



BINANI METALS LIMITED

BOARD OF DIRECTORS

SHRI BRAJ BINANI
(Chairman)

SHRI P.R. DAMANI

DR. (Ms.) KALA PANT

MS. NIDHI SINGHANIA

SHRI J.D. MEHTA
(Executive Vice Chairman)

SHRI VINOD JUNEJA
(Managing Director)

SHRI B. SRINIVASAN

SHRI V. SUBRAMANIAN

AUDITORS

M/s. ABROL & MAHESHWARY, MUMBAI

COMPANY SECRETARY

RAKESH DARJI

BANKERS

HDFC BANK LTD.
SARSWAT CO-OP BANK LTD.
BANK OF BARODA
BNP PARIBAS

REGISTERED OFFICE

705, Om Tower,
32, Chowringhee Road,
Kolkata - 700071.

CORPORATE OFFICE

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

REGISTRARS AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED
(FORMERLY KNOWN AS INTIME SPECTRUM
REGISTRY LIMITED)

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400078.

Tel.: 022-25963838 Fax: 022-25946969

Email ID : rajesh.mishra@linkintime.co.in



NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY given that the Sixty Ninth Annual General Meeting of Binani Metals Limited will be held at 12:30 P.M. or immediately after the conclusion of Annual General Meeting of Binani Cement Limited if it concludes after 12:30 P.M. at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700 020 on Friday, the 25th June, 2010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and the Audited Accounts in respect of the year ended 31st March, 2010.
2. To declare dividend.
3. To appoint a Director in place of Ms. Nidhi Singhania, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Dr. (Ms.) Kala Pant, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri J. D. Mehta, who was appointed as an Additional Director / Executive Vice Chairman and who in terms of Section 260 of the Companies Act, 1956 read with Article 100 of the Articles of Association of the Company, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director alongwith a deposit of Rs.500/-, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals, if any, the Company hereby accords its approval for the re-appointment of Shri J. D. Mehta as Executive Vice Chairman effective from 1st April, 2010 to 31st March, 2011 upon the terms and conditions including remuneration and perquisites as set out in the agreement dated 29th January, 2010 entered into between the Company and Shri J. D. Mehta (copy of which is placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as the Board of Directors may consider necessary and as may be agreed to by Shri J. D. Mehta within the overall limits specified in Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendments thereto or re-enactments thereof and/or any rules and regulations framed thereunder."

"RESOLVED FURTHER THAT even in the event of loss or inadequacy of profits during the tenure, the Company may pay to Shri J. D. Mehta, the same Remuneration by way of salary and perquisites as set out in the agreement as minimum remuneration subject to such approvals as may be necessary including that of Central Government."

Registered Office:
705, Om Tower,
32, Chowringhee Road,
Kolkata-700071

Place : Mumbai
Date : 23rd April , 2010

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

J. D. Mehta
Executive Vice Chairman



NOTES FOR MEMBERS' ATTENTION:

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.**

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.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act read with Department of Company Affairs Notification F.No.5/48/2001-CL-V published in Gazette of India Extra Ordinary Part-II, Section 3, Sub-Section (i) dated 16.01.2002 in respect of Special Business as appearing at Item No.6 of the Notice setting out material facts along with a brief write-up of Shri J. D. Mehta is annexed to the Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 18th June, 2010 till the date of Annual General Meeting, i.e. Friday, the 25th June, 2010 (both days inclusive).
4. The Dividend, if declared, will be paid to the Members, whose names appear on the Company's Register of Members as on 25th June, 2010 on the fully paid up Equity Capital of the Company as on 31st March 2010. In respect of shares held in the Electronic Form, the dividend will be payable to the beneficial owners of shares as on 18th June, 2010 as per details furnished by the Depositories for this purpose.
5. Members are requested to note that the Equity Shares of the Company are eligible for Dematerialisation with both NSDL and CDSL and the ISIN No. for the script is INE129H01022.
6. Members who hold shares in the physical form are requested to send all correspondence relating to shares including requests for dematerialisation, transfers, change of address, change of status, change of mandate, fresh mandate etc. to the Registrar and Share Transfer Agents:

M/s. Link Intime India Private Limited
Unit: Binani Metals Limited
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078
Tel.:022-25963838 Fax: 022-25946969
Contact Person: Shri Rajesh Mishra Email-ID: rajesh.mishra@linkintime.co.in
7. Shareholders who hold the shares in Dematerialised form are requested to notify change of address, change of mandate and bank particulars through their concerned Depository Participant only.
8. The Securities of the Company are listed at The Calcutta Stock Exchange Limited, Kolkata and the listing fees has been paid for the year 2010-2011.
9. Pursuant to the provisions of Section 109A of the Companies Act, 1956, shareholders may file Nomination in respect of their shareholdings (in Physical Form). Any shareholder willing to avail of this facility may submit to the Company the prescribed Form 2B, if not already submitted.
10. Members who are holding Shares in identical name(s) under different ledger folios are requested to apply for consolidation of such folios and send the relevant Equity Share Certificate(s) to the Company at its Registered Office.
11. The Accounts, reports and other documents required under the law to be annexed thereto 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.



12. Pursuant to the provisions of Section 205-A of the Companies Act, 1956, all unclaimed/unpaid dividends upto and inclusive of financial year 1995-96 have been transferred to the General Revenue Account of the Central Government and the unclaimed / unpaid dividend for the years 1996-97, 1997-98, 1998-99 and 1999-2000, 2000-01, 2001-02 have already been transferred to Investor Protection Fund. Shareholders who have not encashed the dividend warrants for the said period up to 1995-96 are requested to claim the amount from The Registrar of Companies, Maharashtra, 100, Everest Towers, Marine Drive, Mumbai - 400 002. Those members who have not encashed their dividend warrants for the financial years ended 31.03.2003, 31.3.2004, 31.03.2005, 31.3.2006, 31.3.2007, 31.3.2008 and 31.3.2009 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 :

Dividend for the year ended 31.03.2003 - 05.09.2010
Dividend for the year ended 31.03.2004 - 16.08.2011
Dividend for the year ended 31.03.2005 - 14.08.2012
Dividend for the year ended 31.03.2006 - 10.08.2013
Dividend for the year ended 31.03.2007 - 10.08.2014
Dividend for the year ended 31.03.2008 - 30.07.2015
Dividend for the year ended 31.03.2009 - 01.08.2016

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

13. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copy of the Annual Reports and Attendance Slip duly completed to the Meeting.
14. Those shareholders who have not paid allotment money inspite of several reminders are requested to pay the same immediately failing which the shares are likely to be forfeited.
15. Payment for Fractional Share entitlements arising out of consolidation of 10 Equity Shares of Rs.100/- each into 1 Equity Share of Rs.1000/- each were dispatched on 1st / 2nd April, 2009. Shareholders, who have not received the same for any reason, may contact the Company.
16. The payments under Buy-back Offer 2008 were sent to all shareholders, whose shares were accepted under the Buy Back Scheme, on 19th March, 2009. In case of any query in respect of the same, Shareholders may please contact the Registrar to the Offer M/s. Link Intime India Private Limited at the address given hereinabove.
17. Ms. Nidhi Singhania and Dr. (Ms.) Kala Pant, Directors retires by rotation and are eligible for re-appointment at the Annual General Meeting. As required under Clause 49 of the Listing Agreement, a brief write-up about the said Directors is as under:

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Name	Ms. Nidhi Singhania	Dr. (Ms.) Kala Pant
Age	26 Years	75 Years
Qualifications	B.A. with specialization in Economics	B. Sc., Ph. D. (Banking and Transport)
Expertise in specific functional area	Industrialist	Banking, Speical Project in Banking, Shipping, Port and Infrastructure and also published over 15 papers in domestic journals and presented papers at many seminars of Operation Research Society and Banking Institutions.
Date of appointment on the Board of the Company	28.03.2005	23.10.2007
Name (s) of other Companies in which Directorship held	- Binani Industires Ltd - Binani Cement Ltd	- Temptation Foods Limited - NRB Bearings Limited - Gujarat Sidhee Cement Limited - Suryoday Microfinance Pvt. Ltd.
Name(s) of the Companies in which Committee Membership/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	None	<u>Temptation Foods Limited</u> - Audit Committee - Chairperson - Remuneration Committee-Member - Share Transfer & Investors' Grievances Committee - Member <u>NRB Bearing Ltd.</u> - Audit Committee - Member - Investor Grievances Committee - Chairperson
Shareholding in the Company	513 Shares (1.45%)	Nil

18. Contact Telephone Numbers and E-mail ID of Compliance Officer are as under:

Name of Compliance officer: Shri Rakesh Darji

Telephone No.: 022-30263000-01-02 | Email ID: rakesh@binani.net

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****ITEM NO 7**

The term of Shri J. D. Mehta as Executive Vice Chairman expired on 31.03.2010. He was re-appointed as Additional Director/Executive Vice Chairman for a period of 1 (One) year with effect from 1st April 2010 to 31st March 2011 at the Meeting of the Board of Directors of the Company held on 27th January 2010.

A statement containing information required to be provided to the shareholders as per the provision of Schedule XIII in respect of re-appointment of Shri J. D. Mehta and the details as required under the listing agreement are given below:

I. GENERAL INFORMATION

- (1) Nature of Industry: Binani Metals Limited was incorporated in the year 1941. The Company was previously engaged in the business of trading and commission agency of non ferrous metals. At present Company is engaged in activities relating to leasing, dealing in commodities, investments in stocks and securities and real estate investment.
- (2) Date of Commencement of commercial operations: Not applicable.
- (3) In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus : Not Applicable
- (4) Financial Performance:

Rs. In Lakhs

Financial Parameters	2005-06	2006-07	2007-08	2008-09	2009-10
Gross Income	142.28	460.96	938.39	1,265.41	803.01
Net Profit (PAT)	45.05	106.61	119.85	112.73	101.11
Total Amount of Dividend Paid	14.20	75.56	94.45	88.58	106.30
Dividend Declared %	15%	20%	25%	25%	30%

At present, the Company is focusing on new business opportunities, support to group business by providing ancillary services and consolidation of its existing investment and Stock-in-Trade of shares and securities business. The Company also exploring various opportunities for investment in Residential / Industrial Complex, Hotels, Resorts etc. and is also exploring the new business opportunities in other fields.

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

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background details:** Shri J. D. Mehta (85 years) is B.Com from Bombay University having more than 63 years of experience in various fields. He has been associated with the Company for more than 18 years.

Shri Mehta was appointed as Managing Director in 1996. Prior to his joining the Company he had worked in Shipping Corporation of India (SCI) in very senior positions including that of Commercial Director and retired as its Executive Director. He has widely travelled and has been associated with various Government Committees and Boards connected with Shipping during his tenure with SCI. Beside this, he has got vast knowledge of the Stock Market operations. Shri J.D. Mehta possesses long years of experience and knowledge of the Investment business and Stock Market operations.

Apart from serving the Company he is also holding the position of Director in Sambhaw Holdings Limited and Dharmik Commodeal Private Limited (non-listed subsidiaries of the Company) and other 8 private limited companies.



- (2) **Past remuneration:** The details of remuneration received by Shri J. D. Mehta during last three years are as under:

Remuneration	2007-08	2008-09	2009-10
Salaries and Allowances	8.37	9.27	8.90
Perquisites	0.67	0.40	0.62
Total	9.04	9.67	9.52

- (3) **Recognition or awards:** N.A.

- (4) **Job profile and his suitability:** Shri J.D. Mehta has been associated with the Company since 1992. He was appointed as Managing Director in the year 1996 and has been successfully managing the day to day functions of the Company. He is well versed with the Business, Philosophy, Systems and Procedures of the Company. His understanding of Stock Market operations and real estate is very suitable for the Company's requirement.

- (5) **Remuneration proposed:** Shri J. D. Mehta was re-appointed as Executive Vice Chairman of the Company with effect from 1st April 2010 by the Board of Directors of the Company at its meeting held on 27th January 2010 on the same terms and conditions as recommended by the Remuneration Committee:

1. **Tenure:** : Shri J. D. Mehta shall hold office of Executive Vice Chairman for a period of 12 months w.e.f. 1st April 2010 till 31st March 2011 subject to the approval of the shareholders by Special Resolution and other approvals, if any, required.
He shall be paid remuneration including perquisites as follows :
2. **Salary** : Basic Rs.55,000/- (Rupees Fifty Five Thousands only) per month with yearly increment being determined by the Board.
3. **Perquisites** **Category - A**
 - (A) **Housing / House Rent Allowance** : Rs.10,000/- (Rupees Ten Thousands only) per month.
 - (B) **Medical Reimbursement** : Reimbursement of Medical Expenses actually incurred by Shri J. D. Mehta and his family in accordance with the rules of the Company for the time being in force, presently one month's Salary or upto a maximum of Rs. 60,000 p.a. whichever is less, claimable on quarterly basis.
 - (C) **Leave Travel Concession** : One Month's Basic Salary subject to a maximum of Rs. 60,000.

Category - B

 - (A) **Provident Fund** : NIL
 - (B) **Superannuation** : NIL
 - (C) **Gratuity** : NIL

Category - C

 - (A) **Transport / Car** : The use of Company owned Motor Car without Driver. All expenses for running and upkeeping of Motor Car shall be borne and paid by the Company. The use of Motor Car for private purposes shall be billed by the Company to Shri J. D. Mehta.
 - (B) **Telephone** : Reimbursement of expenses for telephone at the residence of Shri J. D. Mehta, the rent, call charges and other outgoings in respect thereof will be paid by the Company (Except for personal long distance call)



4. Income Tax, if any, on or in respect of the aforesaid remuneration shall be borne and paid by Shri J.D. Mehta.
5. In the event of loss or inadequacy of profits in any financial year, the Company may pay to Shri J. D. Mehta, the same remuneration by way of Salary and Perquisites as set out in the agreement as the Minimum Remuneration subject to such approvals including Central Government as may be necessary and required.
6. He will not be entitled to any sitting fee for attending the meetings of the Board / Committee.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Taking in to consideration the experience, expertise, skill, long association with the Company and responsibilities shouldered, the remuneration package offered is commensurate with the remuneration paid to the managerial position in the companies of similar size and business.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: Beside the remuneration proposed, Shri Mehta does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION:

- (1) Reason of loss or inadequate profits: At present the profits of the Company are adequate to meet the remuneration being offered to Shri J. D. Mehta. The Company has explored various business opportunities for increasing its revenue and the overall turnover and profitability of the Company is reasonably good considering the size and resources of the Company.
- (2) Steps taken or proposed to be taken for improvement: The Company had come out with Right Issue in the year 2006 which was well subscribed by the shareholders of the Company. The funds raised through the Right Issue are proposed to be invested in such activities which will help to generate additional revenue and accelerate the existing business activities. The Company is exploring the new business opportunities.
- (3) Expected increase in productivity and profits in measurable terms: The quantification of expected increase in profit is difficult to measure at present. However the Company has during last years entered into certain business arrangements which will help to increase the income as well profitability of the Company. In addition, new business activities are also being explored.

IV. DISCLOSURES:

The remuneration package of managerial person Shri J.D. Mehta is provided hereinabove. The period of contract is one year, the notice period is 30 days and there are no severance fees or any other terminal benefits payable.

Your Directors recommend the passing of this Resolution. Except Shri J. D. Mehta, none of the Directors is in any way concerned or interested in the Resolution.

The Agreement entered into with Shri J. D. Mehta and notice proposing his candidature under Section 257 of the Companies Act, 1956 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.

By Order of the Board
For Binani Metals Limited

J. D. Mehta
Executive Vice Chairman

Place : Mumbai
Date : 23rd April, 2010

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

Your Directors have pleasure in presenting the Sixty Ninth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS :

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2010	Year Ended* 31.03.2009
Sales & Related Income	802.98	1,257.55
Other Income	0.03	7.86
Profit before tax	135.49	133.41
Provision for Taxation (Net)	6.34	4.42
Short / (Excess) Provision of Income Tax / FBT of Earlier Years (Net)	28.04	16.26
Net Profit after tax for the year	101.12	112.73
Balance b/f from previous year	80.14	83.05
Balance of Profit available for Appropriations	181.26	195.78
Appropriations :		
Proposed Dividend	106.30	88.58
Corporate Dividend Tax	18.06	15.05
Transfer to General Reserves	12.00	12.00
Balance Carried Forward	44.90	80.15
	181.26	195.78

*Previous years figures, have been regrouped.

2. DIVIDEND :

Your Directors are pleased to recommend a Dividend of 30% i.e. Rs.300/- (Rupees Three Hundred only) per Equity Share on Equity Share Capital of Rs.354.32 Lakhs divided into 35,432 Equity Shares of Rs.1000/- each payable out of the profits of the Company.

3. REVIEW OF OPERATIONS :

During the year under review the gross total income has reduced from Rs.1265.41 Lakhs in the previous year to Rs.803.01 Lakhs during the current year mainly due to reduced income from sale of shares and securities. However, net profit for the year is marginally reduced to Rs.101.12 Lakhs as against net profit of Rs.112.73 Lakhs in the previous year. The total expenditure for the year reduced from Rs.1132.00 Lakhs in the previous year to Rs.667.52 Lakhs in the current year due to reduction in cost of sales and interest and finance charges. The Company expects to maintain its profitability in the next year as well.

The non-listed material subsidiary Company (as per Clause 49 of the Listing Agreement) Sambhaw Holdings Limited has recorded a loss of Rs.5.06 Lakh as against loss of Rs. 10.71 Lakhs in the previous year.

4. RIGHT ISSUE FUND UTILISATION :

It was resolved at the Annual General Meeting held on 03.07.2007 to deploy the funds of Right Issue for acquiring Commercial / Residential property or land at Mumbai / Kolkata or such other purpose as the Board may consider most beneficial to the Company. However pending the finalization of identification of property, the funds have been parked as Fixed Deposit with Banks.

**5. SCHEME OF ARRANGEMENT :**

As the members are aware, the Scheme of Arrangement under Section 391 (1) and 393 of the Companies Act, 1956 between the Company and its wholly owned subsidiary - Dharmik Commodeal Pvt. Ltd. (DCPL), long term Investments of the Company in equity shares of bodies corporate other than investment in subsidiary companies is to be transferred to DCPL w.e.f. 1st April, 2009. The said Scheme was approved by the members at their court convened meeting held on 26.10.2009. During the year under review, the Company pursued the said Scheme of Arrangement and the same is pending for final approval before the Hon'ble High Court of Calcutta. Therefore, the effect in the accounts will be given after receipt of the approval. However, there will be no effect on the Income and Profit of the year.

6. DIRECTORS :

In accordance with Article 111 of the Articles of Association of the Company, Ms. Nidhi Singhania and Dr. (Ms.) Kala Pant retires by rotation and being eligible offered themselves for re-appointment.

During the year under review Shri J.D. Mehta whose term of appointment expired on 31.03.2010 was re-appointed as Executive Vice Chairman as per the Resolution passed by the Board of Directors at their meeting held on 27.01.2010.

In terms of appointment, the Board of Directors have approved the increase in salary of Shri Vinod Juneja as Managing Director w.e.f. 01.04.2010 within the approved limit of 10% of Basic Salary as authorised by the Special Resolution passed at the Annual General Meeting of the members of the Company held on 23.06.2008 and the approval of Central Government vide its order dated 22.09.2008

7. CORPORATE GOVERNANCE :

Binani Metals Limited is committed to conducting business of the Company with transparency. Report on Corporate Governance as required under Clause 49 of the Listing Agreement with the Stock Exchange forms part of the Annual Report. The Auditors' certificate confirming compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

8. MANAGEMENT DISCUSSION AND ANALYSIS :

Management Discussion & Analysis report containing specified matters within the limits set by the Company's competitive position is as under:

- I. Industry Structure and developments:** The Company has no manufacturing operations and is not engaged in any major industrial activity and as such we have nothing substantial to report. The Company's focus is exploring new business opportunities, moving towards consolidation of its existing Investment and Stock-in-trade of shares and securities business and commission for commercial services and to support the group business. The Company is also exploring various opportunities for investment in Commercial / Residential properties at Mumbai / Kolkata or some other place as the Board of Directors may deem fit in the best interest of the Company.
- II. Opportunities and Threats:** The Company proposes to utilize the proceeds of the rights issue for acquiring the commercial and/or residential premises in Kolkata / Mumbai or in some other real estate. Such investment in real estates is likely to generate reasonable income for the Company in the future.
- III. Segment-wise or product-wise performance:** The Company is operating in investment, stock-in-trade, commercial services and business services, however, the segment wise or product-wise performance figures are not material in nature.
- IV. Outlook:** The Company is exploring the new avenues and lucrative business opportunities to deploy the funds of the Company in more revenue generating activities. During the year the Company had earned commission income of Rs.47.20 Lakhs, Service Charges of Rs.207.46 Lakhs, profit from commodities future contracts of and Rs.80.58 Lakhs. At present the funds of the Company have been judicially invested in business and the management is actively looking out for right investment opportunity in the real estate or other long term investment.



- V. Risks and concerns:** Part of the funds of the Company is deployed in Equity Shares. Equity Shares are subject to market risk and the returns on the investments may fluctuate accordingly.
- VI. Internal Control Systems and their adequacy:** Internal Control Systems are adequate considering the nature of operations of the Company.
- VII. Discussion on financial performance with respect to operational performance:** With respect to operational performance they have already been discussed elsewhere in the report.
- VIII. Material development in Human Resources/Industrial Relations front, including number of people employed:** Since the Company has very limited number of people employed, there are no material developments with respect to Human Resources/Industrial front.

9. FIXED DEPOSIT :

The Company has not accepted any deposits within the meaning of Section 58 A of the Companies Act, 1956. As such, no amount of principal or interest was outstanding as on the Balance Sheet date.

10. AUDITORS & AUDITORS' OBSERVATIONS :

M/s. Abrol & Maheshwary, Chartered Accountants, retire as Auditors and are eligible for re-appointment. Necessary certificate has been obtained from the Auditors as per Section 224 (1) of the Companies Act, 1956.

Observations made in the Auditors Report are dealt with in the Notes to Accounts at appropriate places and are self explanatory.

11. SUBSIDIARY COMPANIES :

The statement pursuant to Section 212 of the Companies Act 1956 relating to its subsidiary, Sambhaw Holdings Limited and Dharmik Commodore Private Limited and its Audited Accounts are annexed to this report.

During the part of the year under review Atithi Tie-up Private Limited was wholly owned subsidiary of the Company. The Company has disposed off its holding in the said subsidiary and consequently it ceased to be a subsidiary and wholly owned subsidiary of the Company.

12. PARTICULARS OF EMPLOYEES :

The information required to be given under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is annexed to this report.

FOREIGN EXCHANGE EARNINGS & EXPENDITURE:

During the year, foreign exchange earnings were NIL (Previous Year NIL) and expenditure were Rs.1.12 Lakh (Previous Year Rs. 3.74 Lakh), as per details furnished in the notes to the accounts.

Statement of particulars under Section 217(1) (e) regarding conservation of energy and technology absorption are not applicable to the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanation relating to material departures, if any, have been furnished.
- b. appropriate accounting policies as listed in Schedule 'O' have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the Accounting year ended on that day.



BINANI METALS LIMITED

- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis.

14. STOCK EXCHANGE / COMPLIANCE OF LISTING AGREEMENT :

The Equity shares of the Company are listed at The Calcutta Stock Exchange Ltd. Kolkata. We confirm that the Company has paid the Listing Fees for the year 2010-11 to the Calcutta Stock Exchange pursuant to the provisions of the Listing Agreement. Consolidated Audited Accounts as on 31st March, 2010 are annexed to this report as required under the Listing Agreement.

15. ACKNOWLEDGEMENTS :

The Board of Directors wishes to express its appreciation to all the employees of the Company for their dedicated service and contribution to the operations of the Company during the year.

Your Directors acknowledge the co-operation received from all the concerned departments of the State and Central Governments, Bankers, Customers and the Shareholders.

Registered Office:
705, Om Tower,
32 Chowringhee Road,
Kolkata-700071

For and on behalf of the Board
For Binani Metals Limited

Place : Mumbai
Date : 23rd April, 2010

Braj Binani
Chairman

Annexure to Director's Report

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.)	Qualifi - cation	Exp. (Year)	Date of commencement of Employment	Previous Employment		Percentage of equity shares held
								Post Held	Name of Previous employer	
1	Shri Vinod Juneja	61	Managing Director	124.62 Lakh*	B.Com (Hon.), M.Com., LL.B. & Ph.D.	35	01.07.2007	Dy. Managing Director	Bank of Rajasthan	Nil

* Includes monetary value of non-cash perquisites as per Income Tax Act, 1961.

For and on behalf of the Board
For Binani Metals Limited

Braj Binani
Chairman



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 the Company comprises of Non-Executive Promoter Chairman, non-executive promoter Director, Executive Non-promoter Vice Chairman, Executive Non-promoter Managing Director and four Independent Directors.

The details of composition and category of Board of Directors as on the date of this report are as follows:

Category	Name of Director	Position held / Designation
Promoters & Non-Executive Directors	Shri Braj Binani Ms. Nidhi Singhania	Chairman Director
Executive Directors	Shri J. D. Mehta Shri Vinod Juneja	Executive Vice Chairman Managing Director
Independent Directors	Shri P. R. Damani Dr. (Ms.) Kala Pant Shri B. Srinivasan Shri V. Subramanian	Director Director Director Director

The Company does not have any pecuniary relationships or transaction with any of the non-executive Directors. Shri J.D. Mehta, Shri P. R. Damani and Shri V. Subramanian are Directors of Sambhaw Holdings Limited a material non-listed wholly owned Indian subsidiary of the Company. Shri J. D. Mehta is also Director in Dharmik Commodeal Private Limited a wholly owned subsidiary of the Company.

The Board of Directors met 4 times during the period under review on 22.04.2009, 22.07.2009, 23.10.2009 and 27.01.2010. Attendance of each Director at the Board meeting, last Annual General Meeting (AGM) and Directorship held by them in other Companies are indicated below:

Name of Director	No. of Board Meeting attended	Whether attended last AGM	No. of Directorships in domestic public Companies (Incl. this Company)		No. of Committee * memberships in domestic public companies (including this Company)	
			As Chairman	As Director	As Chairman	As Member
Shri Braj Binani	4 / 4	Yes	6	-	0	0
Shri P.R. Damani	4 / 4	Yes	0	4	0	3
Dr. (Ms.) Kala Pant	4 / 4	Yes	0	4	2	2
Ms. Nidhi Singhania	4 / 4	Yes	0	3	0	0
Shri J. D. Mehta	4 / 4	Yes	0	2	0	2
Shri Vinod Juneja	4 / 4	Yes	0	2	0	0
Shri V. Subramanian	4 / 4	Yes	0	8	1	6
Shri B. Srinivasan	4 / 4	Yes	0	0	0	0

* Only Audit Committee and Investor relations Committee considered

A brief write up about the Directors coming up for re-appointment and the Executive Vice-Chairman and the remuneration being paid to them have been provided in the notice to the Shareholders. Details of remuneration paid to the Executive Vice-Chairman and Managing Director during the period under review are provided at Schedule "O" Note No. 10 of the Annual Accounts. During the period under review, Non-Executive Directors of the Company were paid sitting fees of Rs.2,500/- for attending each of the meetings of the Board of Directors and Rs.1,000/- for attending the Committee Meetings.

**Audit Committee**

Audit Committee of the Directors was constituted during the year 2006-07. The Company has complied with the requirements of 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 of Audit Committee and one Executive 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 to fix their fees.

The Committee examines in detail the reports of the Internal Auditors of the Company and its subsidiary. The Committee also reviews all the Unaudited Quarterly Financial Results and the Audited Results including that of subsidiary/ies before submission to the Board. Shri P.R. Damani, Chairman of Audit Committee, Dr. (Ms.) Kala Pant and Shri J.D. Mehta, Committee Members were present at the last Annual General Meeting (AGM) of the Company held on 26.06.2009. The Audit Committee met 4 (Four) times during the year under review on 22.04.2009, 22.07.2009, 23.10.2009 and 27.01.2010. 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/ held	Whether attended AGM
Shri P. R. Damani	4 / 4	Yes
Shri J.D. Mehta	4 / 4	Yes
Dr. (Ms.) Kala Pant	4 / 4	Yes

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 non-promoter 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 in close interaction with the Registrar and Share Transfer Agent of the Company. The committee met 4 times during the period under review. Attendance of Directors at the meetings of the said Committee is as under:-

Name of the Director	No. of Meetings attended/ held
Shri P. R. Damani	4 / 4
Shri J.D. Mehta	4 / 4
Dr. (Ms.) Kala Pant	4 / 4

Remuneration Committee

A Remuneration Committee was constituted in the year 2006-07 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 comprised of promoter and Chairman Shri Braj Binani and independent Director Shri P.R. Damani. The meeting of the Remuneration Committee was held on 27.01.2010 to recommend the payment of remuneration for Shri J.D. Mehta, Executive Vice Chairman of the Company. Both the committee members have attended the meeting.

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. The sanction and approval of the members was sought at the Annual General Meeting held in the year 2008 for payment of commission at such percentage of profit as may be determined by the Chairman / Board to the non-executive directors for a period of five years commencing from 01.04.2008. However no remuneration by way of commission is being proposed to be paid for the year 2009-10.



Code of Conduct

As required by the amended Clause 49 of the Listing Agreement, the Board of Directors of the Company has 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 of Binani Group www.binani.com. The members of the Board of Directors and Senior Management have affirmed compliance of the said Code during the period under review.

Subsidiary Companies

As required by Clause 49 of the Listing Agreement, Shri P. R. Damani and Shri V. Subramanian independent Directors of the Company are also Directors in Sambhaw Holdings Limited which is material non-listed Indian Subsidiary of the Company. The Audit Committee of the Company does review the Financial Statement of the subsidiary. At present Dharmik Commodore Private Limited, a wholly owned subsidiaries of the Company does not carry any business.

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 transactions and arrangements of the unlisted subsidiary are also placed before the Board of Directors of the Company on a regular basis.

Disclosures

As required by the Clause 49 of the Listing Agreement, 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.

Disclosures of Accounting Policies and treatment

Disclosures of Accounting Polices and treatment wherever applicable have been made in the Audited Financial Accounts for the year ended 31st March 2010.

Board Disclosures - Risk Management

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

CEO/CFO Certification

A Certificate from the Executive Vice Chairman has been placed before the Board confirming that:-

- (a) he has reviewed financial statements and the cash flow statement for the year 2009-10 and that to the best of his 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 his knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) He accepts responsibility for establishing and maintaining internal controls for financial reporting and he has evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and he has disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which he is aware and the steps he has taken or proposes to take to rectify these deficiencies.



(d) He has 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
- he has 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 financial reporting.

Annual General Meetings (AGMs)

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

Annual General Meeting	Date & Time	Venue	Special Resolution considered
66th	03.07.2007 11.30 a.m.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubhash Marg, Mumbai-400001	<ul style="list-style-type: none">● Appointment of Shri J. D. Mehta as Managing Director● To approve use of Right Issue Funds for the purpose of acquisition / purchase of Flat/commercial property / Land● To keep Register and Index of Members Debentures and Return of Allotment and Annual Return at the office of Share Transfer Agent at Mumbai
67th	23.06.2008 02.30 p.m.	Kala Mandir, 48, Shakespeare Sarani, Kolkata- 700017	<ul style="list-style-type: none">● Appointment of Shri J. D. Mehta as Executive Vice Chairman● Appointment of Shri Vinod Juneja as Managing Director● Amendment of Articles of Association of the Company by inserting new Article 106A relating payment of commission to non-executive Directors● Approval under Section 309 of the Companies Act, 1956 for payment of Commission to non-executive Directors● Approval under Section 293(1)(e) of the Companies Act, 1956 for making donation up to a limit of Rs.1 Crore● Approval under Section 94(1) (b) of the Companies Act, 1956 for consolidation of 10 Equity Shares of Rs.100/- each into 1 Equity Share of Rs.1000/- each and consequent change in Clause V of Memorandum of Association and Article 6 of Articles of Association
68th	26.06.2009 12.30 p.m.	"Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700 020	<ul style="list-style-type: none">● Appointment of Shri B. Srinivasan as Director● Appointment of Shri V. Subramanian as Director● Appointment of Shri J. D. Mehta as Executive Vice Chairman



Disclosures

None of the Directors had any pecuniary transaction or relationship with the Company. The related party transactions with the subsidiary 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 Calcutta Stock Exchange Limited, where the Company's Shares are listed or by SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

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 are also available on the Company's Website www.binani.com. The Company had sent the full annual report along with audited reports of subsidiary as required under the provisions of the Companies Act, 1956 to all the members.

The Company's results are normally published in Business Standard/Financial Express and Aajkal or Kalantar (Bengali daily) in Kolkata where the Company's Registered Office is located.

General Shareholders Information

a) 69th Annual General Meeting	Friday, the 25th June, 2010 at 12:30 p.m. or immediately after the conclusion of Annual General Meeting of Binani Cement Limited if it concludes after 12:30 p.m. at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700020.
b) Financial Calendar	1st April to 31st March.
c) Date of Book Closure	Friday the 18th June, 2010 to Friday the 25th June, 2010 (both days inclusive).
d) Dividend Payment Date	On or before 24th July, 2010
e) Listing on Stock Exchanges Stock Code	The Calcutta Stock Exchange Ltd. CSE 12049
f) Market Price Data(CSE)	Not quoted since February 2002 (Last quoted on 05.02.2002 @ Rs.450/- per share face value of Rs.100/- each)
g) Registrar and Transfer Agents and Share Transfer System	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078 Tel.: 022-25963838 Fax: 022-25946969
h) Compliance Officer & Contact Nos. and email-ID	Shri Rakesh Darji, DGM (Legal) & Company Secretary Tel.: 022-30263000/01/02 Fax: 022-22634960 E-mail: rakesh@binani.net
Secretarial Department	Corporate Office: Mercantile Chambers, 12, J. N. Heredia Marg, Ballard Estate, Mumbai - 400001
Registered Office	705, Om Tower, 32 Chowringhee Road, Kolkata - 700071 Tel.: 033-28882508/09 Fax: 033-22882510



BINANI METALS LIMITED

i) (a) Distribution of Shareholding Pattern as on 31.03.2010

Category		No. of Shares held	Percentage of shareholding
A	PROMOTERS' HOLDING		
1	Promoters - Indian	25794	72.80
	- NRI	763	2.15
2	Persons acting in Concert	0	0
	Sub-Total	26,557	74.95
B	NON-PROMOTERS' HOLDING		
3	Institutional Investors		
a.	Mutual Funds and UTI	0	0
b.	Financial Institutions / Banks	10	0.03
c.	Insurance Companies	18	0.05
d.	Central / State Government Institutions	0	0
e.	Foreign Institutional Investors	0	0
	Sub-Total	28	0.08
4.	Others		
a.	Private Corporate Bodies	2085	5.88
b.	Indian Public	6752	19.06
c.	NRIs / OCBs	10	0.03
	Sub-total	8847	24.97
	GRAND TOTAL	35,432	100.00

(b) Distribution of Shareholding as on 31.03.2010

No. of Shares held	No. of Shareholders	% Total	No. of Shares	% to Total
1 to 500	1735	99.5410	8324	23.4929
501 to 1000	2	0.1147	1218	3.4376
1001 to 2000	1	0.0574	1752	4.9447
2001 to 3000	2	0.1147	5368	15.1501
3001 to 4000	0	0	0	0
4001 to 5000	0	0	0	0
5001 to 10000	3	0.1721	18770	52.9747
Above 10000	0	0	0	0
TOTAL	1743	100.00	35,432	100.00

(c) Entities comprising "Group" under Regulation 3(1)(e) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 are :

(1) Binani Industries Limited, (2) Binani Cement Limited, (3) Binani Zinc Limited, (4) R.B.G. Minerals Industries Limited, (5) Goa Glass Fibre Limited (6) Binani Energy Private Limited, (7) Ess Vee Alloys Private Limited, (8) B T Composites Limited, (9) Wada Industrial Estate Limited, (10) Krishna Holdings Pte. Ltd., Singapore, (11) Bhoomi Resources (Singapore) Pte Ltd., (12) Shandong Binani Rongan Cement Co. Ltd., China, (13) Mukundan Holdings Limited, (14) BVI, Binani Cement Factory LLC. Dubai, (15) Murari Holdings Limited, BVI, (16) Sankalp Holdings Ltd., (17) Abhinav Holdings Ltd., (18) Suryamukhi Vintrade Pvt. Ltd., (19) K B Vyapar Pvt Ltd, (20) Manjushree Holdings Pvt Ltd., (21) Vijayshree Holdings Pvt Ltd, (22) Triton Trading Co Pvt. Ltd., (23) Akroor Traders Pvt. Ltd., (Formerly Bageshree Traders Pvt. Ltd.), (24) Lucknow Properties & Finance Private Limited, (25) Lexus Holdings & Finance Pvt. Ltd., (26) Ace Portfolio & Finance Pvt. Ltd., (27) Miracle Composites Private Limited, (28) Miracle Securities Private Limited, (29) Atithi Tie-up Pvt. Ltd., (30) Dharmik Commodeal Pvt. Ltd. (31) Mr. Braj Binani, (32) Mrs. Kalpana Binani, (33) Ms. Nidhi Singhania, (34) Ms. Shradha Binani, (35) Ms. Vidushi Binani (Minor)



j) Dematerialisation of shares and liquidity	The Company's shares are not under Compulsory demat mode. However as on 31.03.2010 47.53% shares have been dematerialized. The ISIN No. of the Company is INE129H01022.
k) Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	Not applicable.
l) Address of the Subsidiaries	1. Sambhaw Holdings Limited Mercantile Chambers, 12, J. N. Heredia Marg, Ballard Estate, Mumbai - 400001 2. Dharmik Commodeal Private Limited 705, Om Tower, 32, Chowringhee Road, Kolkata - 700071
m) Address for correspondence for Binani Metals Limited & its Subsidiary	As mentioned in (g) and (h) above.

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, 2010.

Date : 23rd April, 2010
Place : Mumbai

J. D. Mehta
Executive Vice Chairman



BINANI METALS LIMITED

AUDITORS' CERTIFICATE

To
The Members of Binani Metals Limited

We have examined the compliance of conditions of Corporate Governance by Binani Metals Limited, for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

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 of the financial statements of the Company.

In our opinion and to the best of our information, and according to the explanations given to us, we certify that that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Share Registrar and reviewed by the Shareholders' / Investors' Grievance Committee.

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 Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No.:30739

Place : Mumbai
Date : 23rd April, 2010



Auditors' Report to the Members of Binani Metals Limited

1. We have audited the attached Balance Sheet of Binani Metals Limited as at March 31, 2010 and also the Profit and Loss Account and the 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 auditing standards generally accepted in India. Those Standards require 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 (Auditor's 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 purpose 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 those 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. On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2010;
 - b. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - c. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For ABROL & MAHESHWARY
Chartered Accountants

Anil Maheshwary
Partner
Membership No.:30739

Place : Mumbai
Date : 23rd April, 2010

**ANNEXURE REFERRED TO THE AUDITORS REPORT**

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has devised a programme to physically verify its assets during a period of three years and according to the programme, selected assets have been verified during the year. No discrepancies were noticed on such verification and, therefore, the question of discrepancies having been properly dealt with in the books of account did not arise.
(c) The Company has not disposed off a substantial part of its fixed assets during the year.
- 2) (a) The management has conducted physical verification of inventories at the year end.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification.
- 3) (a) The following are the particulars of loans taken and granted by the Company from / to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956:
(Rupees)

Name of Party	Relationship with Company	Maximum amount outstanding during the year	Year end Balance
Loans given			
Goa Glass Fibre Limited	Company in which a Director is interested	20,213,699	20,000,000

- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interests of the Company.
(c) Payment of the principal amount has not been stipulated. However, interest payment is regular.
- 4) 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 inventories and fixed assets and for the sales. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there were no transactions with parties exceeding value of Rupees five lakhs, excluding those referred to under paragraph 3 above. Therefore, the question of prices being reasonable does not arise.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



- 8) 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.
- 9) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Wealth-Tax, and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Sales-Tax, Customs duty and Excise duty were outstanding, as on March 31, 2010 for a period of more than six months from the date they became payable.
(b) According to the information and explanation given to us, there are no dues of Income tax, Wealth tax, Service tax, Customs duty and Cess which have not been deposited on account of any dispute.
- 10) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and immediately preceding financial year.
- 11) Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions or by way of debentures.
- 12) 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.
- 13) 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 fund / societies.
- 14) In respect of dealing / trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the Company, in its own name.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- 17) As per the information and explanations given, the funds raised for short term have not been used for long term investment.
- 18) 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.
- 19) The Company has not issued any debentures.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed and 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 **ABROL & MAHESHWARY**
Chartered Accountants

Anil Maheshwary
Partner
Membership No.:30739

Place: Mumbai
Date : 23rd April, 2010

**BINANI METALS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2010**

(Rupees)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholders' funds			
Capital	A	35,413,500	35,413,500
Reserves and Surplus	B	82,514,318	84,838,505
		<u>117,927,818</u>	<u>120,252,005</u>
Loan Funds			
Secured Loans	C	28,577,614	28,458,882
TOTAL		<u>146,505,432</u>	<u>148,710,887</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	44,597,766	25,738,749
Less : Depreciation		13,765,446	7,165,108
Net Block		<u>30,832,320</u>	<u>18,573,641</u>
Investments	E	4,836,082	5,336,332
Deferred Tax Assets		1,564,300	967,000
Current Assets, Loans and Advances			
Inventories	F	1,739,958	9,784,214
Sundry Debtors		80,945	1,517,461
Cash and Bank Balances		76,049,207	77,754,172
Loans and Advances		61,349,113	62,036,351
		<u>139,219,223</u>	<u>151,092,198</u>
Less : Current Liabilities and Provisions	G		
Liabilities		16,077,331	16,232,577
Provisions		13,869,162	11,025,707
		<u>29,946,493</u>	<u>27,258,284</u>
Net Current Assets		<u>109,272,730</u>	<u>123,833,914</u>
TOTAL		<u>146,505,432</u>	<u>148,710,887</u>
Notes to the Accounts	O		

In terms of our attached report of even date
For Abrol & Maheshwary
Chartered Accountants

Signatures to the Balance Sheet and Schedules A to G and O
For and on behalf of the Board of Directors

Anil Maheshwary
Partner
Membership No.: 30739
Place : Mumbai
Dated : 23rd April, 2010

J. D. MEHTA
Executive Vice Chairman

BRAJ BINANI
P. R. DAMANI
B. SRINIVASAN
V. SUBRAMANIAN }
Chairman
Directors

RAKESH DARJI
Company Secretary

VINOD JUNEJA Managing Director

69th Annual Report 2009-10



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

	Schedule	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
INCOME:			
Sales - Shares and Securities		21,134,147	47,338,707
Profit from Commodities Futures Contracts		8,058,202	14,751,093
Service Charges	H	20,746,055	18,514,601
Brokerage and Commission		4,720,294	17,990,163
Interest and Dividend	I	25,639,155	27,160,888
Other Income	J	3,440	785,590
TOTAL		80,301,293	126,541,042
EXPENDITURE:			
Cost of Sales - Shares and Securities	K	17,546,497	66,514,759
Payment to and Provision for Employees	L	15,370,250	13,283,332
Administration and Other Expenses	M	24,803,149	24,624,551
Interest and Finance Charges	N	2,300,771	3,951,437
Depreciation		6,730,907	4,826,025
TOTAL		66,751,574	113,200,104
Profit Before Tax		13,549,719	13,340,937
Tax Expenses :			
- Current Tax	1,231,000		521,000
- Deferred Tax / (Credit)	(597,300)		(844,000)
- Fringe Benefit Tax	-		765,000
- Short / (Excess) Provision of Income Tax / FBT of Earlier Years (Net)	2,804,105	3,437,805	1,625,699
Profit for the Year After Tax		10,111,914	11,273,237
Balance Brought Forward		8,014,329	8,304,508
Amount available for Appropriation		18,126,243	19,577,745
APPROPRIATION:			
Transfer to General Reserve		1,200,000	1,200,000
Proposed Dividend		10,629,600	8,858,000
Corporate Dividend Tax		1,806,501	1,505,417
Surplus Carried Forward		4,490,142	8,014,328
TOTAL		18,126,243	19,577,745
EARNING PER SHARE:			
Profit After Tax		10,111,914	11,273,237
Weighted Average No. of shares outstanding during the year		35,432	37,705
Earning Per Share (Rs.) - basic and diluted		285	299
Notes to the Accounts	O		

In terms of our attached report of even date
For Abrol & Maheshwary
 Chartered Accountants

Signatures to the Profit & Loss Account and Schedules H to O
For and on behalf of the Board of Directors

Anil Maheshwary
 Partner
 Membership No.: 30739
 Place : Mumbai
 Dated : 23rd April, 2010

J. D. MEHTA
 Executive Vice Chairman

BRAJ BINANI Chairman
P. R. DAMANI
B. SRINIVASAN
V. SUBRAMANIAN } Directors

RAKESH DARJI
 Company Secretary

VINOD JUNEJA Managing Director



BINANI METALS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

(Rupees)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE "A"		
SHARE CAPITAL		
Authorised :		
40,000 (Previous Year 40,000) Equity Shares of Rs.1000 /-each	<u>40,000,000</u>	<u>40,000,000</u>
Issued		
35,514 (Previous Year 35,514) Equity Shares of Rs. 1000/- each fully paid up	<u>35,514,000</u>	<u>35,514,000</u>
Subscribed and Paid up		
35,432 (Previous Year 35,432) Equity Shares of Rs. 1000/- each fully paid up (of the above 8,112 shares were issued to the members of other amalgamated companies pursuant to schemes of Amalgamation)	<u>35,432,000</u>	<u>35,432,000</u>
Add : Capital Suspense Account	<u>200</u>	<u>200</u>
Less : Calls in arrears	<u>(18,700)</u>	<u>(18,700)</u>
TOTAL	<u><u>35,413,500</u></u>	<u><u>35,413,500</u></u>
SCHEDULE "B"		
RESERVES & SURPLUS		
Capital Reserve:		
As per Last Balance Sheet	<u>12,596,699</u>	<u>12,596,699</u>
Capital Reduction Reserve		
As per Last Balance Sheet	<u>716,277</u>	<u>716,277</u>
Buy Back Reserve		
As per Last Balance Sheet	<u>3,000,200</u>	<u>650,200</u>
Add : Transferred from General Reserve	<u>-</u>	<u>2,350,000</u>
	<u>3,000,200</u>	<u>3,000,200</u>
General Reserve		
As per Last Balance Sheet	<u>60,511,000</u>	<u>69,886,000</u>
Less : Buy Back of Shares	<u>-</u>	<u>(8,225,000)</u>
Less : Transferred to Buy- Back Reserve	<u>-</u>	<u>(2,350,000)</u>
Add : Transferred from Profit and Loss Account	<u>1,200,000</u>	<u>1,200,000</u>
	<u>61,711,000</u>	<u>60,511,000</u>
Surplus		
Balance in Profit & Loss Account	<u>4,490,142</u>	<u>8,014,328</u>
TOTAL	<u><u>82,514,318</u></u>	<u><u>84,838,505</u></u>
SCHEDULE "C"		
LOANFUND		
Secured Loan		
(Refer note no. 6 of schedule ' O ')		
Hire Purchase Credit	<u>270,955</u>	<u>1,250,808</u>
[Falling due for payment within one year Rs. 270,955 (Previous Year Rs. 5,15,678)]		
Overdraft from Banks	<u>28,306,659</u>	<u>27,208,074</u>
	<u><u>28,577,614</u></u>	<u><u>28,458,882</u></u>



SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE " D "
FIXED ASSETS

(Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2009	Additions	Deduction	As at 31.03.2010	For The Year	Deduction	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Furniture, Fixtures, Office Equipments & Computers	3,055,365	3,689,216	-	6,744,581	290,472	-	2,303,720	4,440,861	1,042,117
Vehicles	22,683,384	15,549,920	380,119	37,853,185	6,440,435	130,569	11,461,726	26,391,459	17,531,524
T O T A L	25,738,749	19,239,136	380,119	44,597,766	6,730,907	130,569	13,765,446	30,832,320	18,573,641
P R E V I O U S Y E A R	20,473,555	8,130,628	2,865,434	25,738,749	4,826,025	449,671	7,165,108	18,573,641	17,684,801



BINANI METALS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE " E " INVESTMENTS

(Rupees)

	Face Value per Share/ Debenture	As at 31st March, 2010		As at 31st March, 2009	
		No. of Shares/ Debentures	Amount	No. of Shares/ Debentures	Amount
Long Term (At Cost)					
Unquoted					
1. Debentures					
8% Debentures of Indian Chamber of Commerce	100	43.75	4,375	43.75	4,375
2. Equity Shares (fully paid)					
Binani Zinc Ltd. (Refer note no. 12 of schedule " O ")	10	1,098,173	-	1,098,173	-
3. Investment in Subsidiary Companies					
Fully paid Equity Shares					
Sambhaw Holdings Ltd.	10	50,000	500,000	50,000	500,000
Atithi Tie-Up Pvt. Ltd.	-	-	-	50,000	500,250
Dharmik Commodeal Pvt. Ltd.	10	10,000	100,000	10,000	100,000
4. Guineas (11)					
		-	1,708	-	1,708
Quoted:					
5. Equity Shares (fully paid)					
Binani Industries Ltd. (Refer note no. 12 of schedule " O ")	10	4,758,750	4,229,999	4,758,750	4,229,999
TOTAL			4,836,082		5,336,332
Particulars		Market Value	Cost	Market Value	Cost
Aggregate Value of					
Quoted Investments		454,698,563	4,229,999	145,855,688	4,229,999
Unquoted Investments		-	606,083	-	1,106,333
TOTAL			4,836,082		5,336,332

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SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 (Rupees)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE " F "		
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Stock-in-trade		
Shares and Securities	1,739,958	9,784,214
	<u>1,739,958</u>	<u>9,784,214</u>
Sundry Debtors (Unsecured and considered good)		
Debts - Outstanding for a period of more than six months	—	—
Other Debts	80,945	1,517,461
	<u>80,945</u>	<u>1,517,461</u>
Cash and Bank Balances		
Cash in hand	10,934	10,616
Balances with Scheduled Banks		
In Current Accounts*	912,826	2,197,496
In Fixed Deposit Accounts**	73,889,247	74,253,261
In Unclaimed Dividend Accounts	1,236,200	1,292,799
	<u>76,049,207</u>	<u>77,754,172</u>
Loans and Advances (Unsecured and considered good unless otherwise stated)		
Interest Accrued	230,155	241,172
Loan to Subsidiary	27,300,000	27,300,000
Advances recoverable in cash or in kind or for value to be received	425,669	521,287
Inter Corporate Deposits	20,000,000	20,000,000
Advance Payment of Tax (net)	12,100,562	12,693,515
Security and Other Deposits	1,292,727	1,280,377
	<u>61,349,113</u>	<u>62,036,351</u>
TOTAL	<u><u>139,219,223</u></u>	<u><u>151,092,198</u></u>

* Balance in Current Account includes Rs. 67,495 (Previous Year Rs. 67,495) with a bank which is as per books only, in the absence of confirmation or a bank statement.

** Out of these fixed deposits, fixed deposit receipts of Rs. 12,879,245 (Previous Year Rs. 12,879,245) have been pledged with a bank against guarantees issued.(also refer note no.4 of schedule "O")



BINANI METALS LIMITED

ANNEXURE TO SCHEDULE "F"

DETAILS OF STOCK-IN-TRADE OF SHARES IN COMPANIES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees)

	Face Value per Share	As at 31st March 2010		As at 31st March 2009	
		No. of Shares	Amount	No. of Shares	Amount
QUOTED					
ACC LIMITED	10	100	58,487	100	57,665
AJMERA REALITY LIMITED	10	-	-	314	10,456
AKASH AGRO INDUSTRIES LIMITED	10	8,000	6,400	8,000	6,400
AMBUJA CEMENTS LIMITED	2	100	7,130	100	7,130
BALLARPUR INDUSTRIES LIMITED	2	-	-	9,000	132,390
BARAK VALLEY CEMENT LIMITED	10	150	2,223	150	2,223
BARODA RAYON LIMITED	10	4,000	11,800	4,000	11,800
CHOWGULE STEAMSHIPS LIMITED	10	-	-	7,000	152,600
DALMIA CEMENT (BHARAT) LIMITED	2	100	7,830	100	7,830
FLUIDLEAN IND. LIMITED	10	1,000	1,100	1,000	1,100
FOODS & INNS LIMITED	10	-	-	632	73,154
GRASIM INDUSTRIES LIMITED	10	50	78,840	50	78,840
GREAT EASTERN SHIPPING CO. LTD.	10	-	-	3,000	563,700
GUJARAT NRE COKE LIMITED	10	-	-	1,400	27,790
HCL INFOSYSTEMS LIMITED	2	-	-	3,500	266,000
HEERA ISPAT LIMITED	10	4,000	4,000	4,000	4,000
HEIDELBERG CEMENT INDIA LTD.	10	100	1,865	100	1,865
HFCL INFOTEL LTD.	10	-	-	10,000	80,800
HINDALCO INDUSTRIES LIMITED	1	1,000	136,683	-	-
HINDUSTAN MOTORS LIMITED	10	-	-	12,000	158,040
HINDUSTAN ZINC LIMITED	10	100	44,740	100	44,740
INDIA CEMENT LIMITED	10	100	10,595	100	10,595
INDIABULLS REAL ESTATE LIMITED	2	-	-	31,200	3,113,760
INDIAN ACRYLICS LIMITED	10	-	-	1,000	1,690
INDIAN POLYFINS LIMITED	10	500	375	500	375
ISPAT INDUSTRIES LIMITED	10	4,500	48,825	39,500	428,575
J.K. CEMENT LIMITED	10	200	7,930	200	7,930
JHAGADIA COPPER LIMITED	10	3,000	10,050	3,000	10,050
KARUTURI GLOBAL LIMITED	1	-	-	10,000	80,100
KEI INDUSTRIES LIMITED	2	-	-	1,000	9,980
KLK ELECTRICAL LIMITED	10	2,000	6,000	2,000	6,000
LAKSHMI MACHINE WORKS LIMITED	10	-	-	700	353,430
LARSEN & TOUBRO LIMITED	2	100	67,265	200	134,530
LML LIMITED	10	5,000	29,400	10,000	58,800
MADRAS CEMENT LIMITED	1	1,000	71,400	1,000	71,400
MAHANAGAR TELEPHONE NIGAM LIMITED	10	-	-	1,500	103,650
MANGALAM CEMENTS LIMITED	10	100	5,890	100	5,890

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ANNEXURE TO SCHEDULE "F" (Continued)

	Face Value per Share	As at 31st March 2010		As at 31st March 2009	
		No. of Shares	Amount	No. of Shares	Amount
MARKSANS PHARMA LIMITED	1	25,000	103,500	25,000	103,500
MULTIMETALS LIMITED	10	100	1	100	1
NAGARJUNA FERTILIZERS & CHEMICALS LTD.	10	-	-	35,000	623,000
NIRLON LIMITED	10	-	-	1,000	16,550
OM METALS INFRAPROJECTS LTD.	1	-	-	5,000	35,100
ORCHID CHEMICALS & PHARMACEUTICALS LTD.	10	-	-	500	38,575
PARSOLI CORPORATION LIMITED	10	-	-	500	7,010
PENNAR ALUMINIUM CO. LTD.	10	4,000	4,880	4,000	4,880
PETRONET LNG LIMITED	10	-	-	1,000	38,850
PRESTIGE FOODS LIMITED	10	1,500	2,625	1,500	2,625
PRISM CEMENTS LIMITED	10	1,000	22,750	1,000	22,750
RAMA NEWSPRINT & PAPERS LTD.	10	-	-	1,400	17,643
RELIANCE INFRASTRUCTURE LIMITED	10	-	-	600	309,210
REVATI ORGANICS LIMITED	10	500	1,000	500	1,000
ROSE ZINC LIMITED	10	-	-	300	599
RUIA AQUACULTURE FARMS LTD	10	2,000	1,800	2,000	1,800
S.S.FORGINGS & ENGINEERING LTD.	10	94	167	3,000	3,750
SATYAM COMPUTER SERVICES LTD.	2	-	-	10,000	383,500
SHREE CEMENT LIMITED	10	50	35,458	50	35,458
SHREE DIGVIJAY CEMENT CO. LTD.	10	2,000	13,740	2,000	13,740
SOMANI IRON LIMITED	10	2,000	2,000	2,000	2,000
SUNCITY SYNTHETIC LIMITED	10	800	800	900	900
SUZLON ENERGY LIMITED	2	-	-	2,000	84,800
TATA CHEMICALS LIMITED	10	-	-	1,500	211,875
TATA STEEL LIMITED	10	1,017	251,157	2,932	603,992
TATA STEEL LTD (CCPS)	100	-	-	6,104	159,525
TULASEE BIO-ETHANOL LTD.	10	3,000	6,000	3,000	6,000
ULTRATECH CEMENT LIMITED	10	50	27,550	50	27,550
UV BOARDS LIMITED	10	2,900	18,850	2,900	18,850
VARUN SHIPPING CO. LTD.	10	-	-	7,000	295,050
VIJAYTAUDIO WORLD LIMITED	10	100	50	100	50
NON QUOTED					
DEWAS SOYA LIMITED	10	50,000	500,000	50,000	500,000
INDIAN LEAD LIMITED	10	18,616	18,616	18,616	18,616
METAL REFINERS INDIA PVT. LIMITED	10	110,000	110,000	110,000	110,000
VAM HOLDINGS LIMITED	10	37	187	37	187
GRAND TOTAL			1,739,958		9,784,214



BINANI METALS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

(Rupees)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE " G "		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Creditors	1,264,809	1,075,843
Other Liabilities	13,576,322	13,863,935
Unclaimed Dividends*	1,236,200	1,292,799
	<u>16,077,331</u>	<u>16,232,577</u>
Provisions		
Retirement Leave Encashment Benefit	1,283,430	604,390
Gratuity	141,231	46,000
Bonus	8,400	11,900
Proposed Dividend	10,629,600	8,858,000
Corporate Dividend Tax	1,806,501	1,505,417
	<u>13,869,162</u>	<u>11,025,707</u>
TOTAL	<u><u>29,946,493</u></u>	<u><u>27,258,284</u></u>

*Will be credited to Investor Education and Protection Fund on due date

SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE " H "		
SERVICE CHARGES		
- For Use of Cars	12,163,655	9,514,601
- For Storage Facility	1,382,400	-
- For Other Services	7,200,000	9,000,000
	<u>20,746,055</u>	<u>18,514,601</u>

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SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE " I "		
INTEREST AND DIVIDEND		
Dividend	14,372,253	14,867,835
Interest (Gross)		
- Inter Corporate Deposit	5,876,004	6,233,565
- Bank and Others	5,390,898	6,059,488
(Tax Deducted at Source Rs. 1,174,117 (Previous Year Rs.1,942,390)		
TOTAL	25,639,155	27,160,888
SCHEDULE " J "		
OTHER INCOME		
Recovery of loan written off in earlier year	-	450,000
Excess Provision of earlier year written back	3,440	-
Profit on Sale of Investment	-	331,875
Sundry Income	-	3,715
TOTAL	3,440	785,590
SCHEDULE " K "		
COST OF SALES - SHARES AND SECURITIES		
Opening Stock	9,784,214	23,923,004
Add : Purchases	9,502,241	52,375,969
	19,286,455	76,298,973
Less : Closing Stock	1,739,958	9,784,214
TOTAL	17,546,497	66,514,759
SCHEDULE " L "		
PAYMENT TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Bonus and Allowances	15,064,005	12,833,488
Contribution to Provident and Other Funds	286,674	426,676
Staff Welfare	19,571	23,168
TOTAL	15,370,250	13,283,332



BINANI METALS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE " M "		
ADMINISTRATION AND OTHER EXPENSES		
Communication Expenses	738,313	1,090,372
Travelling Expenses	6,222,346	7,269,710
Rent	2,233,038	1,715,324
Electricity Expenses	86,020	30,304
Rates and Taxes	5,400	5,400
Repairs and Maintenance Expenses		
- Buildings	140,513	1,746,131
- Others	35,183	46,089
Insurance	423,489	304,055
Motor Car Expenses	1,510,645	1,432,212
Directors' Fees	75,000	84,500
Legal and Professional Expenses	5,262,903	5,087,516
Auditors' Remuneration :		
- Audit Fees		
- Statutory Audit Fees	165,450	165,450
- Interim Audit Fees	-	73,034
- Tax Audit Fees	33,090	33,090
- Certification Charges	8,274	20,368
- Out of Pocket Expenses	1,500	5,050
	<u>208,314</u>	<u>296,992</u>
Loss on Sale of Fixed Assets	34,550	3,849
Loss on Sale of Investment	250	-
Miscellaneous Expenses	7,827,185	5,512,097
TOTAL	<u>24,803,149</u>	<u>24,624,551</u>

SCHEDULE " N "

INTEREST AND FINANCE CHARGES

Hire Purchase Credits	89,016	187,562
Others	2,104,798	3,655,479
Bank Charges	106,957	108,396
TOTAL	<u>2,300,771</u>	<u>3,951,437</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE "O" Notes to Accounts

1. Significant Accounting Policies:

1.1 Basis of Accounting

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

1.2 Fixed Assets

Cost of fixed assets comprises of purchase price, duties, and any cost directly attributable to bringing the asset to its working condition for the intended use.

1.3 Depreciation (Other than Leased Assets)

Depreciation on fixed assets is provided using the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired/disposed during the year is provided prorata from / up to the date of acquisition/disposal.

1.4 Impairment of Assets

At the end of each accounting year, 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 Institute of Chartered Accountants of India. An impairment loss is charged to the Profit and Loss in the year 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.

1.5 Leasing Business

Lease rentals are accounted for as revenue when they contractually accrue. The corresponding assets are depreciated over the life prescribed under Schedule XIV of the Companies Act, 1956 or the primary lease period, whichever is earlier. In the year of addition or disposal of any assets, the depreciation is charged on pro-rata basis in proportion to the period of its ownership.

1.6 Long Term Investments

Shares and Securities held without the intention of trading are classified as investments and valued at cost reduced by a provision for any diminution other than temporary, in their values, where applicable.

1.7 Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of the weighted average method and includes all costs incurred in bringing the inventories to their present location and condition.

1.8 Recognition of Revenue

Sale of Shares and securities are recognised on the trade dates.
Income is recognized on accrual basis except when there is significant uncertainty.

1.9 Income Taxes

Income-tax expense is accrued in accordance with AS 22 - Accounting for taxes on income, which includes current and deferred taxes. Deferred income taxes reflect the impact of current year, timing differences between taxable incomes and accounting income for the year and reversal of timing differences of earlier years.

**SCHEDULE "O" (Continued)**

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized for all deductible timing differences, carry forward of unused tax assets and unused tax losses only if there is virtual certainty that such deferred tax assets can be realised against future tax liabilities.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

1.10 Contingent Liability

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

1.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate on the date of transaction. Foreign currency assets and liabilities are translated at the year end exchange rates or forward cover rates as applicable and the resultant gain or loss is adjusted to the Profit & Loss Account.

1.12 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 Gratuity Scheme is a defined benefit plan which is funded with the Life Insurance Corporation of India and the liability of accrued gratuity based on actuarial valuation as per Accounting Standard 15 (Revised), is expensed. Provision is made towards liability for Leave Encashment on the basis of actuarial valuation as per Accounting Standard 15 (Revised)

Employee benefits

i) Short Term Employee Benefits - All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

ii) Post Employment / Retirement Benefits - Defined Contribution Plans such as Provident Fund, Superannuation Fund, etc. are charged to the Profit and loss Account as incurred.

Defined Benefit Obligation Plans - The present value of the obligation under such plans is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of Gratuity, which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

iii) Other long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

1.13 Segment Reporting Policies:**Identification of segments:**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.



SCHEDULE "O" (Continued)

Unallocated items:

The Corporate and Other segment includes general corporate income and expense items which are not directly identifiable to any segment and therefore not allocated to any business segment.

1.14 Earning per share

Basic Earning per share are calculated by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential dilutive equity shares, and accordingly the basic and diluted earnings per share are the same.

2. Contingent Liabilities

(Rupees)

Particulars	As at 31 st March, 2010	As at 31 st March, 2009
(a) Claims against the Company for Income tax matters under appeal, not acknowledged as debts.	17,558	5,433,273
(b) Rent to Kolkata Port Trust *	1,569,040	1,397,872

* The Company has been legally advised that the rent liability payable to Kolkata Port Trust is contingent in nature.

3. Provisions :

The Company has made provisions for the following :

(Rupees)

	Opening Balance	Provision	Utilization	Reversal	Closing Balance
Leave Encashment	604,390	1,442,405	893,925	-	1,152,870
Bonus	11,900	8,400	11,900	-	8,400

4. The Company has given counter guarantee to a bank in respect of a guarantee furnished by it to the Government of India for certain transactions of a partnership firm against the original counter guarantee of Rs. 8,997,500. The fixed deposit with the bank as at 31st March, 2010 is Rs. 12,879,245 and accordingly the Company has provided for Rs. 12,879,245 as the subject matter of the bank is subjudice.

5. The Company has issued jointly with Binani Industries Ltd., a General Bond under section 59(2) of the Customs Act, 1962, for a sum of Rs. 24 crores to the Custom authorities. There is no claim so far received by the Company as at 31st March, 2010, the value of goods lying in bond was Rs. 567,396,974 (Previous Year Rs. 233,100,583) and the estimated liability for duty is Rs. 98,706,801 (Previous Year Rs. 53,217,932).

6. Loans - Secured

A) Hire Purchase Credit - Outstanding Rs. 270,955 (Previous Year Rs. 1,250,808)
Secured by hypothecation of respective vehicles. The title in the property of respective vehicle to be passed on payment of final installment.

B) Overdraft from Banks - HDFC Bank Limited as at 31st March, 2010 - Rs. 13,388,432 (Previous Year Rs. 13,445,521) & The Saraswat Co-Operative Bank Limited as at 31st March, 2010 - Rs.1,491,822 (Previous Year Rs. 13,762,553). These bank overdrafts are secured by pledge of Fixed Deposits.

7. Sundry Creditors do not include any parties who are registered under the Micro, Small and Medium Enterprises Development Act, 2006.



SCHEDULE “ O ” (Continued)

8. Quantitative information in respect of Trading in Shares & Securities:

(A) Inventories (Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
Shares & Securities (Particulars as per annexure to Schedule “ F ”)	1,739,961	9,784,214

(B) Purchase and Sales of Shares & Securities (Rupees)

Particulars	Purchases	Sales
Shares & Securities	9,502,241 (52,375,969)	21,134,147 (47,338,707)

(Figures in bracket pertain to previous year)

9. Foreign Currency: (Rupees)

Particulars	For year ended 31st March, 2010	For year ended 31st March, 2009
Expenditure		
- Travelling Expenses	Nil	373,946
- Miscellaneous Expenses	112,080	Nil
Earnings	Nil	Nil

10. Managerial Remuneration to Executive Vice Chairman & to Managing Director : (Rupees)

Particulars	For year ended 31st March, 2010	For year ended 31st March, 2009
Salaries & Allowances	11,615,000	10,501,667
Perquisites *	1,798,757	1,209,357
Total	13,413,757	11,711,024

* include leave encashment paid and monetary value of non cash perquisites as per Income Tax Act, 1961.

11. As per Company's Policy liability towards leave encashment as at 31st March, 2010 is Rs. 1,152,870 (Previous Year Rs. 6,04,390), based on Actuarial valuation.

12. As per the Scheme of Arrangement U/s 391 (1) and 393 of the Companies Act, 1956, between the Company and its wholly owned subsidiary – Dharmik Commodeal Pvt. Ltd. (DCPL), long term Investments of the Company in equity shares of bodies corporate other than investment in subsidiary companies is to be transferred to DCPL w.e.f. 1st April, 2009. The said scheme is pending for approval of the Calcutta High Court and, therefore, the effect in the accounts will be given after receipt of the approval. However, there will be no effect on the Income and Profit of the year.

13. The net effect of Commodity Future Contracts transactions is shown as Profit from Commodity Futures contracts.

14. Major Components of deferred tax assets arising on account of timing differences are : (Rupees)

	As at 31st March, 2010	As at 31st March, 2009
Deferred Tax Assets		
Fixed Assets – Depreciation	1,044,000	762,500
Disallowance under Income Tax Act, 1961	520,300	204,500
Total	1,564,300	967,000



SCHEDULE "O" (Continued)

15. Disclosure under AS-15 (Revised 2005):

I) Defined Contribution Plans :

Contribution to Defined Contribution Plans, recognized as expense for the period are under : (Rupees)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Employers' Contribution to Provident Fund	1,82,183	1,55,608
Employers' Contribution to Superannuation Fund	94,800	47,490

II Defined benefit Plan:

Contribution to Gratuity Fund

The Company makes annual contributions to the Employees' Group Gratuity-cum Life Assurance Scheme of the Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on superannuation, death or on separation / termination in terms of the provisions of the Payment of Gratuity Act or as per Company's policy whichever is beneficial to the employees.

Since the annual contribution to the Employees' Group Gratuity-cum Life Assurance Scheme of LIC falls due for payment later during the year, the liability for the year ended 31st March, 2010 could not be ascertained and therefore not provided. The same shall be considered at the end of the year.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March, 2010.

	As at 31st March, 2010	(Rupees) As at 31st March, 2009
Change in present value of obligation		
Present value of obligation as at 1 st April, 2009	21,547	99,533
Interest Cost	1,724	7,963
Service Cost	17,542	12,684
Benefits Paid	Nil	Nil
Actuarial (gain) / loss on obligation	7,029	(98,633)
Present value of obligation, as at 31st March, 2010	<u>47,842</u>	<u>21,547</u>
Change in plan assets		
Fair value of plan assets as at 1 st April, 2009	369,986	3,35,183
Expected return on plan assets	33,854	30,549
Contributions	Nil	4,254
Benefits paid	Nil	Nil
Actuarial gain/ (Loss) on plan assets	Nil	Nil
Fair value of plan assets as at 31st March, 2010	<u>403,840</u>	<u>3,69,986</u>
Amount recognized in the Balance Sheet		
Present value of obligation, as at 31st March, 2010	47,842	21,547
Fair value of plan assets as at 31st March, 2010	(403,840)	(3,69,986)
Net obligation as at 31st March, 2010	<u>(355,998)</u>	<u>(3,48,439)</u>
Net gratuity cost for the year ended 31st March, 2010		
Current service Cost	17,542	12,684
Interest Cost	1,724	7,963
Expected return on plan assets	(33,854)	30,549
Net Actuarial (gain) / Loss to be recognized	7,029	(99,633)
Net gratuity cost	<u>(7,559)</u>	<u>(108,536)</u>
Assumptions used in accounting for the gratuity plan	%	%
Discount Rate	8	8
Salary escalation rate	4	4
Expected rate of return on plan assets	9	9



SCHEDULE “ O ” Continued

16. Related Party Disclosure:

During the year, the company entered into transactions with related parties. Those transactions along with related balances as at 31st March, 2010 and 2009 and for the years then ended are presented in the following table.

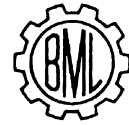
(Rupees)

Particulars	Subsidiary	Enterprises where Key Management Personnel have got significant influence	Total
Service Charges for Use of Cars*	Nil (Nil)	11,598,494 (9,468,172)	11,598,494 (9,468,172)
Service Charges for Storage Facility*	Nil (Nil)	1,382,400 (Nil)	1,382,400 (Nil)
Service Charges for Other Services*	3,600,000 (2,400,000)	Nil (600,000)	3,600,000 (3,000,000)
Investment Purchases	Nil (100,000)	Nil (Nil)	Nil (100,000)
Investment Sold	Nil (Nil)	200,000 (Nil)	200,000 (Nil)
Dividend Received	Nil (Nil)	14,246,250 (14,276,250)	14,246,250 (14,276,250)
Interest Received	3,276,002 (3,276,002)	2,600,002 (2,087,861)	5,876,004 (5,363,863)
Unsecured Loan Written back	Nil (450,000)	Nil (Nil)	Nil (450,000)
Miscellaneous Expenses	Nil (Nil)	Nil (88,921)	Nil (88,921)
Balance outstanding {receivables/(payables)} as at the year end including interest	27,300,000 (27,300,000)	20,053,370 (20,062,974)	47,353,370 (47,362,974)

(Figures in brackset pertain to previous year)

Notes:

- i) Subsidiaries of the Company - Sambhaw Holdings Ltd., Dharmik Commodeal Pvt. Ltd. & Atithi Tie-Up Pvt. Ltd. up to 30.09.2009
- ii) Key Management Personnel - Shri Braj Binani (No transactions during the year), Shri J.D.Mehta and Shri Vinod Juneja
(Managerial Remuneration paid is disclosed under Schedule “ O “ Note No.10)
- iii) Related Entities of Key Management Personnel - Binani Industries Ltd, Binani Zinc Ltd., Goa Glass Fibre Ltd., Binani Cement Ltd., BT Composites Ltd., Total Composites Pvt. Ltd., K B Vyapar Pvt. Ltd., Triton Trading Co. Pvt. Ltd.
- iv) * Transaction values are excluding Service Tax



SCHEDULE " O " (Continued)

17. Segment Information for the year ended 31st March, 2010

(Rupees)

	Trading in shares & Securities		Commercial		Unallocated		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
REVENUE								
Gross Receipts	21,230,150	47,878,292	33,524,551	51,255,857	25,546,592	27,406,893	80,301,293	126,541,042
RESULTS								
Segment Result	3,668,783	(18,990,673)	2,181,240	21,830,724	10,000,467	14,452,323	15,850,490	17,292,374
Interest &								
Finance Expenses	-	-	(2,179,289)	(3,800,774)	(121,482)	(150,663)	(2,300,771)	(3,951,437)
Income Taxes	-	-	-	-	(633,700)	(442,000)	(633,700)	(442,000)
Income Taxes - Earlier Years	-	-	-	-	(2,804,105)	(1,625,699)	(2,804,105)	(1,625,699)
Net Profit / (Loss)	3,668,783	(18,999,610)	1,951	18,029,951	6,441,180	12,233,961	10,111,914	11,273,237
OTHER INFORMATION								
Segment Assets	2,301,959	12,571,889	26,416,983	16,441,193	117,786,490	119,697,806	146,505,432	148,710,889
Segment Liabilities	-	-	28,577,614	28,206,055	117,927,818	120,504,834	146,505,432	148,710,889
Capital Expenditure	-	-	16,843,436	8,092,593	2,395,700	38,035	19,239,136	8,130,628
Depreciation	-	-	6,473,716	4,474,838	257,191	351,187	6,730,907	4,826,025

The Company's activities cannot be classified under any geographical segments.

**SCHEDULE “ O ” Continued****18. Disclosures of loans / Advances / Investments balances as required under clause 32 of listing agreement.**

(Rupees)

Party Name	Relationship	Transaction Type	Outstanding as at 31st March, 2010	Maximum amount outstanding during the year
Sambhaw Holdings Ltd.	Subsidiary Company	Loans & Advances	27,300,000 (27,300,000)	27,948,505 (27,948,505)
		Investments	500,000 (500,000)	500,000 (500,000)
Dharmik Commodeal Pvt. Ltd.	Subsidiary Company	Investments	100,000 (100,000)	100,000 (100,000)
Atithi Tie-up Pvt. Ltd. (Refer note no. 19 of schedule “ O ”)	Subsidiary Company	Investments	Nil (500,250)	500,250 (500,000)
Binani Industries Ltd.	Associate Company	Investments	4,229,999 (4,229,999)	4,229,999 (4,229,999)
Goa Glass Fibre Ltd.	Associate Company	Inter-Corporate Deposits	20,000,000 (20,000,000)	20,213,699 (20,213,699)
Asian Industry & Information Services Pvt. Ltd.	Associate Company	Investments	Nil (Nil)	Nil (514,000)
Gallant Holdings Pvt. Ltd.	Associate Company	Investments	Nil (Nil)	Nil (150,000)

Figures in bracket indicate figures of the previous year.

19. Atithi Tie-up Pvt. Ltd. has ceased to be a subsidiary of the company w.e.f. 30.09.2009.

20. Figures of the previous year have been regrouped wherever necessary to conform to current year classification.

In terms of our attached report of even date
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No.: 30739
Place : Mumbai
Dated : 23rd April, 2010

Signatures to the Schedules “ O ”
For and on behalf of the Board of Directors

J. D. MEHTA
Executive Vice Chairman

RAKESH DARJI
Company Secretary

BRAJ BINANI
P. R. DAMANI
B. SRINIVASAN
V. SUBRAMANIAN } Directors

VINOD JUNEJA Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	13,549,719	13,340,937
Adjustments for :		
Depreciation	6,730,907	4,826,025
Loss on sale of Fixed Assets	34,550	3,849
Excess Provision written back	(3,440)	-
Profit on sale of Investment	-	(331,875)
Loss on sale of Investment	250	-
Interest from Income Tax	(609,348)	(130,832)
Operating Profit before Working Capital Changes	19,702,638	17,708,103
Adjustments for :		
Trade & other receivables	1,530,801	21,793,834
Inventories	80,44,256	14,138,790
Trade payables	618,965	1,988,282
Cash generated from Operations	29,896,660	55,629,009
Direct Taxes Paid (including FBT) (net)	(2,832,804)	(6,553,557)
Net cash from Operating Activities	27,063,856	49,075,452
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(19,239,136)	(8,130,628)
Sale of Fixed Assets	215,000	2,411,915
Purchase of Investments	-	(1,754,375)
Sale of Investments	500,000	2,650,000
Net cash used in Investing Activities	(18,524,136)	(4,823,088)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Secured Term Loans & Overdraft	118,732	(20,758,647)
Proceeds from issue of Rights Shares	-	3,500
Payment of Premium on shares under Buy-back scheme	-	(8,225,000)
Payment of Equity Share purchased under buy-back scheme	-	(2,350,000)
Dividend Paid	(8,858,000)	(9,445,550)
Dividend Tax Paid	(1,505,417)	(1,605,271)
Net cash used in Financing Activities	(10,244,685)	(42,380,968)
Net (decrease) / increase in Cash & Bank Balances	(1,704,965)	1,871,396
Cash and Bank Balances as on 31.03.2009 (Opening Balance)	77,754,172	75,882,776
Cash and Bank Balances as on 31.03.2010 (Closing Balance)	76,049,207	77,754,172
	(1,704,965)	1,871,396

In terms of our attached report of even date

For Abrol & Maheshwary

Chartered Accountants

Anil Maheshwary

Partner

Membership No.: 30739

Place : Mumbai

Dated : 23rd April, 2010

J. D. MEHTA

Executive Vice Chairman

RAKESH DARJI

Company Secretary

Signatures to the Cash Flow Statement

For and on behalf of the Board of Directors

BRAJ BINANI

Chairman

P. R. DAMANI

B. SRINIVASAN

V. SUBRAMANIAN

} Directors

VINOD JUNEJA

Managing Director



PART IV	
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	
(I) Registration Details	
State Code	21
Registration Number	L22100WB1941PLC119187
Balance Sheet Date	31.03.2010
(II) Capital raised during the year (Amount in Rs. Thousands)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement (Preferential Issue)	NIL
(III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
Total Liabilities	146,505
Total Assets	146,505
Sources of Funds	
Paid-up Capital	35,414
Reserves and Surplus	82,514
Unsecured Loans	NIL
Secured Loans	28,578
Application of Funds	
Net Fixed Assets	30,832
Investments	4,836
Deferred Tax Assets	1,564
Net Current Assets	109,273
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL
(IV) Performance of the Company (Amount in Rs. Thousands)	
Turnover / Other Income	80,301
Total Expenditure	66,752
Profit Before Tax	13,550
Profit After Tax	10,112
Earnings Per Share (in Rupees)	285
Dividend Rate %	30%
(V) Generic Names of Three Principal Products / Services of Company	
(As Per Monetary Items)	
Item Code Number (ITC Code)	N.A
Product Description	Investment , Trading & Business Services



Auditors' Report

The Board of Directors
Binani Metals Limited

1. We have audited the attached Consolidated Balance Sheet of Binani Metals Limited (the Company) and its subsidiaries Sambhaw Holdings Ltd. & Dharmik Commodeal Pvt. Ltd. (the Group) as at March 31, 2010, and also the Consolidated Profit and Loss account and the Consolidated Cash Flows Statement for the year ended on that date annexed thereto. These Consolidated 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 require 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to the explanation given to us, the said Consolidated financial statements 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 Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - b. in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - c. in the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **ABROL & MAHESHWARY**
Chartered Accountants

Anil Maheshwary
Partner
Membership No.:30739

Place: Mumbai
Date : 23rd April, 2010.

**BINANI METALS LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010**

(Rupees)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholders' funds			
Capital	A	35,413,500	35,413,500
Reserves & Surplus	B	75,696,744	78,513,881
		<u>111,110,244</u>	<u>113,927,381</u>
Loan Funds			
Secured Loans	C	28,577,614	28,458,882
TOTAL		<u>139,687,858</u>	<u>142,386,263</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	79,323,526	60,436,165
Less : Depreciation		<u>30,630,966</u>	<u>22,846,834</u>
Net Block		<u>48,692,560</u>	<u>37,589,331</u>
Investments	E	4,235,832	4,336,082
Deferred Tax Assets		1,564,300	967,000
Current Assets, Loans & Advances			
Inventories	F	1,739,958	9,784,214
Sundry Debtors		80,945	1,476,261
Cash & Bank Balances		79,039,784	80,717,451
Loans & Advances		<u>34,433,328</u>	<u>34,963,006</u>
		<u>115,294,015</u>	<u>126,940,932</u>
Less :Current Liabilities & Provisions			
Liabilities	G	16,238,447	16,429,675
Provisions		<u>13,869,162</u>	<u>11,025,707</u>
		<u>30,107,609</u>	<u>27,455,382</u>
Net Current Assets		<u>85,186,406</u>	<u>99,485,550</u>
Miscellaneous Expenditure			
(To the extent not written off or adjusted)	H		
Preliminary Expenses		8,760	8,300
TOTAL		<u>139,687,858</u>	<u>142,386,263</u>
Notes to the Consolidated Accounts	P		

In terms of our attached report of even date
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No.: 30739
Place : Mumbai
Dated : 23rd April, 2010

J. D. MEHTA
Executive Vice Chairman

RAKESH DARJI
Company Secretary

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Signatures to the Balance Sheet and Schedules A to H and P
For and on behalf of the Board of Directors

BRAJ BINANI Chairman
P. R. DAMANI
B. SRINIVASAN } Directors
V.SUBRAMANIAN }

VINOD JUNEJA Managing Director

69th Annual Report 2009-10



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

	Schedule	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
INCOME			
Sales - Shares & Securities		21,134,147	47,338,707
Profit from Commodities Futures Contracts		8,058,202	14,751,093
Rent & Service Charges	I	25,096,055	23,464,601
Brokerage and Commission		4,720,294	17,990,163
Interest & Dividend	J	22,363,153	23,884,886
Other Income	K	7,528	785,590
TOTAL		81,379,379	128,215,040
EXPENDITURE			
Cost of Sales - Shares & Securities	L	17,546,497	66,514,759
Payment to and Provision for Employees	M	15,370,250	13,283,332
Administration and Other Expenses	N	25,207,160	26,092,339
Interest & Finance Charges	O	2,301,433	3,951,525
Depreciation		7,914,701	6,120,907
TOTAL		68,340,041	115,962,862
Profit Before Tax		13,039,338	12,252,177
Tax Expenses			
- Current Tax	1,231,000		521,000
- Deferred Tax / (Credit)	(597,300)		(844,000)
- Fringe Benefit Tax	-		765,000
- Short / (Excess) Provision of Income Tax / FBT of Earlier Years (Net)	2,804,105	3,437,805	1,625,699
Profit for the Year After Tax		9,601,533	10,184,477
Balance Brought Forward		1,707,386	3,068,645
Amount available for Appropriation		11,308,919	13,253,122
APPROPRIATION :			
Transfer to General Reserve		1,200,000	1,200,000
Proposed Dividend		10,629,600	8,858,000
Corporate Dividend Tax		1,806,501	1,505,417
Surplus Carried Forward		(2,327,182)	1,689,705
TOTAL		11,308,919	13,253,122
Notes to the Consolidated Accounts	P		

In terms of our attached report of even date
For **Abrol & Maheshwary**
Chartered Accountants

Signatures to the Profit & Loss Account and Schedules I to P
For and on behalf of the Board of Directors

Anil Maheshwary
Partner
Membership No.: 30739
Place : Mumbai
Dated : 23rd April, 2010

J. D. MEHTA
Executive Vice Chairman

BRAJ BINANI Chairman
P. R. DAMANI
B. SRINIVASAN } Directors
V.SUBRAMANIAN }

RAKESH DARJI
Company Secretary

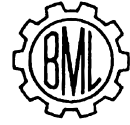
VINOD JUNEJA Managing Director



BINANI METALS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH 2010
(Rupees)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE " A "		
SHARE CAPITAL		
Authorised :		
40,000 (Previous Year 40,000) Equity Shares of Rs.1,000/-each	<u>40,000,000</u>	<u>40,000,000</u>
Issued		
35,514 (Previous Year 35,514) Equity Shares of Rs. 1,000/- each fully paid up	<u>35,514,000</u>	<u>35,514,000</u>
Subscribed & Paid up		
35,432 (Previous Year 35,432) Equity Shares of Rs. 1,000/- each fully paid up (of the above 8,112 shares were issued to the members of other amalgamated companies pursuant to schemes of Amalgamation)	<u>35,432,000</u>	<u>35,432,000</u>
Add : Capital Suspense Account	<u>200</u>	<u>200</u>
Less : Calls in Arrears	<u>(18,700)</u>	<u>(18,700)</u>
TOTAL	<u><u>35,413,500</u></u>	<u><u>35,413,500</u></u>
SCHEDULE " B "		
RESERVES & SURPLUS		
Capital Reserve		
As per Last Balance Sheet	<u>12,596,699</u>	<u>12,596,699</u>
Capital Reduction Reserve		
As per Last Balance Sheet	<u>716,277</u>	<u>716,277</u>
Buy Back Reserve		
As per Last Balance Sheet	<u>3,000,200</u>	<u>650,200</u>
Add : Transferred from General Reserve	<u>-</u>	<u>2,350,000</u>
	<u>3,000,200</u>	<u>3,000,200</u>
General Reserve		
As per Last Balance Sheet	<u>60,511,000</u>	<u>69,886,000</u>
Less : Buy Back of Shares	<u>-</u>	<u>(8,225,000)</u>
Less : Transferred to Buy- Back Reserve	<u>-</u>	<u>(2,350,000)</u>
Add : Transferred from Profit and Loss Account	<u>1,200,000</u>	<u>1,200,000</u>
	<u>61,711,000</u>	<u>60,511,000</u>
Surplus		
Balance in Profit & Loss Account	<u>(2,327,182)</u>	<u>1,689,705</u>
TOTAL	<u><u>75,696,994</u></u>	<u><u>78,513,880</u></u>
SCHEDULE " C "		
LOAN FUND		
Secured Loan		
(Refer note no. 7 schedule " P ")		
Hire Purchase Credit	<u>270,955</u>	<u>1,250,808</u>
[Falling due for payment within one year Rs. 270,955 (Previous Year Rs. 515,678)]		
Overdraft from Banks	<u>28,306,659</u>	<u>27,208,074</u>
	<u><u>28,577,614</u></u>	<u><u>28,458,882</u></u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010
SCHEDULE " D "
FIXED ASSETS

(Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2010	Additions	Deduction	As at 31.03.2010	As at 01.04.2009	For The Year	Deduction	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Building (Including Premises on Ownership basis)	26,118,301			26,118,301	9,079,677	851,931	-	9,931,608	16,186,693	17,038,624
Furniture, Fixtures, Office Equipments and Computers	11,634,230	3,717,810		15,352,040	8,615,297	622,335	-	9,237,632	6,114,408	3,018,933
Vehicles	22,683,384	15,549,920	380,119	37,853,185	5,151,860	6,440,435	130,569	11,461,726	26,391,459	17,531,524
Goodwill	250	-	250	-	-	-	-	-	-	250
TOTAL	60,436,165	19,267,730	380,369	79,323,526	22,846,834	7,914,701	130,569	30,630,966	48,692,560	37,589,331
PREVIOUS YEAR	55,044,838	8,256,761	2,865,434	60,436,165	17,175,598	6,120,907	449,671	22,846,834	37,589,331	37,869,240



BINANI METALS LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE " E " INVESTMENTS

(Rupees)

	Face Value per Share/ Debenture	As at 31st March, 2010		As at 31st March, 2009	
		No. of Shares/ Debentures	Amount	No. of Shares/ Debentures	Amount
Long Term (at cost)					
Unquoted					
1. Debentures					
- 8% Debentures of Indian Chamber of Commerce	100	43.75	4,375	43.75	4,375
2. Equity Shares (fully paid)					
- Binani Zinc Ltd.	10	1,098,173	-	1,098,173	-
- Dharmik Commodeal Pvt. Ltd.	10	-	-	10,000	100,000
3. Guineas (11)			1,708	-	1,708
Quoted					
4. Equity Shares (fully paid)					
- Binani Industries Ltd.	10	4,758,750	4,229,999	4,758,750	4,229,999
TOTAL			4,236,082		4,336,082

Particulars	Market Value	Cost	Market Value	Cost
Aggregate Value of				
Quoted Investments	454,698,563	4,229,999	145,855,688	4,229,999
Unquoted Investments	-	6,083	-	106,083
Total		4,236,082		4,336,082



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE "F"		
CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Stock-in-trade		
Shares & Securities	1,739,958	9,784,214
	<u>1,739,958</u>	<u>9,784,214</u>
Sundry Debtors		
(Unsecured and considered good)		
Debts - Outstanding for a period more than six months	-	-
Other Debts	80,945	1,476,261
	<u>80,945</u>	<u>1,476,261</u>
Cash & Bank Balances		
Cash in hand	15,493	14,283
Balances with Scheduled Banks		
In Current Accounts*	3,898,844	5,157,108
In Fixed Deposit Accounts **	73,889,247	74,253,261
In Unclaimed Dividend Accounts	1,236,200	1,292,799
	<u>79,039,784</u>	<u>80,717,451</u>
Loans & Advances		
(Unsecured and considered good unless otherwise stated)		
Interest Accrued	230,155	241,172
Advances recoverable in cash or in kind or for value to be received	686,364	624,422
Inter Corporate Deposits	20,000,000	20,000,000
Advance Payment of Tax (net)	12,194,082	12,787,035
Security & Other Deposits	1,322,727	1,310,377
	<u>34,433,328</u>	<u>34,963,006</u>
TOTAL	<u><u>115,294,015</u></u>	<u><u>126,940,932</u></u>

Note:

* Balance in Current Account includes Rs. 67,495 (Previous Year Rs. 67,495) with a bank which is as per books only, in the absence of confirmation or a bank statement.

** Out of these fixed deposits, fixed deposit receipts of Rs. 12,879,245 (Previous Year Rs. 12,879,245) have been pledged with a bank against guarantees issued. (also refer note no.5 of schedule "P")



BINANI METALS LIMITED

ANNEXURE TO SCHEDULE "F"

DETAILS OF STOCK-IN-TRADE OF SHARES IN COMPANIES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees)

	Face Value per Share	As at 31st March 2010		As at 31st March 2009	
		No. of Shares	Amount	No. of Shares	Amount
QUOTED					
ACC LIMITED	10	100	58,487	100	57,665
AJMERA REALITY LIMITED	10	-	-	314	10,456
AKASH AGRO INDUSTRIES LIMITED	10	8,000	6,400	8,000	6,400
AMBUJA CEMENTS LIMITED	2	100	7,130	100	7,130
BALLARPUR INDUSTRIES LIMITED	2	-	-	9,000	132,390
BARAK VALLEY CEMENT LIMITED	10	150	2,223	150	2,223
BARODA RAYON LIMITED	10	4,000	11,800	4,000	11,800
CHOWGULE STEAMSHIPS LIMITED	10	-	-	7,000	152,600
DALMIA CEMENT (BHARAT) LIMITED	2	100	7,830	100	7,830
FLUIDLEAN IND. LIMITED	10	1,000	1,100	1,000	1,100
FOODS & INNS LIMITED	10	-	-	632	73,154
GRASIM INDUSTRIES LIMITED	10	50	78,840	50	78,840
GREAT EASTERN SHIPPING CO. LTD.	10	-	-	3,000	563,700
GUJARAT NRE COKE LIMITED	10	-	-	1,400	27,790
HCL INFOSYSTEMS LIMITED	2	-	-	3,500	266,000
HEERA ISPAT LIMITED	10	4,000	4,000	4,000	4,000
HEIDELBERG CEMENT INDIA LTD.	10	100	1,865	100	1,865
HFCL INFOTEL LTD.	10	-	-	10,000	80,800
HINDALCO INDUSTRIES LIMITED	1	1,000	136,683	-	-
HINDUSTAN MOTORS LIMITED	10	-	-	12,000	158,040
HINDUSTAN ZINC LIMITED	10	100	44,740	100	44,740
INDIA CEMENT LIMITED	10	100	10,595	100	10,595
INDIABULLS REAL ESTATE LIMITED	2	-	-	31,200	3,113,760
INDIAN ACRYLICS LIMITED	10	-	-	1,000	1,690
INDIAN POLYFINS LIMITED	10	500	375	500	375
ISPAT INDUSTRIES LIMITED	10	4,500	48,825	39,500	428,575
J.K. CEMENT LIMITED	10	200	7,930	200	7,930
JHAGADIA COPPER LIMITED	10	3,000	10,050	3,000	10,050
KARUTURI GLOBAL LIMITED	1	-	-	10,000	80,100
KEI INDUSTRIES LIMITED	2	-	-	1,000	9,980
KLK ELECTRICAL LIMITED	10	2,000	6,000	2,000	6,000
LAKSHMI MACHINE WORKS LIMITED	10	-	-	700	353,430
LARSEN & TOUBRO LIMITED	2	100	67,265	200	134,530
LML LIMITED	10	5,000	29,400	10,000	58,800
MADRAS CEMENT LIMITED	1	1,000	71,400	1,000	71,400
MAHANAGAR TELEPHONE NIGAM LIMITED	10	-	-	1,500	103,650
MANGALAM CEMENTS LIMITED	10	100	5,890	100	5,890

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ANNEXURE TO SCHEDULE "F" (Continued)

	Face Value per Share	As at 31st March 2010		As at 31st March 2009	
		No. of Shares	Amount	No. of Shares	Amount
MARKSANS PHARMA LIMITED	1	25,000	103,500	25,000	103,500
MULTIMETALS LIMITED	10	100	1	100	1
NAGARJUNA FERTILIZERS & CHEMICALS LTD.	10	-	-	35,000	623,000
NIRLON LIMITED	10	-	-	1,000	16,550
OM METALS INFRAPROJECTS LTD.	1	-	-	5,000	35,100
ORCHID CHEMICALS & PHARMACEUTICALS LTD.	10	-	-	500	38,575
PARSOLI CORPORATION LIMITED	10	-	-	500	7,010
PENNAR ALUMINIUM CO. LTD.	10	4,000	4,880	4,000	4,880
PETRONET LNG LIMITED	10	-	-	1,000	38,850
PRESTIGE FOODS LIMITED	10	1,500	2,625	1,500	2,625
PRISM CEMENTS LIMITED	10	1,000	22,750	1,000	22,750
RAMA NEWSPRINT & PAPERS LTD.	10	-	-	1,400	17,643
RELIANCE INFRASTRUCTURE LIMITED	10	-	-	600	309,210
REVATI ORGANICS LIMITED	10	500	1,000	500	1,000
ROSE ZINC LIMITED	10	-	-	300	599
RUIA AQUACULTURE FARMS LTD	10	2,000	1,800	2,000	1,800
S.S.FORGINGS & ENGINEERING LTD.	10	94	167	3,000	3,750
SATYAM COMPUTER SERVICES LTD.	2	-	-	10,000	383,500
SHREE CEMENT LIMITED	10	50	35,458	50	35,458
SHREE DIGVIJAY CEMENT CO. LTD.	10	2,000	13,740	2,000	13,740
SOMANI IRON LIMITED	10	2,000	2,000	2,000	2,000
SUNCITY SYNTHETIC LIMITED	10	800	800	900	900
SUZLON ENERGY LIMITED	2	-	-	2,000	84,800
TATA CHEMICALS LIMITED	10	-	-	1,500	211,875
TATA STEEL LIMITED	10	1,017	251,157	2,932	603,992
TATA STEEL LTD (CCPS)	100	-	-	6,104	159,525
TULASEE BIO-ETHANOL LTD.	10	3,000	6,000	3,000	6,000
ULTRATECH CEMENT LIMITED	10	50	27,550	50	27,550
UV BOARDS LIMITED	10	2,900	18,850	2,900	18,850
VARUN SHIPPING CO. LTD.	10	-	-	7,000	295,050
VIJAYTAUDIO WORLD LIMITED	10	100	50	100	50
NON QUOTED					
DEWAS SOYA LIMITED	10	50,000	500,000	50,000	500,000
INDIAN LEAD LIMITED	10	18,616	18,616	18,616	18,616
METAL REFINERS INDIA PVT. LIMITED	10	110,000	110,000	110,000	110,000
VAM HOLDINGS LIMITED	10	37	187	37	187
GRAND TOTAL			1,739,958		9,784,214

**BINANI METALS LIMITED****SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
BALANCE SHEET AS AT 31ST MARCH, 2010**

(Rupees)

	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE " G "		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Creditors	1,307,743	1,104,266
Other Liabilities	13,694,504	14,032,610
Unclaimed dividends (includes interest)*	1,236,200	1,292,799
	<u>16,238,447</u>	<u>16,429,675</u>
Provisions		
Retirement Leave Encashment Benefit	1,283,430	604,390
Gratuity	141,231	46,000
Bonus	8,400	11,900
Proposed Dividend	10,629,600	8,858,000
Corporate Dividend Tax	1,806,501	1,505,417
	<u>13,869,162</u>	<u>11,025,707</u>
TOTAL	<u>30,107,609</u>	<u>27,455,382</u>
*Will be credited to Investor Education and Protection Fund on due date		
SCHEDULE " H "		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
- Preliminary Expenses	8,760	8,300
TOTAL	<u>8,760</u>	<u>8,300</u>

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SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE " I "		
SERVICE CHARGES		
- For Use of Cars	12,163,655	9,514,601
- For Rent & Storage Facility	1,802,400	7,350,000
- For Other Services	11,130,000	6,600,000
	<u>25,096,055</u>	<u>23,464,601</u>
SCHEDULE " J "		
INTEREST AND DIVIDEND		
Dividend	14,372,253	14,867,835
Interest (Gross)		
- Inter Corporate Deposit	2,600,002	2,957,563
- Bank and Others	5,390,898	6,059,488
	<u>22,363,153</u>	<u>23,884,886</u>
SCHEDULE " K "		
OTHER INCOME		
Recovery of Bad Debts Written off in earlier year	-	450,000
Excess Provision not required Written Back	7,528	-
Profit on Sale of Investment	-	331,875
Sundry Income	-	3,715
TOTAL	<u>7,528</u>	<u>785,590</u>
SCHEDULE " L "		
COST OF SALES - SHARES & SECURITIES		
Opening Stock	9,784,214	23,923,004
Add: Purchases	9,502,241	52,375,969
	<u>19,286,455</u>	<u>76,298,973</u>
Closing Stock	1,739,958	9,784,214
TOTAL	<u>17,546,497</u>	<u>66,514,759</u>
SCHEDULE " M "		
PAYMENT TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Bonus & Allowances	15,064,005	12,833,488
Contribution to Provident & Other Funds	286,674	426,676
Staff Welfare	19,571	23,168
TOTAL	<u>15,370,250</u>	<u>13,283,332</u>

**BINANI METALS LIMITED****SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Rupees)

	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
SCHEDULE " N "		
ADMINISTRATION & OTHER EXPENSES		
Communication Expenses	738,313	1,090,372
Travelling Expenses	6,222,346	7,269,710
Rent	2,233,038	1,736,629
Electricity Expenses	86,420	32,304
Rates & Taxes	21,379	5,400
Repairs & Maintenance Expenses -		
- Buildings	309,192	3,038,872
- Other Assets	35,183	46,089
Insurance	427,972	305,323
Motor Car Expenses	1,510,645	1,432,212
Directors Fees	91,000	106,500
Legal & Professional Expenses	5,304,218	5,164,130
Auditors' Remuneration		
- Audit Fees :		
- Statutory Audit Fees	184,201	195,437
- Interim Audit Fees	-	73,034
- Tax Audit Fees	38,605	44,223
- Certification Charges	8,274	28,775
- Out of Pocket Expenses	1,500	5,050
	<u>232,580</u>	<u>346,519</u>
Loss on Sale of Fixed Assets	34,550	3,849
Loss on Sale of Investments	250	-
Miscellaneous Expenses	7,960,074	5,514,430
TOTAL	<u>25,207,160</u>	<u>26,092,339</u>
SCHEDULE " O "		
INTEREST & FINANCE CHARGES		
Hire Purchase Credits	89,016	187,562
Others	2,104,798	3,655,479
Bank Charges	107,619	108,484
TOTAL	<u>2,301,433</u>	<u>3,951,525</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS AS AT AND
FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE “ P ”

Notes to Consolidated Accounts

1. Significant Accounting Policies

1.1 Basis of Accounting

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

1.2 Fixed Assets

Cost of fixed assets comprises of purchase price, duties, and any cost directly attributable to bringing the asset to its working condition for the intended use.

1.3 Depreciation (Other than Leased Assets)

Depreciation on fixed assets is provided using the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired/disposed during the year is provided prorata from / upto the date of acquisition/disposal.

1.4 Impairment of Assets

At the end of each accounting year, 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 Institute of Chartered Accountant of India. An impairment loss is charged to the Profit and Loss in the year 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.

1.5 Leasing Business

Lease rentals are accounted for as revenue when they contractually accrue. The corresponding assets are depreciated over the life prescribed under Schedule XIV of the Companies Act, 1956 or the primary lease period, whichever is earlier. In the year of addition or disposal of any assets, the depreciation is charged on pro-rata basis in proportion to the period of its ownership.

1.6 Long Term Investments

Shares and Securities held without the intention of trading are classified as investments and valued at cost reduced by a provision for any diminution other than temporary, in their values, where applicable.

1.7 Inventories

Inventories are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of the weighted average method and includes all costs incurred in bringing the inventories to their present location and condition.

1.8 Recognition of Revenue

Sale of shares & securities are recognised on the trade dates.
Income is recognized on accrual basis except when there is significant uncertainty.

1.9 Income Taxes

Income-Tax expense is accrued in accordance with AS 22 – Accounting for taxes on income, which includes current and deferred taxes. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

**SCHEDULE “P” (Continued)**

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized for all deductible timing differences, carry forward of unused tax assets and unused tax losses only if there is virtual certainty that such deferred tax assets can be realised against future tax liabilities.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

1.10 Contingent Liability

These, if any, are disclosed in the notes to the 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.

1.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate on the date of transaction. Foreign currency assets and liabilities are translated at the year end exchange rates or forward cover rates as applicable and the resultant gain or loss is adjusted to the Profit & Loss Account.

1.12 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 Gratuity Scheme is a defined benefit plan which is funded with the Life Insurance Corporation of India and the liability of accrued gratuity based on actuarial valuation as per Accounting Standard 15 (Revised), is expensed. Provision is made towards liability for Leave Encashment on the basis of actuarial valuation as per Accounting Standard 15 (Revised).

Employee benefits

i) Short Term Employee Benefits – All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service

ii) Post Employment / Retirement Benefits – Defined Contribution Plans such as Provident Fund, Superannuation Fund etc. are charged to the Profit and loss Account as incurred.

Defined Benefit Obligation Plans – The present value of the obligation under such plans, is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of Gratuity, which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

iii) Other long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

1.13 Segment Reporting Policies:**Identification of segments:**

The Company’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The Corporate and Other segment includes general corporate income and expense items which are not directly identifiable to any segment and therefore not allocated to any business segment.



SCHEDULE " P " (Continued)

2. Principles of Consolidation

The consolidated financial statements relate to Binani Metals Limited (the Company) and its wholly owned subsidiaries Sambhaw Holdings Ltd., Atithi Tie-Up Pvt. Ltd. (Previous Year) & Dharmik Commodeal Pvt. Ltd. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealized profits or losses.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

3. Contingent Liabilities

(Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
(a) Claims against the Company for Income Tax matters under appeal, not acknowledged as debts	17,558	5,433,273
(b) Rent to Kolkata Port Trust *	1,569,040	1,397,872

* The company has been legally advised that the rent liability payable to Kolkata Port Trust is contingent in nature.

4. Provisions:

The company has made provisions for the following:

(Rupees)

	Opening Balance	Provision	Utilization	Reversal	Closing Balance
Leave Encashment	604,390	1,442,405	893,925	-	1,152,870
Bonus	11,900	8,400	11,900	-	8,400

5. The Company has given Counter guarantee to a bank in respect of a guarantee furnished by it to the Government of India for certain transactions of a partnership firm against the original counter guarantee of Rs. 8,997,500. The fixed deposit with the bank as at 31st March, 2010 is Rs. 12,879,245 and accordingly the Company has provided for Rs. 12,879,245 as the subject matter of the bank is subjudice.

6. The Company has issued jointly with Binani Industries Ltd., General Bond under section 59(2) of the Customs Act, 1962, for a sum of Rs. 24 crores to the Custom Authorities. There is no claim so far received by the Company as at 31st March, 2010, the value of goods lying in bond was Rs. 567,396,974 (Previous Year Rs. 233,100,583) and the estimated liability for duty is Rs. 98,706,801 (Previous Year Rs. 53,217,932).

7. Loans – Secured

- Hire Purchase Credit – Outstanding Rs.270,955 (Previous Year Rs.1,250,808)
Secured by hypothecation of respective vehicles. The title in the property of respective vehicle to be passed on payment of final installment.
- Overdraft from Banks - HDFC Bank Limited as at 31st March, 2010 – Rs.13,388,432 (Previous Year Rs.13,445,521) & The Saraswat Co-Operative Bank Limited as at 31st March, 2010 Rs.14,918,227 (Previous Year Rs.13,762,553). These bank overdrafts are secured by pledge of Fixed Deposits.

**SCHEDULE " P " (Continued)****8. Managerial Remuneration:**

(Rupees)

Particulars	For year ended 31st March, 2010	For year ended 31st March, 2009
Salaries & Allowances	11,615,000	10,501,667
Perquisites *	1,798,757	1,209,357
Total	13,413,757	11,711,024

* Include leave encashment paid and monetary value of non cash perquisites as per Income Tax Act, 1961.

9. Major Components of Deferred Tax Assets arising on account of timing differences are :

(Rupees)

	As at 31st March, 2010	As at 31st March, 2009
Deferred Tax Assets		
Fixed Assets – Depreciation	1,044,000	762,500
Disallowance under Income Tax Act, 1961	520,300	204,500
Total	1,564,300	967,000

10. The net effect of Commodity Future Contracts transactions is shown as Profit from Commodity Futures contracts.

11. Disclosure under AS-15 (Revised 2005):**I Defined Contribution Plans :**

Contribution to Defined Contribution Plans, recognized as expense for the period are under

(Rupees)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Employers' Contribution to Provident Fund	182,183	155,608
Employers' Contribution to Superannuation Fund	94,800	47,490

II Defined benefit Plan :**a) Contribution to Gratuity Fund**

The Company makes annual contributions to the Employees' Group Gratuity-cum Life Assurance Scheme of the Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on superannuation, death or on separation / termination in terms of the provisions of the Payment of Gratuity Act or as per Company's policy whichever is beneficial to the employees.

Since the annual contribution to the Employees' Group Gratuity-cum Life Assurance Scheme of LIC falls due for payment later during the year, the liability for the year ended 31st March, 2010 could not be ascertained and therefore not provided. The same shall be considered at the end of the year.



SCHEDULE " P " (Continued)

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March, 2010.

	As at 31st March, 2010	(Rupees) As at 31st March, 2009
Change in present value of obligation		
Present value of obligation as at 1 st April, 2009	21,547	99,533
Interest Cost	1,724	7,963
Service Cost	17,542	12,684
Benefits Paid	Nil	Nil
Actuarial (gain) / loss on obligation	7,029	(98,633)
Present value of obligation, as at 31st March, 2010	<u>47,842</u>	<u>21,547</u>
Change in plan assets		
Fair value of plan assets as at 1 st April, 2009	369,986	335,183
Expected return on plan assets	33,854	30,549
Contributions	Nil	4,254
Benefits paid	Nil	Nil
Actuarial gain/ (Loss) on plan assets	Nil	Nil
Fair value of plan assets as at 31st March, 2010	<u>403,840</u>	<u>369,986</u>
Amount recognized in the Balance Sheet		
Present value of obligation, as at 31st March, 2010	47,842	21,547
Fair value of plan assets as at 31st March, 2010	(403,840)	(369,986)
Net obligation as at 31st March, 2010	<u>(355,998)</u>	<u>(348,439)</u>
Net gratuity lost in for ended 31st March 2010		
Current service Cost	17,542	12,684
Interest Cost	1,724	7,963
Expected return on plan assets	(33,854)	30,549
Net Actuarial (gain) / Loss to be recognized	7,029	(99,633)
Net gratuity cost	<u>(7,559)</u>	<u>(108,536)</u>
Assumptions used in accounting for the gratuity plan		
	%	%
Discount Rate	8	8
Salary escalation rate	4	4
Expected rate of return on plan assets	9	9

**SCHEDULE “ P ” (Continued)**

12. Atithi Tie-up Pvt. Ltd. has ceased to be a subsidiary of the company w.e.f. 30.09.2009.

13. **Disclosures of loans/ Advances / Investments balances as required under clause 32 of listing agreement.**

(Rupees)

Party Name	Relationship	Transaction Type	Outstanding as at 31st March 2010	Maximum amount outstanding during the year
Binani Industries Ltd.	Associate Company	Investments	4,229,999 (4,229,999)	4,229,999 (4,229,999)
Goa Glass Fibre Ltd.	Associate Company	Inter-corporate Deposits	20,000,000 (20,000,000)	20,213,699 (20,213,699)
Asian Industry & Information Services Private Ltd	Associate Company	Investments	Nil (514,000)	514,000 (514,000)
Gallant Holdings Pvt. Ltd.	Associate Company	Investments	Nil (Nil)	Nil (150,000)

Figures in bracket indicate figures of the previous year



SCHEDULE "P" (Continued)

14. Related Party Disclosure

During the year, the Company entered into transactions with related parties. Those transactions along with related balances as at 31st March, 2010 and 31st March, 2009 and for the years then ended are presented in the following table:-

(Rupees)

Particulars	Enterprises where Key Management Personnel have got significant influence
Service Charges for Use of Cars*	11,598,494 (9,468,172)
Rent & Service Charges for Storage Facility*	6,932,400 (4,650,000)
Service Charges for Other Services*	Nil (600,000)
Investment Purchases	Nil (Nil)
Investment Sold	200,000 (Nil)
Dividend Received	14,246,250 (14,328,250)
Interest Received	2,600,002 (2,087,861)
Miscellaneous Expenses	Nil (88,921)
Balance outstanding { receivables / (payables) } as at the year end including interest	20,053,370 (20,062,974)

(Figures in bracket pertain to previous year)

Notes:

- i) Key Management Personnel
 - Shri Braj Binani (No transactions during the year),
Shri J.D.Mehta & Shri Vinod Juneja
(Managerial Remuneration paid is disclosed under Schedule " P " Note No.8)
- ii) Related Entities of Key Management Personnel
 - Binani Industries Ltd., Binani Zinc Ltd.,
Goa Glass Fibre Ltd., Binani Cement Ltd.,
BT Composites Ltd., Total Composites Pvt. Ltd.,
K B Vyapar Pvt. Ltd., Triton Trading Co. Pvt. Ltd.
- iii) * Transaction values are excluding Service Tax.



SCHEDULE "P" (Continued)

15. Consolidated Segment Information for the year ended 31st March, 2010

(Rupees)

Particulars	Trading in Shares & Securities		Business Centre		Commercial		Unallocated		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
REVENUE										
Gross Receipts	21,230,150	47,878,292	7,954,088	7,350,000	29,924,551	48,855,856	22,270,590	24,130,891	81,379,379	128,215,040
RESULTS										
Segment Result	3,668,783	(18,990,673)	6,370,203	4,196,495	(1,418,760)	17,684,593	6,720,545	13,313,287	15,340,771	16,203,702
Interest & Finance Expenses	---	---	(512)	(72)	(2,179,289)	(3,800,775)	(121,632)	(150,679)	(2,301,433)	(3,951,525)
Income Taxes	---	---	---	---	---	---	(633,700)	(442,000)	(633,700)	(442,000)
Income Taxes - Earlier Years	---	---	---	---	---	---	(2,804,105)	(1,625,699)	(2,804,105)	(1,625,699)
Net Profit	3,668,783	(18,990,673)	6,369,691	4,196,423	(3,598,049)	13,883,818	3,161,108	11,094,909	9,601,533	10,184,477
OTHER INFORMATION										
Segment Assets	2,301,959	12,571,889	20,986,746	21,493,057	26,416,983	16,441,193	89,982,170	91,879,873	139,687,858	142,386,013
Segment Liabilities	---	---	---	---	28,577,614	28,206,055	111,110,244	114,179,958	139,687,858	142,386,013
Capital Expenditure	---	---	28,594	125,883	16,843,436	8,081,198	2,395,700	49,430	19,267,730	8,256,511
Depreciation	---	---	1,183,794	1,294,882	6,473,716	4,474,838	257,191	351,187	7,914,701	6,120,907

The Company's activities cannot be classified under any geographical segments.

16. Figures of the previous year have been regrouped wherever necessary to conform to current year's classification.

In terms of our attached report of even date
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No.: 30739
Place : Mumbai
Dated : 23rd April, 2010

Signature to Schedule "O"
For and on behalf of the Board of Directors

J. D. MEHTA Executive Vice Chairman	Signature to Schedule "O"
RAKESH DARJI Company Secretary	
BRAJ BINANI P. R. DAMANI B. SRINIVASAN V. SUBRAMANIAN	Chairman Directors
VINOD JUNEJA	Managing Director

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax and Extraordinary Items	13,039,338	12,252,177
Adjustments for :		
Depreciation	7,914,701	6,120,907
Loss on sale of Fixed Assets	34,550	3,849
Profit on sale of Investment	-	(331,875)
Excess Provision written back	(7,528)	-
Loss on sale of Investment	250	-
Interest from Income Tax	(609,348)	(130,832)
Operating Profit before Working Capital Changes	20,371,963	17,914,226
Adjustments for		
Trade & Other receivables	1,373,242	21,083,393
Inventories	8,044,256	14,138,790
Trade Payables	549,179	1,716,370
Cash generated from Operations	30,338,640	54,852,779
Direct Taxes Paid (including FBT) (net)	(2,832,804)	(6,597,860)
Net cash from Operating Activities	27,505,836	48,254,919
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(19,267,730)	(8,256,511)
Preliminary Expenses	(8,760)	(8,300)
Sale of Fixed Assets	215,000	2,411,915
Purchase of Investments	-	(1,754,375)
Sale of Investments	500,000	2,650,000
Net cash used in Investing Activities	(18,561,490)	(4,957,271)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Secured Term Loans & Overdraft	118,732	(20,758,647)
Proceeds from issue of Rights Shares	-	3,500
Payment of Premium on shares under buy-back scheme	-	(8,225,000)
Payment Equity Shares purchases under buy-back scheme	-	(2,350,000)
Dividend Paid	(8,858,000)	(9,445,550)
Dividend Tax Paid	(1,505,417)	(1,605,271)
Net cash used in Financing Activities	(10,244,685)	(42,380,968)
Net (decrease) / increase in Cash & Bank Balances	(1,300,339)	916,680
Cash and Bank Balances as on 31.03.2009		
(Opening Balance)	80,717,451	79,300,771
Adjustment upon Acquisition of subsidiary	100,000	500,000
Adjustment upon Disposal of subsidiary	(477,328)	-
Cash and Bank Balances as on 31.03.2010		
(Closing Balance)	79,039,784	80,717,451
	(1,300,339)	916,680

In terms of our attached report of even date

For Abrol & Maheshwary

Chartered Accountants

Anil Maheshwary
Partner
Membership No.: 30739

Place : Mumbai
Dated : 23rd April, 2010

J. D. MEHTA
Executive Vice Chairman

RAKESH DARJI
Company Secretary

Signature to Schedule Cash Flow Statement
For and on behalf of the Board of Directors

BRAJ BINANI } Chairman
P. R. DAMANI }
B.SRINIVASAN } Directors
V.SUBRAMANIAN }

VINOD JUNEJA Managing Director

**BINANI METALS LIMITED****STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANIES**

Name of the Subsidiary Companies		Dharmik Commodeal Pvt. Ltd.	Sambhaw Holdings Limited
1.	Financial year of the subsidiary companies	31 st March, 2010	31 st March, 2010
2.	Extent of the Holding Company's interest in the Subsidiary Number of shares % holding (Equity)	10,000 Equity Shares of Rs. 10 each 100%	50,000 Equity Shares of Rs. 10 each 100%
3.	Net aggregated amount of Profit/(Loss) of the Subsidiaries not dealt with in the Account of Binani Metals Limited for the year ended 31 st March, 2010. a) For the above Financial year of the Subsidiary so far as they concern members of the Company b) For the Previous years of the Subsidiary since it became a subsidiary so far as they concern the members of the Company.	(Rupees) (4,070) N.A.	(Rupees) (5,06,311) (63,06,943)

In terms of our attached report of even date
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No.: 30739
Place : Mumbai
Dated : 23rd April, 2010

J. D. MEHTA
Executive Vice Chairman

RAKESH DARJI
Company Secretary

For and on behalf of the Board of Directors

BRAJ BINANI Chairman
P. R. DAMANI
B.SRINIVASAN } Directors
V.SUBRAMANIAN }
VINOD JUNEJA Managing Director

SAMBHAW HOLDINGS LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

	(Rs. in Lakhs)	
FINANCIAL RESULTS:	<u>Year Ended</u> <u>31.03.2010</u>	<u>Year Ended</u> <u>31.03.2009</u>
Loss for the year	(5.06)	(10.71)
Provision for Taxation	—	—
Loss after Tax	(5.06)	(10.71)
Balance Brought Forward from Previous Year	(63.07)	(52.36)
Balance Loss Carried Forward	<u>(68.13)</u>	<u>(63.07)</u>

REVIEW OF OPERATIONS:

During the year the Company incurred a loss of Rs.5.06 Lakh as against loss incurred of Rs. 10.71 Lakhs in the previous year. The Company is exploring avenues for increasing its revenues.

DIVIDEND:

In view of the loss incurred during the year under review, the Directors do not recommend any Dividend for the year.

DIRECTORS:

In accordance with Section 256 of the Companies Act, 1956, Shri P. R. Damani retires by rotation and being eligible has offered himself for reappointment.

STATEMENT U/S.217(2A) OF THE COMPANIES ACT, 1956:

The Company has no employees requiring disclosures pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Particulars under Section 217(1) (e) in respect of (a) Conservation of energy (b) Technology Absorption and (c) activities relating to exports etc. are not applicable to the Company.

During the year, foreign exchange earnings and expenditure were Rs. Nil (Previous Year Rs. Nil), as per details furnished in the notes to the accounts.

FIXED DEPOSIT:

The Company has not accepted any deposits within the meaning of Section 58 A of the Companies Act, 1956. As such, no amount of principal or interest was outstanding as of the Balance Sheet date.

SAMBHAW HOLDINGS LIMITED

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanation relating to material departures, if any, have been furnished;
- appropriate accounting policies as listed in schedule "G" have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the Loss of the Company for the Accounting year ended on that day;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

AUDITORS & AUDITORS' OBSERVATIONS:

M/s. Abrol & Maheshwary, Chartered Accountants, Mumbai, retire as Auditors and are eligible for reappointment. Necessary certificate has been obtained from the Auditors as per Section 224(1) of the Companies Act, 1956.

Observations made in the Auditors Report are dealt with in the Notes to Accounts at appropriate places and are self explanatory.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and thanks to all its Lenders, Customers and Bankers for their co-operation and continued Support.

Registered Office:

Mercantile Chambers
12, J. N. Heredia Marg,
Ballard Estate,
Mumbai – 400001

For and on Behalf of the Board
For **SAMBHAW HOLDINGS LIMITED**

Place : Mumbai
Dated: 23rd April, 2010

(P. R. Damani)
Director

(J.D. Mehta)
Director

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AUDITORS' REPORT TO THE MEMBERS OF SAMBHAW HOLDINGS LIMITED

1. We have audited the attached Balance Sheet of SAMBHAW HOLDINGS LIMITED as at March 31, 2010 and also the Profit and Loss Account and the 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 auditing standards generally accepted in India. Those Standards require 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 (Auditor's 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 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 purpose 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 those 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 On the basis of written representations received from the directors, as on March 31,2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31,2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31,2010 ;
 - b. in the case of the Profit and Loss Account, of the loss for the year ended on that date.
 - c. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **ABROL & MAHESHWARY**
Chartered Accountants

Anil Maheshwary
Partner
Membership No.:30739

Place : Mumbai
Date : 23rd April, 2010

**ANNEXURE REFERRED TO THE AUDITORS' REPORT
REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets have not been physically verified by the management during the year. However, the Company has a regular programme of verification of the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company has not disposed off a substantial part of its fixed assets during the year.
2. The Company has no inventories and, therefore, the question of physical verification and maintaining of proper records does not arise.
3. As informed to us, the Company has neither granted nor taken any loans from companies, firms or other parties covered under Section 301 of the Companies Act, 1956.

However, the Company has a balance of an unsecured loan of Rs.273,00,000/- from its holding Company. The rate of interest and the other terms and conditions of the loan taken are prima facie not prejudicial to the interests of the Company. The loan is payable on demand and the payment of interest has generally been regular.
4. 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 fixed assets. During the course of our audit, no major material weakness has been noticed in the internal controls.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contract or arrangement, was made at a rate which are reasonable having regard to the prevailing market rate at the relevant time.
6. The Company has not accepted any deposits from the public under the provisions of Section 58A & 58AA of the Companies Act, 1956.
7. Since, neither its share capital and reserves nor its turnover exceed the prescribed limits, the Company does not have an internal audit system.
8. 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 activities of the Company.
9. According to the records of the Company, the Company is regular in depositing undisputed statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of the statutory dues were outstanding as at March 31,2010 for a period of more than six months from the date they became payable. According to the records of the Company, there are no statutory dues outstanding on account of any dispute.

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10. The accumulated losses of the Company at the end of the financial year exceeded fifty percent of its net worth. However, the Company has not incurred cash losses in the current financial year and in the financial year immediately preceding such financial year, also.
11. The Company has no dues to a financial institution or bank and has not issued any debentures. Therefore, the default in repayment of dues does not arise.
12. According to the information and explanation 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.
13. 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 fund / societies.
14. The Company does not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Based on the information and explanation given to us by the management, the term loan was applied for the purpose for which the loan was obtained.
17. We have been informed by the management that no funds have been raised on short term basis during the year.
18. 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
19. The Company has not issued any debentures.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and 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 **ABROL & MAHESHWARY**
Chartered Accountants

Anil Maheshwary
Partner
Membership No.:30739

Place : Mumbai
Date : 23rd April 2010

SAMBHAW HOLDINGS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	500,000	500,000
Loan Funds			
Unsecured Loans	B	27,300,000	27,300,000
TOTAL		<u>27,800,000</u>	<u>27,800,000</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	34,725,760	34,697,166
Less : Depreciation		<u>16,865,520</u>	<u>15,681,726</u>
Net Block		17,860,240	19,015,440
Current Assets, Loans and Advances			
Cash and Bank Balances	D	2,901,201	2,485,951
Loans & Advances	E	384,215	226,656
		<u>3,285,416</u>	<u>2,712,607</u>
Less : Current Liabilities & Provisions	F		
Liabilities		158,910	234,990
Net Current Assets		<u>3,126,506</u>	<u>2,477,617</u>
Profit and Loss Account		6,813,254	6,306,943
TOTAL		<u>27,800,000</u>	<u>27,800,000</u>
Notes to the Accounts	G		

As per our report of even date attached
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
 Partner
 Membership No. 30739

Place : Mumbai
 Dated : 23rd April, 2010.

Signature to the Balance Sheet and Schedule A to G
For and on behalf of the Board of Directors

P.R.DAMANI
 J.D.MEHTA
 I.K.PUGALIA
 V.SUBRAMANIAN } Directors

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

Schedule	For the Year ended 31st March, 2010	For the Year ended 31st March, 2009
INCOME		
Rent and Service Charges	7,950,000	7,350,000
Recovery of Bad Debts Written off in earlier year	-	450,000
Excess provision written back	4,088	-
TOTAL	7,954,088	7,800,000
EXPENDITURE		
Electricity Charges	400	2,000
Repairs and Maintenance to Premises	168,679	1,292,741
Insurance Expenses	4,483	1,268
Rates and Taxes	15,979	21,305
Administration Expenses	3,732,000	2,400,000
Legal and Professional Fees	40,260	63,750
Filing & Registration Fees	230	768
Directors Fees	16,000	22,000
Auditors' Remuneration		
- Audit Fees	16,545	27,781
- Tax Audit Fees	5,515	11,133
- Certification	-	7,304
Unsecured Loan Written back in earlier year	-	450,000
Bank charges	512	73
Miscellaneous Expenses	-	72
Interest on Term Loan	3,276,002	3,276,002
Depreciation	1,183,794	1,294,882
TOTAL	8,460,399	8,871,079
Loss before Tax	(506,311)	(1,071,079)
Tax Expenses :	-	-
Loss for the Year	(506,311)	(1,071,079)
Balance brought forward	(6,306,943)	(5,235,864)
Balance carried forward to the Balance Sheet	(6,813,254)	(6,306,943)
Notes to the Accounts	G	

As per our report of even date attached
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
 Partner
 Membership No. 30739

Place : Mumbai
 Dated : 23rd April, 2010.

Signature to the Profit & Loss Account and Schedule G
For and on behalf of the Board of Directors

P.R.DAMANI
J.D.MEHTA
I.K.PUGALIA
V.SUBRAMANIAN } Directors

SAMBHAW HOLDINGS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE " A "		
SHARE CAPITAL		
Authorised :		
50,000 Equity Shares of Rs.10 each	<u>500,000</u>	<u>500,000</u>
Total	<u><u>500,000</u></u>	<u><u>500,000</u></u>
Issued, Subscribed and Paid-up :		
50,000 Equity Shares of Rs.10 each, fully paid up	<u>500,000</u>	<u>500,000</u>
Total	<u><u>500,000</u></u>	<u><u>500,000</u></u>

Note : All the Equity Shares are held by Binani Metals Limited the holding company and its nominees.

SCHEDULE " B "

Loan Funds

Unsecured Loan from Holding Company	<u>27,300,000</u>	<u>27,300,000</u>
Total	<u><u>27,300,000</u></u>	<u><u>27,300,000</u></u>

SCHEDULE " C "

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	As at 01.04.2009	For the Year	Deductions	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Premises	26,118,301	-	-	26,118,301	9,079,677	851,931	-	9,931,608	16,186,693	17,038,624
Furniture, Fixtures and Interiors	6,626,998	-	-	6,626,998	5,273,819	244,928	-	5,518,747	1,108,251	1,353,179
Office Equipments	1,951,867	28,594	-	1,980,461	1,328,230	86,935	-	1,415,165	565,296	623,637
Total	<u>34,697,166</u>	<u>28,594</u>	<u>-</u>	<u>34,725,760</u>	<u>15,681,726</u>	<u>1,183,794</u>	<u>-</u>	<u>16,865,520</u>	<u>17,860,240</u>	<u>19,015,440</u>
Previous Year	34,571,283	125,883	-	34,697,166	14,386,844	1,294,882	-	15,681,726	19,015,440	20,184,439

(Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
-------------	---------------------------	---------------------------

SCHEDULE " D "

CASH AND BANK BALANCES

Cash in hand	<u>3,053</u>	<u>2,683</u>
With scheduled bank in		
Current account	<u>2,898,148</u>	<u>2,483,268</u>
Total	<u><u>2,901,201</u></u>	<u><u>2,485,951</u></u>

SCHEDULE " E "

LOANS AND ADVANCES

(Unsecured & considered good unless otherwise stated)

Advance Payment of Tax (Net)	<u>93,520</u>	<u>93,520</u>
Advances recoverable in cash or in kind or for value to be received	<u>45,219</u>	<u>3,226</u>
Service Tax Input Credit entitlement	<u>215,476</u>	<u>99,910</u>
Deposit with BEST Undertaking	<u>30,000</u>	<u>30,000</u>
Total	<u><u>384,215</u></u>	<u><u>226,656</u></u>

Annual Report 2009-10

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

Particulars	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE " F "		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Creditors	40,728	66,315
Duties and Taxes	118,182	168,675
Total	158,910	234,990

SCHEDULE 'G'

NOTES TO THE ACCOUNTS

1 Significant Accounting Policies:

1.1 Basis of Accounting

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

1.2 Fixed Assets:

Cost of Fixed Assets comprises of purchase price, duties and any cost directly attributable to bringing the asset to its working condition for the intended use.

1.3 Depreciation

Depreciation on Fixed Assets is provided using the Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired/disposed during the year is provided prorata from /up to the date of acquisition/disposal.

1.4 Impairment of Assets

At the end of each accounting year, 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 Institute of Chartered Accountant of India. An impairment loss is charged to the Profit and Loss in the year 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.

1.5 Income

The Company follows the accrual basis of Accounting.

1.6 Income Taxes

Income Tax expense is accrued in accordance with AS 22 - Accounting for taxes on income, which includes current and deferred taxes. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

SAMBHAW HOLDINGS LIMITED

Deferred Tax assets are recognised for all deductible timing differences, carry forward of unused tax assets and unused tax losses only if there is virtual certainty that such deferred tax assets can be realised against future tax liabilities.

Accordingly, as a matter of prudence, the Company has not recognised the carried forward business loss / unabsorbed depreciation under the Income Tax Act, 1961 as a deferred tax asset.

1.7 Contingent Liability

These, if any, are disclosed in the notes to the 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.

2. Related party and the transactions entered into during the year are as follows:

- a) Holding Company : -
Binani Metals Limited
- b) Related Entities of Key management Personnel - :
 - i) Binani Industries Limited
 - ii) Asian Industry & Information Services Pvt.Ltd.

(Amount in Rupees)

Particulars	2009-2010	2008-2009
Service Charges Received (b)	7,950,000	7,350,000
Interest Paid - (a)	3,276,002	3,276,002
Unsecured loan outstanding at the end of the year - (a)	27,300,000	27,300,000

3. Segment information for the year ended 31st March, 2010.

The Company operates in a single segment (i.e) Business Centre activities, hence segment reporting as required under AS-17 of ICAI is not applicable to the Company.

4. Previous year's figures have been regrouped to conform to current year's classification.

As per our report of even date attached
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No. 30739

Place : Mumbai
Dated : 23rd April, 2010

Signature to shedule G
For and on behalf of the Board of Directors

P.R.DAMANI
J.D.MEHTA
I.K.PUGALIA
V.SUBRAMANIAN } Directors

Annual Report 2009-10

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rupees)

Particulars	For the year ended 31st March, 2010	For the year ended 31st March, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Loss before tax and extraordinary items	(506,311)	(1,071,079)
Adjustments for :		
Depreciation	1,183,794	1,294,882
Excess Provision written back	(4,088)	-
Operating Profit before Working Capital changes	673,395	223,803
Adjustments for :		
Trade & other receivables	(157,559)	(103,135)
Trade payables	(71,993)	(234,020)
Cash generated from Operations	443,843	(113,352)
Direct Taxes Paid (net)	-	(44,304)
Net cash from Operating Activities	443,843	(157,656)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(28,594)	(125,883)
Sale of Fixed Assets	-	-
Net cash used in Investing Activities	(28,594)	(125,883)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Unsecured Term Loan	-	(648,505)
Net cash used in Financing Activities	-	(648,505)
Net (decrease) / increase in Cash & Bank Balances	415,249	(932,044)
Cash and Bank Balances as on 01.04.2010 (Opening Balance)	2,485,951	3,417,995
Cash and Bank Balances as on 31.03.2010 (Closing Balance)	2,901,201	2,485,951
	415,250	(932,044)

As per our report of even date attached
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No. 30739

Place : Mumbai
Dated : 23rd April, 2010

Signature to Cash Flow Statement
For and on behalf of the Board of Directors

P.R.DAMANI
J.D.MEHTA
I.K.PUGALIA
V.SUBRAMANIAN } Directors

SAMBHAW HOLDINGS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	
(I) Registration Details	
State Code	11
Registration Number	U67120MH1983PLC02927
Balance Sheet Date	31.03.2010
(II) Capital raised during the year (Amount in Rs. Thousands)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement (Preferential Issue)	NIL
(III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
Total Liabilities	27,800
Total Assets	27,800
Sources of Funds	
Paid-up Capital	500
Reserves and Surplus	NIL
Unsecured Loans	27,300
Application of Funds	
Net Fixed Assets	17,860
Investments	NIL
Net Current Assets	3,127
Accumulated Losses	6,813
(IV) Performance of Company (Amount in Rs. Thousands)	
Turnover / Income	7,954
Total Expenditure	8,460
Profit / (Loss) Before Tax	(506)
Profit / (Loss) After Tax	(506)
Earnings Per Share in Rs.	NIL
Dividend Rate %	NIL
(V) Generic Names of Three Principal Products / Services of Company	
(As Per Monetary Items)	
Item Code Number (ITC Code)	N.A
Product Description	Rent & Service Charges

Annual Report 2009-10

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors presents the 1st Annual Report together with the Audited Accounts for the period ended 31st March, 2010.

FINANCIAL RESULTS & REVIEW OF OPERATIONS:

The Company is yet to start commercial activities and hence there is nothing to report.

SCHEME OF ARRANGEMENT:

As per the scheme of arrangement U/s 391 (1) and 393 of the Companies Act, 1956, between Binani Metals Ltd. (BML), the holding company and the Company, long term Investments of BML in equity shares of bodies corporate other than investment in its subsidiary companies is to be transferred from BML to the Company w.e.f. 1st April, 2009. The said scheme is pending approval of the Calcutta High Court and, therefore, the effect in the accounts will be given after receipt of the approval. However, there will be no effect on the Income and Loss of the year.

DIRECTORS:

In accordance Section 256 of the Companies Act, 1956, Shri M. K. Chattopadhyaya retires by rotation and being eligible has offered himself for reappointment.

STATEMENT U/S.217(2A) OF THE COMPANIES ACT, 1956:

The Company has no employees requiring disclosures pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Particulars under Section 217(1) (e) in respect of (a) Conservation of energy (b) Technology Absorption and (c) activities relating to exports etc. are not applicable to the Company. During the year, foreign exchange earnings and expenditure were Rs. Nil.

FIXED DEPOSIT:

The Company has not accepted any deposits within the meaning of Section 58 A of the Companies Act, 1956. As such, no amount of principal or interest was outstanding as of the Balance Sheet date.

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and proper explanation relating to material departures, if any, have been furnished;
2. appropriate accounting policies as listed in schedule "C" have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the Loss of the Company for the Accounting year ended on that day;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

AUDITORS & AUDITORS' OBSERVATIONS:

M/s. Abrol & Maheshwary, Chartered Accountants, Mumbai, retire as Auditors and are eligible for reappointment. Necessary certificate has been obtained from the Auditors as per Section 224(1) of the Companies Act, 1956.

Observations made in the Auditors Report are dealt with in the Notes to Accounts at appropriate places and are self explanatory.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and thanks to all its Lenders, Customers and Bankers for their co-operation and continued Support.

By order of the Board
For Dharmik Commodeal Pvt. Ltd.

Place : Mumbai
Dated: 22nd April, 2010

M.K. Chattopadhyaya
Director

J. D. Metha
Director

DHARMIK COMMODEAL PRIVATE LIMITED

AUDITORS REPORT TO THE MEMBERS OF DHARMIK COMMODEAL PRIVATE LIMITED

1. We have audited the attached Balance Sheet of DHARMIK COMMODEAL PRIVATE LIMITED as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the period 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about 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. As required by the Companies (Auditor's 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 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 purpose 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 those 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 On the basis of written representations received from the directors, as on March 31,2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31,2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31,2010 ;
 - b. in the case of the Profit and Loss Account, of the loss for the period ended on that date.
 - c. in the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

For **ABROL & MAHESHWARY**
Chartered Accountants

Anil Maheshwary
Partner
Membership No.:30739

Place : Mumbai
Date : 22nd April, 2010.

Annual Report 2009-10

ANNEXURE REFERRED TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. The provisions of paragraph 4 of the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 are applicable to the company. However, according to our information and explanations given to us the provisions of clauses (i), (ii), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xix) and (xx) are not applicable to the Company.
2. 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 assets. During the course of our audit, no major material weakness has been noticed in the internal controls.
3. 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.
4. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the period of our audit.

For **ABROL & MAHESHWARY**
Chartered Accountants

Anil Maheshwary
Partner
Membership No.:30739

Place : Mumbai
Date : 22nd April, 2010.

DHARMIK COMMODEAL PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

(Rupees)		(Rupees)	
Schedule	As at 31st March, 2010	Schedule	For the Period 04th March, 2009 to 31st March, 2010
SOURCES OF FUNDS		INCOME :	
Shareholders' Funds			
Share Capital	A 100,000		
TOTAL	<u>100,000</u>		
APPLICATION OF FUNDS		EXPENDIURE :	
Current Assets, Loans and Advances		Auditors' Remuneration	
Current Assets		- Audit Fees	
Cash & Bank Balance	B 89,376	2,206	
Less : Current Liabilities		Legal & Professional Fees	
Sundry Creditor	2,206	331	
Net Current Assets	<u>87,170</u>	Filling and Registration Fees	
		494	
Miscellaneous Expenditure (To the extent not written off or adjusted)		Printing & Stationery	
Preliminary Expenses	8,760	889	
Profit and Loss Account	4,070	Bank Charges	
TOTAL	<u>100,000</u>	150	
Notes to the Accounts	C		
		Loss before Tax	
		<u>(4,070)</u>	
		Tax Expenses :	
		Loss for the Period	
		<u>(4,070)</u>	
		Balance carried forward to the Balance Sheet	
		<u>(4,070)</u>	

As per our report of even date attached
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No. 30739

Place : Mumbai
Dated : 22nd April, 2010

Signature to the Balance Sheet, Profit & Loss Account
and Schedule A to C
For and on behalf of the Board of Directors

J.D.MEHTA
T.R.C.NAIR
M.K.CHATTOPADHYAYA } Directors

Annual Report 2009-10

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees)

	As At
	31st March, 2010
SCHEDULE " A "	
SHARE CAPITAL	
Authorised :	
10000 Equity Shares of Rs.10 each	100,000
Total	100,000
Issued, Subscribed & Paid up:	
10000 Equity Shares of Rs.10 each, fully paid up	100,000
Note : All the Equity Shares are held by Binani Metals Limited the holding company and its nominees	
Total	100,000
SCHEDULE " B "	
CASH AND BANK BALANCES	
Cash in hand	1,506
With scheduled bank in	
Current account	87,870
	89,376
SCHEDULE " C "	
NOTES TO THE ACCOUNTS	
1. Significant Accounting Policies:	
1.1 Basis of Accounting	
The Financial statements are prepared on an accrual basis under the historical cost convention and in accordance with the accounting principles generally accepted in India and the provisions of the Companies Act, 1956.	
1.2 Income	
The Company follows the accrual basis of Accounting.	
1.3 Income Taxes	
Income Tax expense is accrued in accordance with AS 22 - Accounting for taxes on income, which includes current and deferred taxes. Deferred income taxes reflect the impact of 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 for all deductible timing differences, carry forward of unused tax assets and unused tax losses only if there is virtual certainty that such deferred tax assets can be realised against future tax liabilities. Accordingly, as a matter of prudence, the Company has not recognised the carried forward business loss under the Income Tax Act, 1961 as a deferred tax asset.	
1.4 Contingent Liability	
These, if any, are disclosed in the notes to the 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.	
2 As per the scheme of arrangement U/s 391 (1) and 393 of the Companies Act, 1956 , between Binani Metals Ltd. (BML), the holding company and the Company, long term Investments of BML in equity shares of bodies corporate other than investment in its subsidiary companies is to be transferred from BML to the Company w.e.f. 1st April, 2009. The said scheme is pending approval of the Calcutta High Court and, therefore, the effect in the accounts will be given after receipt of the approval. However, there will be no effect on the Income and Loss of the year.	
3 The accounts are for the period 4th March, 2009 (Date of Incorporaton) to 31st March, 2010 (i.e. a period of 12 months and 28 days)	
4 Related party transactions entered into during the period-	
Holding Company :- Binani Metals Ltd. (no transactions entered into during the period)	
5 Since there is no income during the period, the expenses incurred are unallocated to any segment.	
6 Other information under Schedule VI of the Companies Act, 1956 is not applicable and, therefore, not reported.	

DHARMIK COMMODEAL PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

Amount (Rs.)

Particulars	For the period ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :	
Net Loss before tax and extraordinary items	(4,070)
Adjustments for :	
Operating profit before Working capital changes	<u>(4,070)</u>
Adjustments for :	
Trade & other receivables	-
Trade payables	<u>2,206</u>
Cash generated from operations	<u>(1,864)</u>
Net cash from operating activities	<u>(1,864)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Preliminary Expenses	(8,760)
Net cash used in investing activities	<u>(8,760)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :	
Share Application Money	100,000
Net cash used in financing activities	<u>100,000</u>
Net (decrease) / increase in Cash & Bank Balances	<u>89,376</u>
Cash and Bank Balances as on 04.03.2009 (Opening Balance)	-
Cash and Bank Balances as on 31.03.2010 (Closing Balance)	<u>89,376</u>
	<u>89,376</u>

As per our report of even date attached
For Abrol & Maheshwary
Chartered Accountants

Anil Maheshwary
Partner
Membership No. 30739

Place : Mumbai
Dated : 22nd April, 2010

Signature to the Cash Flow Statement
For and on behalf of the Board of Directors

J.D.MEHTA
T.R.C.NAIR
M.K.CHATTOPADHYAYA } Directors

Annual Report 2009-10

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	
(I) Registration Details	
State Code	21
Registration Number (CIN)	U51909WB2009PTC133460
Balance Sheet Date	31.03.2010
(II) Capital raised during the year (Amount in Rs. Thousands)	
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	100
(III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
Total Liabilities	100
Total Assets	100
Sources of Funds	
Paid-up Capital	100
Reserves and Surplus	NIL
Application of Funds	
Net Fixed Assets	NIL
Investments	NIL
Net Current Assets	87
Misc. Expenditure	9
Accumulated Losses	4
(IV) Performance of Company (Amount in Rs. Thousands)	
Turnover / Income	-
Total Expenditure	4
Profit / (Loss) Before Tax	(4)
Profit / (Loss) After Tax	(4)
Earnings Per Share in Rs.	NIL
Dividend Rate %	NIL
Generic Names of Three Principal Products / Services of Company	
(As Per Monetary Items)	
Item Code Number (ITC Code)	N.A
Product Description	



BINANI METALS LIMITED

Regd. Office : 705, Om Tower, 32, Chowringhee Road, Kolkata - 700071

ADMISSION SLIP

Folio No. / DP ID No. & Client ID No.*	
No. Of Equity Shares held	

I hereby record my presence at the Sixty Ninth Annual General Meeting of the Company being held at 12.30 p.m. or immediately after the conclusion of Annual General Meeting of Binani Cement Limited if it concludes after 12.30 p.m. at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700020 on Friday, the 25th June, 2010.

Name of Shareholder (In Block Letters)	
Name of the Proxyholder/Authorised Representative**	

* Applicable for investors holding shares in Electronic Mode

** Strike out whichever is not applicable

Signature of the Shareholder/Proxy/Authorised Representative

NOTE:

1. A member/proxy/authorised representative wishing to attend the Meeting must complete this Admission Slip before coming to the Meeting and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the Meeting.



BINANI METALS LIMITED

Regd. Office : 705, Om Tower, 32, Chowringhee Road, Kolkata - 700071

PROXY FORM

I/We
of being a member/members of BINANI METALS LIMITED hereby appoint
Shri./Smt./Kum. of
or failing him Shri./Smt./Kum. of
or failing him Shri./Smt./Kum. of
as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 69th Annual General Meeting of the company to be held at 12.30 p.m. or immediately after the conclusion of Annual General Meeting of Binani Cement Limited if it concludes after 12.30 p.m. at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata - 700020 on Friday, the 25th June, 2010 and at any adjournment thereof.

Signed this day of 2010 .

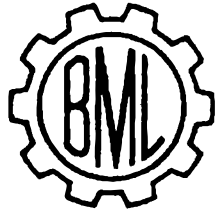
Folio No. / DP ID No. & Client ID No.*	
No. of Equity Shares held	

Signature

Affix Revenue Stamp

* **Strike out whichever in not applicable.**

Note : The proxy, in order to be effective, should be duly completed, stamped, signed and must be deposited at the registered Office of the Company not less than 48 hours before the time fixed for the Meeting.



**ANNUAL
REPORT
2009-2010**

BINANI METALS LIMITED

BOOK-POST

If undelivered please return to :

BINANI METALS LIMITED
"Mercantile Chambers",
12, J. N. Heredia Marg,
Ballard Estate, Mumbai - 400001.

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