In the current year also the Company has made substantial profits on sales of its Shares in BCL. With the possible declaration of dividend by BCL and BZL during the year 2007, the profitability of the Company is likely to go further up. By divesting the Shares held in BCL, the Company has been able to reduce the inter Company balance thus reducing the interest liabilities also which will increase the profitability.
- b. Steps taken for Improvement
- During the year ended 31st March, 2007 Binani Cement Limited (BCL) the major subsidiary of the company has posted a net profit of Rs. 95.61 Crore. Binani Zinc Limited (BZL) has also posted a net profit of Rs. 7.66 Crore during the year. The Company has also reduced its expenditure substantially. The Company may offload its stake in other subsidiaries taking an overall view of its investments.
- c. Expected Increase in Productivity /Profitability
- The Company expects of achieve higher profits consequent upon the improvement in the profitability of BCL and BZL and the likelihood of dividend income from them. The Financials expected to be achieved in the future years is given below:

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

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

Item No.6.

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

The relevant documents under the above items are available for inspection by the members of the Company during working hours from 10.00 a.m. to 1.00 p.m. at the Registered Office of the Company on any working day except Saturdays and Sundays upto the date of this meeting.

By Order of the Board
For Binani Industries Limited

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

Mumbai
24th April, 2007

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

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

1. Financial Performance

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

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

Review of Operations

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

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

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

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

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

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

Scheme of Arrangement for Swap of Shares

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

Future Prospects

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

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

1 BINANI CEMENT LIMITED (BCL)

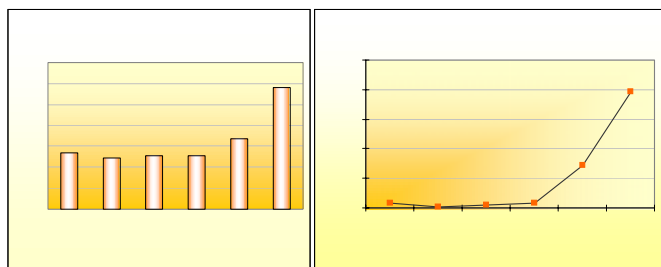
Industry Overview

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

Financial Performance

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

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



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

Marketing

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

Capital Structure

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

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

Project Overview

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

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

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

Neem ka Thana

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

Future Plans

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

Strengths/Opportunities/Threat/Risks/Concerns

Strengths

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

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

Weakness

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

Opportunities

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

Threats, Risks and Concerns

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

Recognition and Awards

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

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

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

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

Social Responsibility and Community Development

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

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

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

Human Resources and Industrial Relations

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

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

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

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

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

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

Review of Operations

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

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

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

Financial Performance

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

Future Plans

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

De-bottling exercise is being continued with renewed vigour.

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

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

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

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

Threats/Risks/Concerns

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

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

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

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

Human Resources/Industrial Relations

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

Social Responsibility

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

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

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

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

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

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

Review of operations**Operations:**

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

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

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

Sales :

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

Financial Performance

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

Future Prospects

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

Strength/ Opportunity / Threats / Risks/ Concerns

Strength / Opportunities

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

Threats

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

Concerns

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

Risk

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

Human Resources / Industrial Relations

Industrial relations continued to be harmonious.

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

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

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

Social Responsibility

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

5. BT COMPOSITES LIMITED (BTCL)

Financial Performance

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

Review of Operations

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

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

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

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

Future Prospects

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

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

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

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

Business Review

During the year the production and sales were as follows:

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

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

Future Prospects

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

7. WADA INDUSTRIAL ESTATE LIMITED (WIEL)

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

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

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

Deri

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

Basantgarh

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

Deri Water Dam:

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

Beneficiation Plant**Environment Clearance -**

Environment Clearance is awaited.

Basic Engineering

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

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

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

Business Review and Change of Name

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

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

Future Prospects

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

Dividend

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

Board of Directors

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

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

Auditors' Observations

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

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

Binani Zinc Limited (BZL)

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

Binani Cement Limited (BCL)

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

Goa Glass Fibre Limited (GGFL)

As regards the non - provision of Rs.68.89 lakhs being the refund receivable from Goa State Electricity Board, the management concurs with the view taken by Board of Directors of Goa Glass Fibre Limited that they are entitled to the benefit of rebate inspite of alleged infirmities in the Government notification (matter is pending before the Hon'ble Supreme Court of India) and hence no provision needs to be made.

Auditors'

M/s. Kanu Doshi Associates, the retiring Auditors are eligible for reappointment and the proposal has been placed before you.

Subsidiary Companies

The statement pursuant to Section 212 of the Companies Act 1956 relating to the subsidiaries i.e. "Binani Cement Limited", "Goa Glass Fibre Limited", "Binani Zinc Limited", "BT Composites Limited", "Ess Vee Alloys Pvt. Limited", "Wada Industrial Estate Limited", "R.B.G. Minerals Industries Limited" and "Binani Mazak Pvt. Limited" is annexed to this report .

Particulars under Sections 217

Statement of particulars under Section 217(1) (e) regarding conservation of energy and technology absorption are not applicable to the Company. Details of foreign exchange earnings and outgo are annexed to this report alongwith the statement of particulars of employees under Section 217 (2A) of the Companies Act, 1956.

Corporate Governance

The Company has since implemented all the mandatory provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance. The Annual Report contains a separate section on the same.

As required under the said provisions, the Company has obtained the Certificate from the Auditors of the Company which is annexed to and forms part of the Annual Report.

The Management Discussion and Analysis Report forms part of the Annual Report.

Directors' Responsibility Statement

In accordance with Section 217 (2AA) of the Companies Act, 1956 the Directors state that:-

- (a) in the preparation of the annual accounts, all applicable Accounting Standards have been followed and proper explanation relating to material departures, if any, have been furnished.
- (b) accounting policies as listed in Schedule 16 to the financial statements have been selected and consistently applied and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2007 and of the Profit of the Company for the Accounting Year ended on that day.
- (c) proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of this act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities and
- (d) the annual accounts have been prepared on a going concern basis.

Internal Control System and Their Adequacy

The Company and its all subsidiaries have adequate internal control systems which are evaluated periodically by the Internal Auditors and the systems are adequate commensurating with the operations of each of the Companies.

Stock Exchanges - Compliance of Listing Agreements.

During the year under review the Company's Shares got listed at the National Stock Exchange of India Limited, Mumbai in addition to The Bombay Stock Exchange Limited and Calcutta Stock Exchange Association Limited. The Company has paid the listing fee to all the 3 (three) Stock Exchanges.

As required by the Listing Agreements with the Stock Exchanges and AS-21, Consolidated Balance Sheet of the Company as on 31.3.2007 and Profit & Loss Account for the year ended on that date and Auditors' Report thereon have been annexed forming part of the Annual Report.

Acknowledgement

Your Directors acknowledge the assistance and goodwill received from the concerned departments of the State and Central Governments, Financial Institutions, Banks, Customers, Selling Agents, Dealers, Distributors, Employees at all levels and the Shareholders.

By Order of the Board
Braj Binani
Chairman

Mumbai
24th April, 2007

ANNEXURE TO DIRECTORS' REPORT

Companies (Disclosure of Particulars in the Report of the Board of Directors) – Rules 1988:-

Particulars in respect of (a) Conservation of energy (b) Technology Absorption and (c) activities relating to exports etc. are not applicable to the Company. The Company has not earned any foreign exchange during the year under review. The Foreign Exchange used during the year was Rs. 6.82 lakhs (previous year Rs.Nil)

Statement of Particulars of Employees Under section 217 (2A) of the Companies Act, 1956 Read with the companies (Particulars of Employees) Rules, 1975 as amended

Sr. No.	Name	Age (Years)	Designation / Nature of Duties	Remuneration Received (Rs.)**	Qualification	Exp. (Year)	Date of commencement of Employment	Previous Employment	
								Post Held	Name of Previous employer
1	Mr. Sushil Bhatler	50	Wholetime Director	3894286	BE (Hons) (Chem)	27	19.03.1980*	Wholetime Director	Binani Zinc Ltd.

*Commencement of Employment in the group. **Employed for part of the year.

Corporate Governance Report

Corporate Governance Philosophy

The management believes that corporate growth, goals, transparency and enhanced stakeholder value are to be achieved only through good corporate governance.

Board of Directors

The Board of Directors of Binani Industries Limited now comprises of Non-Executive Chairman, 1 Non-Promoter Executive Director and 3 Independent Directors meeting the requirements of the listing agreement. During the period under review the Board comprised of a Non-Executive Chairman, 1 Non-Promoter Executive Director, 3 Independent and 1 Nominee Director of IIBI. IIBI had withdrawn the nomination of Mr. G.Venkatakrishnan with effect from 25th April, 2006.

The composition and category of Directors as on March 31, 2007 are as follows:

Category	Name of Director
Promoter and Non Executive Chairman	Mr. Braj Binani, Chairman
Non Promoter and Executive Director	Mr. Sushil Bhatler (He has been appointed Managing Director with effect from 1 st April, 2007)
Independent Directors	Mr. S. Padmakumar
	Dr.V.C. Shah
	Mr. A.C. Chakrabortti

A brief write up about the Directors coming up for re-appointment and the Managing Director and the remuneration being paid to him have been provided in the notice to the Shareholders.

The Company does not have any pecuniary relationships or transaction with any of the non-executive Directors. Mr. S. Padmakumar is a Director of Binani Cement Limited, Goa Glass Fibre Limited, Wada Industrial Estate Limited and Binani Zinc Limited, subsidiaries of the Company. Dr.V.C. Shah is a Director of Binani Cement Limited also.

The Board of Directors met 4 times during the period under review on 25/4/2006, 27/7/2006, 27/10/2006 and 31/1/2007. Attendance of each Director at the meetings of the Board of Directors held during the year and the last Annual General Meeting and Directorship held by them in other Companies is indicated below.

Name of Director	No. of Board meetings attended out of 4 meetings of the Board of Directors	Whether attended last Annual General Meeting.	No. of Directorships in domestic public companies (including this Company)		No. of Committee * memberships in domestic public companies (including this company).	
			As Chairman	As Director	As Chairman	As Member
Mr.Braj Binani	4	Yes	6	-	3	3
Mr. S.Padmakumar	4	Yes	-	8	8*	11*
Dr. V.C. Shah	4	Yes	-	5	3*	10*
Mr.A.C.Chakrabortti	3	No	2	12	4	2
Mr.Sushil Bhatler	4	Yes	-	6	2*	15*

* inclusive of non mandatory committee.

Audit Committee

Audit Committee of the Board was constituted in the year 2001. The Company has complied with the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the listing agreement relating to the composition and terms of reference of the Audit Committee. The Committee comprised of two independent non Executive Directors one of whom is the Chairman and 1 Nominee Director. Presently it consists of 3 Independent Directors consequent upon the withdrawal of nomination by IIBI and induction of one Independent Director. Audit Committee is responsible for the financial reporting and ensuring compliances with accounting standards and reviewing financial policies of the Company and to recommend the appointment of Statutory Auditors and Internal Auditors and fix their fees.

The Committee examines in detail the reports of the Internal Auditors of the Company as well as those of the subsidiaries. The Committee also reviews all the unaudited quarterly Financial Results and the audited results including that of Subsidiaries before submission to the Board. The Chairman of the Audit Committee, Mr. S. Padmakumar was present at the last Annual General Meeting (AGM) of the Company held on 5th July, 2006. The Audit Committee met 4(four) times during the year under review on 25th April, 2006, 27th July, 2006, 26th October 2006 and 30th January 2007. The names of the Directors who are members of the Audit Committee and their attendance at last AGM is given below

Name of the Director	No. of Meetings attended	Whether attended AGM
Mr. S. Padmakumar	4	Yes
Dr. V.C. Shah	3	Yes
Mr. A.C. Chakrabortti	3	No

Executive Director, BCL and Senior Vice President (Corporate) & Chief Financial Officer attend all the meetings of the Audit Committee. Representatives of the Statutory Auditors and Internal Auditors are invited to attend the meetings. The Company Secretary acts as the Secretary of the Audit Committee.

Investor Relations Committee.

The Investor Relations Committee comprises of 2 Independent Directors and 1 Executive Director to ensure speedy disposal of the share transfer requests, both demat and physical, received by the Company. The Committee, apart from overseeing the Share transfer work also looks into various investor complaints. The Committee meets at least 2 times in a month. The committee met 28 times during the period under review. The attendance in the said Committee is as under:-

Name of the Director	No. of Meetings attended
Dr. V.C.Shah	27
Mr. S. Padmakumar	7
Mr. Sushil Bhatte	25

Remuneration Committee.

A Remuneration Committee was constituted in the year 2003-04 as required by Schedule XIII of the Companies Act, 1956 to consider and approve the remuneration package payable to the Executive Directors of the Company. The Committee at present comprises of independent Directors Mr. S. Padmakumar, Dr.V.C.Shah and Mr.A.C.Chakraborti. Mr. S. Padmakumar is the Chairman of the Remuneration Committee. The Committee has met 2 times during the year and approved the remuneration paid to Mr. Sushil Bhatte as Wholtime Director with effect from 24th April 2006 and as Managing Director with effect from 1st April, 2007.

The Non Executive Directors are remunerated by way of sitting fees, as decided by the Board of Directors of the Company from time to time.

Mr. Braj Binani is not in receipt of any Salary/ perquisite from any Company with effect from 1.4.2005.

The details of the remuneration paid to Mr. Sushil Bhatte consequent upon his appointment as Wholtime Director of the Company is given below:-

Basic Salary : Rs.26,53,334/- P.A
 Perquisites : Rs.12,40,952/-P.A (HRA, Medical and LTA)
 Bonus & Stock Option – Not applicable
 Pension, Provident Fund & Gratuity – As per Rules applicable

He resigned as Wholtime Director with effect from 31st March, 2007 and was appointed as Managing Director with effect from 1.4.2007.

Offer Committee during the year 2006-07

A Committee comprising of Mr. Braj Binani, Mr. Sushil Bhatte, Mr.S. Padmakumar and Dr. V.C. Shah was constituted in connection with the proposed offer for sale of 20,500,000 Equity Shares of Binani Cement Limited held by the Company through a 100% book-building process. Subsequently the said proposal was withdrawn and JPMorgan, one of the other investors offered 20500000 Equity Shares of BCL through a 100% book building process.

Finance Committee

The Board has also constituted a Committee of Directors to oversee the financial function and for availing facilities including working capital facilities from Bankers. The Committee comprised of Mr. S.Padmakumar, Dr. V. C. Shah and Mr. Sushil Bhatte. Mr. D.Sundararajan, Executive Director, Binani Cement Limited who is incharge of overall finance functions also attends the meetings of the Finance Committee.

Code of Conduct

As required by the amended Clause 49 of the Listing Agreement, the Board of Directors of the Company have adopted a Code of Conduct for all Board Members and Senior management of the Company. The Code of Conduct has been posted on the web site www.binani.net of the Company. The members of the Board of Directors and Senior management of the Company and its Subsidiaries have affirmed compliance of the said Code during the period under review. The Annual report of the Company contains a declaration to this effect duly signed by the Wholtime Director and Group CEO (Now Managing Director) as required by Clause 49 of the Listing Agreement.

Subsidiary Companies

As required by the amended Clause 49, the Company has appointed Mr. S. Padmakumar, independent Director, on the Boards of Binani Cement Limited, Binani Zinc Limited and Goa Glass Fibre Limited which are material non-listed Subsidiaries of the Company.

The Audit Committee of the Company also reviews the Financial Statements of all the subsidiaries.

The Minutes of the Meetings of the Board of Directors of the Subsidiary Companies are being regularly placed before the Board of Directors of the Company. A statement containing the significant individual transactions and arrangements of the material unlisted subsidiaries are also placed before the Board of Directors of the Company on a regular basis.

Disclosures:

As required by the amended Clause 49, a statement in summary form of transaction with related parties are being periodically placed before the Audit Committee. The Company does not have any materially significant related party transactions that may have a potential conflict with the interest of the Company.

Further based on disclosures received from Company's Senior Management Personnel, none of Senior Management Personnel had any material, financial or commercial transactions wherein they had personal interest that could have potential conflict with the interest of the Company at large.

Disclosures of Accounting treatment.

Disclosures of Accounting treatment wherever applicable have been made in the Audited Financial Accounts for the year ended 31st March 2007.

Board Disclosures- Risk Management:

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures of the material subsidiaries and they are being reviewed periodically.

MD/CFO Certification

A Certificate from Managing Director and CFO has been placed before the Board confirming that:-

- (a) they have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) they accept responsibility for establishing and maintaining internal controls for financial reporting and they have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) they have indicated to the Auditors and the Audit Committee
- significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and
 - they have not come across any instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financing reporting.

Annual General Meetings (AGMs)

The details of the last 3 Annual General Meetings are as under:-

Annual General Meeting	Date	Time
41 st	12 th July, 2004	11.30 a.m.
42 nd	20 th June, 2005	9.30 a.m.
43 rd	5 th July, 2006	9.30 a.m.

All the meetings were held at Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017. At the 43rd AGM held on 5th July 2006 Special Resolution was passed for the appointment and payment of remuneration to Mr. Sushil Bhatte as Wholetime Director.

Postal Ballot

Special Resolution under Section 372A of the Companies Act 1956 for enhancing the Corporate Guarantee limits from Rs.923.38 Crore to Rs. 1600 Crore is proposed through Postal Ballot which is being sent along with the Annual Report. The result of the Postal Ballot based on the Report of the Scrutinizer will be declared at the ensuing AGM.

Disclosures:

None of the Directors had any pecuniary transaction or relationship with the Company. The related party transactions with the subsidiaries and Promoter Group Companies have been disclosed in the Annual Accounts as per the accounting standards. No penalty or strictures have been imposed on the Company by the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Association Limited, where the Company's Shares are listed or by any other statutory authority on any matter relating to capital markets during the last three years. The Company has received 2 letters from the Registrar of Companies, West Bengal directing the Company to file application for compounding offences reportedly committed by Company under Sections 217(2) (e), 210 and 211 of the Companies Act 1956 arising out of the scrutiny of the Annual Accounts of the Company for the year ended 31st March, 2005. The Company in the process of submitting further clarifications in the matter.

Means of Communication:

The means of communications are quarterly, half yearly and annual results published in News Papers as per Clause 41 of the Listing Agreement and the results along with shareholding pattern are also available on the Company's Website www.binani.net. The Company's Financial Results, information relating to financial performance and shareholding pattern are displayed on the SEBI Website www.sebi.gov.in under hyperlink EDIFAR. The Company had sent the full annual report along with audited reports of subsidiaries as required under the provisions of the Companies Act, 1956 till 2002. However for the years ended 31st March 2003, 31st March 2004, 31st March 2005 and 31st March 2006 in view of the exemption granted by the Central Government, Annual Accounts of the Subsidiaries were not attached. However, the abstract of financial statements of each subsidiary were attached. The Company has also obtained exemption from Central Government for the year ended 31st March, 2007

The Company's results are normally published in Financial Express and Pratidin (Bengali daily) in Kolkata where the Company's Registered Office is located.

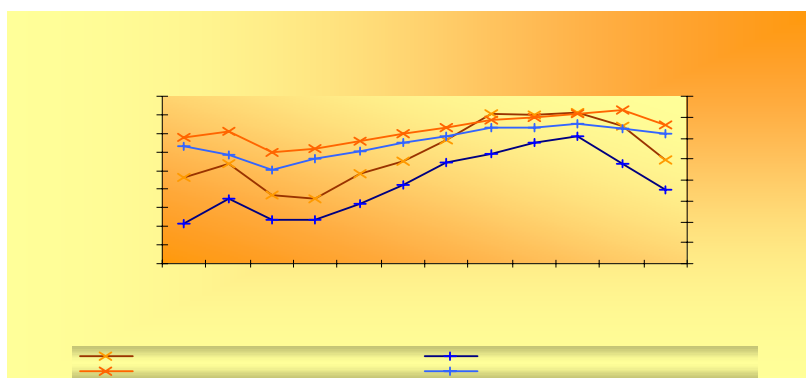
General Shareholders Information.

44 th Annual General Meeting	Monday, the 2 nd July 2007 at 9.30 a.m. at Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017.
Financial Calendar	1 st April to 31 st March
Date of Book Closure	Wednesday the 27 th June 2007 to Monday, the 2 nd July, 2007.(both days inclusive).
Dividend Payment Date	On or before 31 st July, 2007
Listing on Stock Exchanges	The Bombay Stock Exchange Limited, The National Stock Exchange of India Limited and The Calcutta Stock Exchange Association Ltd.
Listing Fees	Company has paid the Annual Listing Fees to all the Stock Exchanges where the Shares are listed for the year 2007-08.
Stock Code	BSE 500059 NSE BINANIIND

Market Price Data(BSE) & (NSE)

Months	Price Data (BSE)		Price Data(NSE)		Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April'06	233.20	109.00	-	-	12042.56	11237.23
May'06	269.90	173.15	-	-	12612.38	10398.61
June'06	185.80	116.10	-	-	10609.25	8929.44
July'06	174.00	116.15	-	-	10930.09	10007.34
August'06	243.00	160.00	-	-	11723.92	10751.66
September'06	276.50	210.15	276.90	223.00	12454.42	11550.69
October'06	332.00	273.05	332.45	272.00	13024.26	12204.01
November'06	403.00	295.00	403.80	294.10	13773.59	13072.51
December'06	398.00	325.00	397.00	321.00	13972.03	12995.02
January'07	408.00	343.95	406.90	341.20	14282.72	13362.16
February'07	368.00	268.00	369.00	251.30	14652.09	12938.09
March'07	280.00	199.55	282.00	200.10	13308.03	12415.04

Note: BIL Shares have been listed on National Stock Exchange of India Ltd.(NSE) in September 2006 hence data for earlier period is not furnished.



Source : www.bseindia.com

Registrar and Transfer Agents and
Share Transfer System.

Contact Person:
E-mail Id.

Compliance Officer

Contact No &
E-mail Id:

Secretarial Department /
Registered Office

Contact Person:
Mumbai Office

Kolkata Office

M/s. Intime Spectrum Registry Limited

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

Mr. Rajesh Mishra
rajesh.mishra@intimespectrum.com

Both Physical and Demat Transfers are done through the Registrar and Transfer Agents M/s. Intime Spectrum Registry Limited. The Shares of the Company are under compulsory demat mode.

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

022-22634951-53
trc@binani.net

706, Om Tower, 32, Chowringhee Road, Kolkata 700 071

Mr. Atul P.Falgunia
Vice President (Secretarial)
Tel. 022- 66316913
E-mail ; atul@binani.net

Mr. A. Babu
General Manager (Secretarial)
Tel. 033- 22882508
E-mail: binanical@vsnl.net

Distribution of Shareholding Pattern

As on 31.3.2007

Category	No. of Shares Held	Percentage of Shareholding
A PROMOTER'S HOLDING	12320840	41.63
1. Promoters	Nil	Nil
2. Persons acting in Concert		
Sub -Total	12320840	41.63
B NON - PROMOTER'S HOLDING		
3. Institutional Investors		
a. Mutual Funds and UTI	1313434	4.44
b. Banks / Financial Institutions	1751716	5.92
Insurance Companies	0	0
Central / State Government Institutions	90	0.0003
c. Foreign Institutional Investors	2231768	7.54
Sub - Total	5297008	17.90
4. Others		
a. Private Corporate Bodies	3736905	12.62
b. Indian Public	7058334	23.85
c. NRIs / OCBs	1178288	3.99
d. Any other (please specify) Foreigners	5050	0.01
Sub - Total	11978577	40.47
GRAND TOTAL	29596425	100

Distribution of Shareholding as on 31.03.2007

No. of Ordinary Shares held	No. of Shareholders	No. of Shareholders (%)
1 to 500	48154	97.21
501 to 1000	737	1.49
1001 to 2000	317	0.64
2001 to 3000	117	0.24
3001 to 4000	38	0.08
4001 to 5000	28	0.06
5001 to 10000	58	0.11
10001 and above	86	0.17
TOTAL	49535	100.000

Dematerialization of shares and liquidity

The Company's shares are under Compulsory demat mode. As on 31st March 2007 56.38% of the total outstanding Shares were held in Dematerialized form. The Shares are actively traded at BSE/NSE.

Outstanding GDRs /ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity.

Not applicable.

Subsidiaries' Plant Locations

- Binani Zinc Limited**
Binanipuram, Ernakulam, Kerala- 683502
- Binani Cement Limited**
Binanigram, Pindwara, Sirohi, Rajasthan -307025
- Goa Glass Fibre Limited**
Colvale, Bardez, Goa - 403513
- BT Composites Limited**
C5 to C9, Madkaim Indl. Est. Mardol Post, Goa- 403404
- Ess Vee Alloys (Pvt.) Limited**
Plot No.113, D.S.S. Industrial Estate, Piparia, Silvassa 396 230
Dadra & Nagar Haveli (U.T)
- Binani Mazak Pvt. Limited**
Binanipuram
Ernakulam, Kerala 683502

Address for correspondence for Binani Industries Limited & its Subsidiary Companies (Except R.B.G. Minerals Industries Limited and Binani Mazak Pvt.Ltd.)

Registered Office:
706, Om Tower, 32, Chowringhee Road, Kolkata - 700 071

Corporate Office and Registered Office of Binani Mazak Pvt.Ltd.
Mercantile Chambers, 12, J. N. Heredia Marg,
Ballard Estate, Mumbai - 400 001.

Registered Office of R.B.G. Minerals Industries Ltd.
17-A, Old Fatehpura, Udaipur 313001

DECLARATION

All the member of the Board of Directors of the Company and Senior Management of the Company have affirmed compliance of the code of conduct for the year ended 31st March 2007. The Code of conduct laid down for all Board members and Senior Management of the Company is posted on the website of the Company.

Mumbai
24 April, 2007

Sushil Bhatler
Managing Director

Auditors' Certificate

To
The Members of Binani Industries Limited

We have examined the compliance of conditions of Corporate Governance by Binani Industries Limited (the Company) for the year ended March 31, 2007, as stipulated in clause 49 of the Listing Agreement entered into with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As per the records of the Company, no investor grievances are pending for a period exceeding one month against the Company except the complaint of five investors.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kanu Doshi Associates
Chartered Accountants

JAYESH PARMAR
Partner
Membership No.45375

Place: Mumbai
Date: 24th April, 2007.

Auditors' Report

To
The Members of Binani Industries Limited

1. We have audited the attached Balance Sheet of Binani Industries Limited as at March 31, 2007 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. Based on the written representations received from the directors, we report that none of the directors are disqualified as on March 31, 2007 from being appointed as directors in terms of Section 274 (1) (g) of the Companies Act, 1956.
5. Attention is invited to the following in Schedule 16 :
 - i. *Note No. 4 regarding non provision of Income tax liability of Rs. 139.45 lacs. The Company has filed an appeal against the order of the Income Tax Appellate Tribunal, confirming the chargeability of interest under Sections 234B and 234C and on Minimum Alternate Tax under Section 115JA/JB of the Income Tax Act, 1961, before the Hon'ble High Court at Calcutta.*
In view of the nature of the case involved, the ultimate outcome of the matter relating to the liability, if any, in this regard cannot be ascertained/ determined at this stage.
 - ii. Note No. 12 regarding write off of Rs. 8,431.81 lacs being the difference between the carrying cost of investment in Equity shares of Binani Cement Limited and face value of shares held arose out of cancellation equity shares as per the scheme approved by the Hon'ble High Court of Calcutta in earlier year.
 - iii. Note No. 13 regarding write off of Rs. 978.85 lacs being permanent diminution in value of investments and Rs. 1000 lacs out of the advances outstanding of BT Composites Limited a subsidiary company
 - iv. Note No. 14 regarding write off of Rs. 32.35 lacs being diminution in value of investments due to impairment in the value of assets of Wada Industrial Estate Limited (formerly Binani Lead Limited) a subsidiary company.
 - v. Note No. 16 regarding interest for earlier years written back of Rs. 1,222.26 lacs on One Time Settlement of Funded Interest Term Loan (FITL) as agreed to by Industrial Development Bank of India (IDBI).
6. *Subject to our observations in paragraph 5(i) above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007
 - b. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Kanu Doshi Associates

Chartered Accountants

JAYESH PARMAR

Partner

Membership No.45375

Place: Mumbai

Date: 24th April, 2007.

Annexure referred to in paragraph 3 of our report of even date to the Members of Binani Industries Limited.

- i a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) During the year the fixed assets of the company have been physically verified by the management. As explained to us, the company has a policy to carry out physical verification of all assets in a phased manner at regular intervals, which in our opinion, is reasonable having regards to the size of the company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- c) Since the Company is a holding company and ceased its manufacturing activity since 17th September, 2006, the write off/ disposal of fixed assets which had insignificant written down value, have no impact on the going concern assumption.
- ii The Company does not hold any inventories. Accordingly, clauses (ii) of paragraph 4 of the Order are not applicable.
- iii The Company has neither granted nor taken any loans secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses (iii) of paragraph 4 of the Order are not applicable.
- iv In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in the internal control system.
- v a) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that needed to be entered into the register have been so entered.
- b) In our opinion and according to the information and explanation given to us, the transactions in pursuance of such contracts or arrangements have been made at prices which are prima facie reasonable having regard to the prevailing market prices at relevant time.
- vi The Company has not accepted any deposits from the public.
- vii In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
- ix a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues with the appropriate authorities during the year.
- b) According to the record of the Company, there are no dues outstanding of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service tax, Excise Duty, Cess on account of any dispute, other than the following:

Name of the Statute	Nature of Dues	Amount Rs. in Lacs	Forum where dispute is pending
Income Tax Act, 1961	Various disallowance under the Act and interest on Advance Tax	409.66	Assessing Officer

- x The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash loss both in the current year and in the immediately preceding financial year.
- xi During the period under review, the company has not defaulted in repayment of dues to a financial institution or bank or debentures.
- xii According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit/societies.
- xiv The company does not deal or trade in shares, securities, debentures and other investments. However, the Company holds shares of its subsidiaries in its own name.
- xv According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiaries and associates from Banks and financial institutions, the terms and conditions thereof in our opinion are not *prima facie* prejudicial to the interest of the Company.
- xvi Based on the information and explanation given to us by the management, the company has not taken any term loan during the year.
- xvii According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- xviii The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix According to the information and explanations given to us and the records examined by us, no debentures were issued by the company during the year.
- xx The Company has not raised any money through a public issue during the year.
- xxi According to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Kanu Doshi Associates

Chartered Accountants

JAYESH PARMAR

Partner

Membership No.45375

Place: Mumbai

Date: 24th April, 2007

BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	Schedule	As at 31st March 2007	As at 31st March 2006
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	2,961.52	2,961.52
Reserves and Surplus	2	<u>19,659.72</u>	<u>19,659.72</u>
		22,621.24	22,621.24
LOAN FUNDS			
Secured Loans	3	12.07	9.93
Unsecured Loans	4	<u>11,573.35</u>	<u>26,108.41</u>
		11,585.42	26,118.34
T O T A L		<u>34,206.66</u>	<u>48,739.58</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	989.84	7,913.85
Depreciation		<u>(531.81)</u>	<u>(7,124.08)</u>
Net Block		458.03	789.77
INVESTMENTS	6	26,916.93	39,721.15
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		-	0.93
Sundry Debtors		-	1.62
Cash and Bank Balances		88.98	58.39
Loans and Advances		818.73	1,093.15
		<u>907.71</u>	<u>1,154.09</u>
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	8	(230.63)	(221.47)
Provisions		(914.28)	(531.65)
		<u>(1,144.91)</u>	<u>(753.12)</u>
NET CURRENT ASSETS		(237.20)	400.97
PROFIT AND LOSS ACCOUNT	9	7,068.90	7,827.69
T O T A L		<u>34,206.66</u>	<u>48,739.58</u>
NOTES ON ACCOUNTS AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FORM INTEGRAL PART OF ACCOUNTS			
	16		

As per our report of even date attached

For and on behalf of the Board of Directors

For KANU DOSHI ASSOCIATES

Chartered Accountants

JAYESH PARMAR

Partner

Membership No: 45375

Place : Mumbai

Date : 24th April, 2007.

T.R. Chandramohan Nair

Executive Vice President

(Corporate & Legal) & Secretary

M.K. Chattopadhyaya

Senior Vice President

(Corporate) & Chief Financial Officer

Braj Binani

Chairman

Sushil Bhatler

Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

(Rs. Lakhs)

	Schedule	For the year ended 31st March 2007	For the year ended 31st March 2006
INCOME			
Gross Sales	10	22.35	46.47
Less: Excise Duty		5.33	4.61
Net Sales		17.02	41.86
Profit on Sale of investment in Equity Shares in Subsidiary (refer note 11 of Schedule 16)		11,042.63	3,510.38
Profit on sale of Fixed Assets		197.43	1.85
Dividend & Interest Income (includes dividend received from subsidiary Rs. 1006.04 lakhs (Previous year Nil))		1,036.22	2.08
(Tax deducted at source Rs.2.65 lakhs, Previous year Rs. 0.46 lakhs)		9.17	114.76
Other Income (refer note 19 of Schedule 16)			
TOTAL		12,302.47	3,670.93
EXPENDITURE			
Raw Materials, Packing Materials and Goods Consumption	11	-	113.53
Other Manufacturing Expenses	12	-	11.74
Payments to and Provision for Employees	13	96.36	30.49
Selling and Administration Expenses	14	190.24	136.22
Interest and Finance Charges	15	1,051.17	1,847.11
Depreciation		65.79	106.39
TOTAL		1,403.56	2,245.48
Profit before extra ordinary item & taxation		10,898.91	1,425.45
Extra ordinary items :			
Loan to subsidiary written off (refer note 13 of Schedule 16)		(1,000.00)	(276.05)
Plant and Machinery written off on impairment		-	(389.22)
Loan/ Interest for earlier years written back on One Time Settlement of Loans (Refer note 16, 17 and 18 of Schedule 16)		1,222.26	1,106.63
Investment in Subsidiaries written off (Refer note 12, 13 and 14 of Schedule 16)		(9,443.01)	(319.88)
Profit after extra ordinary items but before Taxation		1,678.16	1,546.93
Provision for Taxation			
- Current Tax (MAT)		(51.00)	(60.71)
- Deferred Tax (refer note 27 of Schedule 16)		-	-
- Fringe Benefit Tax		(2.70)	(62.21)
Profit/(Loss) for the year		1,624.46	1,484.72
Transfer to General Reserve		(163.00)	(75.00)
Proposed Dividend		(739.91)	(443.95)
Tax on Dividend		(125.76)	(62.26)
Transfer from Debenture Redemption Reserve		-	875.00
Transfer from General Reserve		-	75.00
Balance brought forward from last year		(7,827.69)	(9,681.20)
Balance Carried to Balance Sheet (Schedule 9)		(7,231.90)	(7,827.69)
Earnings Per Share (Equity Shares, Face value Rs. 10/- each)			
Basic & Diluted (Rs.)		5.49	5.02
Number of shares used in computing earnings per share Basic & Diluted		29,596,425	29,596,425

NOTES ON ACCOUNTS

16

**AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FORM INTEGRAL PART OF ACCOUNTS**

As per our report of even date attached

For and on behalf of the Board of Directors

For KANU DOSHI ASSOCIATES

Chartered Accountants

JAYESH PARMAR

Partner

Membership No: 45375

Place : Mumbai

Date : 24th April, 2007.

T.R. Chandramohan Nair

Executive Vice President

(Corporate & Legal) & Secretary

M.K. Chattopadhyaya

Senior Vice President

(Corporate) & Chief Financial Officer

Braj Binani

Chairman

Sushil Bhatler

Managing Director

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2007

	(Rs. Lakhs)	
	As at 31st March 2007	As at 31st March 2006
SCHEDULE - 1		
SHARE CAPITAL		
Authorised:		
4,00,00,000 Equity Shares of Rs. 10 each	4,000.00	4,000.00
60,00,000 Preference Shares of Rs. 100 each	6,000.00	6,000.00
	<u>10,000.00</u>	<u>10,000.00</u>
Issued , Subscribed and Paid up:		
2,95,96,425 Equity Shares of Rs. 10 each fully paid up (Previous year 2,95,96,425 Equity Shares of Rs. 10 each) (Of the above 1,59,30,075 Equity Shares were allotted as fully paid up Bonus Shares by capitalisation of General Reserve, Share Premium and Profit on reissue of forfeited shares)	2,959.64	2,959.64
Add: Forfeited Shares	1.88	1.88
TOTAL	<u>2,961.52</u>	<u>2,961.52</u>

SCHEDULE - 2**RESERVES AND SURPLUS****CAPITAL RESERVE**

As per last Balance Sheet

49.04

49.04

49.0449.04**CAPITAL INVESTMENT SUBSIDY**

As per last Balance Sheet

15.00

15.00

15.0015.00**SHARE PREMIUM**

As per last Balance Sheet

19,595.68

19,595.68

19,595.6819,595.68**DEBENTURE REDEMPTION RESERVE**

As per last Balance Sheet

-

875.00

Less: Transfer to Profit and Loss Account

-

(875.00)

--**GENERAL RESERVE**

As per last Balance Sheet

-

-

Add: Transfer from Profit and Loss Account

163.00

75.00

Less: Transfer to Profit and Loss Account

-

(75.00)

Less: Balance at the year end adjusted with the debit balance
of Profit and Loss Account as per contra(163.00)---**TOTAL**19,659.7219,659.72

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2007

	(Rs. Lakhs)	
	As at 31st March 2007	As at 31st March 2006
SCHEDULE - 3		
SECURED LOANS		
(refer note 7 in schedule 16)		
HIRE PURCHASE CREDIT	12.07	9.93
(Falling due for payment within one year Rs.7.03 lakhs)		
(Previous year Rs. 4.56 lakhs)		
TOTAL	<u><u>12.07</u></u>	<u><u>9.93</u></u>

SCHEDULE - 4**UNSECURED LOANS**

From Subsidiaries (refer note 7 in schedule 16)	9,650.07	22,740.13
From Promoters	1,923.28	1,973.28
From Others (refer note 8 in schedule 16)	-	1,395.00
TOTAL	<u><u>11,573.35</u></u>	<u><u>26,108.41</u></u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2007

SCHEDULE - 5

FIXED ASSETS

(Rs. Lakhs)

	Freehold Land	*Buildings (Including Roads)	Plant and Machinery	Furniture & Office Equipments	** Transport Equipments	GRAND TOTAL	TOTAL PREVIOUS YEAR
GROSS BLOCK							
As at 1st April 2006	4.04	929.47	6,732.82	223.90	23.61	7,913.84	8,206.81
Additions during the year	-	-	3.79	3.28	9.01	16.08	20.56
Sales/Transfers/Adjustments during the year ***	-	305.98	6,624.64	9.46	-	6,940.08	313.52
Total as at 31st March 2007	4.04	623.49	111.97	217.72	32.62	989.84	7,913.85
DEPRECIATION							
As at 1st April 2006	-	355.00	6,607.60	152.79	8.68	7,124.07	6,917.19
Additions during the year	-	23.17	26.62	12.11	3.89	65.79	495.61
On Sales/Transfers/Adjustments during the year ***	-	82.49	6,569.50	6.06	-	6,658.05	288.72
Total as at 31st March 2007	-	295.68	64.72	158.84	12.57	531.81	7,124.08
NET BLOCK							
As at 31st March 2007	4.04	327.81	47.25	58.88	20.05	458.03	789.77
As at 31st March 2006	4.04	574.47	125.22	71.11	14.93	789.77	

Notes:

- * Includes building of Rs. 198.05 lakhs on leasehold land. Transfer of lease yet to be completed.
 ** Gross Block includes vehicle taken on Hire Purchase amounting to Rs. 26.78 lakhs (Previous Year Rs. 17.77 lakhs)
 *** Sale / Transfer / Adjustment include Rs.8.38 Lakhs (Previous year Rs. 4.02 Lakhs) being gross value of certain assets discarded during the year. Consequential loss on discard of assets amounting to Rs.3.63 Lakhs (Previous year Rs. 1.81 Lakhs) has been charged to Profit & Loss Account.

	Current year	Previous year
2. Charged to Profit & Loss Account	65.79	106.39
Value of Plant and Machinery written off on account of impairment (refer note 9 in Schedule 16)	-	389.22
Depreciation for the year	65.79	495.61

3. Particulars of assets leased out : (refer note 10 of schedule 16)	Current year			Previous year		
	Gross Block	WDV	Depreciation For the year	Gross Block	WDV	Depreciation For the year
Plant and Machinery	-	-	-	5,973.97	2.00	-

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	As at 31st March 2007	As at 31st March 2006
SCHEDULE - 6		
INVESTMENTS		
LONG TERM NON-TRADE UNQUOTED-AT COST		
INVESTMENT IN SUBSIDIARY COMPANIES		
i) 5,90,007 Equity Shares in Wada Industrial Estate Ltd, (Formerly Binani Lead Limited) of Rs. 100 each fully paid up Less: Written off during the year (refer note 14 of Schedule 16)	270.13 <u>(32.35)</u>	590.01 <u>(319.88)</u>
	237.78	270.13
ii) 13,18,25,956 Equity Shares in Binani Cement Limited of Rs. 10 each fully paid up (15,23,25,956 Equity Shares of Rs. 10 each fully paid up) (refer note 11 and 12 of Schedule 16)	13,182.60	24,975.62
iii) 3,21,77,389 Equity Shares in Goa Glass Fibre Limited of Rs. 10 each fully paid up	3,217.74	3,217.74
iv) 90,00,000 Equity Shares in BT Composites Limited of Rs. 10 each fully paid up Less: Written off during the year (refer note 13 of Schedule 16)	928.85 <u>(928.85)</u>	928.85 -
v) 42,00,000 6% Non Cumulative Redeemable Preference Shares in Goa Glass Fibre Limited of Rs. 100 each fully paid up (refer note 15 of Schedule 16)	4,200.00	4,200.00
vi) 5,00,000, 4% Redeemable Non Cumulative Preference Shares in BT Composites Limited of Rs. 10 each fully paid up Less: Written off during the year (refer note 13 of Schedule 16)	50.00 <u>(50.00)</u>	50.00 -
vii) 6,07,88,138 Equity Shares in Binani Zinc Limited of Rs. 10 each fully paid up	6,078.81	6,078.81
TOTAL	<u>26,916.93</u>	<u>39,721.15</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	As at 31st March 2007	As at 31st March 2006
SCHEDULE - 7		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Inventories		
Stores and spare parts	-	0.93
	<u>-</u>	<u>0.93</u>
Sundry Debtors (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	-	0.89
Other Debts	-	0.73
	<u>-</u>	<u>1.62</u>
Cash and Bank Balances		
Cash in Hand	0.47	0.25
Balance with Scheduled Banks:		
Current Accounts	46.07	22.89
Deposit Accounts (includes margin money Nil) (Previous Year Rs. 1.30 Lakhs)	1.00	2.30
Dividend Accounts	41.44	32.95
	<u>88.98</u>	<u>58.39</u>
Loans and Advances (Unsecured, considered good)		
Advances and Loans to Subsidiaries (Refer note 29(b) in schedule 16)	652.33	652.40
Advances recoverable in cash or in kind or for value to be received	22.61	170.10
Accrued Interest	0.37	0.43
Advance Tax including tax deducted at source (net)	114.94	203.87
Advance Fringe Benefit Tax (net)	0.30	0.30
Other Deposits	28.18	22.90
Balance with Customs and Excise Authorities	-	43.15
	<u>818.73</u>	<u>1,093.15</u>
TOTAL	<u><u>907.71</u></u>	<u><u>1,154.09</u></u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	As at 31st March 2007	As at 31st March 2006
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Creditors (Refer note 30 in schedule 16)		
- For Trade	-	0.58
- For Expenses	55.36	55.52
Other Liabilities	133.82	130.62
Advances from Customers	-	0.01
Investor Education and Protection Fund *		
Unpaid Dividend	41.45	32.95
Interest accrued but not due on loans	-	1.79
	<u>230.63</u>	<u>221.47</u>
PROVISIONS		
Proposed Dividend	739.91	443.95
Tax on Proposed Dividend	125.75	62.26
Gratuity	36.28	21.64
Leave Encashment	12.34	3.80
	<u>914.28</u>	<u>531.65</u>
TOTAL	<u><u>1,144.91</u></u>	<u><u>753.12</u></u>

* The actual amount will be transferred on due date

SCHEDULE - 9

PROFIT & LOSS ACCOUNT

As per Profit and Loss Account	7,231.90	7,827.69
Less: Adjusted with credit balance in General Reserve at the end of the year as per contra	(163.00)	-
	<u><u>7,068.90</u></u>	<u><u>7,827.69</u></u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

(Rs. Lakhs)

		For the year ended 31st March 2007		For the year ended 31st March 2006	
SCHEDULE - 10					
SALES		Quantity	Value	Quantity	Value
Glass Fibre Products	MT	60	21.83	40	29.35
Others			0.52		17.12
TOTAL			<u><u>22.35</u></u>		<u><u>46.47</u></u>

SCHEDULE - 11

RAW MATERIALS AND GOODS CONSUMPTION

Raw Materials Consumed			-		2.08
(Increase)/Decrease in Finished Goods					
Opening Stock		-		109.82	
Closing Stock		<u>-</u>		<u>-</u>	
			-		109.82
Cost of Traded Goods					
Purchase/Opening Stock		-		17.04	
Closing Stock		<u>-</u>		<u>-</u>	
			-		17.04
Excise Duty on Stock adjustment			-		(15.41)
TOTAL			<u><u>-</u></u>		<u><u>113.53</u></u>

Break-up of opening and closing stock of Finished Good:

		Opening Stock		Closing Stock	
		Quantity	Value	Quantity	Value
Glass Fibre Products	MT	67.00	-	-	-
		(105.00)	(109.82)	(67.00)	-

Closing Stock is net of Damaged and Samples 7 MT. (Previous year - 2 MT)

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

(Rs. Lakhs)

	For the year ended 31st March 2007	For the year ended 31st March 2006
SCHEDULE - 12		
OTHER MANUFACTURING EXPENSES		
(Refer note 25 in schedule 16)		
Power, Lighting and Fuel	-	2.93
Consumption of Stores and Spares	-	0.58
Repairs		
- Buildings	-	3.62
- Plant and Machinery	-	0.43
- Others	-	4.18
TOTAL	-	11.74

SCHEDULE - 13**PAYMENTS TO AND PROVISION FOR EMPLOYEES**

(Refer note 25 in schedule 16)

Salaries, Wages and Bonus	75.90	20.51
Contribution to Provident and other Funds	16.70	7.34
Staff Welfare Expenses	3.76	2.64
TOTAL	96.36	30.49

SCHEDULE - 14**SELLING AND ADMINISTRATION EXPENSES**

(Refer note 25 in schedule 16)

Insurance	1.25	2.16
Rates and Taxes	3.47	3.06
Directors' Fees	2.13	2.22
Rent	4.49	1.44
Travelling expenses	37.99	12.74
Professional services	21.34	43.61
Service charges	27.10	12.31
Miscellaneous expenses	92.47	58.68
TOTAL	190.24	136.22

SCHEDULE - 15**INTEREST AND FINANCE CHARGES**

(Refer note 25 in schedule 16)

Fixed Loans	-	45.79
Others	1,047.31	1,778.14
Finance Charges	3.86	23.18
TOTAL	1,051.17	1,847.11

NOTES ATTACHED TO AND FORMING PART OF THE STATEMENT OF ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2007**SCHEDULE -16****1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****BASIS OF ACCOUNTING**

The financial statements have been prepared on accrual basis and under the historical cost convention in accordance with accounting principles generally accepted in India and the provisions of the Companies Act, 1956.

USE OF ESTIMATES

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialise.

REVENUE RECOGNITION

Sales are recognized on transfer of title to the goods to the customers. Income from Dividend is recognised as and when received. Income from sale of longterm investments is recognised on transfer of shares.

FIXED ASSETS

Fixed Assets are stated at cost, net of Cenvat. Costs include trial run and stabilisation expenses, interest, finance costs and incidental expenses upto the date of capitalisation and adjustments arising from exchange rate variation relating to borrowings attributable to the Fixed Assets.

ASSETS TAKEN ON LEASE (HIRE PURCHASE)

Assets taken on finance lease (including on hire purchase) on or after 1st April, 2001 are accounted in accordance with Accounting Standard 19 on Leases, issued by The Institute of Chartered Accountants of India (ICAI). Lease payments are apportioned between finance charges and reduction of outstanding liabilities.

DEPRECIATION

Depreciation on Plant and Machinery is provided on Straight Line Method, at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on other Fixed Assets has been provided on Written Down Value Method at the rates and in the manner prescribed as per Schedule XIV of the Companies Act, 1956.

Leased assets are amortised over the period of lease or on the Straight Line Method at rates prescribed under Schedule XIV to the Companies Act, whichever is higher.

IMPAIRMENT OF ASSETS

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets" issued by the ICAI. An impairment loss is charged to the Profit and Loss account in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

VALUATION OF INVENTORIES

Raw Materials are valued at lower of weighted average cost (net of Cenvat) and net realisable value. Work-in-process is valued at lower of cost and net realisable value.

Stores and Spares have been valued at weighted average cost (net of Cenvat).

Finished Goods have been valued at lower of cost and net realisable value. Cost for this purpose includes direct cost, attributable overheads and excise duty.

SCHEDULE -16 (Contd.)

INVESTMENTS

Long-term investments are stated at cost less provision for diminution in value, which is other than temporary.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of each transaction. Premium or discount on forward exchange contract is amortised as expense or income over the life of the contract. Assets and liabilities denominated in foreign currencies are stated at the exchange rate prevailing on the date of the Balance Sheet except that in case of forward contracts, they are stated at forward exchange rate. Exchange differences arising on liabilities incurred for the purpose of acquiring Fixed Assets including premium on forward cover are adjusted in the carrying amount of the respective fixed assets. Gain or loss arising out of translation/ conversion of other balances and on cancellation or renewal of forward exchange contract are accounted for in the Profit and Loss Account.

RETIREMENT BENEFITS

The Provident Fund Scheme is a defined contribution plan for which the contribution accruing during each year as per the scheme is expensed. The Superannuation Scheme, a defined benefit plan was effective till 31st March, 2005 and was funded with the Life Insurance Corporation of India (LIC) and the annual contribution to the fund was expensed. The Gratuity Scheme is a defined benefit plan which is funded with the LIC and the liability of accrued gratuity based on actuarial valuation as confirmed by LIC is expensed. Provision is made towards liability for leave encashment on the basis of balance leave of eligible employees as at the year end, in accordance with the Company's policy.

BORROWING COSTS

Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

TAXATION

Income tax is accounted in accordance with AS-22 'Accounting for taxes on income', issued by The Institute of Chartered Accountants of India, which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

CONTINGENT LIABILITY

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation.

	As at	As at
	<u>31/03/2007</u>	<u>31/03/2006</u>
		(Rs. Lakhs)
2		
Contingent liabilities not provided for:-		
a) The estimated amounts of contracts and commitments remaining to be executed on capital account and not provided for (net of advances)	11.51	-
b) Corporate guarantees given to Financial Institutions and Banks in respect of loans to Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited and BT Composites Limited (subsidiaries of the Company) - amount outstanding.	53,929.43	55,963.12
3		
Claims against the Company not acknowledged as debts (Excludes contingent liability in respect of certain income tax matters in which amount is presently not ascertainable; also refer note no.4)	467.60	554.41
4		
For the Assessment years 1999-2000 and 2000-2001, the Income Tax Tribunal (ITAT) at Kolkata have allowed the Income Tax Department's appeal and confirmed the chargeability of interest under sections 234B and 234C of the Income Tax Act, 1961, on Minimum Alternative Tax (MAT) under section 115 JA of the Income Tax Act, 1961, which was earlier allowed by the Commissioner of Income Tax (Appeal) in favour of the		

SCHEDULE -16 (Contd.)

Company. Against the Order of ITAT, Company has filed appeal before the Hon'ble High Court at Calcutta. For Assessment year 2001-2002 also company has filed appeal before the Hon'ble High Court at Calcutta against the order of ITAT confirming chargeability of interest u/s 234B & 234C on MAT under section 115 JB of the said Act. Under the circumstances, the disputed demand not provided for is Rs. 139.45 lakhs (previous year Rs.135.48 lakhs) including interest charged u/s 220(2) Rs.3.97 lakhs (previous year Nil).

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

6	Glass Fibre Products	MT	Installed Capacity	-	1,500
			Actual Production *	-	-

* net of captive consumption of Nil (Previous year 6 MT).

Licensed capacity not indicated due to abolition of Industrial Licenses as per Notification No. 477(E) dated 25th July, 1991 issued under The Industries (Development and Regulation) Act, 1951.

Installed capacity being a technical matter, has been assessed by the management and relied on by the auditors.

Moulding Press and other assets of Moulding division have been sold to BT Composites Limited on 17th September, 2006.

7 LOANS - SECURED

A Industrial Development Bank Of India (IDBI) had approved financial restructuring package vide their letter dated March 31, 2005 and accordingly all Term loans outstanding as on 1.10.2004 (the cut off date) had been transferred to Binani Cement Limited (BCL) and Binani Zinc Limited (BZL) as per the details given below :-

- (i) Rupee Term Loans outstanding as on 1.10.2004 amounting to Rs. 8870.60 lakhs had been transferred to Binani Cement Limited and is carrying interest @ 8% p.a..
- (ii) Funded Interest Term Loan (FITL) which includes interest accrued and due as on 1.10.2004 totaling to Rs. 4733.21 lakhs had been transferred to Binani Zinc Limited. The simple interest portion amounting to Rs. 4411.75 lakhs had been converted to FITL and carrying interest @ 2% p.a. and compounded interest portion amounting to Rs. 321.45 lakhs had been converted to Zero Coupon loan.

The above loans are secured /to be secured by a first charge ranking pari-passu with other lenders on both the immovable and movable assets, both present and future, of the Company, BCL subject to prior charge on certain movable assets in favour of the banker for working capital requirements/limits.

These loans are to be also secured by Corporate Guarantee of the Company and pari passu pledge of 51% of shares held by the Company in BCL and 100% of Preference share of GGFL held with company.

All the term liabilities of IDBI in BCL and BZL are secured/ to be secured by first charge on the fixed assets of the company on pari passu basis (Term liabilities of IDBI outstanding in the books of BCL as on 31.03.2007 is Rs. 33,500.51 lakhs and the FITL transferred to BZL is Nil in the books of BZL as the same was settled under a one time settlement with IDBI).

B The outstanding Loans of ICICI Bank Ltd. as on 31.03.2005 had been transferred to Goa Glass Fibre Limited (GGFL) as agreed in the empowered committee under CDR and as per letter dated March 22, 2005 given by ICICI Bank Limited to CDR Cell of IDBI and further letter dated July 9, 2005 as per details below.

- (i) Rupee Term Loans outstanding as on 31.03.2005 amounting to Rs.1062.03 lakhs and Rs. 2000.00 lakhs had been transferred to GGFL which is carrying interest @ 8% p.a..
- (ii) Funded Interest Term Loan includes interest accrued and due upto 31.03.2005 totaling to Rs. 525.95 lakhs had been funded and transferred to GGFL which is carrying interest @ 2% p.a..

The above loan is secured by first charge on Fixed Assets of GGFL on pari passu basis.

SCHEDULE -16 (Contd.)

These loans are also secured by Corporate Guarantee of the Company and pledge of 30% of Equity shares held by the Company in GGFL (Term Liabilities outstanding in the books of GGFL as on 31.03.2007 Rs. 3071.80 lakhs.). The company has requested to ICICI bank Limited to issue letter of satisfaction of charge which has not to be received so far.

C Hire Purchase Credit - Outstanding Rs. 12.07 lakhs (Previous year Rs. 9.93 lakhs)

Secured by hypothecation of respective vehicle. The property in the respective vehicle to pass on payment of final instalment.

- 8 Unsecured Loans from others include short term loan from other corporate bodies Nil (Previous year Rs. 1395 lakhs).
- 9 During the current year, the Company has sold the moulding machinery at book value (Rs.95.82 lakhs) to BT Composites Limited, a wholly owned subsidiary of the company. The Company is holding company having Subsidiaries which are in manufacturing activities.
- 10 As per the reports of a Government Approved Valuer, the assets leased out in earlier years have no realisable value (Written down value- Nil). In view of the same these assets have been removed from the gross block of assets.
- 11 During the year, the Company has sold 2,05,00,000 equity shares of BCL. The profit on sale of such shares amounting to Rs. 11,042.63 lakhs was credited to Profit and Loss Account .
- 12 The Company has written off Rs.8431.81 lakhs being the difference between the carrying cost of investment in Equity Shares of BCL and face value of shares held arose out of cancellation of Equity Shares by BCL in terms of scheme of arrangement for cancellation of shares approved by the Hon'ble High Court at Calcutta in earlier year which was debited to Profit & Loss Account as an extra ordinary item in the current year.
- 13 The Company on a prudent basis, has written off whole of its investments of Rs.978.85 lakhs being permanent diminution in value of investment and written off an amount of Rs.1000 lakhs (Previous year Rs. 276.05 lakhs) out of the advances of Rs. 1,415.58 lakhs outstanding as on 31.03.2007 by way of part waiver of advances given to BTCL, which are debited to Profit and Loss Account as an extra ordinary items.
- As the Net worth of BTCL becomes positive as on 31st March 2007, steps are being taken for deregistration with BIFR. BTCL is currently exploring possibilities of inducting strategic partner to bring in new technologies to have wider product range and better marketability , so as to ensure future viability.
- 14 During the current year, based on the valuation report dated 17.04.07 of M/s Radbin Consultants Private Limited the Wada Industrial Estate Limited (WIEL)(formerly Binani Lead Limited) has written off Rs. 13.86 lakhs on account of impairment in the value of Electrical installations.
- In view of the above, the Company has written off investment in WIEL for Rs.32.35 lakhs (previous year Rs. 319.88 lakhs) being permanent diminution in the value of Investment which was debited to Profit and Loss Account as an extra ordinary item.
- 15 The company is holding 6% Non Cumulative Redeemable Preference Shares of Rs.4,200 lakhs of GGFL which are redeemable @ Rs 1,000 lakhs on 01.01.2007, Rs 1000 lakhs on 01.01.2008, Rs 1,000 lakhs on 01.01.2009 & balance Rs 1,200 lakhs on 01.01.2010 with an option to redeem the same earlier at par after giving a month's notice. For redemption of preference shares due on 01.01.07 since permission from ICICI Bank Limited has not been received by GGFL, the company is in the process of regularising the matter by rescheduling the redemption plan for preference shares.
- 16 During the financial year 2004-05, consequent upon restructuring of debts under Corporate Debt Restructuring Scheme (CDR) by Industrial Development Bank of India (IDBI), Funded Interest Term Loan (FITL) of Rs.4769.83 Lakhs of the company was transferred to Binani Zinc Ltd. (BZL).
- During the year FITL of IDBI of Rs.4822.25 Lakhs has been settled at Rs.3600 Lacs by BZL out of funds provided to them by the company under 'One Time Settlement' (OTS) as agreed to by IDBI. Since the FITL (original loan) was sanctioned by IDBI to the company and later transferred to BZL under CDR, the remission in amount of FITL on OTS for Rs.1222.26 Lakhs have been considered as income in the books of the company as an extraordinary item.
- 17 The outstanding loans of IIBI which were transferred to BCL in 2004-05, had been paid in full during the previous year as per One Time Settlement agreed to by IIBI as per their letter dated 28th March, 2006. Remission in interest upto 30th September, 2004 amounting to Rs.279.37 lakhs pertaining to the Company was credited to Profit and Loss Account during the previous year as an extraordinary item.
- 18 During the previous year, the outstanding dues of Non Convertible-Debentures of UTI were paid as per One Time Settlement agreed to by UTI vide its letter dated 12th July, 2005. The remission in interest in respect of earlier years amounting to Rs. 827.27 lakhs was written back and credited to the Profit and Loss Account as an extra ordinary item.

SCHEDULE -16 (Contd.)

25 Other manufacturing expenses and Selling and Administration expenses are net of Nil (Previous year Rs. 46.33 lakhs) and Rs. 156.39 lakhs (Previous year Rs. 187.61 lakhs) respectively, being share of 90% of total common expenses for office facilities allocated to subsidiaries of the Company - Binani Cement Limited, Binani Zinc Limited, Goa Glass Fibre Limited on the basis of respective turnover.

Interest and Finance charges for the year, include Rs.974.73 lakhs (Previous Year Rs.1,685.55 lakhs) allocated by subsidiaries of the Company -Binani Cement Limited, Binani Zinc Limited and Goa Glass Fibre Limited and are net of Rs.12.28 lakhs (Previous Year Nil) allocated to subsidiaries of the Company - Binani Zinc Limited. Allocation of interest is done on the basis of daily balances in respective current accounts.

The Company has allocated common expenses of its project office to subsidiaries of the Company - Binani Cement Limited, Binani Zinc Limited and Goa Glass Fibre Limited amounting to Nil (Previous year Rs.5.26 lakhs), Nil (Previous year Rs.3.29 lakhs) and Nil (Previous year Rs. 2.20 lakhs) respectively, on the basis of turnover and time spent in projects activities of the subsidiaries.

26 The Company has acquired assets on hire purchase, the fair value of which is Rs. 26.78 Lakhs. The Company has capitalised the said assets at the fair value considering the hire purchase arrangements are in nature of Finance Lease as defined in Accounting Standard 19 on "Leases". Installment payments are apportioned between finance charge and deduction of Liabilities disclosed under Secured Loans. The details of installments payable in future are as follows :

(Rs lakhs)

Particulars	Not Later than 1 Year	Later than 1 Year not later than 5 Years	Total
Minimum Installments Payable (MIP)	7.61 (5.15)	5.79 (5.79)	13.40 (10.95)
Present Value of Installments Payable (PVIP)	6.83 (4.56)	5.24 (5.37)	12.07 (9.93)
(Difference between MIP and PVIP represents future financial charges) (Figures in bracket pertain to previous year)			

27 Deferred tax asset in respect of unabsorbed depreciation and business loss has been recognised to the extent of deferred tax liability as there is virtual certainty that these would be available as set off in future years on reversal of deferred tax liability representing depreciation.

Deferred Tax Liability as on 31.03.07 comprises of the following:

Rs. Lakhs

	<u>As at 31.03.2007</u>	<u>As at 31.03.2006</u>
a) Deferred Tax Liability		
Fixed Assets	66.35	102.97
Total	<u>66.35</u>	<u>102.97</u>
b) Deferred Tax Asset		
Disallowance under Income Tax Act, 1961	19.84	1.51
Unabsorbed losses & Depreciation	5,214.42	5,937.89
Total	<u>5,234.26</u>	<u>5,939.40</u>
Deferred Tax Assets (net)	<u>5,167.91</u>	<u>5,836.43</u>

However the company on a prudent basis has not recognised deferred tax asset.

28 Since the Company is holding company and have other operations (upto 17th September, 2006) which are insignificant, Segmental disclosure as per AS-17 of the Institute of Chartered Accountants of India is not applicable.

29 Related Party disclosure as per AS 18 issued by the Institute of Chartered Accountant of India

(a) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details below:

SCHEDULE -16 (Contd.)

(Rs. Lakhs)

Particulars	Subsidiaries	Enterprises where Key Management Personnel have got significant influence	Total
Purchase of goods	- (0.33)	-	- (0.33)
Sale of goods	25.15 (26.37)	-	25.15 (26.37)
Sale of fixed assets	95.82 (4.43)	-	95.82 (4.43)
Payment towards Services received	-	37.20 (109.20)	37.20 (109.20)
Rent paid	-	1.80 (1.80)	1.80 (1.80)
Interest paid	-	10.84 (26.53)	10.84 (26.53)
Rent Received	-	0.02 (0.01)	0.02 (0.01)
Compensation Paid	-	4.32	4.32
Loans & Advances			
- Given	226.47 (136.78)	-	226.47 (136.78)
- Taken	-	-	-
- Repaid	(458.86) 12,863.53 (8,554.62)	(295.00) 260.00 (75.00)	(753.86) 13,123.53 (8,629.62)
Balance outstanding as on 31.03.2007			
-Due from	652.34 (652.40)	-	652.34 (652.40)
-Due to	9,650.06 (22,740.14)	1,923.28 (2,183.28)	11,573.34 (24,923.42)

(Figures in bracket pertain to previous year)

(b) Loans and advances in the nature of Loans given to Subsidiaries etc.

(Rs. Lakhs)

Sr. No.	Name of the Company		As at March 31, 2007	Maximum Balance during the year
1	BT Composites Limited	Subsidiary	415.58 (652.40)	1,415.58 (928.45)
2	Binani Zinc Limited	Subsidiary	236.75 (-)	558.50 (-)

(Figures in bracket pertain to previous year)

Loans and Advances shown above falls under the category of 'Loans and Advances in the nature of loans (through intra company current accounts) where there is no fixed repayment schedule . Advance given to BTCL is interest - free.

30 There are no small scale industrial undertakings to whom the Company owes any sums together with interest outstanding for more than 30 days. As the company does not have information as to which of its creditors is registered under The Micro, Small and Medium Enterprises Development Act, 2006, no disclosure as required by the said Act is given.

31 As per the company's policy an amount of Rs.12.34 lakhs has been provided as liability based on actual balance of unavailed leave. However, leave encashment liability ascertained on actuarial valuation as at 31.03.07 amounts to Rs.10.07 lakhs.

32 Previous year's figures have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

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

Braj Binani
Chairman

M.K. Chattopadhyaya
Senior Vice President
(Corporate) & Chief Financial Officer

Sushil Bhatner
Managing Director

Place : Mumbai
Date : 24th April, 2007.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

Rs. Lakhs

	For the year ended 31st March, 2007	For the year ended 31st March, 2006
Cash Flow From Operating Activities		
Net Profit Before Tax	1,678.16	1,546.93
Adjustments for:		
Depreciation	65.79	106.39
Interest & Financial Charges	1,051.17	1,847.11
(Profit)/Loss on sale/discard of Fixed Assets	(189.92)	3.28
Impairment in the value of Fixed Assets	-	389.22
Profit on sale of Investments	(11,042.63)	(3,510.38)
Investment in Subsidiaries Written off	9,443.01	319.88
Loan to subsidiary w/off	1,000.00	276.05
Sundry Balances w/off	-	6.41
FITL/Interest for earlier years w/back	(1,222.26)	(1,119.34)
Interest and Dividend Income	(1,036.22)	(62.55)
Operating Profit Before Working Capital Changes	(252.90)	(197.00)
Adjustments for:		
Inventories	0.93	111.62
Trade and Other Receivables	126.50	(51.95)
Trade and Other Payables	34.13	(62.97)
Cash Generated from Operations	(91.34)	(200.30)
Direct Taxes Paid (including FBT)	38.69	(1.80)
A Net Cash from Operating Activities	(52.65)	(202.10)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(16.07)	(20.56)
Sale of Fixed Assets	471.95	26.48
Investments in/Advances to Subsidiaries and others	(999.93)	(136.78)
Sale of Long Term Investments	14,403.84	11,835.59
Interest and Dividend Income Received	1,093.29	1.66
B Net Cash Used in Investing Activities	14,953.08	11,706.39
Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	6.87	13.50
Repayment of Term Loan	(4.73)	(2,872.81)
Decrease in Bank Borrowings (net)	-	(80.06)
Other Borrowings (net)	(13,312.80)	(6,890.77)
Interest & Finance Charges paid	(1,052.96)	(1,748.81)
Dividend Paid	(443.95)	-
Dividend Distribution Tax Paid	(62.27)	-
C Net Cash from Financing Activities	(14,869.84)	(11,578.95)
D Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	30.59	(74.66)
E Opening Cash & Cash Equivalents (Cash and Bank Balances)	58.39	133.05
F Closing Cash & Cash Equivalents (D+E) (Cash and Bank Balances)	88.98	58.39

As per our report of even date attached

For and on behalf of the Board of Directors

For KANU DOSHI ASSOCIATES

Chartered Accountants

JAYESH PARMAR

Partner

Membership No: 45375

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

M.K. Chattopadhyaya
Senior Vice President
(Corporate) & Chief Financial Officer

Braj Binani
Chairman

Sushil Bhatler
Managing Director

Place: Mumbai

Date : 24th April, 2007

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration No.:	2 5 5 8 4	State Code:	21
Balance Sheet Date	3 1 / 0 3 / 2 0 0 7		

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	N i l	Rights Issue	Nil
Bonus Issue	N i l	Private Placement	Nil

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	3 4 2 0 6 6 6	Total Assets	3420666
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SOURCES OF FUNDS

Paid up Capital	2 9 6 1 5 2	Reserves & Surplus	1965972
Secured Loans	1 2 0 7	Unsecured Loans	1157335

APPLICATION OF FUNDS

Net Fixed Assets (Incl. Capital Work-In-Progress)	4 5 8 0 3	Investments	2691693
Net Current Assets	(2 3 7 2 0)	Profit & Loss Account	706890

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover (net) /Other Income *	1 2 3 0 2 4 7	Total Expenditure **	140356
Profit / (Loss) Before Tax	1 6 7 8 1 6	Profit / (Loss) After Tax	162446
Earnings Per Share in Rs.	5 . 4 9	Dividend Rate %	25

* Excluding Extra Ordinary Income - 122226

** Excluding Extra Ordinary Expenses - 1044301

V GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Product Description
3 9 2 5 9 9 0 0	LPMC Panels

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
BINANI INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

To the Board of Directors of Binani Industries Ltd.

1. We have audited the attached Consolidated Balance Sheet of Binani Industries Ltd. and its Subsidiaries as at 31st March 2007, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended prepared in accordance with accounting principles generally accepted in India.
2. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the subsidiaries, except Binani Cement Limited, as at 31st March 2007, which reflect total assets of Rs. 24,031.25 Lacs and total revenues of Rs.66,947.41 lacs for the year then ended, have been audited by other auditors. Reports of the other auditors of the subsidiaries have been furnished to us except for Binani Zinc Ltd., (BZL) where draft audit report alongwith financial statement duly approved by the board of Directors of BZL were made available to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on these reports.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate financial statements of Binani Industries Limited and its subsidiaries included in the consolidated financial statements.
5. Further to our comments as above, we report that:
 - i. *As explained in note 7, 8 and 10 in Schedule 17, Binani Zinc Limited has not provided, differential electricity charges, penal electricity charges and interest on differential electricity charges during the previous years and current financial year aggregating to Rs.2071.15 Lacs (proportionate share of Binani Industries Ltd. and its subsidiaries) including Rs.450.75 Lacs (proportionate share of Binani Industries Ltd. and its subsidiaries) relating to the current year. As per the auditors report, in view of the nature of the cases involved and also being under dispute, the ultimate outcome of the matter relating to the liability, if any, in this regard cannot be ascertained / determined at this stage.*
 - ii. *As explained in note 9(a) in Schedule 17, Binani Cement Limited (BCL) has accounted for the interest charge on various*

loans / FITL at a lower rate, as per the Restructuring Package (RP), resulting into a reduction of interest aggregating to Rs. 883.51 Lakhs (proportionate share of Binani Industries Ltd. and its subsidiaries). This reduction in interest has been converted to Zero Coupon Loan (ZCL) by Industrial Development Bank of India (IDBI) and a view will be taken by IDBI for waiver of the same on annual review and compliance of terms of the RP to the satisfaction of IDBI. However, BCL has not accounted for the ZCL as it is hopeful of getting the waiver as aforesaid as all the terms and conditions of the restructuring package have been complied with.

- iii. *As explained in note 17(b) in Schedule 17, Provision has not been made by Goa Glass Fibre Limited for disputed refund receivable from Goa Electricity Board towards electricity subsidy aggregating to Rs. 68.89 lakhs as the matter is pending since 1996 before the Hon'ble Supreme Court*
 - iv. *Without considering the effect of the notes in paragraphs (i) above, which could not be ascertained, had the observations made by us in paragraphs, (ii) and (iii) above been considered, the profit for the year ended March 31, 2007 would have been Rs. 19,319.37 Lacs (as against the reported figure of Rs. 20,271.77 Lacs), Net Assets as at March 31,2007 would have been Rs. 22093.55 Lacs (against the reported figure of Rs. 23045.95 Lacs) and minority interest as at March 31, 2007 would have been Rs. 10,887.97 Lacs (as against the reported figure of Rs.11,365.67 Lacs).*
6. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Binani Industries Limited, its aforesaid subsidiaries and *subject to notes stated in paragraph 5 above*, we are of the opinion that in conformity with the accounting principles generally accepted in India;
 - a. the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of the Binani Industries Limited and its subsidiaries as at 31st March 2007;
 - b. the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of the Binani Industries Limited and its subsidiaries for the year then ended; and
 - c. the Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of the Binani Industries Limited and its subsidiaries for the year then ended.

For KANU DOSHI ASSOCIATES

Chartered Accountants

JAYESH PARMAR

Partner

Membership No.: 45375

Place: Mumbai

Date: April 24, 2007

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	Schedule		As at 31st March 2007	As at 31st March 2006
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1		2,961.52	2,961.52
Reserves and Surplus	2		<u>23,184.72</u>	<u>19,684.72</u>
			26,146.24	22,646.24
MINORITY INTEREST				
			11,365.67	7,043.75
LOAN FUNDS				
Secured Loans	3		70,051.83	66,223.60
Unsecured Loans	4		<u>7,926.55</u>	<u>4,673.28</u>
			77,978.38	70,896.88
DEFERRED PAYMENT LIABILITY				
			51.49	-
DEFERRED TAX LIABILITY (refer note 26 in schedule17)				
			5,043.04	246.25
TRADE DEPOSITS				
			1,819.03	1,256.43
T O T A L			<u>122,403.85</u>	<u>102,089.55</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5		121,114.00	133,424.63
Depreciation			<u>(55,436.26)</u>	<u>(56,622.27)</u>
Net Block			65,677.74	76,802.36
Capital Work-in-Progress				
			52,891.69	10,475.88
INVESTMENTS				
	6		27.52	15.07
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7		22,827.96	15,894.12
Sundry Debtors			1,715.35	960.21
Cash and Bank Balances			5,620.53	10,831.08
Loans and Advances			14,112.33	4,688.54
			<u>44,276.17</u>	<u>32,373.95</u>
CURRENT LIABILITIES AND PROVISIONS 8				
Current Liabilities			(36,150.35)	(21,225.95)
Provisions			(7,419.21)	(1,640.09)
			<u>(43,569.56)</u>	<u>(22,866.04)</u>
NET CURRENT ASSETS				
			706.61	9,507.91
MISCELLANEOUS EXPENDITURE				
	9		1.04	1.06
PROFIT AND LOSS ACCOUNT				
	10		3,099.25	5,287.27
T O T A L			<u>122,403.85</u>	<u>102,089.55</u>
BASIS OF CONSOLIDATION , STATEMENT OF SIGNIFICANT				
ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM INTEGRAL PART OF ACCOUNTS				

As per our report attached

For and on behalf of the Board of Directors

For KANU DOSHI ASSOCIATES

Chartered Accountants

JAYESH PARMAR

Partner

Membership No: 45375

Place : Mumbai

Date : 24th April,2007.

T.R. Chandramohan Nair

Executive Vice President

(Corporate & Legal) & Secretary

M.K. Chattopadhyaya

Senior Vice President

(Corporate) & Chief Financial Officer

Braj Binani

Chairman

Sushil Bhatner

Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

(Rs. Lakhs)

	Schedule	For the year ended 31st March 2007	For the year ended 31st March 2006
INCOME			
Gross Sales and Related Income	11	151,968.28	86,071.98
Excise Duty		18,634.24	12,878.42
Net Sales and Related Income		133,334.04	73,193.56
Profit on Sale of Investment in Equity Shares in Subsidiary		11,042.63	3,510.38
Other Income (refer note 21 in Schedule 17)		2,129.78	814.10
TOTAL		146,506.45	77,518.04
EXPENDITURE			
Raw Materials Packing Materials and Goods Consumption	12	55,103.75	20,773.69
Other Manufacturing Expenses	13	26,654.92	22,229.58
Payments to and Provision for Employees	14	4,028.30	3,343.22
Selling and Administration Expenses	15	20,925.95	12,684.62
Interest and Finance Charges	16	6,049.80	5,504.55
Depreciation and Amortisation on Fixed Assets		5,925.01	5,779.37
Amortisation of Miscellaneous Expenditure		-	4.42
TOTAL		118,687.73	70,319.45
Profit/(Loss) before extra ordinary item		27,818.72	7,198.59
Extra Ordinary Items			
Assets Written off on Impairment		(16.63)	(1,506.18)
Loan/Interest for Earlier Years Written back on One Time Settlement of Loans		2,088.18	1,106.63
Provision for power charges of earlier year's		(970.18)	-
Profit/(Loss) after extra ordinary item but before taxation		28,920.09	6,799.04
Provision for Taxation			
- Current Tax	(2,032.75)		(561.74)
-Tax of earlier years written back	-		0.02
-Deferred Tax (net)	(4,796.79)		(49.00)
-Fringe Benefit Tax	(51.91)	(6,881.45)	(44.21)
Profit/(Loss) for the year		22,038.64	6,144.11
Share of Minority Interest		(1,766.87)	(1,043.38)
Profit/(Loss) for the year after Minority Interest		20,271.77	5,100.73
Transfer to General Reserve		(1,163.00)	(208.00)
Proposed Dividend		(4,801.94)	(443.95)
Tax on Dividend		(816.10)	(203.36)
Balance brought forward from previous year		(5,420.26)	(9,896.73)
Adjustment on account of transfer of investment division as per Scheme of Arrangement		-	(805.35)
Transfer from Debenture Redemption Reserve		(3,500.00)	1,175.00
Transfer from General Reserve		-	75.00
Adjustment in Minority Interest on account of Sale of Investment in Equity Shares in Subsidiary		(505.05)	(213.62)
Adjustment of Goodwill on consolidation		(8,460.66)	-
Balance Carried to Balance Sheet (Schedule 10)		(4,395.24)	(5,420.28)
Earnings Per Share (Equity Shares, par value Rs. 10/- each)			
Basic & Diluted (Rs.)		68.49	17.23
Number of Shares used in computing earnings per share			
Basic & Diluted		29,596,425	29,596,425

BASIS OF CONSOLIDATION , STATEMENT OF SIGNIFICANT 17

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM INTEGRAL PART OF ACCOUNTS

As per our report attached

For and on behalf of the Board of Directors

For KANU DOSHI ASSOCIATES

Chartered Accountants

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

Braj Binani
 Chairman
JAYESH PARMAR
 Partner
 Membership No: 45375

M.K. Chattopadhyaya
 Senior Vice President
 (Corporate) & Chief Financial Officer

Sushil Bhatner
 Managing Director

Place : Mumbai

Date : 24th April, 2007.

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	As at 31st March 2007	As at 31st March 2006
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
4,00,00,000 Equity Shares of Rs. 10 each	4,000.00	4,000.00
60,00,000 Preference Shares of Rs. 100 each	6,000.00	6,000.00
	<u>10,000.00</u>	<u>10,000.00</u>
Issued, subscribed and paid up		
2,95,96,425 Equity Shares of Rs. 10 each fully paid up	2,959.64	2,959.64
Of the above 1,59,30,075 Equity Shares were allotted as fully paid up Bonus Shares by capitalisation of General Reserve, Share Premium and Profit on reissue of forfeited Shares		
Add: Forfeited Shares	1.88	1.88
TOTAL	<u>2,961.52</u>	<u>2,961.52</u>

SCHEDULE - 2**RESERVES AND SURPLUS****CAPITAL RESERVE**As per last Balance Sheet 49.04 49.04**CAPITAL INVESTMENT SUBSIDY**As per last Balance Sheet 40.00 40.00**SHARE PREMIUM**As per last Balance Sheet 19,595.68 19,595.68**DEBENTURE REDEMPTION RESERVE**

As per last Balance Sheet	-	1,175.00	
Add :Transfer from Profit and Loss Account	<u>3,500.00</u>	<u>(1,175.00)</u>	
	3,500.00		-

GENERAL RESERVE

As per last Balance Sheet	133.00	208.00	
Add:Transfer from Profit and Loss Account	1,163.00	-	
Less:Transfer to Profit and Loss Account	-	(75.00)	
Less: Balance at the year end adjusted with the debit balance of Profit & Loss Account as per contra	<u>(1,296.00)</u>	<u>(133.00)</u>	
	-	-	-

TOTAL

	<u>23,184.72</u>	<u>19,684.72</u>	
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SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	As at		As at	
	31st March 2007		31st March 2006	
SCHEDULE - 3				
SECURED LOANS				
TERM LOANS				
Financial Institutions	36,572.31		45,969.06	
(Falling due for payment within one year Rs. 3206.70 lakhs)				
(Previous Year Rs. 3999.20 lakhs)				
Interest accrued and due	<u>-</u>	36,572.31	<u>206.10</u>	46,175.16
Banks	6,516.75		1,812.68	
(Falling due for payment within one year Rs. 1514.25 lakhs)				
(Previous Year Rs. 555.42 lakhs)				
Interest accrued and due	<u>0.24</u>	6,516.99	<u>13.73</u>	1,826.41
Others		13,549.05		8,635.00
(Falling due for payment within one year NIL)				
(Previous year Rs.87.50 lakhs)				
DEBENTURES				
Financial Institutions	10,708.33		-	
(Falling due for payment within one year Rs. 1166.67 lakhs)				
(Previous Year Rs. NIL)				
Interest accrued and due	<u>-</u>	10,708.33	<u>-</u>	-
DEBENTURES - APPLICATION MONEY				
		-		7,000.00
WORKING CAPITAL DEMAND LOAN / CASH CREDIT				
Banks		2,671.95		2,551.38
HIRE PURCHASE CREDIT				
		33.20		35.65
(Falling due for payment within one year Rs. 19.08 lakhs)				
(Previous Year Rs. 18.14 lakhs)				
TOTAL		<u><u>70,051.83</u></u>		<u><u>66,223.60</u></u>

SCHEDULE - 4**UNSECURED LOANS**

From Promoters	1,933.28	1,983.28
From Others	5,993.27	2,690.00
TOTAL	<u><u>7,926.55</u></u>	<u><u>4,673.28</u></u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

SCHEDULE 5

Rs. Lakhs

	FREEHOLD LAND	LEASEHOLD LAND	*BUILDINGS (INCLUDING ROADS)	PLANT AND MACHINERY	MINE EXPLORATIONS & DEPARTMENTS	FURNITURE & OFFICE EQUIPMENTS	** TRANSPORT EQUIPMENTS	SUB TOTAL	GOODWILL ON CONSOLIDATION	TOTAL	TOTAL PREVIOUS YEAR	CAPITAL WORK IN PROGRESS
GROSS BLOCK												
As at 1st April 2006	342.78	169.15	6,926.38	1,14,227.17	784.13	800.80	385.67	123,636.08	9,788.55	133,424.63	134,696.59	
Additions during the year	316.65	-	129.81	4,662.67	-	69.32	78.90	5,257.35	-	5,257.34	2,936.19	
Sales/Transfers/Adjustments during the year	22.03	-	305.98	7,399.56	-	9.66	59.11	7,796.34	9,771.63	17,567.97	4,208.15	
Total as at 31st March 2007	637.40	169.15	6,750.21	1,11,490.28	784.13	860.46	405.46	121,097.09	16.92	121,114.00	133,424.63	
DEPRECIATION AND AMORTISATION												
As at 1st April 2006	-	41.97	3,477.91	52,091.32	172.56	580.32	258.17	56,622.25	-	56,622.28	49,871.81	
Additions during the year ***	-	1.81	237.48	5,614.92	23.57	50.25	36.21	5,964.24	-	5,964.24	7,294.23	
On Sales/Transfers/Adjustments during the year	-	-	82.49	7,023.33	-	6.21	38.23	7,150.26	-	7,150.26	543.76	
Total as at 31st March 2007	-	43.78	3,632.90	50,682.91	196.13	624.36	256.15	55,436.23	-	55,436.26	56,622.28	
NET BLOCK												
As at 31st March 2007	637.40	125.37	3,117.31	60,807.37	588.00	236.10	149.31	65,660.86	16.92	65,677.74	76,802.35	52,891.69
As at 31st March 2006	342.78	127.17	3,448.46	62,135.85	611.56	220.50	127.49	67,013.81	9,788.55	76,802.35		10,475.88

Notes

1 * Includes building of Rs. 198.05 lakhs (Previous year Rs. 198.05 lakhs) on leasehold land. Transfer of lease yet to be completed. In BCL buildings includes approach road built on land not owned by BCL Rs. 398.02 lakhs (Previous year Rs. 398.02 lakhs).

** Gross Block includes vehicle taken on Hire Purchase amounting to Rs. 68.55 lakhs (Previous Year Rs. 68.04 lakhs).

2	*** Charged to Profit & Loss Account	-	Current year 5,925.01	Previous year 5,779.37
	Add: Assets written off on Impairment (Refer note 23 in Schedule 17)		16.63	1,506.18
	Add: Capitalised		22.60	8.68
	Depreciation for the year		5,964.24	7,294.23

3	Particulars of assets leased out :	Current year			Previous year		
		Gross Block	WDV	Depreciation for the year	Gross Block	WDV	Depreciation for the year
	Plant and Machinery	-	-	-	5973.97	2.00	-

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	As at 31st March 2007	As at 31st March 2006
SCHEDULE - 6		
INVESTMENTS		
LONG TERM		
NON-TRADE QUOTED (AT COST)		
PNB Gilts Ltd.	10.02	10.02
33,400 Equity Shares of Rs. 10/- each fully paid up (Market Value Rs. 6.06 lakhs, Previous year Rs. 6.53 lakhs)		
UNQUOTED		
A) SHARES IN OTHER COMPANIES		
20,000 Equity Shares in Kerala Enviro Infrastructure Ltd. of Rs.10 each fully paid up	17.50	2.00
B) ADVANCE FOR INVESTMENTS IN		
Kerala Enviro Infrastructure Ltd.	-	3.05
TOTAL	27.52	15.07

SCHEDULE - 7
CURRENT ASSETS, LOANS AND ADVANCES
Current Assets**Inventories**

Stores, Spare parts and Loose Tools/ Coal	5,157.54	3,330.81
Raw materials and Packing Materials	13,906.44	9,539.71
Work-in-Process	250.22	186.89
Finished goods (including by-products)	3,513.76	2,836.71
	22,827.96	15,894.12

Sundry Debtors (unsecured, considered good)

Debts outstanding for a period exceeding six months	21.77	125.34
Other Debts	1,693.58	834.87
	1,715.35	960.21

Cash & Bank Balances

Cash in hand	13.23	8.85
Balance with Scheduled Banks :		
Current Accounts	2,920.85	1,266.41
Deposit Accounts (Including margin money Rs. 1319.75 lakhs) (Previous Year Rs.7686.03 lakhs)	2,644.36	8,853.76
Dividend Accounts	41.44	32.95
Cheques in Hand (including remittance in transit)	0.65	669.11
	5,620.53	10,831.08

Loans & Advances (unsecured, considered good)

Advances recoverable in cash or kind or for value to be received	9,734.83	3,535.49
Accrued interest	4.64	3.85
Advance FBT (net)	2.39	0.88
Other Deposits	894.88	600.76
Balance with Customs and Excise Authorities	3,399.19	504.79
Assets Held For Disposal	76.40	42.77
	14,112.33	4,688.54
TOTAL	44,276.17	32,373.95

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2007

(Rs. Lakhs)

	As at 31st March 2007	As at 31st March 2006
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Creditors		
For Trade including acceptance	19,149.63	10,711.23
For Expenses	11,284.66	5,705.69
SSI Units (as identified by management)	95.26	150.80
Bills Discounted with Banks	844.90	736.12
Bills Payable	88.47	357.17
Other Liabilities	1,672.90	1,020.35
Advances from customers	2,791.09	2,320.57
Investor Education and Protection Fund *		
Unpaid Dividend	41.45	32.95
Interest accrued but not due on loans	181.99	191.07
TOTAL	<u>36,150.35</u>	<u>21,225.95</u>
* The actual amount will be transferred on due date		
PROVISIONS		
Income Tax (MAT) (net)	1,088.39	259.49
Proposed Dividend	4,801.94	443.95
Tax on Proposed Dividend	816.09	203.36
Gratuity	450.41	490.93
Leave Encashment	262.38	242.36
TOTAL	<u>7,419.21</u>	<u>1,640.09</u>
TOTAL	<u>43,569.56</u>	<u>22,866.04</u>

SCHEDULE - 9
MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Preliminary Expenses

As per last Balance Sheet	1.06	1.15
Add: Additions during the year	-	-
Less: Amortised during the year	<u>(0.02)</u>	<u>(0.09)</u>
	1.04	1.06

Technical Know-how

As per last Balance Sheet	-	4.36
Less: Amortised during the year	<u>-</u>	<u>(4.36)</u>
	-	-

TOTAL	<u>1.04</u>	<u>1.06</u>
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SCHEDULE - 10
PROFIT AND LOSS ACCOUNT

As per Profit and Loss Account	4,395.25	5,420.29
Less: Adjusted with credit balance in General Reserve at the end of the year as per contra	<u>(1,296.00)</u>	<u>(133.00)</u>
TOTAL	<u>3,099.25</u>	<u>5,287.29</u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2007**

(Rs. Lakhs)

	For the year ended 31st March 2007		For the year ended 31st March 2006		
SCHEDULE - 11					
SALES AND RELATED INCOME					
		<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
Unwrought Zinc	MT	31,523	62,913.20	17,485	18,022.66
Cement	MT	2,405,833	78,200.49	2,342,759	58,400.65
Sulphuric Acid	MT	50,916	997.92	27,630	608.21
Cadmium	KG	65,613	121.00	58,505	86.08
Glass Fibre	MT	12,039	8,442.73	9,745	7,073.91
Glass Fibre Products	MT	222	333.79	97	94.24
Aluminium & Zinc Alloys	MT	407	882.98	216	249.77
Others		-	0.52	-	17.21
Trading Sales Zinc	MT	-	-	1,506	1,463.18
Related Income		-	75.65	-	56.07
	TOTAL		<u><u>151,968.28</u></u>		<u><u>86,071.98</u></u>

SCHEDULE - 12**RAW MATERIALS PACKING MATERIALS AND GOODS CONSUMPTION**

Raw Materials /Packing Material and Goods Consumption (including direct mining cost)		54,012.78		18,024.92
Royalty and Cess on Limestone		1,397.73		1,366.42
(Increase)/Decrease in Work-in-Progress				
Opening Stock	186.89		351.22	
Closing Stock	<u>250.23</u>	(63.34)	<u>186.89</u>	164.33
(Increase)/Decrease in Finished Goods				
Opening Stock	2,836.70		2,677.84	
Closing Stock	<u>3,513.76</u>	(677.06)	<u>2,836.70</u>	(158.86)
Cost of Traded Goods		-		1,363.83
Excise Duty on Stock adjustment		433.65		13.05
	TOTAL		<u><u>55,103.75</u></u>	<u><u>20,773.69</u></u>

**SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2007**

(Rs. Lakhs)

	For the year ended 31st March 2007	For the year ended 31st March 2006
SCHEDULE - 13		
OTHER MANUFACTURING EXPENSES		
Power, Lighting, Fuel & Water Charges	21,418.26	18,484.97
Consumption of Stores and Spares	3,133.43	2,170.77
Repairs		
- Buildings	90.43	87.40
- Plant and Machinery	1,317.18	913.99
- Others	248.61	121.12
Other Operating Expenses	447.01	451.33
TOTAL	26,654.92	22,229.58
SCHEDULE - 14		
PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages and Bonus	3,298.28	2,586.59
Contribution to Provident and other Funds	444.56	526.72
Staff Welfare expenses	285.46	229.91
TOTAL	4,028.30	3,343.22
SCHEDULE - 15		
SELLING AND ADMINISTRATION EXPENSES		
Freight and Transport	15,226.39	8,449.69
Insurance	520.01	511.87
Rates and Taxes	238.60	169.27
Directors' Fees	5.90	4.49
Rent	101.21	80.21
Advertisement and Sales Promotion	935.10	243.09
Bad debts written off	11.26	-
Miscellaneous expenses	2,149.39	1,852.12
Commission to Selling Agents	1,306.90	1,019.12
Loss on sale/disard of Fixed Assets (net)	214.96	354.76
Capital Work in Progress written off	216.24	-
TOTAL	20,925.96	12,684.62
SCHEDULE - 16		
INTEREST AND FINANCE CHARGES		
Interest		
Fixed Loans	3,065.64	3,169.36
Others	2,493.71	1,922.24
Finance Charges	490.45	412.95
TOTAL	6,049.80	5,504.55

NOTES ON CONSOLIDATED ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2007
Schedule 17
1 (a) Basis of preparation

Binani Industries Limited (BIL) has prepared the consolidated financial statements by consolidating its accounts with its subsidiaries and step down subsidiaries in accordance with Accounting Standard AS-21 on Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.

(b) Principles of consolidation

The financial statements of all these companies are prepared according to uniform accounting policies, in accordance with generally accepted accounting principles in India. The effect of intercompany transactions between the consolidated companies are eliminated in consolidation.

The excess of Investment value in the holding Company over the face value of equity of the subsidiary companies are reflected as Goodwill under Fixed Assets. The excess of the company's portion of equity of the subsidiaries as at the date of its investement over the cost of its investments is treated as Capital Reserve.

2 Companies included in Consolidation Subsidiaries

Binani Cement Limited (BCL), Binani Zinc Limited (BZL), Goa Glass Fibre Limited (GGFL), BT Composites Limited (BTCL), and Wada Industrial Estate Limited [WIEL - formerly known as Binani Lead Limited (BLL)] are the subsidiaries and they are incorporated in India. GGFL, BTCL and WIEL are wholly owned subsidiaries. In case of BCL, BIL's shareholding is 64.91% (Previous year 75%) and in case of BZL, BIL's shareholding is 89.90% (Previous year 89.90%) .

Step down subsidiaries

R.B.G. Minerals Industries Limited (RBG), Ess Vee Alloys Private Limited and Binani Mazak Private Limited (formerly Opticon Consultants Private Limited) are wholly owned subsidiaries of BZL and they are incorporated in India.

3 Other Significant Accounting Policies and Additional Information:

The other Significant Accounting Policies have been set out in the notes to Accounts of the parent Company (Binani Industries Limited) as the same has been applied to the Accounts of the parent and subsidiary companies. Additional information not impacted by consolidation is also set out in the Notes to Accounts of the parent Company.

		(Rs. Lakhs)	
		As at 31/03/2007	As at 31/03/2006
4	The estimated amount of contracts and commitments remaining to be executed on capital account not provided for	14931.49	42643.82
5	Contingent Liabilities :		
(a)	Guarantees given to Banks and Financial Institutions	393.36	124.94
(b)	Letter of Credit opened by banks on behalf of the Company and subsidiaries	5830.91	19.00
(c)	BCL has imported fuel without payment of Customs Duty aggregating to Rs. 59.61 Lakhs (Previous Year Rs. 59.61 Lakhs) - (excluding applicable interest and penalty thereon) by utilizing transferable DEPB Licenses purchased from the market in the ordinary course of business. The Customs Department has issued several show cause notices alleging that the original purchaser had obtained these licenses fraudulently. BCL has lost the case before Commissioner of Customs, Kandla. BCL is in the process of filing an appeal before CESTAT and is hopeful of success as BCL is not at fault.		
(d)	In respect of BCL demands raised by Excise Department including relating to dispute on weight of cement bags and welding electrodes aggregating to Rs. 97.42 Lakhs (Previous Year Rs.75.39 Lakhs). BCL has filed a writ petition in the H'ble High Court in respect of the disputes related to weight of Cement bags. BCL has filed an appeal before the CESTAT in respect of the dispute related to welding electrodes.		
(e)	In respect of BCL demands raised by Sales Tax Department aggregating to Rs. 70.21 Lakhs (Previous year Rs. 70.21 Lakhs) contending that BCL has wrongly adjusted sales tax on account of trade discounts. BCL has filed a writ petition before H'ble High Court, Jodhpur and has also obtained an interim relief. Besides, the Sales Tax department has also issued demand notices relating to various matters aggregating to Rs. 10.70 lakhs (Previous year Rs. 25.51 lakhs), which are being contested by BCL, including in appeal and is hopeful of success.		
(f)	In respect of BCL, demands raised by Customs Department in relation to import of coal made in earlier years aggregating to Rs.30.61 lakhs. The Company has filed Appeals before CESTAT, Mumbai. CESTAT Mumbai has set aside the order of the Appellate Commissioner with a direction that the appeal by the department against the Assistant Commissioner's orders should be heard denovo on merits by the Commissioner (Appeals).		
(g)	In respect of BCL, the demands raised by Uttar Pradesh State Government on account of entry tax on cement for the period from 1st April,2005 to 31st March,2006 aggregating to Rs.23.81 lakhs. The Company has paid and accounted the same as advances since a stay order has been obtained, pending disposal. The said tax for the year aggregating to Rs. 21.82 lakhs is not provided for on account of the above.		

Schedule 17 (Contd.)

	(h) Vide public notice under section 40 of The Rajasthan Finance Act, 2006, the Assessing Authority has assessed the tax on land of BCL at Rs.95.74 lakhs (Previous Year Nil). The Company is in the process of contesting the notice on grounds which include incorrect figures relating to area of land etc.		
	(i) Differential Insurance Premium demanded by National Insurance Company Limited on account of Machinery breakdown /Loss of profit policy in case of BCL .	234.56	-
6	Claims not acknowledged as debts: (Excludes contingent liability in respect of certain income tax matters in which amount is presently not ascertainable) (also refer notes below)	3343.58	943.31
7	KSEB had demanded penal charges from BZL towards the alleged unauthorized usage of additional load, as per the order of the Dy Chief Engineer, APTS(HO) KSEB. Since the company had obtained all necessary approvals as stipulated in the conditions of supply of KSEB, the company had filed a writ petition before the Hon High Court of Kerala who have granted stay for the demand and the appeal is pending disposal. Since there is no violation of the conditions by the company, no provision is considered necessary in the books of account and the disputed demand aggregating to Rs.829.76 lacs (including Rs.249.02 lacs for the current year) has been included as claims against the company under contingent liabilities not provided for.		
8	KSEB had increased the tariff by 50ps w.e.f 1-10-02 .BZL had filed a Special Leave Petition in the Hon Supreme Court of India who had granted stay of the revision as above. The Hon. Supreme Court of India disposed off the Company's appeal by directing the company to take the matter on appeal before the Central Appellate Tribunal for Electricity ,New Delhi.The BZL had made provision for the increased tariff upto 31.3.04 in prior years aggregating to Rs.885.63 lakhs, as a matter of abundant caution. During the year, the Tribunal upheld the right of KSEB to revise the tariff, consequent to which KSEB has raised their invoice towards the arrears(including interest @ 12%) upto 30.9.06. The decision of the Tribunal is disputed by the BZL in a Civil appeal and stay petition has been filed before the Hon. Supreme Court. Pending disposal of the appeal by the Hon.Supreme Court, the BZL as a matter of abundant caution, has provided the balance liability for electricity charges upto 31.3.07 as estimated by the management aggregating to Rs. 1669 lakhs (including Rs. 970.18 lakhs relating to earlier years). However, the demand for interest estimated at Rs. 657.22 lakhs which includes Rs. 252.38 lakhs relating to the current year, is not provided for and is included under Contingent Liabilities.		
9	(a) BCL has accounted for the interest charge on various loans/FITL at a lower rate, as per the RP, resulting into a reduction of interest aggregating to Rs. 1361.21 Lakhs. This reduction in interest has been converted to ZCL by IDBI and a view will be taken by IDBI for waiver of the same on annual review and compliance of terms of the RP to the satisfaction of IDBI. However, BCL has not accounted for the ZCL as it is hopeful of getting the waiver as aforesaid as all the terms and conditions of the restructuring package have been complied with.		
	(b) As per the financial restructuring of the loans of the Company, approved by IDBI, IDBI has transferred to BZL Funded Interest Term Loan(FITL) of the Company as on 01.10.2004 amounting to Rs.4,733.21Lakhs. This amount was settled for Rs. 3600 lacs as one time settlement agreed to by IDBI as a composite package. Consequent to the above, charges created on the assets of BZL was released. Since the loan was sanctioned by IDBI to the company and later transferred to BZL under CDR, the remission in amount of FITL on OTS for RS. 1222.26 lacs have been considered in the books of the company as an extraordinary item.		
10	Consequent upon expansion of capacity in 1982-83 of its Zinc division, the Company became entitled to concessional tariff (pre September 1982 tariff) as per notification of the Government of Kerala dt. 06.10.1986 for a period of 5 years. From Sept 1986, KSEB imposed Power Cut in the Zinc Division of the Company and was importing power from outside the state. The concessional tariff for imported power was fixed as per the order of the Hon. High Court of Kerala. However, KSEB withdrew both concessional tariff as above and the liability thereon aggregating to Rs.816.88 lakhs was included in the liabilities transferred to the company under the scheme and the Company took up the matter before the Hon'ble High Court of Kerala, which was pending for a long time. Since considerable time had passed and based on the legal advice obtained the said amount of Rs.816.88 lakhs in respect of the said demands considered no longer payable was written back in the accounts of BZL in the year 2003-04 and was shown as Contingent Liabilities in the accounts. The hon'ble single bench of the Kerala High Court has since disposed the appeal in this regard during the year with a direction to KSEB to reconsider the claim of BZL for concessional tariff for the modernized plants energized before the cut-off date alone. This order of the single Bench is disputed by BZL in the writ appeal filed before the Division Bench which has been admitted and interim stay against disconnection of service granted by the Court. Since BZL is hopeful of a favourable decision in the matter, no provision is made for the said amount of liability, which is included under Contingent liabilities of BZL and not provided for.		
11	GGFL had imported machinery during the previous year by paying Import Duty at the rate of 5% under EPCG scheme in respect of which it has a future export obligation of US\$ 267,103 to be completed over a period of 8 years from 5 th December 2005. GGFL has fulfilled the above mentioned export obligation and an application has been filed with DGFT Ministry of Commerce, Panaji Goa for the discharge certificate.		
12	BZL had obtained EPCG Licence No. 1030000571/2/11/00 during the previous year for import of machinery by paying Import Duty at the rate of 5% under EPCG scheme in respect of which GGFL has a future export obligation of US\$ 1,081,595 to be completed over a period of 8 years from 17 th May 2005. GGFL has fulfilled the above export obligation and the application is being filed with DGFT, Cochin for getting the discharge certificate.		
13	BCL has opted for Sales Tax Incentive Scheme, 1989. Earlier 25% incentive was allowed by State Level Screening Committee but pursuant to order of Rajasthan Tax Board, 75% incentive from Sales Tax for sales effected in Rajasthan for 9 years subject to a limit of eligible Fixed capital investment is being availed of. BCL has availed of Sales Tax Incentive of Rs. 20266.98 lakhs upto 31st March, 2006. The Sales Tax Department filed a revision petition before the Hon'ble High Court, Jodhpur contesting the order of Rajasthan Tax Board, which allowed BCL to avail 75% sales tax incentive. The High Court has dismissed the revision petition of Sales Tax Department The Department has filed a		

Schedule 17 (Contd.)

revision petition before Hon'ble Supreme Court. Pending the decision of the Supreme Court, no provision has been made for the differential Sales Tax Incentive of Rs. 13327.19 lakhs (excluding interest, if any) availed of by BCL till 31st March, 2006. However BCL has exercised the option of VAT and accordingly w.e.f. 1st April 2006, 75% of the VAT collected and payable is being deferred for a period of 7 years.

- 14 In respect of BCL, the Income-tax Department had raised a demand aggregating to Rs. 862.51 lakhs relating to past several years. The CIT (Appeals) had allowed the appeal in favour of BCL. The Department had appealed before the Income Tax Appellate Tribunal (ITAT) against the Order of the CIT (Appeals) which was also dismissed by the ITAT during the period.

The CIT cancelled the above order raising the demand of Rs. 862.51 lakhs u/s 263 of the Income Tax Act 1961 and had directed the Assessing Officer to redo the same since, according to the CIT, the Assessing Officer had ignored to add assessed business loss of the regular assessment of earlier years. BCL has filed appeal before the ITAT challenging the order of CIT (Appeals).

In the meantime, as per the directions of the CIT, the Assessing Officer has redone the assessment and raised a demand of Rs. 3,843.21 lakhs. As an abundant caution the Company has also filed appeal before CIT(Appeals) against the order of the Assessing Officer. However as per the order of ITAT dated 28th February, 2007, the ITAT allowed the appeal in favour of the Company, quashing the order u/s 263 of the Income Tax Act, 1961.

- 15 For the Assessment years 1999-2000 and 2000-2001, the Income Tax Tribunal (ITAT) at Kolkata have allowed the Income Tax Department's appeal and confirmed the chargeability of interest under sections 234B and 234C of the Income Tax Act, 1961, on Minimum Alternate Tax (MAT) under section 115 JA of the Income Tax Act, 1961, which was earlier allowed by the Commissioner of Income Tax (Appeal) in favour of the Company. Against the Order of ITAT, company has filed appeal before the Hon'ble High Court at Calcutta. For Assessment year 2001-2002 also company has filed appeal before the Hon'ble High Court at Calcutta against the order of ITAT confirming chargeability of interest u/s 234B & 234C on MAT under section 115 JB of the said Act. Under the circumstances, the disputed demand of Rs. 139.45 lakhs (previous year Rs. 135.48 lakhs) including interest charged u/s 220(2) Rs.3.97 lakhs (previous year Nil) has not been provided.

- 16 The Scheme of Arrangement between BCL and Daisy Commercials Private Limited (DCPL) and their respective shareholders under sections 391 and 394 of the Companies Act, 1956 for transfer of the investment division of the Company, consisting of investments/application money for investments in various unlisted companies aggregating to Rs. 2316.16 Lakhs, to DCPL with effect from 1st April, 2005, was approved by the shareholders on 15th July, 2005 and by the Hon'ble High Court at Calcutta by its Order dated 17th August, 2005. Certified copy of the said Order was filed with the Registrar of Companies on 6th September, 2005.

In accordance with the terms of the said Scheme, BCL transferred the aforesaid investment division to Daisy Commercial Private Limited (DCPL) on 29th September, 2005 against which DCPL has allotted 1,39,66,434 Equity Shares of Rs. 10/- each credited as fully paid-up aggregating to Rs. 1396.64 lakhs to the shareholders of BCL based on the option forms received by DCPL from the shareholders. On allotment of the aforesaid shares by DCPL, 1,39,66,434 Equity Shares of Rs.10/- each fully paid-up of BCL held by such shareholders stand cancelled and the paid-up Share Capital of BCL is accordingly reduced to Rs. 20310.13 lakhs divided into 20,31,01,274 Equity Shares of Rs. 10/- each fully paid-up. The difference of Rs. 919.52 lakhs, has been adjusted against the balance in the Profit and Loss Account in accordance with the terms of the Scheme.

The approval to the said Scheme has been received from one of the Financial Institutions, while that of the one other Institution and Banks are awaited. However, the loans of the FI and the Bank have been repaid and there are no outstanding as at the year end.

- 17 (a) In GGFL Capital Work in Progress as on 31.03.2007 of Rs.136.62 Lakhs include Rs.99.52 Lakhs (previous year Rs.99.52 Lakhs) incurred in the earlier years for construction of staff quarters at the factory. Due to financial crisis the management has postponed further expenditure for completion of the staff quarters for next year.

Based on technical assessment it has been ascertained that the strength of the existing RCC structure of the staff quarters has not been affected, hence the same has not been impaired and stated at cost.

- 17 (b) Loans and Advances include Rs.68.89 Lakhs (Previous year Rs.68.89 Lakhs) being refund receivable from Goa Electricity Board as subsidy towards electricity charges as per the notifications then applicable. The Hon'ble High Court at Goa had scrapped the notification of 1996. The company along with MRF & Alco filed Special Leave Petition before the Supreme Court, against the judgement given by Hon'ble High Court at Goa refusing benefit of rebate. Another SLP was filed by the company challenging the judgement given by the division bench of the Hon'ble High Court declaring the 1996 notification as null and void for being issued without Cabinet's approval. Both the petitions are pending before the Supreme Court. The Supreme Court has also granted stay against the recovery notice served by the Government of Goa for the subsidy already availed by the Company. Under the circumstances, no provision has been made in the accounts of GGFL in this regard.

18 **LOANS - SECURED**

18.1 **BINANI INDUSTRIES LIMITED (BIL)**

The security clause for the loans taken from financial institutions and banks by BIL have been separately set out in the notes to accounts of BIL.

Schedule 17 (Contd.)**18.2 BINANI CEMENT LIMITED (BCL)****A. Term Loans****I) Financial Institutions****i) Rupee Term Loans / Funded Interest Term Loan (FITL)**

Industrial Development Bank of India (IDBI) – Outstanding Rs. 33500.51 Lakhs (Previous year Rs.36571.52 Lakhs)

The above term loans include loans aggregating to Rs. 8098.74 Lakhs (previous year Rs.8813.79 Lakhs), which were transferred from BIL to BCL with effect from 1st October, 2004 vide letter No.H.O.CFD-II.B-18/BCL/2274 dated 31st March, 2005 received from IDBI and agreement of take over of loans liabilities dated 30th September, 2005.

Secured / to be secured by (a) a first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi, in Rajasthan except the assets of the first phase of the 2X22.30 MW captive power plant comprising of 1X22.30 MW power plant and common facilities which are exclusively charged to GE Capital Services India and Binani Zinc Limited (erstwhile Zinc Division of BIL) (BZL) at Binanipuram, Kerala (a subsidiary of BIL) and of BIL, both present and future, (b) first charge by way of hypothecation on all movables of the company at Binanigram, Pindwara, Sirohi in Rajasthan and BZL at Binanipuram, Kerala, and BIL (save and except book debts) including movable machinery, machinery spares, tools and accessories, present and future, subject to charges on specified movables created and / or to be created for securing the borrowings for working capital requirements from Banks and ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions / Banks / Debenture Trustee(s)/other term lenders as detailed in the respective loan agreement(s) / deed(s) of hypothecation / debenture trust deed(s) executed by the Company, (c) Corporate Guarantee of BIL and Personal Guarantee of a Director of the company, (d) Pledge of 10,35,81,650 Equity Shares of Rs. 10 each held by BIL on pari passu basis with UTI Bank Ltd for Debenture of Rs.7,000.00 lakhs, (e) Pledge of 42,00,000 6% Non Cumulative Redeemable Preference Shares of Rs.100 each of Goa Glass Fibre Limited held by BIL and (f) pari passu charge on Trust & Retention Account, (g) pari passu second charge on the immovable assets relating to the first phase of the 2x22.3 MW captive thermal power plant comprising of 1x22.3 MW captive thermal power plant, associated equipments and shared facilities.

II) Banks :**i) Punjab National Bank - Rupee Term Loan - Outstanding Rs.16.75 Lakhs (Previous year Rs.25.00 Lakhs)**

Secured/to be secured by a first pari-passu charge on the Alternate Fuel Feeding System.

ii) Oriental Bank of Commerce - Rupee Term Loan - Outstanding Rs.2,000.00 Lakhs (Previous year Nil)

Secured by first charge by way of hypothecation of fixed assets (capital goods) imported/procured under Letter of Credit opened by the bank. The facility is further secured by first charge on the immovable property of the Company at Binanigram, Pindwara, Sirohi, Rajasthan except assets of first phase of 2X22.30 MW power plant comprising of 1X22.30 MW power and common facilities which are exclusively charged to GE Capital Services India.

iii) J P Morgan Chase Bank National Association - Rupee Term Loans - Outstanding Rs. 4,500.00 Lakhs (Previous year Nil)

To be secured by (a) first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi, in Rajasthan except the assets of the first phase of the 2X22.30 MW captive power plant comprising of 1X22.30 MW power plant and common facilities which are exclusively charged to GE Capital Services India, both present and future, ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions / Banks / Debenture Trustee(s) as detailed in the respective loan agreement(s) / deed(s) of hypothecation / debenture trust deed(s) executed by the Company and (b) pari passu charge on Trust and Retention Account and (c) pari passu second charge on the immovable assets relating to the first phase of the 2x22.3 MW captive thermal power plant comprising of 1x22.3 MW captive thermal power plant, associated equipments and shared facilities.

The Company has received letter dtd 17th October,2006 from J P Morgan Securities India Pvt. Ltd. in terms of clause 20.1 of Facility agreement intimating the company that they propose to assign the facility of Rs.13,000 Lakhs together with rights & commitment in favour of J P Morgan Chase Bank, Mumbai. Vide agreement dated 2nd April 2007 the facility granted to the company has been refinance by J PMorgan Chase Bank N. A. on identical terms and conditions.

Out of total facility of Rs.13,000.00 Lakhs, Rs.8,500.00 Lakhs were disbursed by JP Morgan Securities India Pvt. Ltd. while Rs.4,500.00 Lakhs have been disbursed by JP Morgan Chase Bank, Mumbai.

III) Others

JP Morgan Securities India Private Limited - Outstanding Rs. 8500.00 lakhs (Previous year Rs.8500 Lakhs)

Secured by (a) first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi, in Rajasthan (except the assets of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to G E Capital Services India), both present and future, ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions / Banks / Debenture Trustee(s) as detailed in the respective loan agreement(s) / deed(s) of hypothecation / debenture trust deed(s) executed by the Company and (b) pari passu charge on Trust and Retention Account (c) pari passu second charge on the immovable assets relating to the first phase of the 2x22.3 MW captive thermal power plant comprising of 1x22.3 MW captive thermal power plant, associated equipments and shared facilities.

Vide agreement dated 2nd April 2007 the facility granted to the company has been refinance by J PMorgan Chase Bank N. A. on identical terms and conditions. Out of total facility of Rs.13,000.00 Lakhs, Rs.8,500.00 Lakhs were disbursed by JP Morgan Securities India Pvt. Ltd. while Rs.4,500.00 Lakhs have been disbursed by JP Morgan Chase Bank, Mumbai.

Schedule 17 (Contd.)

- ii) Srei Infrastructure Finance Limited - Rupee Term Loans - Outstanding Rupees Nil (Previous year Nil)

Secured/ to be secured by (a) Exclusive first charge on the Assets of the First phase of 2X22.30 MW Captive power Plant comprising of 1X22.30 MW captive power Plant and common amenities, both present and future,(b) Corporate Guarantee of BIL and (c)Pari passu charge on Trust and Retention Account.

The facility has been repaid in full and the charge has been satisfied.

- iii) GE Capital Services India - Rupee Term Loans - Outstanding Rs. 4997.59 Lakhs (Previous year Nil)

Secured by (a) first Mortgage and exclusive charge created on immovable properties for first phase of 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, all associated equipment and shared facilities situated at Pindwara, Sirohi, Rajasthan and all goods and equipments forming part of the plant both present and future, (b) Secured by pari passu first mortgage and charge on underlying land and building for the first phase of 2X22.30 MW captive power plant comprising of 1x22.30 MW thermal power plant, associated equipments and shared facilities situated at Binanigram, Pindwara, Sirohi in Rajasthan both present and future, (c) pari passu charge on trust and Retention Account and (d) Corporate Guarantee of BIL.

B Debentures :

- i) 9.5% Secured Redeemable Non Convertible Debentures (9.5% NCD) - Outstanding Rs.6708.33 Lakhs (Previous year Rs.7,000 Lakhs)

Secured by (a) a charge created on the moveable and immoveable properties of the Company located at Binanigram, Pindwara, Sirohi in Rajasthan (except the assets of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to GE Capital Services India), both present and future and exclusive first charge on plot of land situated at village Mouj, Dhanot, Kalol, Mehsana, Gujarat subject to charges on specified movables created for securing the borrowings for working capital requirements from Banks ranking pari-passu with charges created and/or to be created in favour of Financial Institutions/Banks/Debenture Trustee(s) executed by the Company , (b) Corporate Guarantee of BIL (c) Pledge of 10,35,81,650 Equity Shares of Rs. 10 each held by BIL on pari passu basis with IDBI, (d) Personal Guarantee of a Director of the Company and (e) pari passu charge on Trust and Retention Account.

The Debenture shall be redeemable in a period of 6 years in quarterly instalments commencing from 31st March, 2007 and ending on 31st December, 2012.

- ii) 9.5% (Reset Rate) Secured Redeemable Non Convertible Debentures (9.5% SRNCD) - Outstanding Rs.4,000.00 Lakhs (Previous year 4000 Lakhs)

Secured by (a) a charge created on the moveable and immoveable properties of the Company located at Binanigram, Pindwara, Sirohi in Rajasthan (except the assets of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to GE Capital Services India), both present & future and exclusive first charge on plot of land situated at village Mouj, Dhanot, Kalol, Mehsana, Gujarat subject to charges on specified movables created for securing the borrowings for working capital requirements from Banks ranking pari-passu with charges created and/or to be created in favour of Financial Institutions/Banks/Debenture Trustee(s) executed by the Company, (b) Corporate Guarantee of BIL and (c) pari passu charge on Trust and Retention Account.

The Debenture shall be redeemable at par in a period of 5 years with moratorium of 2 years in quarterly instalments commencing from 30th September, 2008 and ending on 30th June, 2011.

C Working Capital Demand loans / Cash Credit from Banks :

Banks - Rs. 1651.20 (Previous year Rs.1336.00 Lakhs)

Secured against (a) hypothecation of Raw Materials, Stock in Trade, Stock-in-Process, Finished Goods, Book Debts and other receivables belonging to the Company, second charge on immovable properties of the Company and Corporate Guarantee of BIL and (b) pari passu charge on Trust and Retention Account

D Hire Purchase arrangement

Hire Purchase arrangement - Outstanding Rs. 2.36 Lakhs (Previous year Rs. 3.95 Lakhs)

Secured by hypothecation of respective vehicle. The property in respective vehicle to pass on payment of final instalment.

18.3 BINANI ZINC LIMITED (BZL)

A Cash Credit from Banks

Banks- Outstanding Rs. 589.97 Lakhs (Previous year Rs. 668.42 Lakhs)

Cash Credit sanctioned to BZL is secured/to be secured by way of (a) pari passu first charge on hypothecation of the whole of the Current Assets of BZL viz. stocks of Raw Materials, packing materials, stock in process, semi finished and finished goods, stores not relating to Plant and Machinery (consumable stores and spares), Export / Local Bills receivable book debts, movable plant and machinery, stores and spares relating to the machinery and other movables, both present and future. (b) pari passu second charge on the fixed assets of BZL located at Binanipuram, Kerala and (c) Corporate Guarantee of BIL

B Hire Purchase Credit - Outstanding Rs.18.51 Lakhs (Previous year Rs.17.87 Lakhs)

Secured by hypothecation of respective vehicles. The property in the respective vehicle to pass on payment of final instalment.

Schedule 17 (Contd.)**18.4 GOA GLASS FIBRE LIMITED (GGFL)****A. Rupee Term Loan:**

- i ICICI Bank Ltd. – Outstanding Rs. 3071.80 Lakhs (including FITL Rs. 427.33 Lakhs) (Previous year Rs. 3444.60 Lakhs including FITL Rs. 498.55 Lakhs).

Secured by a) a first mortgage and charge of immovable properties of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) first charge by way of hypothecation of all moveable including moveable machinery, machinery spares, tools and accessories present and future (except book debts) subject to charges created for securing the borrowings for working capital requirements from banks and ranking pari passu with mortgages and charges created and for to be created in favour of Institutions/Banks as detailed in the respective loan agreements/deed of hypothecation, c) Corporate Guarantee of Binani Industries Ltd. (BIL) and Personal Guarantee of Mr Braj Binani, Chairman of the Company and d) pledge of 30% shareholding held by BIL in the Company.

- ii SREI Infrastructure Finance Limited – Outstanding Rs. NIL (Previous year Rs.40.00 Lakhs)

The term loan is secured by way of exclusive charge by way of hypothecation of the 2.00 MW DG Set of GGFL situated at Village Colvale, Bardez, Goa. The term loan is also secured by a Corporate Guarantee of Binani Cement Ltd.

The term loan has been repaid during the year and the aforesaid charge has been satisfied.

- iii SREI Infrastructure Finance Limited – Outstanding Rs. 51.46 Lakhs (Previous year Rs.95.00 Lakhs)

The term loan is secured by way of exclusive charge by way of hypothecation of UPS to be acquired out of the loan along with all machinery spares, tools and accessories related to the UPS both present and future situated at Village Colvale, Bardez, Goa.

B Cash Credit from Bank

Punjab National Bank - Rs.430.78 Lakhs (Previous year Rs.546.96 Lakhs)

Secured by (a) Present & future stocks of raw materials, work-in-process, finished goods, consumables, stores & spares, book debts, outstanding decrees, money receivables, claims, securities, government subsidies, investment, right & other movable assets excluding bills purchased / discounted by bank & bills against which advance has been made which belongs to GGFL. (b) Second charge and mortgage on immovable properties of the company situated at village Colvale, Bardez, Goa both present and future except UPS and related accessories and spares and 2.00 MW DG Set

- C Vehicles acquired on hire purchase** - Outstanding Rs. 0.26 Lakh (Previous year Rs. 3.90 Lakhs).

Secured by hypothecation of particular vehicles. The property in vehicle to pass on payment of final installment.

18.5 B T COMPOSITES LIMITED (BTCL)**Secured Loans**

Rupee Term Loan received from Industrial Development Bank of India Ltd. (IDBI)/Stressed Assets Stabilisation Fund (SASF) outstanding is Rs. NIL(Previous year Rs. 1315.92 Lakhs).

The charge created on the assets to secure the loan has been satisfied during the year on account of settlement of loan.

- 19 Current liabilities include Rs. 50 lakhs received by Binani Mazak Private Limited from Mazak International Limited towards advance for share application money.
- 20 During the year, the Company has sold 2,05,00,000 equity shares of BCL. The profit on sale of such shares amounting to Rs. 11,042.63 lakhs was credited to Profit and Loss Account .

21 Other Income

	For the year 2006-07	For the year 2005-06
i) Dividends	30.19	0.27
ii) Interest from Banks/ Others	544.32	79.14
iii) Exchange Rate Fluctuation	3.62	52.55
iv) Income from 'inadvertant' flow of surplus power to RPPC	118.29	120.87
v) Profit on sale of Investments	1.84	-
vi) Profit on sale of Fixed Assets	197.43	1.89
vii) Others	1186.69	473.93
viii) Liability no longer required written back	47.40	66.96
ix) Settlement of old dispute	-	18.49
Total	<u>2129.78</u>	<u>814.10</u>

Schedule 17 (Contd.)

- 22 (a) The Company has written off Rs. 8431.81 lakhs being the difference between the carrying cost of investment in Equity Share of BCL and face value of shares held. This difference arose out of cancellation of Equity shares of BCL in terms of scheme of arrangement for cancellation of shares which was shown as Goodwill on consolidation in previous years.
- 22 (b) The Company has written off Rs.28.85 lakhs being the difference between the carrying cost of investment in Equity Share of BTCL and face value of shares held. This difference arose on acquisition of holding in BTCL which was shown as Goodwill on consolidation in previous years.
- 23 During the year, based on the valuation report of M/s Radbin Consultanats P. Ltd. BLL and BTCL has written off Rs. 13.86 Lakhs and Rs. 2.77 lakhs respectively on account of impairment in value of fixed assets. The same was charged to Profit and Loss Account as an extra ordinary item
- 24 During the year the Stressed Assets Stabilization Fund to whom the IDBI had earlier assigned/transferred the dues payable by the BTCL under the financial assistance granted to the BTCL, settled the outstanding dues on payment of Rs 450.00 lakhs by the Company in full and final settlement under the One Time Settlement agreement with the said Fund. Under the agreement, the balance amount of principal and interest after adjustment of Rs 450.00 lakhs has been fully waived by the Fund. Consequent to above, corresponding adjustment entries have been passed in the accounts of BTCL and the balance outstanding amount of Rs 865.92 lakhs not payable by the BTCL has been credited to profit and Loss account as an extraordinary item.

		For the year 2006-07	For the year 2005-06
25	Supplementary statutory information :		
	(a) Managerial Remuneration:		
	Salary	135.53	114.46
	Contribution to Provident and other funds	11.10	3.21
	Perquisites *	19.39	15.66
	Total	<u>166.02</u>	<u>133.33</u>

* Does not include monetary value of non cash perquisites as per Income Tax Act,1961.

	(b) Auditors Remuneration:		
	Audit Fees	23.64	30.99
	Consolidated Accounts	2.25	2.20
	Tax Audit	1.57	1.60
	Reimbursement of expenses	1.11	0.23
	Other Services	2.33	3.94
	Total	<u>30.90</u>	<u>38.96</u>

26 **Deferred Tax Liability of the Group as on 31.03.2007 comprises of the following:**

		Rs. Lakhs	
		As at 31.03.2007	As at 31.03.2006
a)	Deferred Tax Liability		
	Fixed Assets	10,264.50	10,523.08
	Others	-	-
	Total	<u>10,264.50</u>	<u>10,523.08</u>
b)	Deferred Tax Asset		
	Unabsorbed losses and depreciation	(4,908.85)	(10,040.47)
	Disallowance under Income Tax Act, 1961	(312.61)	(236.36)
	Others	-	-
	Total	<u>(5,221.46)</u>	<u>(10,276.83)</u>
	Provision for Deferred Tax (net)	<u>5,043.04</u>	<u>246.25</u>

Schedule 17 (Contd.)

27 Segmental Reporting as per Accounting Standard AS - 17 issued by The Institute of Chartered Accountants of India.

Rs. Lakhs

	Zinc & by products	Cement	Glass Fibre	Unallocated	Sub Total	Less: Elimination	Total
Segment Revenue (net of Excise Duty)	58018.44 (17932.36)	68332.18 (49254.93)	8322.18 (6604.69)	11,833.65 (3,726.06)	146506.45 (77518.04)	- (-)	146506.45 (77518.04)
Inter-segment Revenue	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total revenue	58018.44 (17932.36)	68332.18 (49254.93)	8322.18 (6604.69)	11,833.65 (3726.06)	146506.45 (77518.04)	- (-)	146506.45 (77518.04)
Segment Result	2854.04 (618.59)	18810.30 (9155.05)	859.47 (-1104.83)	12568.15 (4028.23)	35091.96 (12697.04)	122.09 (393.45)	34969.87 (12303.59)
Interest & Finance Expenses					6171.89 (5898.00)	122.09 (393.45)	6049.80 (5504.55)
Income Taxes							6881.45 (654.93)
Net Profit/Loss							22038.62 (6144.11)
Segment Assets	32595.61 (28263.34)	125459.52 (88456.69)	13629.91 (14683.55)	- (262.56)	171685.04 (131666.14)	9,650.07 (22,740.13)	162034.97 (108926.01)
Unallocated Assets				1,490.47 (11,393.65)	1490.47 (11393.65)	652.33 (652.40)	838.14 (10741.25)
Total Assets	32595.61 (28263.34)	125459.52 (88456.69)	13629.91 (14683.55)	1490.47 (143059.79)	173175.51 (143059.79)	10302.40 (23392.53)	162873.11 (119667.26)
Segment Liability	20566.08 (12723.97)	14580.56 (9271.22)	2406.40 (2774.33)	- (0.91)	37553.04 (24770.43)	652.33 (652.40)	36900.71 (24118.03)
Unallocated Liability				101,210.85 (93,887.70)	101210.85 (93887.70)	9650.07 (22740.13)	91560.78 (71147.57)
Total Liabilities	20566.08 (12723.97)	14580.56 (9271.22)	2406.40 (2774.33)	101210.85 (93888.61)	138763.89 (118658.13)	10302.40 (23392.53)	128461.49 (95265.60)
Capital Expenditure (net)	1008.21 (818.67)	45338.59 (10686.32)	453.93 (119.61)	(16,695.56) (-3535.78)	30105.17 (8088.83)	- -	30105.17 (8088.83)
Depreciation & Amortisation	665.57 (644.21)	4345.64 (4290.61)	766.76 (742.58)	147.04 (106.39)	5925.01 (5783.79)	- -	5925.01 (5783.79)

Statement of Secondary Segmentwise Sales & External Receivables

Rs. Lakhs

	Out of India Segment	Within India Segment	Total
Segment Revenue	13341.57 (2504.89)	133164.88 (71502.77)	146506.45 (74007.66)
Segment Assets	1257.98 (885.75)	161615.13 (118781.51)	162873.11 (119667.26)
Capital Expenditure (net)	- -	30105.17 (8088.83)	30105.17 (8088.83)

(Figures in bracket pertain to previous year)

Export revenue of current year does not include export incentive (DEPB) amounting to Rs. 377.78 lakhs in case of BZL.

Schedule 17 (Contd.)

Notes:

(i) **Business Segments**

The Company has considered "Business Segments" as the "Primary Segment" for disclosures which comprises of Zinc & by Products, Cement and Glass Fibre & its Products

(ii) **Geographical Segments**

Geographical Segment is the "Secondary Segment" and location of its market i.e., "India" and "Out of India" have been used. Since sales out of India are made to many countries without any significant difference in the value of supplies made to individual countries, these have been aggregated under "Out of India".

(iii) **Segment Revenue**

Segment Revenue comprises of Sales and related Income that are directly identifiable with the segment.

(iv) **Segment Expenses**

Directly identifiable with the segment are charged to the respective segment.

(v) **Unallocated Corporate expenses**

Unallocated Corporate Expenses include expenses of Legal and Secretarial Department and others which are incurred at Corporate Level and which are not amenable to an apportionment between the Business Segments by their very nature.

(vi) All the accounting policies adopted for the segment reporting are in line with those of BIL.

28 Related Party disclosure as per AS 18 issued by The Institute of Chartered Accountants of India

The transactions are entered into in ordinary course of business with related parties at arms length as per details below

Rs. Lakhs

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Total
Sale of goods/stores	-	-	-
Raw Material /Misc. Purchases	-	186.57 (125.64)	186.57 (125.64)
Commission & Handling charges paid	-	-	-
Purchase of fixed assets	-	-	-
Purchase of Investments	-	(6.85)	(6.85)
Payment towards Services received	-	56.99 (141.60)	56.99 (141.60)
Interest paid	-	24.43 (68.64)	24.43 (68.64)
Rent paid	-	1.80 (5.40)	1.80 (5.40)
Rent Received	-	0.02 (0.01)	0.02 (0.01)
Compensation paid	-	4.32	4.32
ICD Repaid/ Unsecured Loan	-	545.00	545.00
ICD Received	-	-	-
Loans & Advances	-	-	-
-from	-	(110.00)	(110.00)
-Repaid	-	-	-
	-	(235.00)	(235.00)
Balance outstanding as on 31.03.2007 - Due to	-	1,933.28 (2,478.28)	1,933.28 (2,478.28)

(Figures in bracket pertains to previous year)

Schedule 17 (Contd.)Note:

- 1 The remunerations paid to key management personnel have been separately disclosed vide note no.25 (a).
- 2 Names of related parties and description of relationship:
 - a) Key Management Personnel: Mr. Braj Binani, Mr. Sushil Bhatler, Mr.S.Padamkumar, Mr. D. Sundararajan, Mr. P. Sheoran , Mr. A. Signapurkar (upto 8th July,2006), Mr. Roy Kurian KK, Mr. Ibrahim Ali, Mr. R. Kannan, Mr. V.Subramanian, Mr. Murali Subramanian and Mr. TRC Nair.
 - b) Transactions with enterprises where Key Management Personnel have got significant influence: (i) Mr. Braj Binani in Binani Metals Limited, Shambhaw Holdings Limited, K. B. Vyapar Pvt. Ltd., Lexus Holding & Finance Private Limited and Miracle Securities Private Limited and (ii) Mr. S. Padmakumar in English Indian Clays Ltd.
- 29 Previous year's figures have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

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

Braj Binani
Chairman

M.K. Chattopadhyaya
Senior Vice President
(Corporate) & Chief Financial Officer

Sushil Bhatler
Managing Director

Place : Mumbai
Date : 24th April,2007.

Consolidated Cash Flow Statement

Rs. Lakhs

	For the year ended 31st March, 2007	For the year ended 31st March, 2006
Cash Flow From Operating Activities		
Net Profit Before Tax	27,153.21	5,755.66
Adjustments for:		
Share of Minority Interest	1,766.87	1,043.38
Depreciation	5,925.02	5,779.37
Interest & Finance Charges	6,048.75	5,504.55
Exchange Fluctuation Unrealised	6.29	5.46
Miscellaneous Expenditure Written off	-	4.41
Sundry Balances written off	28.56	20.11
Loan/Interest for earlier year written back	(2,088.18)	-
Liabilities no longer required written back	(47.40)	(1,184.03)
Loss/(Profit) on sale/discard of Fixed Assets	24.25	354.76
Impairment in the value of Fixed Assets	16.63	1,506.19
Capital work in progress written off	216.24	-
Profit on sale of Investments	(11,044.47)	(3,510.38)
Investments in subsidiary written off	-	-
Interest and Dividend Income	(574.51)	(139.74)
Operating Profit Before Working Capital Changes	27,431.25	15,139.73
Adjustments for:		
Inventories	(6,933.86)	(6,372.69)
Trade and Other Receivables	(10,317.86)	(2,041.08)
Trade and Other Payables	14,959.32	3,649.32
Cash Generated from Operations	25,138.85	10,375.28
Direct Taxes Paid (including Fringe Benefit Tax) (net)	(992.66)	(109.37)
A Net Cash from Operating Activities	24,146.19	10,265.91
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(46,073.81)	(12,254.95)
Sale of Fixed Assets	484.29	71.18
Long Term/Current Investments	(3,934.04)	(0.05)
Sale of Long Term/Current Investments	18,330.47	11,835.59
Interest and Dividend Income Received	893.85	63.21
B Net Cash Used in Investing Activities	(30,299.23)	(285.02)
Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings (including Funded Interest)	18,921.34	17,337.11
Repayment of Term Loan	(13,089.97)	(14,977.97)
Increase in Bank Borrowings (net)	120.57	1,770.07
Other Borrowings (net)	3,304.76	1,298.57
Trade deposits	562.60	41.20
Interest & Finance Charges paid	(8,229.49)	(6,022.60)
Dividend Paid	(443.95)	-
Dividend Distribution Tax Paid	(203.37)	-
C Net Cash from Financing Activities	942.49	(553.62)
D Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(5,210.55)	9,427.27
E Opening Cash & Cash Equivalents (Cash and Bank Balances) (A+B+C)	10,831.08	1,403.81
F Closing Cash & Cash Equivalents (D+E) (Cash and Bank Balances)	5,620.53	10,831.08

As per our report of even date attached

For and on behalf of the Board of Directors

For KANU DOSHI ASSOCIATES

Chartered Accountants

JAYESH PARMAR

Partner

Membership No: 45375

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

M.K. Chattopadhyaya
 Senior Vice President
 (Corporate) & Chief Financial Officer

Braj Binani
 Chairman

Sushil Bhatner
 Managing Director

Place : Mumbai

Date : 24th April, 2007.

Statement Pursuant to Section 212 (3) of the Companies Act, 1956 relating to Subsidiary Companies

Name of the Subsidiary Company	Binani Cement Ltd.	Binani Zinc Ltd.	Goa Glass Fibre Ltd.	B.T. Composites Ltd.	Wada Industrial Estate Ltd.	ESS Vee Alloys Pvt. Ltd.	RBG Minerals Industries Ltd.	Binani Mazak Pvt. Ltd.
1 Financial year of the Subsidiary Company ended on	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007
2 Extent of the Holding Company's interest in the Subsidiary								
Number of Shares	131,825,956 Equity Shares of Rs.10 each	60,788,138 Equity Shares of Rs.10 each	32,177,389 Equity Shares of Rs.10 each	9,000,000 Equity Shares of Rs.10 each	590,007 Equity Shares of Rs.10 each	100,000 Equity Shares of Rs.10 each	1,990,000 Equity Shares of Rs.10 each	10,000 Equity Shares of Rs.10 each
% Holding (Equity)	64.91%	89.90%	100%	100%	100%	100% Subsidiary of Binani Zinc Limited	100% Subsidiary of Binani Zinc Limited	100% Subsidiary of Binani Zinc Limited
Rupees Lakhs								
3 Net aggregate amount of Profits (Losses) of the subsidiary								
Not dealt with in the Accounts of Binani Industries Limited for the Year ended 31st March 2007								
For the above Financial Year of the subsidiary so far as they concern members of the Company.	6,205.78	688.43	44.74	1,612.16	(26.04)	17.56	-	(0.05)
For previous years of the subsidiary since it became a subsidiary so far as they concern the members of the Company	3,161.41	289.98	(166.83)	(2,322.26)	(337.75)	0.04	-	(0.18)

Place : Mumbai
Date : 24th April,2007.

T.R. Chandramohan Nair
Executive Vice President
(Corporate & Legal) & Secretary
M.K. Chattopadhyaya
Senior Vice President
(Corporate) & Chief Financial Officer

For and on behalf of the Board of Directors
Braj Binani
Chairman

Sushil Bhatner
Managing Director

Registered Office: 706,Om Tower, 32Chowringhee Road, Kolkata 700071

PROXY FORM

I/We _____
of _____ in the district of _____
being a Member/Members of **BINANI INDUSTRIES LIMITED** hereby appoint
_____ of _____ in the district of _____
or failing him _____
of _____ in the district of _____

as my / our Proxy to attend and vote for me / us and on my / our behalf at the
FORTY FOURTH ANNUAL GENERAL MEETING of the Company to be held at
9.30 a.m. on Monday, the 2nd July, 2007 and at any adjournment thereof.

Signed this _____ day of _____ 2007.

Signature(s) of
the Member(s)

Folio No. _____

DP. Id* _____

Client Id* _____

Note

- ii) This Proxy Form must be deposited at the Registered office of the Company,
not later than 48 hours before the time of the meeting.
- iii) A Proxy need not be a member.

* Applicable for Investors holding shares in Electronic Mode.

Affix
Re.1
Revenue
Stamp

Registered Office: 706,Om Tower, 32Chowringhee Road, Kolkata 700071

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the **FORTY FOURTH ANNUAL GENERAL
MEETING** at "Kalamandir", 48, Shakespeare Sarani, Kolkata on Monday , the
2nd July, 2007.

Name of the Member _____

No. of Shares held _____

Folio No. _____

DP Id* _____ Client Id * _____

Name of Proxy / representative (in Block Letters)
(To be filled in if the Proxy attends instead of the Member)

Signature of the members or Proxy / Representative.

* Applicable for investments holding shares in Electronic Mode.