

Binani

BINANI ZINC LIMITED
Annual Report 2011 - 12

BOARD OF DIRECTORS

- Mr. Braj Binani** – Chairman
- Mr. S. Padmakumar** – (Resigned w.e.f. 20/11/2011)
- Mr. Ibrahim Ali** – (Resigned w.e.f. 21/04/2012)
- Mr. V. Subramanian**
- Mr. Sushil Bhatler** – (Resigned as M D w.e.f. 22/10/2011)
- Mr. Roy Kurian K.K.** – (Resigned w.e.f. 31/08/2011)
- Mr. Sanjeev P. Thomas** – Whole-time Director
(w.e.f. 22/10/2011)
- Mr. T.R.C. Nair** – (w.e.f 21/04/2012)

AUDIT COMMITTEE

- Mr. V. Subramanian – Chairman
- Mr. Sushil Bhatler – Member
- Mr. T R C Nair – Member

CHIEF FINANCIAL OFFICER (Group Control Accounts)

Mr. R. Venkiteswaran

COMPANY SECRETARY

Mr. Rajesh K. Pathak

MANAGEMENT COMMITTEE

- Mr. Sanjeev P. Thomas – Whole-time Director
- Mr. Roshan K. – Vice President (Commercial)
- Mr. Ashok Nicholas – Vice President (Operations & Technical)
- Mr. Keshavdas – Vice President (Finance)

AUDITORS

Varma & Varma, Kochi

LEGAL ADVISORS

Udwadia & Udeshi, Mumbai

TERM LENDERS & BANKERS

- Punjab National Bank
- Oriental Bank of Commerce
- Punjab & Sind Bank

REGISTERED OFFICE

37/2, Chinar Park, New Town, Rajarhat Main Road
P.O. Hatiara, Kolkata – 700 157

CORPORATE OFFICE

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

WORKS

Binanipuram, Ernakulam District, Kerala - 683 502

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L. B. S. Marg,
Bhandup (W), Mumbai - 400 078.

SUBSIDIARIES

R.B.G. Minerals Industries Limited

10E, Old Fatehpura, Udaipur 313 004 (Rajasthan)

OVERSEAS SUBSIDIARY

BZ Minerals (Australia) Pty. Ltd.

Australia

BZ Minerals (Luxembourg) Sarl

Luxembourg

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NOTICE

NOTICE is hereby given that the 12th Annual General Meeting (AGM) of the Company will be held at 1.30 p.m. or immediately after the completion of the 49th AGM of Binani Industries Limited if meeting concludes after 1.30 p.m. at 94/2, Rotary Sadan, Chowringhee Road, Kolkata - 700 020 on Saturday, the 4th August, 2012 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date together with the Reports of the Auditors and Directors' thereon.
2. To appoint a Director in place of Mr. Braj Binani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. V. Subramanian, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Varma & Varma, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors and / or Committee thereof to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. T.R.C.Nair, who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, holds such office till 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 along with a deposit of ₹ 500/-, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED FURTHER THAT Mr. Sanjeev P. Thomas who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with 89 of the Articles of Association of the Company, holds such office till the date of the 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 along with a deposit of ₹ 500/-, be and is hereby appointed as a Director of the Company liable to retire by rotation."

"RESOLVED FURTHER THAT subject to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the Act) and subject to such other approvals as may be required, the Company hereby accords its approval for the appointment of Mr. Sanjeev P. Thomas as the Whole time Director of the Company w.e.f. 22nd October, 2011 for a period of 5 (Five) years (i.e. from 22nd October, 2011 to 21st October, 2016) or till such time as may be approved by the Central Government on the terms and conditions as set out in the Agreement dated 17th January, 2012 entered into between the Company and Mr. Sanjeev P. Thomas (a copy of which is placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions of said Agreement as the Board of Directors may consider necessary and as may be agreed to by Mr. Sanjeev P. Thomas and in accordance with the applicable provisions of the Act and any amendment thereto or re enactment thereof."

"RESOLVED FURTHER THAT even in the absence or inadequacy of profits in any Financial Year, subject to the approval of the Central Government and such other approvals as may be required, Mr. Sanjeev P. Thomas be paid the same remuneration as set out in the Agreement dated 17th January, 2012 as minimum remuneration for the entire tenure (i.e. from 22nd October, 2011 to 21st October, 2016) or such time as may be approved by the Central Government."

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

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other consent, sanctions and permissions as may be required, consent of the Company be and is hereby accorded to the Board of Directors to create a charge on the fixed assets of the Company in favour of the lenders of Binani Industries Limited or for others as stipulated or as may be stipulated by the terms and conditions of the respective loan agreement(s) towards pooling of securities or otherwise for a combined limit aggregating to ₹ 500 Crores (Rupees Five Hundred Crores)

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise the form, extent and manner of document and deeds wherever applicable, for creating the appropriate mortgage and/or hypothecation, Lien, charge on all or any of the assets of the Company both present and future on such terms and conditions as may be decided by the Board in consultation with the lenders to the Company and Lenders of Binani Industries Limited and others and/or trustees, to execute such deeds, documents and writings, to accept amendments to such charge documents and other documents as and when the same become necessary and to sign letter of undertaking, declarations, agreements and other writings which the Company may be required to execute and to perform all such acts, deeds and things as may be necessary to give effect to this resolution

By Order of the Board of Directors
For **Binani Zinc Limited**

Rajesh K. Pathak
Company Secretary

Place : Mumbai

Date : 21st April, 2012

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- The proxy form in order to be effective should be duly stamped, signed and completed in all respects and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 28th July, 2012 to Saturday, 4th August, 2012 (Both Days inclusive).
- 4. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the item No.5, 6 and 7 of the Notice alongwith a brief write up about the Directors to be appointed is annexed hereto**
A brief write up about the Directors coming up for reappointment in respect of item no. 2 & 3 of the Notice is also annexed hereto and forms part of the Notice
- The practice of distributing copies of Annual Reports at the AGM has been discontinued as a measure of economy. Members are, therefore, requested to bring their copies of the Annual Reports and Attendance Slip duly completed to the Meeting.
- Members to note that the equity shares of the Company are eligible for Dematerialisation with both the depositories, NSDL and CDSL. ISIN No. of the Company is INE310H01010. However, even after dematerialization, the shareholders

shall not be able to sell their shares in the market as the equity shares of the Company have not been listed in any of the stock exchanges so far.

- Members are requested to send all correspondence relating to shares including requests for transfer, change of address, change of status, change of mandate, etc., to our Registrar and Share Transfer Agents at their address mentioned below. In respect of shares held in Dematerialised Mode, the shareholders should inform their concerned Depository Participant only.
- Members who are holding shares in identical names under different ledger folios are requested to apply for consolidation for such folios and send the relevant equity share certificates to M/s Link Intime India Private Limited.
- The Company had forwarded physical share certificates to all shareholders including those who were holding shares in Dematerialized mode in Binani Industries Limited, the holding Company. Those shareholders who have not received the Company's Share Certificates are requested to contact M/s Link Intime India Private Limited immediately. The contact nos. / details are as under:
Link Intime India Private Limited
Unit : Binani Zinc Limited
C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai-400078.
Tel. No. 022-25963838 Fax : 022-25946969.
Contact Person: Mr. Rajesh Mishra
Email : rajesh.mishra@linkintime.co.in
- Members may note that the Company's website is www.binani.com
- The telephone numbers and email id of concerned official/s of the Company and Registrar & Share Transfer Agents for the purpose of complaints are as under :
Mr. Rajesh K. Pathak, Company Secretary
Tel. 022- 30263000-02 (Extn. 3043)
Email : rajesh.pathak@binani.net
Kolkata Tel.: 033 2516 0063
Email : sauvik.nayak@binani.net
- Members are requested to :
 - send their queries, if any, at least 15 days in advance of the meeting at the Company's Registered Office so that information can be made available at the meeting.
 - fill in the attendance slip for attending the meeting and those who hold the shares in dematerialized form are requested to bring their client ID and DPID for identification of attendance at the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 5 & 7 of the Notice read with the 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 Item No. 6 of the Notice is appended hereto and forms part of this Notice.

Item No.5

Mr. T.R.C.Nair, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 21st April 2012 in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, would hold office upto the date of this Annual General Meeting. The Company has received a notice from a member signifying his intention to propose the appointment of Mr. T.R.C.Nair as Director liable to retire by rotation at the ensuing Annual General Meeting. The said Notice is accompanied by a deposit of ₹ 500 as required by law

Mr. T.R.C.Nair, aged about 60 years is a Post Graduate and Graduate in Law besides being a Fellow Member of the Institute of Company Secretaries of India (FCS) . He also has a Diploma in Personnel Management and Industrial Relations. Mr. T.R.C.Nair has over 35 years of experience including more than 25 years of experience in Secretarial and Legal matters. His last assignment was as Executive Director (Corporate Legal) & Company Secretary of Binani Industries Limited. He is now acting as a Advisor/Consultant. He has been associated with Braj Binani Group for the last two decades.

Besides being a Director of the Company, he is also a Director in Binani Cement Limited, BT Composites Limited, Goa Glass Fibre Limited and Binani Metals Limited. He is also on the Board of some Private Limited Companies of Braj Binani Group.

Your Directors recommend appointment of Mr. T.R.C.Nair as Director of the Company

None of the Directors is in any way concerned or interested in this resolution except Mr. T.R.C.Nair to the extent of his appointment.

Item No.6

Mr. Sanjeev P. Thomas who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 22nd October, 2011 in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, would hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member signifying his intention to propose the appointment of Mr. Sanjeev P. Thomas as Director liable to retire by rotation at the ensuing Annual General Meeting. The said Notice is accompanied by a deposit of ₹500 as required by law

Mr. Sanjeev P. Thomas has been appointed as the Whole time Director of the Company w.e.f. 22nd October, 2011 for a period of 5 years (i.e. from 22nd October, 2011 to 21st October, 2016) by the Board of Directors of the Company based on the recommendation of the Remuneration Committee subject to the terms and conditions as contained in the Agreement dated 17th January, 2012, or till such time as may be permitted by the Central Government.

Mr. Sanjeev P. Thomas was appointed at a remuneration consisting of Basic Pay of ₹1.30 Lakhs p.m. plus perquisites for the period till 21st October, 2016 as approved by the Remuneration Committee. Even in the event of loss or inadequacy of profits, it is proposed to pay him the same remuneration as minimum remuneration for a period not exceeding 3 years subject to such approvals as may be required

The information and particulars required to be provided to the shareholders are given below:-

General Information:

- (1) **Nature of Industry:** Non Ferrous Metals. The Company is engaged in the manufacture of Zinc and its by-products Cadmium and Sulphuric Acid.
- (2) **Expected date of Commencement of Commercial Production:**
Production commenced on 22nd April, 1967. The unit was part of Binani Industries Limited and was hived off to the Company pursuant to a Scheme of Arrangement approved by the Hon'ble High Court, Kolkata w.e.f. 1st June, 2002.
- (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:**

(₹ in Lakhs)

Financial Parameters	2007-08	2008-09	2009-10	2010-11	2011-12
Net Sales & other Income	48,164	28,509	39,528	41,528	41,519
Interest & Financial Charges	277	896	786	2,123	1,519
Depreciation	694	735	1,221	859	904
Profit / (Loss) Before Tax	620	(315)	505	(1,159)	(1,709)
Profit / (Loss) after Tax	328	(228)	169	(800)	(1,456)

- (5) **Export performance and net foreign exchange collaborations:** NIL
- (6) **Foreign investments or collaborators, if any :**
The Company has made Foreign Investments of ₹3,756.01 Lakhs (AUD 85.26) in BZ Minerals (Australia) Pty Ltd in Australia and ₹8.61 Lakhs (EUR12,500.00) in BZ Minerals (Luxembourg) Sarl, its wholly owned subsidiaries. There is no foreign investment in the Company except for shares held by NRI's, OCB's and FII's.

II. INFORMATION ABOUT THE APPOINTEE

1. Appointee's qualification, experience, past performance:

Mr. Sanjeev Thomas, aged about 51 years, is B.Tech from MA College of Engineering, Kerala and MBA from School of Management Studies, Cochin University.

He has wide experience of over 25 years in diversified businesses in the domain of mineral processing, aluminum extrusion and automobiles.

Before his appointment as Whole time Director of the Company, he had more than 18 years of experience with English Indian Clays Limited a Thapar Group Company as General Manager - Operations and also with Indal, part of the Alcan Group pioneer in aluminum processing.

Mr. Sanjeev Thomas is a professional having vast experience in Operations and Strategic Management, in managing and building business including start ups and new verticals and spearheading expansion and development in the Companies.

Mr. Sanjeev Thomas is a strong leader having skills in managing Companies in a rapidly changing environment with a focused approach. His major strengths have been providing business leadership with a strong emphasis on development of resources through delegation and control.

2. **Past Remuneration:** The details of remuneration received by Mr. Sanjeev P. Thomas during last 2 years are as under:

(₹ in Lakhs)

Year	2010-11	2011-12
Remuneration received	N.A.	16.73

3. **Recognition or awards :** Nil

4. **Job profile and his suitability:**

Mr. Sanjeev P. Thomas, prior to being inducted as the Whole time Director of the Company, has worked as President in the organization and managed the Zinc business efficiently. Considering his experience, the remuneration proposed to be paid to Mr. Thomas is comparable with the prevailing market rate and commensurate with his practical experience, professional qualifications and technical competence., the Remuneration Committee (RC) and the Board of Directors (BODs) of the Company considered him a fit person to take the mantle as the Whole time Director of the Company and thus, appointed him as Whole time Director w.e.f. 22nd October, 2011.

5. **Proposed Remuneration** are as under:

Basic Salary: Basic Salary has been fixed at ₹ 1,30,000 /- p.m. plus perquisites based on the basic salary per month for 5 years (i.e. from 22nd October, 2011 to 21st October, 2016) or till such time as may be permitted by the Central Government.

Basic Salary and Variable pay will be revised every year in the month of April as may be determined by the Chairman / Executive Vice Chairman & Managing Director of Binani Industries Ltd. (Holding Company) / Board of Directors.

Perquisites:

Category – A

- i. **House Rent Allowance (HRA):** NIL. Company provided accommodation at Binanipuram quarters..
- ii. **Medical Reimbursement:** 10% of the basic pay or such sum as applicable to M0+ grade of the Company from time to time will be paid as medical reimbursement every month.
- iii. **Personal Allowance:** 10% of the basic pay or such sum as applicable to M0+ Grade of the Company from time to time.
- iv. **Special Allowance:** ₹ 86,000 p.m or such sum as may be approved from time to time.
- v. **Variable pay:** ₹ 13,000 per month or such sum as may be approved from time to time.
- vi. **Medical and Group Insurance:** As per the rules of the Company as applicable to M0+ grade of the Company from time to time.
- vii. **Leave Travel Concession:** One month's Basic Salary every calendar year.

Category – B

- i. **Provident Fund:** 12% of the basic salary.
- ii. **Gratuity:** As per Gratuity Act subject to the Rules framed in this regard by the Company including for past services with the Company
- iii. **Leave:** Leave with full salary as per the Rules of the Company. The leave accumulated but not availed may be encashed as per the rules of the Company from time to time.

Category - C

- i. **Car Scheme Reimbursement:** ₹ 38,000 per month or such sum as may be approved from time to time for M0+ grade
- ii. **Residence Telephone & Mobile Phone** The Company will provide one landline telephone with STD facility at the residence of Mr. Sanjeev Thomas .

The Company will reimburse/pay expenses for official calls on monthly basis, all personal STD / ISD calls charges should be paid by Mr. Sanjeev P. Thomas .

- a. **Income Tax:** Income tax, if any, on or in respect of the aforesaid remuneration shall be borne and paid by Mr. Sanjeev P. Thomas.

As Whole time Director, Mr. Sanjeev P. Thomas shall not be paid any sitting fees for attending the meetings of the Board or any Committees thereof.

- b. **Minimum Remuneration:** In the event of loss or inadequacy of profits in any Financial Year, the Company may pay to Mr. Sanjeev P. Thomas by way of salary and perquisites the same remuneration as minimum remuneration for a period not exceeding 3 years subject to such approvals including that of Central Government.

Accordingly, an Agreement dated 17th January, 2012 was executed between the Company and Mr. Sanjeev P. Thomas.

Pursuant to Section 302 of the Act, an Abstract of the Terms contained in said Agreement has been sent to all the members.

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

Considering his long years' experience and qualification, the remuneration proposed is comparable with the prevailing market rate and commensurate with his practical experience, professional qualification and technical and managerial competency.

Under the circumstances, the Company is seeking your approval to pay the same remuneration as minimum remuneration even in the event of the profit being inadequate or if the Company incur losses during his tenure as the Whole time Director.

During the year 2011-12, the Company has made Net Loss of ₹ 1,456 Lakhs.

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

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

- a. Loss due to Exchange Fluctuation.
- b. Lower sales than planned due to reduced production.
- c. Higher cost of concentrate than planned due to lower spot T/Cs in the concentrate market.
- d. Reduction in LME.

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

- a. The terms of payment in procuring concentrate is being negotiated to DAP from the existing CIF, so that the responsibility to deliver in time will be on the supplier.
- b. The Company has entered into long term tie up for concentrates on benchmark related terms. This will ensure that raw material is priced commensurate with other smelters worldwide. More than 75% of zinc concentrate requirement for the coming year is already tied up on these terms.
- c. Variation in LME and Exchange Fluctuation is market driven. However, Company has an established hedging policy which ensures that the risk is mitigated.

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

In 2012-13, the Company plans for steady production which will lead to an increase in production of upto 15%. The Company plans to increase margins through increase in sale of value added products and through effective cost reduction.

DISCLOSURES:

- (a) In addition to the salary, he will be entitled to notice pay of 1 month's basic pay in the event of termination of service.
- (b) Leave accumulated but not availed may be encashed as per the rules of the Company.

Your Directors recommend the resolution for your approval. None of the Directors is in any way concerned or interested in this resolution except Mr. Sanjeev P. Thomas to the extent of his appointment.

Item No. 7

Section 293 of the Companies Act, 1956 provides that the Board of Directors of a Public Company shall not except with the consent of the Company in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking.

The Assets of the Company were earlier charged for the loans availed by Binani Industries Limited and by Binani Cement Limited. Binani Industries Limited has recently taken a loan from Exim Bank Limited which stipulates a charge on the assets of the Company. A formal request has been received from Binani Industries Limited to create a charge on the assets of the Company in favour of Exim Bank Limited.

It is now proposed to grant authority for creating charge on the Assets of the Company in favour of Binani Industries Limited and other third parties on the assets of the Company for an aggregate limit of ₹ 500 Crores. The proposed resolution authorises the Board of Directors to create a charge on the assets of the Company on behalf of Binani Industries Limited and /or Others.

Your Directors recommend the passing of the Resolution.

None of the Directors is in any way concerned or interested in this Resolution.

A copy of the Agreement dated 17th January, 2012 executed between the Company and Mr. Sanjeev P. Thomas in respect of item No.6 of the accompanying notice and notices referred to in the Resolution appearing in Item No. 5 & 6 and request letter as referred in Item No.7 will be open for inspection by the Members of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day except Saturdays and Sundays upto the date of AGM.

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

Rajesh K. Pathak
Company Secretary

Place : Mumbai
Date : 21st April, 2012

INFORMATION FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE REAPPOINTED VIDE ITEM 2 AND 3 OF THE NOTICE DATED 21ST APRIL 2012

Name of the Director	Mr. V. Subramanian	Mr. Braj Binani
Date of Birth	25.11.1930	14.12.1959
Date of Appointment on the Board as Director	25.02.2000	01.04.2005
Date of Last appointment as Director	25.06.2010	26.06.2009
Expertise in Specific Functional Areas	Finance & Accounts	Entrepreneurship & Management
Qualification	B.Com, ICWAI	B.Com (Hons)
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	10 equity shares of ₹ 10/- each	12,269 equity shares of ₹10/- each
List of other Directorships held	Binani Industries Limited Binani Cement Limited Goa Glass Fibre Limited BT Composites Limited Binani Metals Limited Wada Industrial Estate Limited Sambhaw Holdings Limited Amrit Kalash Finance Limited K.B.Vyapar Private Limited Swiss Merchandise Infrastructure Limited Merit Plaza Limited B.M.Retailers Private Limited Vijayshree Holding Pvt. Ltd. Suryamukhi Vintrade Private Limited Total Composites Private Limited Binani Energy Private Limited Everest Goods Private Limited	Binani Industries Limited Binani Cement Limited Goa Glass Fibre Limited Binani Metals Limited
Chairman / Member of the Committee of Board of Directors of the Company	Member-Audit Committee Member- Investor Relation Committee Member-Finance Committee Member-Remuneration Committee	Member-Finance Committee
Chairman / Member of the Committee of Board of Directors of other Companies in which he is a Director as per clause 49 of the Listing Agreement	Chairman- Audit Committee Binani Cement Limited BT Composites Limited Binani Metals Limited Wada Industrial Estate Limited Member- Audit Committee Binani Industries Limited Goa Glass Fibre Limited Member- Investor Relations Binani Industries Limited Goa Glass Fibre Limited Binani Cement Limited Binani Metals Limited	Nil

DIRECTORS' REPORT

To the Shareholders

Your Directors have pleasure in submitting the 12th Annual Report along with the Audited Accounts for the year ended 31st March, 2012.

1. Industry Overview

During 2011-12, low zinc prices on LME (Avg:\$2,101) and a tight concentrate market, affected all stand-alone Smelters.

The Indian economy slowed down to 6.9%, after having grown at 8.4% in each of the two preceding years. Weakening industrial growth contributed significantly to the slowdown.

Demand for zinc grew at 7.8% during 2011-12. As per 12th Five Year Plan projections (by the Ministerial Working group) zinc demand is expected to reach 9,00,000 MT per annum i.e.(AGR of approximately 9%). Duty of 5% continues in import of zinc metal, while the basic import duty on concentrate remains @ 2.5%.

Investments opportunities are expected to continue in Power, Telecom and Infrastructure. All end use segments of zinc are expected to recover high growth rates during 2012-13.

2. Review of Operations

(₹ in Lakhs)

Particulars	2011-12	2010-11
Net Sales & other Income	40,709	41,519
EBIDTA	714	761
Cash Profit / (Loss)	(805)	(296)
Profit/(Loss) before Tax	(1,709)	(1,156)
Profit/(Loss) after Tax	(1,456)	(857)

3. Dividend

In view of loss in current year, no dividend is recommended.

4. Future Plans

In line with the industry projection of market deficit by 2015-16, the Company plans to go ahead with its capacity augmentation plan to 100 KTY. Simultaneously precious metal recovery program is being implemented during the year which will contribute substantially to the bottom line. Various options are being evaluated for acquisition of mining assets to support expansion plans of the Company.

The Company will continue to focus on value added products like alloys to increase its realization. During the year 2011-12, the sale of alloys grew over 250% as compared to the previous year.

The Company has also formed an "Application Team" in the R & D department which will interact closely with present and potential customers to develop new and value added products.

The long term prospects of Zinc metal remain robust and the Company looks forward to growing this business through capacity expansions, increased focus on value-added products and strategic investments in the mining space and technology to fortify raw material security and business sustainability.

5. Strengths/Opportunities/Threats/Risks/Concerns

Raw Material availability at long-term benchmark terms, power at affordable costs and access to key market segments are the key drivers of growth. Company has drawn up plans that address all these concerns.

In the near to medium-term, significant factors will be full-load operations, mitigating the risks of price fluctuations, ensuring 100% raw material feed and increasing market penetration of alloys.

Zinc market is bullish on LME prices and we expect prices to pick up significantly.

The Company enjoys a high level of brand equity for its products. With the focus on value adds company's margins have been strengthened, while offering value to quality-conscious customers.

To ensure that desired blend of concentrates is available, Company has been pursuing a policy of tying up 60 – 70% of its feed through long-term tie-up with principal traders. Balance is sought to be covered through spot purchases.

6. Internal Controls relating to accounting system

Your Company has adequate internal control systems. External agency has been appointed for periodic internal audit to the Management Systems.

7. Human Resource Development / Industrial Relations

Employee hiring especially, recruitment of management trainees have been done during the year. The recruitment process focused on identifying talents from two tier institutes. Pertinent to say the mixture of young minds with experience will bring the Company a facelift. Focused and well driven employee engagement initiatives have smoothened the employee relations during the period. A win-win situation in the industrial relations space in the Company is being maintained which brings healthy and productive work environment.

Safety and Environment initiatives were taken in the form of awareness programmes, competitions; training programmes etc SHE initiatives topped the agenda of the Company and its people. Our efforts in this area were recognized and the Company bagged 1 National Level and 3 State Level safety awards from Government of Kerala and National Safety Council during this year.

Retaining critical talent and acquiring new talent for meeting business requirements was one of the biggest challenges last year.

Focused training programmes on topics / areas assessed were undertaken principally for knowledge and skill upgradation of operatives, Management Development, Change Management programme for specific target groups and "Seven habits of highly effective people" for selected managers. Internal trainers also played an effective role. Management Workshops on 'Personal & Professional Effectiveness' and 'Hazard and Operability Studies' rendered better results this year. Average time spent on learning & development this year rose to 4.3 man days per employee.

8. Corporate Social Responsibility

As part of its commitment to the society, the Company has extended support for improving health and hygiene of the local people living in and around the Company. Mainly through the launch-pad of Ghanshyam Binani Occupational Health Centre and Ghanshyam Binani Community Hall. This year also, Ghanshyam Binani Occupational Health Centre (GBHC) catered to the health care / medical advice needs of employees, their families, community around, besides rendering annual health check up service to employees of several industries around.

Further the Company is also providing need based support around the plant location focusing on education, medical and welfare. CSR at the Company has evolved in to a new shape where the participation of community living around are fully ensured.

GBHC. in partnership with Indian Medical Association and National Safety Council, conducted State Level First Aiders training programme this year; thus completing a total of 11 batches and training a total of 392 industrial employees across industries in Kerala.

GBHC serves the community, employees and their family members through Health Talks, Multi-Specialty Medical Camps and Medical Specialists' Camps. GBHC continued to be recognized as "Centre of Public Health Importance" this year also. Medical and nursing students regularly visit here and through their extension service wings, serve the community and school students.

Empowerment programmes for the children, women and the old aged are regularly conducted, and annual Camps are organized focusing on the personality development of school children. Assemblages in the Pakalveedu on all Tuesdays have become an active part of the 43 all -old-aged of the community, where the meaningful presence of the Chief Medical Officer, and at times, by Company officers is cherished by the inmates.

Rotary Binani CSR award was constituted with a view of encouraging and inspiring other corporate to take up CSR activities.

This year also, Company's partnership interventions continued for the Binanipuram Government High School students, where the SSLC students bagged 100% results; thus repeating history in the sixth year in succession. The Company's association with Government Hospital, Binanipuram continued this year also.

AWARDS / RECOGNITIONS

Our Company has won the following National, Regional and State Level awards and accolades:

- Green Tech Environment Excellence Award in minerals and mining sector – 2011.
- Excellence Award – 2011 from the Kerala State Pollution Control Board, among large-scale industries.
- Excellence Award-2011 from CII – Health and Safety Commendation Certificate.
- State Level Safety awards – 1st Prize in our category from Government of Kerala and Excellence in Safety Management from National Safety Council during this year, 2011-12
- Excellence Award for Occupational Health Centre in the year 2011 from the Kerala Government.

9. Board of Directors

In accordance with Article 100 of the Articles of Association of the Company, Mr. Braj Binani and Mr. V. Subramanian retire by rotation and being eligible, offer themselves for reappointment.

Mr. Sanjeev Thomas was appointed as Additional Director / Wholetime Director w.e.f 22nd October, 2011 for a period of 5 years subject to the approval of the shareholders and Central Government. He holds office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received notice from a shareholder alongwith a deposit of ₹ 500 /- proposing the appointment of Mr. Sanjeev Thomas as regular Director at the ensuing Annual General Meeting. The proposal for the payment of remuneration to the Wholetime Director has also been placed before you for approval.

During the year Mr. T.R.C. Nair was appointed as Additional Director on the Board at the Meeting of the Board of Directors held on 21st April, 2012. He holds office as Additional Director upto the date of the ensuing Annual General Meeting. The Company has received notice from a shareholder alongwith a deposit of ₹ 500 /- proposing the appointment of Mr. T.R.C.Nair as regular Director at the ensuing Annual General Meeting.

During the year Mr. S. Padmakumar, Mr. Roy Kurian K.K. and Mr. Ibrahim Ali retired/resigned as Directors of the Company with effect from 20th November, 2011, 31st August, 2011 and 21st April, 2012 respectively. The Directors

wish to record their appreciation for the significant and valuable contribution made by the Directors during their tenure as Directors on the Board of the Company.

During the year, Mr. Sushil Bhattar who was appointed as Managing Director of the Company w.e.f 1st January, 2011 resigned as Managing Director. However he continues to be a Director on the Board.

10. Auditors

M/s Varma & Varma , Chartered Accountants, the Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The retiring Auditors have given their consent for re-appointment. The Company has received a certificate under Section 224(1) of the Companies Act, 1956 from the Auditors that their appointment, if made, will be in accordance with the limits as specified as per Section 224(1) of the Companies Act, 1956 and the proposal has been placed before you for approval.

11. Cost Auditors

In terms of the Order of the Ministry of Corporate Affairs, the Cost Accounting records relating to the manufacture of Sulphuric Acid and nonferrous metal are required to be audited for the year 2012-13. Accordingly M/s. N.P. Gopalkrishnan & Co. Cost Accountants, Cochin are appointed as Cost Auditors for the year 2012-13. Necessary application will be made to the Central Government seeking their approval for the appointment of M/s. N.P. Gopalkrishnan & Co., Cost Accountants, Cochin as the Cost Auditors for the year 2011-12. The Company also maintains cost records for zinc metal.

The Cost Audit reports for the Financial Year 2011-12 has been filed vide SRN S04855961 on 9th May, 2011.

12. Subsidiary Companies

During the year your Company has formed a wholly owned subsidiary viz BZ Minerals (Luxembourg) as a special purpose vehicle (SPV) basically for making investment in and loans to mining companies .

The statement pursuant to Section 212 of the Act relating to its subsidiaries i.e. RBG Minerals Industries Limited and BZ Minerals (Australia) Pty. Limited alongwith the Audited Accounts of these Companies are annexed to this report.

During the year, Binani Energy Private Limited, a wholly owned subsidiary of the Company ceased to be a subsidiary of the Company consequent upon the sale of shares held by the Company..

13. Particulars under Section 217

The statement of particulars under Section 217(1) (e) of the Act regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed as **Annexure A.**

The Statement of particulars of employees specified under Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 as annexed is amended as **Annexure B.**

14. Directors Responsibility Statements

Pursuant to Section 217(2AA) of the Act, the Directors also report that:

- a) In the preparation of the annual accounts, all applicable accounting standards have been followed and proper explanation relating to material departures, If any, have been furnished;
- b) Accounting policies as listed in 'Note No. 1' to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012 and of the Loss of the Company for the Accounting year ended on that day;
- c) Proper and sufficient care for the maintenance of adequate accounting records has been taken in accordance with the provisions of this act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.

15. Acknowledgement

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

By Order of the Board of Directors
For **Binani Zinc Limited**

Braj Binani
Chairman

Place : Mumbai
Date : 21st April, 2012

ANNEXURE "A" TO DIRECTORS' REPORT

PARTICULARS UNDER SECTION 217(1)(e)

1. CONSERVATION OF ENERGY:

(1) Energy conservation measures taken

- a. Continuing program of VFDs for load variable motors in plants. Savings of 1,43,000 KWh on an annual basis by implementing VFD control for two Acid plant CTFs and one WTP CTF motors.
- b. Conversion from 125 W and 250 W MH lamps to energy efficient 70 W and 150 W metal halide lighting at Purification plant and Roaster & Acid plant covering 20 % of installed lighting. Installation of 24 W LED lighting for 70 W SV streetlights on pilot basis. Total energy savings around 26,884 KWh on annual basis.
- c. Power factor improvement through APFCs in Cell House PCC and Utility PCC resulting in u.p.f incentive even during high load operation of Cell House. Savings estimated to be approximately 1.5 lakhs.
- d. Replacing old bypass valve for turbo-generator steam line reducing steam loss and increasing generation by an average of 3000 KWh per operating day producing additional 10,05,000 KWh on an annual basis.
- e. Installation of new 'Coolite' energy savers on pilot basis for service lighting resulting in savings of 3500 KWh annually.

(2) Additional investment proposals

- a. Installation of VFDs as a continuous development program for variable load motors
- b. Conversion to energy efficient lighting in more areas.
- c. Commissioning of thyristor heater controllers for Cd furnace and steam generators
- d. Solar light pipes for workshop and Melting plants.

2 TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(1) Efforts, in brief, made towards technology absorption, adaptation and innovation

- (a) A process for the manufacture of copper sulphate from copper cake was developed. Scheme was prepared for the manufacture of copper sulphate from copper cake based on the experimental results.
- (b) Experimental work for recovering iron as iron oxide from jarosite residue was completed. A scheme is being prepared for checking the feasibility.

- (c) In order to reorient from an approach of "Quality control" into an approach of "Quality Assurance", statistical tools such as SPC and SQC are being implemented.

(2) Benefits derived as a result of above efforts. (e.g. product improvement, cost reduction, import substitution)

- (a) Value added products from the waste residues like Jarosite and Copper cake,
- (b) Process optimization through systematic monitoring and taking corrective/ preventive actions.

3 TECHNOLOGY ABSORPTION - RESEARCH AND DEVELOPMENT (R & D)

(1) Specific areas in which R & D work was carried out by the Company

- (a) A project on the synthesis of nano zinc oxide is taken up. There are two approaches for the synthesis of nano zinc oxide viz. milling down zinc oxide to reduce the particle size or by chemical synthesis. Due to synergy with the existing system of manufacture of zinc, the chemical synthesis route is actively being pursued.
- (b) Detailed understanding of the end application of Alloys and Zinc dust is being developed in order to transform the Company from a mere commodity supplier into a total solution provider.
- (c) Experimental work was done to study the recovery of gypsum from magnesium bleed -off cake.
- (d) Experiment to establish the process conditions for washing of chloride and fluoride from crude zinc oxide was conducted. The conditions required for the treatment of the wash water were also established.
- (e) The effect of organics present in electrolyte solution on current efficiency of the electrolytic cell was studied by conducting electrolysis in the lab and the extent of allowable organics in sodium sulphate was estimated.

(2) Benefits derived as a result of the above R & D projects

- (a) Value added product from zinc.
- (b) Value added products from the waste residue, Gypsum.

- (c) Evaluate the feasibility of treating secondary oxidic materials with high halide content.
- (d) Optimize the cost by procuring sodium sulphate of lower cost (and having higher organic content) and blending with good quality sodium sulphate.

(3) Future plan of action

- (a) Technical suitability for utilization of jarosite in the manufacture of cement in collaboration with National Council for Cement and Building Materials
- (b) Develop the process for the manufacture of nano zinc oxide.
- (c) Detailed understanding of the end application of Zinc Dust, identifying the shortfalls in the existing products that are manufactured, suggest improvement to meet the customer requirements and identify scope for new grades of zinc dust.
- (d) Detailed understanding of the Zinc based Alloys in the application of castings
- (e) Transform from a perspective of Quality control into a perspective of Quality Assurance using tools such as SPC and SQC.

- (f) Value addition to zinc by exploring the possibility of making new alloys and zinc based chemicals.

(4) Expenditure on R&D

(₹ in Lakhs)

(a)	Capital	6.22
(b)	Recurring	76.90
(c)	Total	83.12
(d)	Total Expenditure as a percentage of turnover	0.20 %

4. Foreign exchange earnings & outgo:

- a. **Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:-**

The Company's products are in great demand and the price is also remunerative in the domestic market. Therefore Company has no plans to export the Company's products in the near future.

- b. **Total Foreign Exchange Used and Earned**

Total Foreign Exchange Earnings : ₹ 3,273.93 Lakhs

Total Foreign Exchange Outgo: ₹ 25,934.82 Lakhs

ANNEXURE "B" TO DIRECTORS' 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

- i) Employed during the Financial Year and in receipt of remuneration of not less than ₹ 60,00,000/-p.a.

NIL

- ii) Employed during part of the Financial Year and in receipt of remuneration of not less than ₹ 5,00,000/- p.m.

Sl. No.	Name	Age (Years)	Designation / Nature of Duties	Remuneration Received (₹ in Lakhs)	Qualification	Exp. (Years)	Date of commencement of Employment	Previous Employment	
								Post Held	Name of Previous employer
1.	Mr. Sushil Bhatte*	55	Managing Director	65.46	B.E.Chem (Hons) from Birla Institute of Technology, Pilani	33	1st January, 2011	Business Head-Metallurgy	Binani Industries Limited

Notes:

- Gross Remuneration shown above is subject to tax, and comprises salary, allowances, monetary value of perquisites and companies contribution to Medical Insurance and Provident Fund.
- The nature of employment of Mr. Sushil Bhatte is contractual.
- Mr. Sushil Bhatte is not related to any Director of the Company.
- * denotes part of the year.

AUDITORS' REPORT

The Members,
Binani Zinc Limited,
Binanipuram

We have audited the attached Balance Sheet of BINANI ZINC LIMITED as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance 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.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
2. 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, Statement of Profit and Loss and Cash Flow Statement dealt with by the report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss 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 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
3. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies and other notes attached thereto, 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:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Varma & Varma**
Chartered Accountants
(FRN: 004532S)

Vivek Krishna Govind
Partner
Membership No. 208259

Place : Mumbai
Date : 21st April, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 1 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) We are informed that all the fixed assets have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of operations of the Company and that no material discrepancies were noticed on such verification.
(c) During the year the Company has not disposed off a substantial part of the fixed assets.
2. (a) We are informed that the inventory (excluding stocks with third parties) have been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of such verification is reasonable.
(b) In our opinion and according to the explanations given to us, the procedures for physical verification of inventory 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 inventory and no material discrepancies were noticed on physical verification, by the management.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties requiring to be entered in the register in terms of Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b) to (iii) (d) of the paragraph 4 of the Order are not applicable
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties requiring to be entered in the register in terms of Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (f) to (iii) (g) of the paragraph 4 of the Order are not applicable
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 nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control systems.
5. As per the information and explanations given to us, the Company has not entered into any contracts or arrangements that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956. Accordingly, Clause (v) (b) of the paragraph 4 of the Order is not applicable.
6. The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. In our opinion, the Company has an internal audit system, the scope and coverage of which is commensurate with the size of the Company and the nature of its business.
8. The maintenance of cost records have been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
9. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues on account of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues as applicable to the Company with the appropriate authorities during the year. As per the information and explanations furnished to us by the management, there are no amounts to be deposited towards Investor Education and Protection Fund. There are no arrears of undisputed statutory dues outstanding for a period of more than six months from the date on which they became payable except for import duties amounting to ₹2,397.78 Lakhs which is not paid pending the final assessment thereof.
(b) According to the information and explanations given to us and the records of the Company examined by us, the following disputed amounts of tax demanded (including those related to the erstwhile Zinc Division of the holding company Binani Industries Limited) have not been deposited with the authorities as at 31st March, 2012:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty including interest	36.08	1998-99*	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
	Excise duty (service tax credit on forward exchange contracts)	1.34	2007-08	Commissioner of Central Excise, Customs & Service Tax (Appeals)
	Excise duty including penalty (service tax credit on forward exchange contracts)	0.70	2009-10	Commissioner of Central Excise, Customs & Service Tax (Appeals)
	Excise duty including penalty (Service tax credit on Employee Welfare Activities)	3.18	2008-09	Commissioner of Central Excise, Customs & Service Tax (Appeals)
	Excise duty including penalty (Service tax credit on Public Welfare Activities)	0.44	2008-09	Commissioner of Central Excise, Customs & Service Tax (Appeals)
	Excise duty including penalty (Service tax credit on Canteen Activities)	1.43	2008-09	Commissioner of Central Excise, Customs & Service Tax (Appeals)
	Excise duty including penalty (Service tax credit on carriage outwards)	48.58	2008-09	Commissioner of Central Excise, Customs & Service Tax (Appeals)
	Excise duty (service tax credit on selling commission)	13.49	2005-06	Customs, Excise and Service Tax, Appellate Tribunal, Bangalore
Indian Customs Act, 1962	Customs duty (Item classification)	78.40	1984-85*	Asst. Commissioner of Customs, Kochi
	Interest for warehousing period	0.59	1993-94*	Asst. Commissioner of Customs, Kochi
	Interest for warehousing period	12.46	2002-03	Hon'ble High Court of Kerala
	Customs duty (Item classification)	0.56	1995-96*	Customs, Excise and Service Tax, Appellate Tribunal, Chennai
	Customs duty (Item classification)	11.09	1993-94*	Customs, Excise and Service Tax, Appellate Tribunal, Chennai
Income Tax Act, 1961	Fringe Benefit Tax and Interest thereon	2.50	2008-09	Commissioner of Income Tax (Appeals), Kolkata

* Relates to the erstwhile Zinc Division of Binani Industries Limited.

10. The Company's accumulated losses as at the end of the financial year are less than fifty per cent of its net worth and the Company has incurred cash losses both in the current year and in the immediately preceding financial year, as per the accounts of the Company read with the Notes thereon.
11. According to the information and explanations given to us and the records of the Company examined by us, during the year the Company has not defaulted in repayment of dues to the financial institutions and banks.
12. According to the information and explanation given to us, the Company has not given any loans or advances in the nature of loans on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is a Manufacturing Company as defined in this order and is not a chit fund/nidhi/mutual benefit fund/society.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the information and explanations given to us and as stated in Note No.30.1 to the financial statements, the Company has given an irrevocable and unconditional corporate guarantee to IDBI Bank, Dubai in respect of term loan availed by Glass Fibre Holding I S.a.r.l and 3B Fibreglass Norway AS to the extent of ₹1,85,000 Lakhs and also to EXIM Bank in respect of term loan availed by Binani Industries Limited to the extent of ₹21,000 Lakhs. In our opinion, the terms and conditions on which such guarantees have been given are not prima facie prejudicial to the interests of the Company.
16. According to the information and explanations given to us and the records of the Company examined by us, the term loan availed by the Company have been applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and the records of the Company examined by us, the funds raised on short-term basis have not been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies requiring to be entered in the register pursuant to Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Fok Varma & Varma
Chartered Accountants
(FRN: 004532S)

Vivek Krishna Govind
Partner

Place : Mumbai
Date : 21st April, 2012

Membership No. 208259

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lakhs)

Particulars	Notes	31st March, 2012	31st March, 2011
Equity And Liabilities			
Shareholders' Funds			
(a) Share Capital	2	6,761.81	6,761.81
(b) Reserves and Surplus	3	(956.49)	499.47
		5,805.32	7,261.28
Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,125.00	2,250.00
(b) Deferred Tax Liabilities (net)	5	507.00	795.00
(c) Other Long-Term Liabilities	6	594.05	1,612.41
(d) Long Term Provisions	7	69.82	18.78
		2,295.87	4,676.19
Current Liabilities			
(a) Short-Term Borrowings	8	4,263.66	-
(b) Trade Payables	9	16,272.26	15,820.08
(c) Other Current Liabilities	10	7,237.57	11,834.24
(d) Short-Term Provisions	11	226.08	253.76
		27,999.57	27,908.08
TOTAL		36,100.76	39,845.55
Assets			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	8,895.16	9,191.06
(ii) Capital Work-in-Progress	13	478.67	313.37
(b) Non-Current Investments	14	4,282.51	4,223.90
(c) Long-Term Loans and Advances	15	530.74	559.61
		14,187.08	14,287.94
Current assets			
(a) Inventories	16	12,942.16	12,646.71
(b) Trade Receivables	17	1.62	33.29
(c) Cash And Cash Equivalents	18	1,884.75	4,715.38
(d) Short-Term Loans And Advances	19	6,944.90	8,038.70
(e) Other Current Assets	20	140.25	123.53
		21,913.68	25,557.61
TOTAL		36,100.76	39,845.55
Summary of Significant Accounting Policies	1		
The Accompanying Notes are an Integral Part of The Financial Statements.			

As per our separate report of even date attached

For **Varma & Varma**
Chartered Accountants
(FRN: 004532S)

Vivek Krishna Govind
Partner
Membership No. 208259

Place : Mumbai
Date : 21st April, 2012

R. Venkiteswaran
Chief Financial Officer
(Group Control Accounts)

Rajesh K. Pathak
Company Secretary

For and on behalf of the Board of Directors

Braj Binani
Chairman

Sanjeev P. Thomas
Whole time Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lakhs)

	Particulars	Notes	31st March, 2012	31st March, 2011
I	Revenue from Operations	21		
	Sale of Products		42,541.30	43,737.35
	Other Operating Revenue		1,400.81	1,207.47
	Less: Excise Duty		4,050.24	4,117.28
	Total Revenue from Operations		39,891.87	40,827.54
II	Other Income	22	817.18	691.33
III	Total Revenue		40,709.05	41,518.87
IV	Expenses			
	Cost of Raw Materials Consumed	23	26,080.66	26,822.11
	Changes in Inventories of Finished Goods and Work-in-process	24	(157.48)	(20.21)
	Employee Benefits Expense	25	1,926.00	1,614.78
	Financial Costs	26	1,518.74	1,057.20
	Depreciation and Amortisation Expenses	12	904.01	859.98
	Other Expenses	27	14,054.33	10,972.03
V	Total Expenses		44,326.26	41,305.89
VI	Profit/(Loss) before exceptional items and tax		(3,617.21)	212.98
	Exceptional Item			
	Interest Expenditure on power charges for earlier years		-	(1,368.95)
VII	Compensation Income received on surrender of rights	28	1,908.13	-
	(Loss) before tax		(1,709.08)	(1,155.97)
VIII	Tax expense:			
	Current tax		38.20	-
	Deferred tax		(288.00)	(299.00)
	Tax for earlier years		(3.32)	-
IX	(Loss) for the Year		(1,455.96)	(856.97)
X	Earnings per share(Basic / Diluted) (in Rs)	29	(2.15)	(1.27)
	Summary of Significant Accounting Policies	1		
	The accompanying notes are an integral part of the financial statements.			

As per our separate report of even date attached

For **Varma & Varma**
Chartered Accountants
(FRN: 004532S)

Vivek Krishna Govind
Partner
Membership No. 208259
Place : Mumbai
Date : 21st April, 2012

R. Venkiteswaran
Chief Financial Officer
(Group Control Accounts)

Rajesh K. Pathak
Company Secretary

For and on behalf of the Board of Directors

Braj Binani
Chairman

Sanjeev P. Thomas
Whole time Director

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 1.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1. BASIS OF ACCOUNTING

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

1.2. USE OF ESTIMATES

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

1.3. REVENUE RECOGNITION

Sales are recognised on transfer of title of the goods to the customers. Other incomes are recognised on accrual basis except when there are significant uncertainties.

1.4. FIXED ASSETS

Fixed Assets are stated at cost, net of Cenvat, less accumulated depreciation and impairment in value, if any. Costs include trial run and stabilisation expenses, interest, finance cost and incidental expenses up to the date of capitalisation.

1.5. DEPRECIATION

Depreciation on plant and machinery (except office equipments and transport equipment) is provided on Straight Line Method, at the rates and in the manner prescribed as per Schedule XIV of The Companies Act, 1956.

Depreciation on other fixed assets, office equipments and transport equipments is provided on Written Down Value Method at the rates and in the manner prescribed as per Schedule XIV to The Companies Act, 1956.

1.6. IMPAIRMENT OF ASSETS

Impairment loss is charged to the Statement of Profit and Loss in the period in which,

an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.7. VALUATION OF INVENTORIES

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

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

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

By-products are valued at Estimated Selling Price.

1.8. INVESTMENTS

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

1.9. EXPORT INCENTIVES

Export incentives are recognised on exports on accrual basis, and based on the estimated realisable value of such entitlements.

1.10. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are accounted at the exchange rate prevailing on the date of each transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss. In the case of forward contracts, the premium/discount is dealt with in the Statement of Profit and Loss over the period of the contracts and exchange difference on such contracts are recognized in the reporting period in which the exchange rates change.

1.11. EMPLOYEE BENEFITS

Defined Contribution Plans

The company has defined contribution plans for employees comprising of Government

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

administered Provident Fund, Employees State Insurance and Pension Plans. The contributions paid/payable to these plans during the year are charged to the Statement of Profit and Loss for the year.

Defined Benefit Plans

i) Gratuity

The company makes contributions to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any, and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

ii) Loyalty

The company has a scheme for payment of loyalty on retirement to eligible employees. The scheme is unfunded and the present value of obligation as determined on actuarial valuation conducted annually using the projected unit credit method is recognised in the accounts. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

Other Long term employee benefits

Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined on the basis of an actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

Short-term employee benefits

All employee benefits which are wholly due within 12 months of rendering the services are recognised in the period in which the employee rendered the related services.

1.12. BORROWING COSTS

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

1.13. TAXATION

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

1.14. PROVISIONS AND CONTINGENT LIABILITIES

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, in respect of which a reliable estimate can be made. Contingent liabilities are not provided for, but are disclosed in the Financial Statements. Contingent assets are neither recognised nor disclosed in the accounts.

1.15. RISK MANAGEMENT TRANSACTIONS

The Company uses derivative instruments to hedge the risk of movements in commodity prices. The use of these instruments reduces the risk or cost to the company and the company does not use such instruments for trading or speculation purposes. The Company recognises gain or loss on effective hedges on settlement. Unrealised gain/loss as at the Balance sheet date is not recognised.

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 2. Share Capital

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Authorised:		
7,50,00,000 (Previous Year 7,50,00,000) Equity Shares Par Value of ₹10 per share	7,500.00	7,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
Issued, Subscribed and Fully Paid up:		
6,76,18,082 (Previous Year 6,76,18,082) Equity Shares Par Value of ₹10 per share	6,761.81	6,761.81
TOTAL	<u>6,761.81</u>	<u>6,761.81</u>

2.1 Reconciliation of number of shares

(₹ in Lakhs)

Number of shares outstanding at the beginning of the year	67,618,082	67,618,082
Number of shares outstanding at the end of the year	67,618,082	67,618,082

2.2 Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

2.3 Number of shares held by Holding Company, Binani Industries Ltd are given in Note 2.4 below

2.4 Details of shareholders holding more than 5% shares in the Company as at the end of the year:

Name of shareholder	No. of Shares held	% of Holding
Binani Industries Limited, Holding Company		
As at 31.03.2012	60,788,138	89.90%
As at 31.03.2011	60,788,138	89.90%

Note No. 3. Reserves & Surplus

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Surplus/(deficit) in the Statement of Profit and Loss		
As per Last Balance Sheet	499.47	1,356.44
Less : Loss for the year as per Statement of Profit and Loss	1,455.96	856.97
TOTAL	<u>(956.49)</u>	<u>499.47</u>

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 4. LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Term Loans		
From Bank:		
(Secured, Refer Note 4.1 below)	1,125.00	2,250.00
TOTAL	<u>1,125.00</u>	<u>2,250.00</u>

4.1 Details of Security and Terms of Repayment

Term Loan from Punjab National Bank is secured by first pari passu charge on all movable and immovable fixed assets of the company, both present and future, repayable in seven quarterly instalments, the current maturities whereof is disclosed under 'Other Current Liabilities' in Note 10.

Note No. 5. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
A. Deferred Tax Liabilities		
On difference between written down value of fixed assets as per Income Tax Act & as per books	1,388.23	1,390.68
	<u>1,388.23</u>	<u>1,390.68</u>
B. Deferred Tax Assets		
Unabsorbed Depreciation	867.00	578.27
Other Disallowances	14.23	17.41
	<u>881.23</u>	<u>595.68</u>
TOTAL	<u>507.00</u>	<u>795.00</u>

Note No. 6. Other Long Term Liabilities

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Deferred Electricity Charges (Refer Note 6.1 below)	594.05	1,612.41
TOTAL	<u>594.05</u>	<u>1,612.41</u>

6.1 Deferred Electricity charges

Current Maturities of the deferred electricity charges is disclosed under 'Other Current Liabilities' in Note 10.

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 7. Long Term Provisions

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Provision for Employee Benefits: (Refer 7.1)		
For Leave Encashment	40.82	18.78
For Loyalty (Refer Note 33.2.2)	29.00	-
TOTAL	69.82	18.78

7.1 Short term components of provision for employee benefits are disclosed under 'Short Term Provisions' in Note 11.

Note No. 8. Short Term Borrowings

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Short Term Loans		
From Bank :	4,180.00	-
(Unsecured, Refer Note 8.1 below)		
Loans repayable on demand		
From Bank:	83.66	-
Cash Credit		
(Secured, Refer Note 8.2 below)		
TOTAL	4,263.66	-

8.1 The short term loan is repayable within a period of three months and is obtained based on a Stand-by Letter of Credit from HSBC (Australia), secured by pledge of Fixed Deposits by the subsidiary of the company, BZ Minerals (Australia) Pty. Ltd.

8.2 Cash Credit is secured by paripassu first charge by way of hypothecation of the whole of the Current Assets of the Company viz. stocks of raw materials, packing materials, stock in process, semi finished and finished goods, consumable stores and spares, Export / Local Bills receivable, book debts, movable plant and machinery, stores and spares relating to the machinery and other movables belonging to the Company, both present and future, paripassu Second charge on the fixed assets of the Company located at Binanipuram, Kerala and Corporate Guarantee of Binani Industries Limited, the Holding Company.

Note No. 9. Trade Payables

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Trade Payables (including acceptances)	16,272.26	15,820.08
(Refer Note 9.1 below)		
TOTAL	16,272.26	15,820.08

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

9.1 Amount Due to Micro and Small Enterprises

The Company has initiated the process of identifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2012, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

Note No. 10. Other Current Liabilities

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Current Maturities of Long Term Debts (Refer Note 4.1)	1,125.00	5,750.00
Other Payables :		
Deferred Electricity Charges (Refer Note 6.1)	1,018.37	1,027.48
Advance from Customers	1,353.45	1,451.17
Creditors for Expenses	715.40	759.54
Other Liabilities	3,025.35	2,846.05
TOTAL	7,237.57	11,834.24

Note No. 11. Short Term Provisions

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Provision for employee benefits: (Refer Note 7.1)		
For Leave Encashment	2.15	32.64
For Loyalty (Refer Note 33.2.2)	0.43	-
Other Provisions:		
Provision for Tax (Net of Advance tax/TDS)	3.46	1.08
Provision for Disputed Electricity Demands	220.04	220.04
TOTAL	226.08	253.76

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 12. Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	01-04-2011	Additions	Deletions	31-03-2012	01-04-2011	For the year	Deletions/ Adjust-ments	31-03-2012	01-04-2011	31-03-2012
Tangible Assets										
Land	274.73	-	-	274.73	-	-	-	-	274.73	274.73
	(274.73)	-	-	(274.73)	-	-	-	-	(274.73)	(274.73)
Buildings (Including Roads)	1,410.47	108.35	-	1,518.82	850.46	47.99	-	898.45	560.01	620.37
	(1,402.22)	(8.25)	-	(1,410.47)	(800.99)	(49.47)	-	(850.46)	(601.23)	(560.01)
Plant and Equipment	22,000.13	497.51	22.90	22,474.74	13,738.28	836.43	20.48	14,554.23	8,261.85	7,920.51
	(20,805.34)	(1,206.23)	(11.44)	(22,000.13)	(12,958.26)	(790.39)	(10.37)	(13,738.28)	(7,847.08)	(8,261.85)
Furniture and Fixtures	198.33	4.67	-	203.00	149.93	9.96	-	159.89	48.40	43.11
	(179.17)	(20.22)	(1.06)	(198.33)	(142.19)	(8.58)	(0.84)	(149.93)	(36.98)	(48.40)
Vehicles	164.70	-	-	164.70	118.63	9.63	-	128.26	46.07	36.44
	(170.32)	(7.99)	(13.61)	(164.70)	(120.67)	(11.54)	(13.58)	(118.63)	(49.65)	(46.07)
TOTAL	24,048.36	610.53	22.90	24,635.99	14,857.30	904.01	20.48	15,740.83	9,191.06	8,895.16
	(22,831.78)	(1,242.69)	(26.11)	(24,048.36)	(14,022.11)	(859.98)	(24.79)	(14,857.30)	(8,809.67)	(9,191.06)

(Figures in brackets represent previous year figures)

12.1 Land includes freehold land amounting to ₹ 41.42 Lakhs (₹ 41.42 Lakhs) taken possession of for which documentation / registration formalities are being completed.

12.2 Fixed Assets include certain items of plant and machinery which could not be fully used during the year due to operational /technical reasons, which are being brought to optimum operational levels.

12.3 Furniture and Fixtures include office equipments, the amount of which is not material.

Note No. 13. Capital Work In Progress

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Projects in Progress	464.77	236.72
Materials at Site	13.90	76.65
TOTAL	478.67	313.37

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 14. Non Current Investments

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Trade Investments (valued at cost)		
Unquoted		
Investment in Equity Instruments of Subsidiaries, fully paid up		
49,50,000 (Previous Year 44,40,000) Shares of ₹ 10/- each in R.B.G. Minerals Industries Limited	500.39	449.39
Nil (Previous Year 10,000) Shares of ₹ 10/- each in Binani Energy Private Limited)	-	1.00
85,25,929 (Previous Year 85,25,929) Shares of AUD 1/- each in BZ Minerals (Australia) Pty.Limited	3,756.01	3,756.01
100 (Previous Year Nil) Shares of No Par Value in BZ Minerals (Luxembourg)	8.61	-
Investment in Equity Instruments of Other Companies, fully paid up		
1,75,000 (Previous Year 1,75,000) shares of ₹ 10/- each in Kerala Enviro Infrastructure Limited	17.50	17.50
TOTAL	4,282.51	4,223.90

Note No. 15. Long Term Loans And Advances

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
(Unsecured, Considered good)		
Capital Advances	48.29	64.23
Security Deposits	474.56	495.38
Advance to BZ Resources Mauritius Limited	7.89	-
TOTAL	530.74	559.61

Note No. 16. INVENTORIES

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Raw Materials	2,211.31	10,339.24
Raw Materials- in Transit	8,204.54	-
Work-in-Process	144.20	178.38
Finished Goods	1,177.09	981.24
Stores and Spares	1,185.50	1,118.17
Stores and Spares- in Transit	19.52	29.68
TOTAL	12,942.16	12,646.71

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

16.1 Method of valuation of inventories - Refer Note 1.7

16.2 Break-up of Inventories of Finished Goods

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Zinc Ingots	789.37	606.46
Sulphuric Acid	94.16	44.42
Cadmium	2.52	-
Zinc Alloy	289.44	330.36
Zinc Dust	1.60	-
TOTAL	1,177.09	981.24

16.3 Break-up of Inventories of Work-in-Process

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Calcine	90.37	92.63
Zinc Dust	53.83	72.03
Zinc Alloy Dross	-	13.72
TOTAL	144.20	178.38

Note No. 17. Trade Receivables

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Unsecured, considered good		
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Other Debts	1.62	33.29
TOTAL	1.62	33.29

Note No. 18. Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Balances with Banks		
- In Current Accounts	922.42	216.17
- in Deposit Accounts	-	2,225.00
Cash in hand	1.50	2.82
Balances with banks in deposit accounts to the extent held as security against letter of credit facilities and guarantees	960.83	2,271.39
TOTAL	1,884.75	4,715.38

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 19. Short Term Loans and Advances

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Loans and advances to related parties (Unsecured, considered good)		
Due from Subsidiary Companies (Refer Note 19.1)	107.60	3,826.07
Due from Holding Company :		
Inter Corporate Deposits with Binani Industries Limited	2,000.00	-
Others (Unsecured, considered good)		
Advances recoverable in cash or in kind	2,919.85	2,943.00
Deposits	70.57	59.80
Balance with Customs and Excise Authorities	1,846.88	1,209.83
TOTAL	6,944.90	8,038.70

19.1 Advances due from subsidiary Companies

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
R.B.G. Minerals Industries Limited	4.32	4.32
Binani Energy Private Limited	-	0.92
BZ Minerals (Australia) Pty. Limited	103.28	3,820.83
TOTAL	107.60	3,826.07

Note No. 20. Other Current Assets

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Interest Accrued on Deposits	30.96	35.77
Unamortised Premium on Forward Exchange Contracts	109.29	87.76
TOTAL	140.25	123.53

Note No. 21. Revenue from Operations

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Sale of Products		
Zinc Ingots	31,760.45	38,965.14
Zinc Alloy	7,698.84	2,264.61
Zinc Dust	78.34	14.40
Sulphuric Acid	2,927.71	2,367.99
Cadmium	75.96	125.21
TOTAL	42,541.30	43,737.35
Other Operating Revenue		
Industrial Waste Sales/Scrap Sales	496.38	406.08
Income from Risk Management Transactions (Net)	904.43	801.39
TOTAL	1,400.81	1,207.47

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

21.1 Quantitative Details

(₹ in Lakhs)

Product	UoM	31st March, 2012	31st March, 2011
Zinc Ingots	MT	25,209	31,311
Zinc Alloy	MT	5,674	1,628
Zinc Dust	MT	57	10
Sulphuric Acid	MT	43,207	46,856
Cadmium	MT	56	69

Note No. 22. Other Income

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Interest Income	624.96	213.43
Interest on Income Tax Refund	7.42	10.66
Dividend Income from Mutual Funds	69.03	43.34
Profit on Sale of Investments	2.47	8.00
Other Non Operating income :		
Profit on Sale of Assets	-	2.62
Exchange Rate Difference(Net)	-	362.16
Other Income	113.30	51.12
TOTAL	817.18	691.33

Note No. 23. Cost of Materials Consumed

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Raw Materials Consumed - Zinc Concentrate/Oxides (Refer Note 35.1)	26,080.66	26,822.11
TOTAL	26,080.66	26,822.11

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 24. Changes in Inventories of Finished Goods and Work-in-Process

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Inventories as at the beginning of the year		
Finished Goods (Refer note 16.2)	981.24	1,091.17
Work In Process (Refer note 16.3)	178.38	80.09
	<u>1,159.62</u>	<u>1,171.26</u>
Inventories as at the end of the year		
Finished Goods (Refer note 16.2)	1,177.09	981.24
Work In Process (Refer note 16.3)	144.20	178.38
	<u>1,321.29</u>	<u>1,159.62</u>
Changes in Inventories of finished goods and work-in-process	(161.67)	11.64
Excise Duty on stock adjustment	4.19	(31.85)
TOTAL	<u><u>(157.48)</u></u>	<u><u>(20.21)</u></u>

Note No. 25. Employee Benefits Expense

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Salaries and Wages	1,628.31	1,401.60
Contribution to Provident and Other Funds (Refer note 33.1)	125.73	109.39
Workmen and Staff Welfare Expenses	171.96	103.79
TOTAL	<u><u>1,926.00</u></u>	<u><u>1,614.78</u></u>

Note No. 26. Financial Costs

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Interest expenses	1,341.97	888.78
Other borrowing costs	49.70	28.03
Bank Charges	127.07	140.39
TOTAL	<u><u>1,518.74</u></u>	<u><u>1,057.20</u></u>

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 27. Other Expenses

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Other Manufacturing Expenses		
Power & Fuel	5,335.14	5,408.18
Consumption of Stores & Spares (Refer Note 27.1 & 35.2)	2,221.58	1,660.72
Repairs to:		
Buildings	29.71	18.60
Machinery	972.03	909.86
Others	122.63	100.08
Miscellaneous Expenses	614.75	482.05
Selling and Administration Expenses		
Freight & Transport	792.02	801.26
Insurance	23.44	37.50
Rates & Taxes	71.31	57.31
Directors' Fees	1.10	1.08
Exchange Rate Difference (Net)	867.66	-
Rent	3.68	3.02
Management Service Fees (Refer Note 34.3)	623.45	501.13
Royalty (Refer Note 34.2)	1,154.72	-
Commission to Selling Agents	420.95	386.12
Miscellaneous Expenses (Refer Note 27.2)	800.16	605.12
TOTAL	14,054.33	10,972.03

27.1 Consumption of Stores & Spares

Consumption of Stores & Spares does not include consumption for repairs classified under the head 'Repairs' ₹599.20 Lakhs (Previous Year - ₹549.08 Lakhs).

27.2 Miscellaneous Expenses under Selling & Administration Expenses include Payment to Auditors:

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
For Statutory Audit	5.75	5.75
For Tax Audit	0.60	0.60
For Certification Work	0.41	0.25
For Other Services	0.25	0.20
Out of pocket expenses	1.01	0.33
TOTAL	8.02	7.13

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS

Note No. 28. Compensation received on surrender of rights

During the year, the subsidiary of the company, BZ Minerals (Australia) Pty. Limited had received compensation of AUD 3.6 million on account of surrender of first right of refusal for 65% of Zinc Concentrate from Meridien Minerals Limited. While such rights were assigned to the subsidiary by the company during the previous year, in terms of the MOU with the above subsidiary company, such compensation received rightfully accrues to the company and accordingly, the subsidiary had transferred the compensation received to the company amounting to ₹1908.13 lakhs, which is taken credit for during the year and disclosed as Exceptional Item in the Statement of Profit and Loss.

Note No. 29. Earnings Per Share (Basic/Diluted)

Particulars	31st March, 2012	31st March, 2011
(Loss) for the year as per Statement of Profit and Loss (₹Lakhs)	(1455.96)	(856.97)
Weighted Average number of equity shares of ₹10 each (fully paid)	67,618,082	67,618,082
Earnings Per Share (Basic/Diluted)	(2.15)	(1.27)

Note No. 30. Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Contingent Liabilities:		
Claims against the company not acknowledged as debt (Disputed Tax/duty and other demands)	1,031.75	407.06
Guarantees (Refer Note 30.1)	2,06,559.40	519.54
Other money for which the company is contingently liable (Refer Note 30.2)	7,822.00	4,451.45
Commitments:		
Estimated amount of Contracts remaining to be executed on capital account and not provided for	141.02	67.05
TOTAL	2,15,554.17	5,445.10

30.1. Details of Guarantees

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
An unconditional and irrevocable Corporate Guarantee to EXIM Bank on behalf of the holding company, Binani Industries Limited (BIL) in respect of a loan taken by BIL. (Accordingly, a first pari passu charge on fixed assets of the company has been registered during the year.)	21,000.00	Nil
An unconditional and irrevocable Corporate Guarantee to IDBI Bank, Dubai in respect of loan availed by Glass Fibre Holding I S.a.r.l (Wholly owned subsidiary of BIL) and 3B Fibreglass Norway AS (Step down subsidiary of BIL)	1,85,000.00	Nil
Other Guarantees	559.40	519.54
TOTAL	2,06,559.40	519.54

30.2. Details of other money for which the Company is contingently liable:

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Letters of Credit facilities	7,822.00	4,451.45

30.3. The Single Bench of the Hon'ble High Court of Kerala, had in December 2009, disposed the Company's Petition against the Order of the Appellate Authority (Dy. Chief Engineer KSEB) and quashed the order levying penalty for unauthorised additional load. Matter was remanded with a direction to take a decision afresh in accordance with Law considering the bonafide conduct of the Company. The company had obtained all the necessary approvals as stipulated in the conditions of supply of KSEB and since there was no violation, the penal charges are not payable and hence no provision is considered necessary at this stage. The Company has also filed a further writ petition before the Division Bench, challenging that portion of the order, relating to remand which was heard and reserved for judgment.

30.4. In respect of electricity charges payable for certain years in the prior period, KSEB had withdrawn the concessional tariff eligible for the company as per a government notification, resulting in an additional liability for ₹816.88 lakhs for those years, which was provided for. The Company had taken up the matter before the Hon'ble High Court of Kerala, which was admitted. Since the matter remained as such for a long number of years, based on the legal advice obtained, the said amount of ₹816.88 lakhs provided for, was considered no longer payable and written back in the accounts of the company in the year 2003-04. Subsequently the Hon'ble Single Bench of the Kerala High Court disposed the company's appeal with a direction to KSEB to reconsider the claim of the company for concessional tariff for the earlier years. The company filed a writ appeal before the Hon'ble Division Bench, praying that the claim of the company to cancel the demand be allowed, which has been admitted and is pending disposal. The company, as legally advised, is hopeful of a favorable decision on final settlement of the issues involved in the matter and hence no provision is made for the said amount, which is included under contingent liabilities.

Note No. 31. Segment Reporting

The Company operates in a single segment i.e. 'Production and Sales of Zinc in India'. The company's entire Zinc sales are in India. Hence no additional disclosures under Accounting Standard 17 - "Segment Reporting" are required in these financial statements.

Note No. 32. Risk Management Transactions

32.1. The company has undertaken hedging against the risk in commodity prices (zinc prices) through derivative instruments in London Metal Exchange. The gain/losses are recognised in the Statement of Profit and Loss on settlement of the transaction.

32.2. In pursuance of the announcement dated 29.03.2008 of the Institute of Chartered Accountants of India on accounting for derivatives, mark to market gains (net) on outstanding derivative instruments as at 31.03.2012 stood at ₹ 59.84 Lakhs (Previous Year ₹ 70.63 Lakhs), which is not recognized in the accounts.

32.3. Particulars of foreign currency exposures as at 31.03.2012 not hedged by derivative instruments or otherwise are given below:

Particulars	Amount in Foreign Currency	Currency	Ex-change Rate	Amount in ₹
Receivables	-	-	-	-
	(2.30)	(USD)	(44.56)	(102.44)
	1.97	AUD	52.48	103.28
	(0.45)	(AUD)	(46.08)	(21.03)
	-	-	-	-
	(60.28)	(Euro)	(63.33)	(3817.28)
Trade Payables	171.19	USD	51.53	8821.54
	(175.93)	(USD)	(44.65)	(7855.17)

Note No. 33. EMPLOYEE BENEFITS

(Disclosure under Accounting Standard 15 - 'Employee Benefits', Revised 2005)

33.1. Defined Contribution Plans

During the year the company has recognised ₹103.05 Lakhs (Previous Year ₹ 64.05 Lakhs) in the Statement of Profit and Loss on account of defined contribution plans.

33.2. Defined Benefit Plans

33.2.1. Gratuity (Funded)

(i)	Actuarial Assumptions	31.03.2012	31.03.2011
	Discount Rate (per annum)	8.25%	8.25%
	Expected return on plan assets	8%	8%
	Salary escalation rate *	4%	4%
	Mortality rate	LIC (1994-1996) rate	LIC (1994-1996) rate

* The assumption of future salary increases takes into account the inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(₹ in Lakhs)

(ii) Reconciliation of present value of obligation:	31.03.2012	31.03.2011
Present value of obligation at the beginning of the year	334.24	387.52
Current Service Cost	15.88	27.68
Interest Cost	28.23	31.97
Actuarial (gain)/loss	(2.38)	(32.55)
Benefits Paid	(79.53)	(80.38)
Curtailments	Nil	Nil
Settlements	Nil	Nil
Present value of obligation at the end of the year	296.44	334.24

(₹ in Lakhs)

(iii) Reconciliation of fair value of plan assets :	31.03.2012	31.03.2011
Fair value of plan assets at the beginning of the year	364.74	355.73
Expected return on plan assets	30.09	28.46
Actuarial gain/(loss)	0.44	0.93
Contributions	60.00	60.00
Benefits paid	(79.53)	(80.38)
Assets distributed on settlement	Nil	Nil
Fair value of plan assets at the end of the year	375.74	364.74

(iv) Net (Asset)/Liability recognised in the Balance Sheet as at year end:	(₹ in Lakhs)				
	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Present value of obligation	296.44	334.24	387.53	323.97	339.86
Fair value of plan assets	375.74	364.74	355.73	315.03	326.39
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	(79.30)	(30.50)	31.80	8.94	13.47

(₹ in Lakhs)

(v) Expenses recognised in the Statement of Profit and Loss:	31.03.2012	31.03.2011
Current Service Cost	15.88	27.68
Interest Cost	28.23	31.97
Expected return on plan assets	(30.09)	(28.46)
Actuarial (gain) /loss recognised in the period	(2.82)	(33.48)
Past Service Cost	Nil	Nil
Curtailment cost	Nil	Nil
Settlement cost	Nil	Nil
Total expenses recognised in the Statement of Profit and Loss	11.20	(2.29)
Actual return on plan assets	30.53	29.39

(₹ in Lakhs)

(ii) Reconciliation of present value of obligation:	31.03.2012
Present value of obligation at the beginning of the year	-
Current Service Cost	8.68
Interest Cost	0.36
Actuarial (gain)/loss	20.39
Benefits Paid	-
Present value of obligation at the end of the year	29.43

(ii) Reconciliation of present value of obligation:	31.03.2012
Present value of obligation at end of the year	29.43
Fair value of plan assets at end of the year	-
Net (Asset)/liability recognised in Balance Sheet	29.43

(v) Expenses recognised in the Statement of Profit and Loss for the year:	31.03.2012
Current Service Cost	8.68
Interest Cost	0.36
Expected return on plan assets	-
Actuarial (gain) /loss recognised in the period	20.39
Total expenses recognised in the Statement of Profit and Loss for the year	29.43

33.2.2. Defined Benefit Plans –Loyalty (Unfunded)

The company has introduced a new scheme of payment of loyalty to employees with effect from 01st April 2011. Employees are eligible for loyalty payment on retirement, if they have rendered a minimum of 10 years of service at the company. Since the plan was introduced during the year, there are no comparative figures for the previous year.

(i) Actuarial Assumptions	31.03.2012
Discount Rate (per annum)	8.25%
Salary escalation rate *	4%
Mortality rate	LIC (1994-1996) rate

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

Note No. 34 RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD-18 ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.

34.1. The Company has entered into transactions in ordinary course of business with related parties at arm's length as per details below:

(₹ In Lakhs)

Particulars	Subsidiaries	Fellow Subsidiaries (including step down subsidiaries)	KMP#	Holding Company	Enterprises where KMP have got significant influence	Total
Sales	- (53.30)	- (-)	- (-)	- (-)	- (-)	- (53.30)
Royalty Paid (Refer Note 34.2)	- (-)	- (-)	- (-)	1154.73 (-)	- (-)	1154.73 (-)
Management Service Fee Paid (Refer Note 34.3)	- (-)	- (-)	- (-)	623.45 (501.13)	- (-)	623.45 (501.13)
Paid towards Services Received	- (-)	13.86 (15.34)	- (-)	- (-)	18.33 (14.24)	32.19 (29.58)
Interest Received	382.04 (-)	- (38.52)	- (-)	61.35 (-)	- (-)	443.39 (38.52)
Interest Paid	- (-)	23.32 (-)	- (-)	- (-)	- (-)	23.32 (-)
Consultancy Charges	- (-)	- (-)	1.52 (-)	- (-)	- (-)	1.52 (-)
Managerial Remuneration (Refer Note 34.4)	- (-)	- (-)	103.54 (61.02)	- (-)	- (-)	103.54 (61.02)
Loans & Advances taken	- (-)	1600.00 (-)	- (-)	- (-)	- (-)	1600.00 (-)
Loans & Advances repaid	- (-)	1600.00 (-)	- (-)	- (-)	- (-)	1600.00 (-)
Investments in equity instruments	59.61 (3801.01)	- (-)	- (-)	- (-)	- (-)	59.61 (3801.01)
Sale of Investments	- (-)	- (-)	- (-)	3.47 (-)	- (31.00)	3.47 (31.00)
Loans & Advances given	- (3820.83)	- (-)	- (-)	2000.00 (-)	- (-)	2000.00 (3820.83)
Loans / Advances – received back	4216.02* (0.11)	- (800.00)	- (-)	- (-)	- (26.39)	4216.02 (826.50)
Compensation received on surrender of rights	1908.13 (-)	- (-)	- (-)	- (-)	- (-)	1908.13 (-)
Other Income	79.33 (-)	- (-)	- (-)	- (-)	- (-)	79.33 (-)

Balance outstanding as on 31.03.2012

(₹ In Lakhs)

Particulars	Subsidiaries	Fellow Subsidiaries (including step down subsidiaries)	KMP#	Holding Company	Enterprises where KMP have got significant influence	Total
-Due To	- (-)	- (3.00)	- (-)	- (-)	- (-)	- (3.00)
-Due From:	107.60 (3826.07)	- (-)	- (-)	2000.00 (-)	- (-)	2107.60 (3826.07)
Investment in Equity Instruments.	4265.01 (4206.40)	- (-)	- (-)	- (-)	- (-)	4265.01 (4206.40)
Guarantees Received	- (-)	- (-)	- (-)	83.66 (-)	- (-)	83.66 (-)
Guarantees Given		25000.00 (-)		21000.00 (-)		46000.00 (-)

(Figures in brackets pertain to previous year)

*Includes exchange fluctuation differences

#KMP refers to 'Key Management Personnel'

34.2. During the year, the company had entered into a trademark licensing agreement with the Holding Company, Binani Industries Ltd, which is effective from 01.04.2011. As per the terms of the agreement, Binani Industries Ltd will undertake and incur expenditure on advertisement and corporate brand building and development exercise for the company and its products for achieving sustained growth. The company has been licensed to use the trademark/logo registered by Binani Industries Ltd on payment of royalty at a specified percentage based on the turnover of the company.

34.3. Management service fee paid to Binani Industries Limited, the holding company is towards providing corporate support services relating to Corporate Strategy, Project Management, Forex/Commodity Risk Management, Purchases, Finance/Treasury, Media Services, Taxation etc.

34.4. The remuneration to key management personnel Mr. Sushil Bhatte amounts to ₹65.46 lakhs (Previous year ₹25.36 Lakhs) for the period from 01.04.2011 to 22.10.2011, Mr. Roy Kurian K K amounts to ₹21.35 Lakhs (Previous Year ₹35.66 Lakhs) from 01.04.2011 to 31.08.2011 and Mr. Sanjeev P Thomas amounts to ₹16.73 Lakhs (Previous Year Nil) from 22.10.2011 to 31.03.2012.

34.5. Names of related parties and description of relationship:

- Holding Company: Binani Industries Limited
- Fellow Subsidiary (including step down subsidiaries): Binani Cement Limited, Goa Glass Fibre Limited, BIL Infratech Ltd. Glass Fibre Holding I S.a.r.l and 3B Fibreglass Norway AS.
- Subsidiaries: R.B.G. Minerals Industries Ltd, BZ Minerals (Australia) Pty. Ltd & BZ Minerals

(Luxembourg) (w.e.f 09.01.2012), Binani Energy Pvt Ltd (Upto 26.07.2011) and Ess Vee Alloys Pvt Ltd (up to 31.01.2011)

- Key Management Personnel: Mr. Braj Binani, Mr. S. Padmakumar (upto 20.11.2011), Mr. V. Subramanian, Mr. Sushil Bhatte (Managing Director upto 22.10.2011), Mr. Roy Kurian K K (Whole-time director upto 31.08.2011) and Mr. Sanjeev. P. Thomas (Whole-time director w.e.f 22.10.2011)

- Enterprises where Key Management Personnel have got significant influence:

(excluding holding company, subsidiaries and fellow subsidiaries)

- Mr Braj Binani in Binani Metals Ltd
- Mr. V. Subramanian in Binani Metals Ltd
- Mr Sushil Bhatte in Ess Vee Alloys Pvt Ltd.

Note No. 35. Additional Information

35.1. Raw Material Consumption

(₹ in Lakhs)

Particulars	For the year ended 31.03.2012	%	For the year ended 31.03.2011	%
Zinc Concentrate/Oxide - Imported	26,080.66	100	22,656.94	84
Zinc Concentrate - Indigenous	Nil	Nil	4,165.17	16
Total	26,080.66	100	26,822.11	100

35.2. Stores and Spares Consumption (Refer note 27.1)

(₹ in Lakhs)

Particulars	31st March, 2012		31st March, 2011	
	₹	%	₹	%
Stores and Spares - Imported	429.13	15	297.46	13
Stores and Spares - Indigenous	2391.65	85	1912.34	87
Total	2820.78	100	2209.80	100

35.3. Value of imports calculated on CIF basis

(₹ in Lakhs)

	31st March, 2012	31st March, 2011
Raw Materials	25289.92	25962.82
Stores and Spares	259.13	421.23
Capital Goods	-	12.31
Total	25549.05	26396.36

35.4. Expenditure in Foreign Currency (on accrual basis)

(₹ in Lakhs)

	31st March, 2012	31st March, 2011
Professional & Consultancy fees	131.14	131.45
Interest	195.40	133.55
Income Tax	38.20	-
Others	21.03	10.95
Total	385.77	275.95

35.5. Earnings in Foreign Exchange (on accrual basis)

	31st March, 2012	31st March, 2011
Income from Risk Management Transactions (Net)	904.43	833.66
Compensation received on surrender of rights	1908.13	-
Interest received on advance to subsidiary	382.04	-
Other Income	79.33	-
Total	3273.93	833.66

Note No. 36.

The financial statements of the company is prepared in form Schedule VI as prescribed under The Companies Act, 1956, and the statements as on 31.03.2012 have been drawn up as per the Revised Schedule VI notified under The Companies Act, 1956, effective from 01.04.2011 and accordingly, figures of the previous year have been regrouped / reclassified to suit the current year layout.

As per our separate report of even date attached

For Varma & Varma
Chartered Accountants
(FRN: 004532S)

Vivek Krishna Govind
Partner
Membership No. 208259

Place : Mumbai
Date : 21st April, 2012

R. Venkiteswaran
Chief Financial Officer
(Group Control Accounts)

Rajesh K. Pathak
Company Secretary

For and on behalf of the Board of Directors

Braj Binani
Chairman

Sanjeev P. Thomas
Whole time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lakhs)

	Particulars	31st March, 2012	31st March, 2011
A	CASH FLOW FROM OPERATING ACTIVITIES :		
	(Loss) Before Tax for the year	(1,709.08)	(1,155.97)
	Adjustments For:		
	Depreciation	904.01	859.98
	Interest & Finance Charges	1,518.74	1,057.20
	(Profit)/Loss on sale of Fixed Assets	2.32	(2.62)
	Exchange rate difference (net)	(72.63)	(332.89)
	Sundry Balances Written Off/ Written Back (Net)	9.06	(38.39)
	Profit on sale of Investments	(2.47)	(8.00)
	Dividend received	(69.03)	(43.34)
	Interest Income	(624.96)	(213.43)
	Operating Profit Before Working Capital Changes	(44.04)	122.54
	Adjustments For:		
	(Increase)/ Decrease in Inventories	(295.45)	(299.07)
	(Increase)/ Decrease in Trade Receivables	22.61	(31.73)
	(Increase)/ Decrease in Short Term Loans & Advances	(624.67)	(4,196.29)
	(Increase)/ Decrease in Long Term Loans & Advances	20.82	(6.47)
	(Increase)/ Decrease in Other Current Assets	(21.53)	(86.08)
	Increase/(Decrease) in Trade Payable	109.52	4,459.19
	Increase/ (Decrease) in Other Current Liabilities	28.33	1,852.43
	Increase/(Decrease) in Short term provisions	(30.06)	(3,029.19)
	Increase/(Decrease) in Long term Liabilities	(1,018.36)	1,612.41
	Increase/(Decrease) in Long term Provisions	51.04	(21.38)
		(1,757.75)	253.82
	Cash Generated from Operations	(1,801.79)	376.36
	Tax Refund Received/(Tax Paid)	(32.50)	26.32
	Net Cash from Operating Activities	(1,834.29)	402.68
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets (including capital advances)	(759.89)	(622.95)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lakhs)

Particulars	31st March, 2012	31st March, 2011
Sale of Fixed Assets	0.10	3.93
Investment/Advance for investment	(67.50)	(3,801.01)
Inter Corporate Deposits Given	(2,000.00)	-
Refund of Advances from subsidiaries	4,133.76	-
Sale of Investments in Subsidiary	3.47	31.00
Dividend Income	69.03	43.34
Purchase of Mutual Funds	(34,335.00)	(24,325.00)
Sale of Mutual Funds	34,335.00	24,325.00
Interest Income Received	629.77	179.34
Net Cash used in Investing Activities	2,008.74	(4,166.35)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from short term borrowings	6,200.00	3,000.00
Increase/(Decrease) in short term bank borrowings	83.66	(141.17)
Inter Corporate Deposits Repaid	(1,600.00)	800.00
Inter Corporate Deposits Taken	1,600.00	-
Interest & Finance Charges Paid	(1,518.74)	(1,057.20)
Repayment of short term borrowings	(2,020.00)	-
Repayment of long term borrowings	(5,750.00)	-
Net Cash from Financing Activities	(3,005.08)	2,601.63
D Net Increase /(Decrease) in cash and cash equivalents.(A+B+C)	(2,830.63)	(1,162.04)
E Opening cash & cash equivalents	4,715.38	5,877.42
F Closing cash & cash equivalents (D+E)	1,884.75	4,715.38

Note: Cash and Cash equivalents at the end of the year includes ₹960.83 Lakhs (₹2266.74 Lakhs) under lein which is not available for use as on the Balance Sheet date.

As per our seperate report of even date attached

For **Varma & Varma**
Chartered Accountants
(FRN: 004532S)

Vivek Krishna Govind
Partner
Membership No. 208259

Place : Mumbai
Date : 21st April, 2012

R. Venkiteswaran
Chief Financial Officer
(Group Control Accounts)

Rajesh K. Pathak
Company Secretary

For and on behalf of the Board of Directors

Braj Binani
Chairman

Sanjeev P. Thomas
Whole time Director

Statement Pursuant to Section 212 (3) and 212(5) of the Companies Act, 1956 relating to Subsidiary/ Stepdown Subsidiary Companies of Binani Zinc Limited for the year ended 31st March 2012

(Amount in lakhs)

Sr. No	Name of the Subsidiary Company	BZ Minerals (Australia) PTY Ltd. (BZA)	RBG Minerals Industries Ltd. (RBG)
1	Country of Incorporation	Australia	India
2	Financial year / period of the Subsidiary Company	April 1, 2011 to March 31, 2012	April 1, 2011 to March 31, 2012
3	Relation with Binani Industries Ltd (BIL)	Subsidiary of BZL	Subsidiary of BZL
4	Information pursuant to Sec. 212 (3)		
A)	Extent of the Holding Company's interest in the Subsidiary as at the end of the Financial Year / Period :		
	Number of Equity Shares	85,25,929 Ordinary Shares of AUD 1 each	44,40,000 Equity Shares of ₹ 10/- each
	% of Share Holding (Excluding Preference Share Capital)	100 % held by Binani Zinc Ltd.	100 % held by Binani Zinc Ltd.
B)	Net aggregate amount of Profits / (Losses) of the subsidiary so far it concerns members of BZL, not dealt with in the standalone accounts of the company :		
	a) For the financial year / period of the subsidiary aforesaid (₹ Lakhs)	868.21	-
	b) For the previous financial year / period of the subsidiary since it became the holding company's subsidiary (₹ Lakhs)	(6.69)	-
5	Information pursuant to sec. 212 (5)		
	(See note 2)		

Note:-

- 1) The company had incorporated a company BZ Minerals (Luxembourg)(BZM) on 09th January 2012. The first accounting period of BZM would be from the date of incorporation to 31st December 2012.
- 2) During the current year, the financial statements of subsidiaries including step down subsidiaries (whose accounting year/period ended on 31st December 2011) for their respective period ended 31st March, 2012 have been considered for consolidation with the Company's financial statements for the year ended on the same date. Hence information required to be provided pursuant to sec. 212 (5) is not applicable.

For and on behalf of the Board of Directors

R. Venkiteswaran

Chief Financial Officer

- Group Control Accounts

Braj Binani

Chairman

Rajesh K. Pathak

Company Secretary

Sanjeev P. Thomas

Whole time Director

Place: Mumbai

Date : 21st April , 2012

SUMMARISED FINANCIAL INFORMATION IN RESPECT OF SUBSIDIARIES OF THE COMPANY IN COMPLIANCE WITH THE GENERAL EXEMPTION GRANTED BY THE MINISTRY OF COMPANY AFFAIRS UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956.

Sr. no	Name of the Subsidiary Company	Country of Incorporation	Relationship	Financial year ended on	Currency	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover excluding other income	Profit/(Loss) before taxation	Provision for Taxation	Profit/(Loss) after taxation	Proposed Dividend
1	BZ Minerals (Australia) PTY LTD (BZA)	Australia	Subsidiary of BZL	31st March, 2012	AUD	85.26	17.05	116.38	14.08	-	-	24.33	7.12	17.20	-
					INR	4,601.72	920.09	6,281.51	759.70	-	-	1,227.73	359.52	868.21	-
2	RBG Minerals Industries Ltd. (RBG)	India	Subsidiary of BZL	31st March, 2012	INR	495.00	-	499.45	4.45	-	-	-	-	-	-

Notes:

- 1) In respect of BZA, the Indian Rupees equivalent figures have been arrived at by applying the year end exchange rate prevailing on 31st March, 2012 for all Assets & Liabilities i.e. 1 AUD = ₹ 53.97 Revenue items are arrived by applying the average rate prevailing during the year / period i.e 1AUD = ₹50.47.
- 2) The Company had incorporated a Company BZ Minerals (Luxembourg)(BZL) on 09th January, 2012. The first accounting period of BZL would be from the date of incorporation to 31st December 2012.

For and on behalf of the Board of Directors

R. Venkiteswaran **Braj Binani**
Chief Financial Officer Chairman
- Group Control Accounts

Place: Mumbai **Sanjeev P. Thomas**
Date : 21st April , 2012 Company Secretary Whole time Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 15th Annual Report together with Audited Statements of Accounts for the year ended 31st March 2012.

1. Preamble

1.1 The Basantgarh, Deri & Ambaji mines were explored during 1969 to 1980 by Hindustan Copper Limited, Rajasthan State Mines & Minerals Limited, and Gujarat Mineral Development Corporation Limited, respectively. Being small size mines were found uneconomical to exploit individually, all mines were closed in 90's and the expenditure incurred by individual lease holders were written off.

Binani Zinc Limited, for down stream integration for its zinc smelter at Kochi, prepared a pre-feasibility study and observed the project is viable if all the three mines are operated jointly with centrally operated common scheme. M/s SRK Consulting, USA, appointed under USTDA grant, prepared Feasibility Study (A Bankable Document) in December, 2003 & declared the project as robust.

1.2 R.B.G Mineral Industries Limited (RBG) was jointly floated by Binani Zinc Limited (BZL) and Rajasthan State Mines & Minerals Limited (RSMML) in July 1997, & Later on, Gujarat Mineral Development Corporation (GMDC) joined in 2001, after the approval of Government of Gujarat on 13/11/2001.

Chairman RSMML, MD, GMDC and MD, RBG agreed in meeting held on October 5, 2002, wherein share holding pattern was accepted as:

Binani - 65%

GMDC - 25%

RSMML - 10%

2. Status

2.1. Statutory Clearances of all Mines / Beneficiation Plant

- i. NOC from Forest Department.
- ii. Mining Plan approved by Indian Bureau of Mines (IBM).
- iii. Permission from Central Ground Authority (CGWA).
- iv. Environment clearance from MoEF.
- v. Consent to establish under Air & Water Act from State Pollution Control Board.
- vi. Land required for all mines has been acquired.

2.2. Basantgarh

- i. The ML (52 Ha) was executed on 23.08.2007 and registered on 07.09.2007 in RBG.

- ii. The adequate land purchased & permission is sought for 79-15 Bigha (Govt. land within the ML for allied service as per Mining Rules from Tehsildar Pindwara on 30.01.2012 for Mutation.
- iii. The Dead Rent is paid up to 06.09.2012. The annual returns are filed as per the rules.
- iv. The Tender for mine development are ready for float.
- v. The mining operation will commence on transfer of Ambaji mine.

2.3. Deri

- i. The ML (63 Ha) was executed and registered on 07.09.2007 in favour of RSMML.
- ii. RSMM Deposited ₹ 1,89,000/-; ₹1,16,009/- & 1,50,474/- against Dead Rent, Land Tax and Security services respectively for year 2011-12 & ₹ 1,64,20,855/- towards interest on exploration charges to DMG in August '11 and indicated vide letter dated 16.12.2011 the value of ₹ 6.945 crores as Assets, Maintenance, Dead rent, Land Tax etc. as Equity and asked for a formal acceptance.

The proposals were approved in the 45th and 66th board meetings of RBG (23.09.2006 and 17.08.2011). The acceptance was conveyed vide letter dated 19.12.2011 for the transfer of lease.

- iii. RSMM requested DMG to transfer the mine in favour of RBG vide letter No. RSMM/CO/PROJ./275/2011-12/513 dated 09.01.12.
- iv. DMG, Govt. of Rajasthan, recommended to Principal Secretary (Mines & Petroleum), Jaipur for the concurrence of mine transfer before execution.
- v. The Tender for mine development is ready for invitation, will be shortly invited.
- vi. The mining operation will commence on transfer of Ambaji mine.

2.4. Ambaji

- i. The ML (184.98 Ha.), renewed on 17.01.2011 upto 23.07.2023 in favour of GMDC.
- ii. GMDC Board & Govt. of Gujarat approved the project as joint venture in 13.11.2001 & re-affirmed on 18.3.2010.
- iii. GMDC awarded work of asset valuation to Indian Bureau of Mines, Govt. of India, Nagpur. They confirmed to evaluate the assets, vide letter dated 08.09.2011.

- iv. Dr. B.P. Sinha, Controller of Mines, TMP Division, IBM, Nagpur, visited Ambaji Mine site on 21/9/2011. GMDC handed over documents/data required for evaluation to IBM. Additional information as desired was furnished on 15.11.2011.
- v. Dr. B.P. Sinha along with Sri Venkat Jai Krishna, Regional Controller of Mines, Sri Finny Abraham & Sri Raj Mehar, AME again visited Ambaji mine on 20.01.2012, for confirming the exploration data.
- vi. Mr. Sinha confirmed that the valuation has been completed; it is being discussed with the GMDC. The report is expected by April '12 end.
- vii. The Mine will be transferred after the approval of Valuation of Assets by GMDC Board, expected by May, 2012.
- viii. The Tender for development of mines is ready for invitation.

2.5. Beneficiation Plant

a. Land

- i. 36 Bigha was purchased & converted for Industrial use. The mutation has been done in favour of RBG.
- ii. Agreement for 6-10 Bigha Government land as Industrial land with GM, District Industries Center (DIC), Sirohi was signed on 05.09.2011, and registered on 06.09.2011 at Abu Road in favour of RBG.

b. Engineering

- i. Basic Engineering completed by Lyntek, USA.
- ii. Lyntek extended Supervision agreement for detail Engineering, construction & commissioning.

c. Procurement

- i. A revised consolidated Bid document after detail discussion, was issued to all bidders, for supply of equipment/ detailed engineering/ supervision of erection & assist in commissioning of 2000 tpd Cu-Pb-Zn ore dressing plant for final bids with extended validity.
- ii. The plant will be completed in 2 phases within 18 months from date of award of work.

2.6. Water Dam

The Chief Engineer, Department of Water Resources, Jaipur accorded approval for construction of dam.

2.7. Funding

- i. Punjab National Bank (PNB) has sanctioned term loan of ₹ 185 crores vide their letter dated 09.11.2011 (interest @ BR +TP +3.75) with up

front fee of 0.50% of the term loan for project cost of ₹ 280 crores with promoter contribution of ₹ 95 crores at debt:equity ratio of 1.95:1 on a repayment period of 75 months.

- ii. Company clarified all the terms & conditions vide letter dated 10.02.2012 and requested the following 'concessions':

Reduction of interest rate; Waiver of Upfront fee and Vetting charges in view of robustness of the Project confirmed by SRK, Consultant, Denver, USA.

3. Directors

- i. Mr. Roy Kurian K. K., Director tendered his resignation w.e.f. August 31, 2011;
- ii. Mr. A. L. Thakor was re-appointed as Director by rotation at the Annual General Meeting held on September 17, 2011;
- iii. Mr. Gopal Gandhi was appointed as Additional Director on resignation of Mr. L. P. Khamesara as Director w.e.f. December 30, 2011;
- iv. Mr. M. L. Majumdar, Director tendered his resignation w.e.f. December 30, 2011.

4. Particulars under Section

Statement of particular under section 217 (1) (e) regarding conservation of energy and technology absorption are not applicable to the Company at present.

5. Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings & Outgo during the year was Nil.

6. Particulars of Employees

None of the employees of the company is covered by the provisions of the section 217(2A) of the Companies Act, 1956.

7. Auditors

Your directors propose M/s R. K. Pokharana & Co., Chartered Accountants, to be re-appointed as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1) of the Companies Act, 1956.

8. Compliance Certificate Report

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules 2001, the Company has to obtain a certificate from a Secretary in whole time practice confirming that the Company has complied with all the provisions of the Companies Act, 1956. Accordingly, the Company has received a Compliance

Certificate from a Company Secretary in Whole-time Practice to comply with the provisions of the Companies Act, 1956.

9. Allotment of Shares

M/s Binani Zinc Ltd., the holding Company, was allotted 510,000 Equity Shares of ₹ 10/- each fully paid out of the un-issued share capital of the Company in the meeting of the Board of Directors held on March 30, 2012.

10. Transfer of Shares

No shares were transferred during the year.

11. Directors' Responsibility Statement

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors state that:

- (a) In the preparation of the annual accounts, all applicable accounting standards have been followed and proper explanation relating to material departures, if any, have been furnished;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended 31.03.2012;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities;

The Directors had prepared the Annual Accounts on a going concern basis.

12. Acknowledgement

Your Directors wish to place their appreciation and thanks to RSMML, GMDC and various departments of State and Central Government for the support extended by them during the year under review and also look forward to their continued co-operation and support to the company in future.

Your Directors also acknowledge the sustained support from all concerned.

For and on behalf of the Board of Directors

Ibrahim Ali
Chairman cum
Managing Director

Ram Mohan
Director

Place : Udaipur
Date : April 13, 2012

SECRETARIAL COMPLIANCE CERTIFICATE
FORM (SEE RULE-3)
COMPANIES (COMPLIANCE CERTIFICATE) RULES, 2001

CIN : U27101RJ1997PLC014021

Nominal Capital : ₹ 5,00,00,000/-

To,

The Members,

R.B.G. Minerals Industries Limited

17-A , Old Fatehpura, Near Sewa Mandir,
Udaipur (Raj)

I have examined the Register, records, books and papers of **R.B.G. Minerals Industries Limited** as required to be maintained under the Companies Act 1956 (The Act) and the rules made there under and also the provisions contained in the Memorandum and Article of Association of the Company for the financial year ended on **31st March 2012**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of aforesaid financial year:

- 1 The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provision of the Act and rules made there under and all entire therein have been duly recorded.
- 2 The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the registrar of companies, Regional Director, Central Government, Company Law Board or other Authorities within the time prescribed under the Acts and rules made there under.
- 3 The Company being a Limited Company has the minimum prescribed paid up capital.
- 4 The Board of Directors duly met **4** times respectively on **15.04.11, 17.08.11, 30.12.11 and 30.03.12** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Books maintained for the purpose.
- 5 The Company was not required to close its Register of Members or Debenture holders during the financial year.
- 6 The Annual General Meeting for the financial year ended on **31.03.2011** was held on **17.09.2011** after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minutes book maintained for the purpose.
- 7 No Extraordinary General Meeting was held during the financial year.
- 8 The Company has not advanced any loan or given any guarantee or provide any security to its Directors and/or Persons or Firms or Companies referred under section 295 of the act.
- 9 The Company has duly complied with the provisions of section 297 of the Act in respect of the contracts specified in that section.
- 10 The Company has made necessary entire in the register maintained under section 301 of the Act.
- 11 As there were no instances falling with in the purview of section 314 of the Act. The Company has not obtained any approvals from the Board of Directors, members or central Government.
12. The Company has not issued duplicate share certificates during the financial year.
13. The Company has:
 - (i) no transfer and transmission of securities during the financial year however allotment of shares during the financial year.
 - (ii) The Company has not deposited any amount in a separate bank account as no dividend including interim dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued there on which have remained unclaimed or unpaid for a period of seven year to Investor Education and protection Fund (applicable when rules are notified).
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The appointment of Director has been duly made during the financial year and appointment of additional director during the financial year.
15. The Company has not reappointment Managing Director during the financial year.
16. The Company has not appointed any sole – selling agents during the year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provision of the Act.
18. The Directors have disclosed their interest in other firm/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued equity shares during the financial year.
20. The Company has not bought back any shares debentures during the financial year ending 31st March 2012.
21. The Company has not issued Preference Share/Debentures, accordingly no redemption of Preference Share/Debentures made during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per explanations received the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58 A during the financial year.
24. The amount borrowed by the Company from Directors, Members, Public Financial Institutions, Banks and others during the financial year ended on 31st March 2012 is/are within the borrowing limit of the Company.

25. The Company has not made any loans or advance or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.

31. There was / were no prosecution initiated against or show cause notices receive by the Company and no fines or penalties or any other punishment was imposed on the Company during financial year, offences under the Act.
32. The Company has not received any money as security from its employees during financial year.
33. As per explanations given the provisions of Employees provident fund act are properly complied by the Company during the financial year.

(DEEPAK VIJAYWARGEY)

A.C.S. No. 18221

C. P. No. 6321

Place : Udaipur

Date : 13.04.2012

ANNEXURE 'A'

Name of Company	R.B.G. Mineral Industries Limited	CIN	U27101RJ1997PLC014021
Authorised Capital	₹ 5,00,00,000/-	Paid up Capital	₹ 4,95,00,000/-

(1) Details of statutory registers maintained

(a) Register of Members u/s 150	(b) Copies of Annual Returns u/s 159 & 160
(c) Minutes Book of Board Meetings U/s 193	(d) Minutes Book of General Meetings U/s 193(1)
(e) Books of Accounts	(f) Register of Contracts u/s 301
(g) Register of Directors etc. u/s 303	(h) Register of Director's Shareholding u/s 307

(2) Details of other registers maintained

(a) Register of Transfers	(b) Register of Fixed Assets
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ANNEXURE 'B'

Name of Company	R.B.G. Mineral Industries Limited	CIN	U27101RJ1997PLC014021
Authorised Capital	₹ 5,00,00,000/-	Paid up Capital	₹ 4,95,00,000/-

Forms and Returns as filed with the Registrar of Companies during the Financial Year ending on 31st March 2012.

S.No.	Form no/ Return	Filed U/S	Date of Documents	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1.	Form No.-32	303(2)	31.08.2011	19.09.2011	YES	N/A
2.	Compliance Certificate	383(1A)	31.03.2011	27.09.2011	YES	N/A
3.	Annual Return	159(1)	17.09.2011	27.09.2011	YES	N/A
4.	Balance Sheet etc.	220(1)	31.03.2011	27.09.2011	YES	N/A
5.	Balance Sheet etc. [Filed in XBRL Format]	220(1)	31.03.2011	21.12.2011	NO	YES
6.	Form No.-32	303(2)	30.12.2011	19.01.2012	YES	N/A
7.	Form No.-2	75	30.03.2012	31.03.2012	YES	N/A

Forms and returns as filed by the company with Regional Director during the Financial Year ending 31st March 2012.	NIL
Forms and returns as filed by the company with Central Government during the Financial Year ending 31st March 2012.	
Forms and returns as filed by the company with other authorities during the Financial Year ending 31st March 2012.	

(DEEPAK VIJAYWARGEY)

A.C.S. No. 18221

C. P. No. 6321

Place : Udaipur

Date : 13.04.2012

AUDITORS' REPORT

TO
THE MEMBERS OF
R. B. G. MINERALS INDUSTRIES LIMITED

We have audited the attached Balance Sheet of R. B. G. MINERALS INDUSTRIES LIMITED as at 31st March, 2012 and Statement of Profit & Loss, Statement of Preoperative Expenditure and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

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.

Further to our comments in the Annexure referred to above, we state 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 accounts, as required by law, have been kept by the Company, so far as it appears from our examination of such books.

(iii) The Balance Sheet, Statement of Preoperative Expenditure & Cash Flow Statement dealt with report are in agreement with the books of account.

(iv) In our Opinion, Balance Sheet, Statement of Preoperative expenditure & Cash Flow statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

(v) According to the information and explanations given to us and on the basis of representations from the Directors of the Company and taken on record by the Board, we report that none of the Directors of the Company is disqualified as on March 31, 2012 from being appointed as Director under section 274 (1) (g) of the Companies Act, 1956.

(vi) In our opinion and to the best of our information and explanations given to us, the annexure statement of accounts read together with the 'Notes on Accounts' thereon, given the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

(a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2012;

(b) in the case of the Statement of Profit & Loss, Statement of Pre-operative expenses & Cash Flow Statement, give a true and fair view of the Cash Flows for the year ended on that date

For **R. K. POKHARANA & CO.**
Chartered Accountants

R.K. Pokharana
Proprietor
M.No. 71644

Place : Udaipur

Date : 13th April, 2012

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARA 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF R. B. G. MINERALS INDUSTRIES LTD., UDAIPUR ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2012

- | | |
|--|--|
| <p>i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) All the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on verification.</p> <p>(c) No Substantial part of the fixed assets were disposed off and it has not affected the going concern.</p> <p>ii) As explained to us the Company does not have any inventory. Further since the Company is not having any inventory the question of verification does not arise.</p> <p>iii) The Company has not granted or taken any loans secured or unsecured to / from the Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act. As no loans were granted or taken clause (b) (c) & (d) are not attracted.</p> <p>iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of business with regard to purchase of equipment & other assets.</p> <p>v) The Company has not purchased / sold any goods & material form / to any party during the year, accordingly the clause relating to purchase / sales in excess of ₹ 5,00,000/- (₹ Five lacs) or more from the parties listed under section 301 is not applicable.</p> <p>vi) The Company has not accepted deposits from public in terms of section 58 A of the Companies Act, 1956.</p> <p>vii) The Company has internal audit system commensurate with its size and nature of its business.</p> <p>viii) As per explanations given to us, the central government has not prescribed maintenance of costs records u/s 209 (1) (d) of the companies Act. 1956.</p> <p>ix) (a) As explained to us the Company is regularly depositing statutory dues with appropriate authorities. Further there is no outstanding statutory due for more than six months.</p> <p>(b) As explained to us there is no disputed liability of Sales Tax/ Income Tax/ Custom Duty/ Wealth Tax/ Excise duty.</p> | <p>x) The Company has not yet started business and therefore all the expenses incurred are kept in preoperative expenses pending for allocation and no accumulated losses are there.</p> <p>xi) As explained to us, Company has no liability of Financial institution or Bank or debenture holders hence no default in repayment of dues.</p> <p>xii) The Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>xiii) The provision of any special statute applicable to chit fund are not attracted.</p> <p>xiv) As explained to us, Company is not dealing or trading in Shares, Securities, debentures and other investments.</p> <p>xv) As explained to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.</p> <p>xvi) No term loans were obtained.</p> <p>xvii) As explained to us, there has been no unserviceable and damaged stores and raw material.</p> <p>xviii) In our opinion funds raised for short term / long term have been used respectively.</p> <p>xix) No debentures were issued.</p> <p>xx) The Company has not raised money by public issue.</p> <p>xxi) No fraud on or by the Company has been noticed or reported during the year.</p> |
|--|--|

For **R. K. POKHARANA & CO.**
Chartered Accountants

R.K. Pokharana
Proprietor
M.No. 71644

Place : Udaipur
Date : 13th April, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	SCHEDULE	31st March, 2012 (Audited)	31st March, 2011 (Audited)
I. EQUITY AND LIABILITIES			
1 Shareholder's Fund			
(a) Share Capital	A	49,500,000	44,400,000
(b) Reserves & Surplus		-	-
(c) Money received against Warrants		-	-
		<u>49,500,000</u>	<u>44,400,000</u>
2 Share Application Money Pending Allotment		-	-
3 Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
4 Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	B	445,402	476,922
(d) Short-term provisions		-	-
		<u>445,402</u>	<u>476,922</u>
TOTAL		<u>49,945,402</u>	<u>44,876,922</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	C	3,213,192	2,876,973
(ii) Intangible assets		-	-
(iii) Capital work-in progress	D	42,825,334	37,732,670
(iv) Intangible assets under development		-	-
		<u>46,038,526</u>	<u>40,609,643</u>
(b) Non-current investments	E	3,000	3,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		407,780	407,780
		<u>46,449,306</u>	<u>41,020,423</u>
2 Current Assets	F		
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivable		-	-
(d) Cash and cash equivalents		2,944,883	3,306,832
(e) Short-term loans and advances		-	-
(f) Other currents assets		551,213	549,667
		<u>3,496,096</u>	<u>3,856,499</u>
TOTAL		<u>49,945,402</u>	<u>44,876,922</u>

NOTES ON ACCOUNTS

Note : Schedules Referred Above Forms An Integral Part Of The Accounts

G

As per our report of even date attached

For **R. K. Pokharana & Co.**

Chartered Accountants

R.K. Pokharana

Proprietor

Membership No. 71644

Place : Udaipur

Date : 13th April, 2012

For and on behalf of the Board of Directors

Ibrahim Ali

Managing Director

Ram Mohan

Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS		SCHEDULE	(Amount in ₹)	
			31st March 2012 (Audited)	31st March 2011 (Audited)
I.	Revenue from operation		-	-
II.	Other Income		-	-
III.	Total Revenue (I+II)		-	-
IV.	Expenses:			
	Cost of material consumed		-	-
	Purchases of Stock-in-Trade		-	-
	Change in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
	Employee benefits expenses		-	-
	Finance costs		-	-
	Depreciation and amortization expenses		-	-
	other expenses		-	-
	Total expenses		-	-
V.	Profit before exceptional and extraordinary items and tax (III-IV)		-	-
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		-	-
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII-VIII)		-	-
X.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	Profit(Loss) for the period from Continuing operations (VII-VIII)		-	-
XII.	Profit(Loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV.	Profit(Loss) for the period (XI+XIV)		-	-
XVI.	Earning per equity Share:			
	(1) Basic		-	-
	(2) Diluted		-	-
NOTES ON ACCOUNTS		G		
Note : Schedules Referred Above Forms An Integral Part of The Accounts				

As per our report of even date attached

For **R. K. Pokharana & Co.**
Chartered Accountants

R.K. Pokharana
Proprietor
Membership No. 71644

Place : Udaipur
Date : 13th April, 2012

For and on behalf of the Board of Directors

Ibrahim Ali
Managing Director

Ram Mohan
Director

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	31st March 2012 Audited	31st March 2011 Audited
SCHEDULE A		
AUTHORISED :		
50,00,000 Equity Shares of ₹ 10/- each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP :		
49,50,000 Equity Shares of ₹ 10/- each (Pr. Yr: 44,40,000 Equity Shres of ₹ 10/- each) (All Shares held by Binani Zinc Ltd. & Its Nominees)	49,500,000	44,400,000
TOTAL	<u>49,500,000</u>	<u>44,400,000</u>

(Amount in ₹)

PARTICULARS	31st March 2012	31st March 2011
SCHEDULE `B`		
OTHER CURRENT LIABILITIES :		
Sundry Creditors (Binani Zinc-Advance for Land Purchases)	432,002	432,002
Audit fees Payable	11,000	11,000
Salary Payable	-	-
P.F.Payable	2,400	1,920
T.D.S. Payable	-	32,000
TOTAL	<u>445,402</u>	<u>476,922</u>

SCHEDULE C

FIXED ASSETS (Tangible assets)

(Amount in ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET AMOUNT	
	1st April, 2011	Addition / Sale	31st March, 2012	1st April, 2011	During the Year	Adjustments	31st March, 2012	31st March, 2012	31st March, 2011
LAND	2,822,433	344,347	3,166,780	-	-	-	-	3,166,780	2,822,433
MAPS & PERIODICALS	275,755	-	275,755	233,585	5,866	-	239,451	36,304	42,170
SURVEY INSTRUMENTS	67,600	-	67,600	57,304	1,432	-	58,736	8,864	10,296
COMPUTER	85,500	-	85,500	83,426	830	-	84,256	1,244	2,074
TOTAL	3,251,288	344,347	3,595,635	374,315	8,128	-	382,443	3,213,192	2,876,973
PREVIOUS YEAR	2,928,388	322,900	3,251,288	364,455	9,860	-	374,315	2,876,973	2,563,933

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	31st March, 2012 (Audited)	31st March, 2011 (Audited)
SCHEDULE D		
CAPITAL WORK IN PROGRESS (Preoperative Expenditure)		
Balance b/f	37,732,670	34,388,238
Payment & Provision for Employees	148,300	119,280
Audit fee	11,000	11,000
Bank Charges & Commission	7,333	925
Consultancy fee	4,209,000	2,532,452
Conference & Seminar	12,000	-
Depreciation	8,128	9,860
Electricity & Water Exp.	4,000	-
Legal & Other Expenses	65,832	48,971
Newspaper, Books & Periodicals	567	467
Office expenses	54,805	107,463
Postage & Courier	2,207	2,409
Telephone, Fax & Mobile	12,526	14,683
Printing & Stat./Computer Exp.	14,959	8,304
Basantgarh Mines - Consent To Establish	-	150,000
Basantgarh Mines - Dead Rent	159,120	165,485
Deri Mines - Consent to Establish	-	150,000
Deri Mines - Water Dam	-	6,000
Deri Mines - Surface Plan	81,070	-
Beneficiation Plant-Consent to Establish	135,000	-
Board Sitting Fees	10,000	15,000
Travelling expenses	381,161	156,982
Interest on Bank F.D.R./Others	(224,344)	(154,849)
TOTAL	42,825,334	37,732,670

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	31 st March, 2012	31 st March, 2011
SCHEDULE E		
INVESTMENTS		
National Savings Certificate (Pledged-Sales Tax Deptt.)	3,000	3,000
TOTAL	3,000	3,000
SCHEDULE F		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS :		
1. INVENTORIES		
(As taken valued and certified by the management at cost or market price whichever is less)	-	-
2. SUNDRY DEBTORS :		
(Unsecured Considered Good)		
I. Outstanding for a period exceeding six months	-	-
II. Others	-	-
3. CASH & BANK BALANCES :		
Cash in Hand	9,308	11,380
Balance with Scheduled Bank	2,935,575	3,295,452
	2,944,883	3,306,832
TOTAL 'A'	2,944,883	3,306,832
B. LOANS & ADVANCES		
(Unsecured Considered Good)		
Advance recoverable in cash or in kind or for value to be recd.	-	-
Advance to Contractors	-	-
T.D.S./T.C.S. (Income Tax)	32,106	40,560
Fringe Benefit Tax (Advance)	1,707	1,707
Security Deposits	517,400	507,400
	551,213	549,667
TOTAL 'B'	551,213	549,667
TOTAL 'A'+ 'B'	3,496,096	3,856,499

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

PARTICULARS	31st March, 2012	31st March, 2011
BALANCES WITH SCHEDULED BANKS		
Bank of Baroda	10,605	10,715
ICICI Bank Ltd.	330,035	904,286
Punjab National Bank	86,422	-
F.D.R. with ICICI Bank Ltd.	2,000,000	2,000,000
F.D.R. with Bank of Baroda (A/c Mining Engineer, Bhilwara)	3,918	3,918
F.D.R. with Bank of Baroda (A/c Mining Engineer, Sirohi)	10,000	10,000
F.D.R. with Punjab National Bank (for BG with IBM, Ajmer)	303,000	303,000
Accrued Interest on F.D.R. (ICICI Bank)	184,518	11,189
Accrued Interest on F.D.R. (Bank of Baroda)	4,703	3,550
Accrued Interest on F.D.R. (PNB)	2,374	48,794
TOTAL	2,935,575	3,295,452
SECURITY DEPOSITS		
RSMM Ltd. (erstwhile RSMDC-for Mining Lease)	500,000	500,000
JVNL (for Elec. Connection)	10,000	-
M/s Gurukripa Petroleum Exchange	5,000	5,000
M/s Shiv Shakti Gas Agency	1,400	1,400
M/s Reliance Infocomm Ltd.	1,000	1,000
TOTAL	517,400	507,400

SCHEDULE 'G'

NOTES ON ACCOUNTS

1. Significant Accounting Policies

The accounts are prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provision of the companies Act, 1956 as adopted consistently by the Company.

2. Fixed Assets

Fixed Assets are stated at Cost.

3. Depreciation

Depreciation on fixed assets has been provided under written down value (w dv) method at the rates prescribed as per the Schedule XIV to the Companies Act.

4. Recognition Of Income & Expenditure

All income and expenditure are accounted on accrual basis.

5. The Company is formed to conduct exploration & mining of Base Metals & Minerals. Till date no mining operation or production activities are undertaken by the Company. In view of this, no Profit & Loss account is being prepared. The expenditure incurred till date has been treated as preoperative expenditure. The break-up of Preoperative Expenses as on 31.03.2012 is as follows :

(Amount in ₹)

S.No.	Particulars	As at 31 st March, 2012	As at 31 st March, 2011
1.	Preoperative Expenditure	4,28,25,334	3,77,32,670
2.	Miscellaneous Expenditure	4,07,780	4,07,780
		<u>4,32,33,114</u>	<u>3,81,40,450</u>

6. Remuneration To Auditors

	2011-2012	2010-2011
Audit & Taxation fee (₹)	11,000	11,000

7. Earnings / Outgo in Foreign Exchange during the year :

(Amount in ₹)

Particulars	2011-12	2010-11
Earnings (Net)	Nil	Nil
Outgo (Net)	Nil	Nil

8. Cash and Bank Balance:

(Amount in ₹)

i) Cash and Cash Equivalent		
Balances with Banks		4,27,062
Cheques, drafts on hand		
Cash on hand		9,308
Others		
Sub-total		4,36,370
(Cash and Cash Equivalent only will be considered in Cash Flow Statement)		
ii) Other Bank Balance		
Earmarked balances with banks		--
-Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments etc.		
-Balances with Repatriation restrictions, if any		--
-Bank deposits with more than 3 months but less than 12 months maturity		25,08,513
Total		29,44,883

9. **Related Party disclosure as per AS 18 issued by the Institute of Chartered Accountant of India :-**

The Company has entered into transactions in ordinary course of business with Binani Zinc Ltd., Holding Company as per details below

(₹)

Particulars	2011-12	2010-11
Share Application money received during the year	51,00,000	36,84,000
Balance in Share Application Money as on 31.03.2012/ 31.03.2011	Nil	Nil

10. Previous year's figures have been regrouped / reclassified wherever necessary.
11. The Company has not started business and therefore Deferred Tax Assets / Liability as per Accounting Standard 22 and Segment disclosure as per Accounting Standard 17 are not applicable.

SIGNATURE TO SCHEDULE 'A' TO 'G'

As per our report of even date attached

For **R. K. Pokharana & Co.**
Chartered Accountants

R.K. Pokharana
Proprietor
Membership No. 71644
Place : Udaipur
Date : 13th April, 2012

For and on behalf of the Board of Directors

Ibrahim Ali
Managing Director

Ram Mohan
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

Particulars	31 st March, 2012	31 st March, 2011
Cash Flow From Operating Activities		
Net Profit Before Tax	--	--
Operating Profit Before Working Capital	--	--
Charges Adjustment for :		
Trade and other Receivables	(1,546)	6,232
Trade and other Payable	(31,520)	3,600
Cash Generated from Operations	(33,066)	9,832
Direct Taxes Paid (including FBT)	--	--
A. Net Cash from Operating Activities		
Cash Flow from Investing Activities		
- Purchase of Fixed Assets/Preoperative Exp.	(56,53,227)	(38,12,320)
- Sale of Fixed Assets	--	--
- Interest Income received	2,24,344	154,849
B. Net Cash Used in Investing Activities	(54,28,883)	(36,57,471)
Cash Flow from Financing Activities		
- Proceeds from Share Capital/ Share Application Money	51,00,000	36,84,000
- Increase in other Borrowings	--	--
- Interest & Finance Charges paid	--	--
C. Net cash from Financing Activities	51,00,000	36,84,000
D. Net Increase/(Decrease) in cash & cash Equivalents (A+B+C)	(3,61,949)	36,361
E. Opening Cash & Cash Equivalents (Cash and Bank Balances)	33,06,832	32,70,471
F. Closing Cash & Cash Equivalents (D+E) (Cash and Bank Balances)	29,44,883	33,06,832

As per our report of even date attached

For **R. K. Pokharana & Co.**
Chartered Accountants

R.K. Pokharana
Proprietor
Membership No. 71644
Place : Udaipur
Date : 13th April, 2012

For and on behalf of the Board of Directors

Ibrahim Ali
Managing Director

Ram Mohan
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

Your directors present their report, together with the statement of The Group, being the company, for the financial year ended 31 March 2012.

1. General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed
Sunil Sethy	Director	6 April 2010
Duane Woodbury	Director	6 April 2010
Sushil Bhatler	Director	6 April 2010

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of BZ Minerals (Australia) Pty Ltd during the financial year was an investment in equity of Meridian Minerals Limited (Meridian) (ASX:MII) an Australian based junior exploration company and a loan to Meridian (Lennard Shelf Project) Pty Ltd; a subsidiary of Meridian for purchase of a beneficiation plant from Galmoy to be used in Lennard Shelf Project.

The following significant changes in the nature of the principal activities occurred during the financial year:

- The investment in Meridian Minerals Limited was purchased by Nort west Nonferrous Minerals Australia Pty Ltd under a Scheme of Arrangement approved by the Federal Court of Australia.
- The Loan to Meridian (Lennard Shelf Project) Pty Ltd was repaid during the year as per instructions contained within the Scheme of Arrangement.

2. Operating Results and Review of Operations for the Year

Operating Results

The profit of the company after providing for income tax amounted to \$ 1,720,261 (2011: \$ (15,547)).

3. Other items

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Auditors Independence Declaration

The lead auditors independence declaration for the year ended 31 March 2012 has been received and can be found on page 3 of the financial report.

Indemnifying Officers or Auditors

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

Sushil Bhatler
Director

Duane Woodbury
Director

Dated this 21st day of April, 2012

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 21, present fairly the company's financial position as at 31 March 2012 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Sushil Bhatler
Director

Duane Woodbury
Director

Dated this 21st day of April, 2012

Auditors Independence Declaration under Section 307C of the Corporations Act 2001
to the Board of Directors BZ Minerals (Australia) Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Gillespies (Chartered Accountants)

David M Duff, Partner (Bowral, Australia)

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BZ MINERALS (AUSTRALIA) PTY LTD

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report, being a special purpose financial report of BZ Minerals (Australia) Pty Ltd, which comprises the statement of financial position as at 31 March 2012, the income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of BZ Minerals (Australia) Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of BZ Minerals (Australia) Pty Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 March 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Gillespies (Chartered Accountants)

David M Duff, Partner (Bowral, Australia)

INCOME STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

Particulars	Note	2012	2012	2011	2011
		\$	₹ in Lakhs	\$	₹ in Lakhs
Other income	2	7,466,675	4,030.00	7,457	3.48
Administrative expense	3	(714,176)	(385.46)	(23,004)	(10.74)
Finance costs	3	(719,889)	(388.55)	-	-
Other expenses	3	(3,600,000)	(1,943.04)	-	-
Profit before income tax expense		2,432,610	1,312.96	(15,547)	(7.26)
Income tax expense	4	(712,349)	(384.48)	-	-
Profit from continuing operations		1,720,261	928.48	(15,547)	(7.26)
Profit from ordinary activities after tax		1,720,261	928.48	(15,547)	(7.26)
Profit from operations		1,720,261	928.48	(15,547)	(7.26)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2012

Particulars	2012	2012	2011	2011
	\$	₹ in Lakhs	\$	₹ in Lakhs
Profit for the year	1,720,261	928.48	(15,547)	(7.26)
Other comprehensive income:				
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	1,720,261	928.48	(15,547)	(7.26)

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2012

Particulars	Note	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	11,594,062	6,257.69	958,149	447.31
Other assets	7	44,135	23.82	1,568	0.73
TOTAL CURRENT ASSETS		11,638,197	6,281.51	959,717	448.05
NON-CURRENT ASSETS					
Financial assets	8	-	-	15,811,466	7,381.61
TOTAL NON-CURRENT ASSETS		-	-	15,811,466	7,381.61
TOTAL ASSETS		11,638,197	6,281.51	16,771,183	7,829.66
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	9	695,205	375.22	51,744	24.16
Current tax liabilities	10	712,349	384.48	-	-
TOTAL CURRENT LIABILITIES		1,407,554	759.70	51,744	24.16
NON-CURRENT LIABILITIES					
Borrowings	11	-	-	8,209,057	3,832.41
TOTAL NON-CURRENT LIABILITIES		-	-	8,209,057	3,832.41
TOTAL LIABILITIES		1,407,554	759.70	8,260,801	3,856.57
NET ASSETS		10,230,643	5,521.81	8,510,382	3,973.09
EQUITY					
Issued capital	12	8,525,929	4,601.72	8,525,929	3,980.35
Retained earnings		1,704,714	920.09	(15,547)	(7.26)
TOTAL EQUITY		10,230,643	5,521.81	8,510,382	3,973.09

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2012

2012	Ordinary Shares AUD \$	Retained Earnings AUD \$	Total AUD \$	Ordinary Shares ₹ in Lakhs	Retained Earnings ₹ in Lakhs	Total ₹ in Lakhs
Balance at 1 April 2011	8,525,929.00	(15,547.00)	8,510,382.00	4,601.72	(7.26)	4,594.46
Profit attributable to members of the entity	-	1,720,261.00	1,720,261.00	-	928.48	928.48
Balance at 31 March 2012	8,525,929.00	1,704,714.00	10,230,643.00	4,601.72	921.22	5,522.94

Balance at 1 April 2010	-	-	-	-	-	-
Shares issued during the year	8,525,929.00	-	8,525,929.00	3,980.35	-	3,980.35
(Loss) attributable to members of the entity	-	(15,547.00)	(15,547.00)	-	(7.26)	(7.26)
Balance at 31 March 2011	8,525,929.00	(15,547.00)	8,510,382.00	3,980.35	(7.26)	3,973.09

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2012

Particulars	Note	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
CASH FROM OPERATING ACTIVITIES:					
Receipts from customers		3,600,000	1,943.04	-	-
Payments to suppliers and employees		(3,670,714)	(1,981.20)	27,172	12.69
Interest received		851,742	459.71	7,397	3.45
Interest paid		(719,889)	(388.55)	-	-
Net cash provided by (used in) operating activities		<u>61,139</u>	<u>33.00</u>	<u>34,569</u>	<u>16.14</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale/(purchase) of Investment - Meridian Minerals Ltd		11,501,237	6,207.59	(8,525,928)	(3,980.35)
Repayment/(proceeds) - Loan - Meridian (Lennard Shelf Project) Pty Ltd		6,706,315	3,619.61	(7,886,662)	(3,681.90)
Net cash used by investing activities		<u>18,207,552</u>	<u>9,827.20</u>	<u>(16,412,590)</u>	<u>(7,662.25)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issue of shares		-	-	8,525,929	3,980.35
(Repayment)/proceeds from Loan - Binani Zinc Ltd		(7,536,742)	(4,067.82)	8,808,475	4,112.25
Net cash used by financing activities		<u>(7,536,742)</u>	<u>(4,067.82)</u>	<u>17,334,404</u>	<u>8,092.60</u>
Net increase (decrease) in cash and cash equivalents held		<u>10,731,949</u>	<u>5,792.38</u>	<u>956,383</u>	<u>446.49</u>
Cash and cash equivalents at beginning of year		958,149	517.14	-	-
Effect of exchange rates on cash holdings in foreign currencies		(96,036)	(51.83)	1,766	0.82
Cash and cash equivalents at end of financial year		<u><u>11,594,062</u></u>	<u><u>6,257.69</u></u>	<u><u>958,149</u></u>	<u><u>447.31</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore a special purpose financial statements that has been prepared in order to meet the requirements of the Corporations Act 2001.

The directors have determined that the company is not a "reporting entity". Consequently, the requirements of Accounting Standards issued by the AASB and other professional reporting requirements do not have mandatory applicability to BZ Minerals (Australia) Pty Ltd in relation to the year ended 31 March 2012. However, the directors have determined that in order for the financial report to give a true and fair view of the company's results of operations and state of affairs, the requirements of Accounting Standards and other professional reporting requirements in Australia relating to the measurement and recognition of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the directors have prepared the financial report in accordance with the the following Accounting Standards:

AASB 101: Presentation of Financial Statements

AASB 107: Cash Flow Statements

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 121: The Effects of Changes in Foreign Exchange Rates

AASB 1048: Interpretation of Standards

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes. The accounting policies have been adopted in the preparation of this report are as follows:

(b) Foreign currency translation

The functional and presentation currency of BZ Minerals (Australia) Pty Ltd is Australian Dollars (\$).

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange

rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the financial report are taken to profit or loss.

(c) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of

three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

(g) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (d) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected

life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held to maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

The company did not hold financial assets at fair value through profit or loss either in the current or comparative financial years.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost .

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(iii) Held to maturity investments

Held to maturity investments are non derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held to maturity investments are included in non current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held to maturity investments before maturity, the entire held to maturity investments category would be tainted and reclassified as available for sale.

The Company did not hold any held to maturity investments in the current or comparative financial year.

(iv) Available-for-sale financial assets

Available for sale financial assets are non derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non current assets, except for those which are expected to be realised within 12 months after the end of the reporting period.

(v) Financial liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available for sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at cost.

Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available

for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the income statement.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non cash assets or liabilities assumed, is recognised in profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(i) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information and dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the

recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash generating unit (CGU) at a pre tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

2 Revenue and Other Income

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Other revenue				
Interest received	894,310	482.69	7,397	3.45
Foreign exchange realised gain/(loss)	(2,944)	(1.59)	59	0.03
Surrender of Right of First Refusal	3,600,000	1,943.04	-	-
Profit on Sale of Investments	2,975,309	1,605.87	-	-
Total Revenue	7,466,675	4,030.00	7,456	3.48

3 Result for the Year Expenses

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Interest paid	719,889	388.55	-	-
Other expenses				
Surrender of Right of First Refusal	3,600,000	1,943.04	-	-
Management Services	628,561	339.25	-	-
Consultancy services	13,200	7.12	12,100	5.65
Bank charges	13,039	7.04	1,199	0.56
Administration expense	428	0.23	1	0.00
Auditors remuneration	6,000	3.24	5,000	2.33
Insurance	6,269	3.38	4,703	2.19
Postage	39	0.02	-	-
Professional charges	46,640	25.17	-	-
Total other expenses	4,314,176	2,328.50	23,003	10.73

4 Income Tax Expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2011: 30%)	729,783	394	(4,664)	(2.18)
Add:				
Tax effect of:				
- Losses carried forward to later income years	-	-	4,681	2.18
	729,783	394	17	0.01
Less:				
Tax effect of:				
- Accrued interest	12,770	7	-	-
- foreign currency exchange profit subject to income tax	(17)	(0.01)	-	-
- foreign currency exchange profit not subject to income tax	-	-	17	0.01
Recoupment of prior year tax losses not previously brought to account	4,682	3	-	-
Income tax expense	712,348	384	-	-

5 Auditors' Remuneration

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Remuneration of the auditor of the company, Gillespies, for:				
Auditing or reviewing the financial report	5,500	2.97	5,000	2.33
Under accrual prior year	500	0.27	-	-
TOTAL	6,000	3.24	5,000	2.33

6 Cash and Cash Equivalents

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
State Bank of India, Sydney Branch Current Account	57,282	30.92	34,917	16.29
State Bank of India, Sydney Branch Euro Account	-	-	923,232	430.85
State Bank of India, Sydney Branch, Term Deposit	2,500,000	1,349.33	-	-
HSBC, Current Account and Term Deposit	9,036,780	4,877.44	-	-
TOTAL	11,594,062	6,257.69	958,149	447.14

7 Other Assets

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
CURRENT				
Prepayments	1,567	0.85	1,568	0.73
Interest Accrual	42,568	22.98	-	-
TOTAL	44,135	23.82	1,568	0.73

8 Other Financial Assets

Particulars	Note	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
NON CURRENT					
Available for sale financial assets	8(a)	-	-	8,525,928	3,978.84
Loans and receivables	8(b)	-	-	7,285,538	3,399.98
Total Non Current Assets				15,811,466	7,378.83

(a) Available -for-sale financial asset compromise:

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Listed investments, at fair value				
- Listed shares				
- Meridian Minerals Ltd (ASX Listed)	-	-	8,525,928	3,978.84

(b) Loans and receivables

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Loan: Meridian (Lennard shelf Project) Pty Ltd.	-	-	7,285,538	3,399.98

9 Trade and Other Payables

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
CURRENT				
Unsecured liabilities				
Trade payables	-	-	1,100	0.51
Accrued expenses	20,900	11.28	5,000	2.33
Account Payable Binani Industries Ltd	477,400	257.67	-	-
Account Payable Binani Zinc Ltd	196,905	106.28	45,644	21.30
Total	695,205	375.22	51,744	27.93

10 Tax

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Provision for Income Tax	712349	384.48	-	-

11 Borrowings

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
NON CURRENT				
Unsecured liabilities				
Loan: Binani Zinc Ltd	-	-	8,209,057	3,830.97

12 Issued Capital

Particulars	2012 \$	2011 \$
8,525,929 (2011: 8,525,929) Ordinary	8,525,929	8,525,929

(a) Ordinary Shares

Particulars	2012 No.	2011 No.
At the beginning of the reporting period	8,525,929	-
Shares issued during the year		
6 April 2010	-	1
1 November 2010	-	2,000,000
29 March 2011	-	6,525,928
At the end of the reporting period	<u>8,525,929</u>	<u>8,525,929</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the company. On a show of hands at meetings of the company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The company does not have authorised capital or par value in respect of its shares.

13 Cash Flow Information

(a) Reconciliation of cash flow from operation with profit after Income Tax

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Profit for the year	1,720,261	928.48	(15,547)	(7.26)
Cash flows excluded from profit attributable to operating activities		-		-
Non cash flows in profit		-		-
Profit on Sale of Investments	(2,975,309)	(1,605.87)	-	-
- Realised losses/(gain) foreign exchange	2,944	1.59	(59)	(0.03)
Changes in assets and liabilities		-		-
(Increase)/decrease in prepayments	1	0.00	(1,568)	(0.73)
(Increase)/decrease in other assets	(42,568)	(22.98)	-	-
Increase/(decrease) in trade payables and accruals	643,460	347.30	51,743	24.15
Increase/(decrease) in income taxes payable	<u>712,349</u>	<u>384.48</u>	-	-
Cashflow from operations	<u>61,139</u>	<u>33.00</u>	<u>34,569</u>	<u>16.13</u>

(b) Reconciliation of cash

Particulars	2012 \$	2012 ₹ in Lakhs	2011 \$	2011 ₹ in Lakhs
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:				
Cash and cash equivalents	<u>11,594,062</u>	<u>6,257.69</u>	<u>958,149</u>	<u>4,47.14</u>

14 Cash Backed Guarantee

At the request of the company, HSBC (Australia) is holding a cash backed guarantee instrument to the value of \$8,952,000. The instrument is in place to guarantee payment of the sums due to HSBC India by Binani Zinc Ltd (parent company) under the credit facility for working capital purposes made available by HSBC India to Binani Zinc Ltd.

15 Company Details

The registered office of the company is:

BZ Minerals (Australia) Pty Ltd
C/o Gillespies (Southern Highlands) Pty Ltd
Suite 5, 20 Bundaroo Street
Bowral NSW 2576

The Principal Place of business is:

BZ Minerals (Australia) Pty Ltd
81 Ringwood Lane
Exeter NSW 2579

BINANI ZINC LIMITED

Registered Office: 37/2, Chinar Park, New Town, Rajarhat Main Road, P.O. Hatiara, Kolkata – 700 157

Corporate Office: Mercantile Chambers, 12, J.N. Heredia Marg, Ballard Estate, Mumbai – 400 001

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

- (1) Name(s) of Shareholder(s) :
(including joint holders, if any)
- (2) Registered address of the sole/
first named shareholder :
- (3) Registered folio No./DP ID No./Client ID No.* :
[*Applicable to investors holding shares in
dematerialized form]
- (4) No. of Shares held :
- (5) I/we hereby exercise my/our option to receive the documents such as Notice of Annual General Meeting, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report, Explanatory Statement, etc., in electronic mode pursuant to the 'Green Initiative' by the Ministry of Corporate Affairs vide circular dated 29th April, 2011.
- (6) My email id is:

Place:

Date:

(Name and Signature of the Member)

Binani

Binani Zinc Limited

Registered Office: 37/2, Chinar Park, New Town, Rajarhat Main Road,
P.O. Hatiara, Kolkata -700 157

PROXY FORM

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

as my/our Proxy to attend and vote for me/us and on my/our behalf at
the **12TH ANNUAL GENERAL MEETING** of the Company to be held at
1.30 p.m or immediately after the conclusion of 49th Annual General
Meeting of Binani Industries Limited at Rotary Sadan, 94/2, Chowringhee
Road, Kolkata-700 020 on Saturday, the 4th August 2012 and at any
adjournment thereof.

Signed this _____ day of _____ 2012

Signature(s) of
the Member(s)

Folio No. _____

DP. Id* _____

Client Id* _____

Note

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

* Applicable for Investors holding shares in Electronic Mode.

**Affix
Revenue
Stamp**

Binani

Binani Zinc Limited

Registered Office: 37/2, Chinar Park, New Town, Rajarhat Main Road,
P.O. Hatiara, Kolkata -700 157

ATTENDANCE SLIP

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

I hereby record my presence at the **12TH ANNUAL GENERAL MEETING**
held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 on
Saturday, the 4th August 2012 at 1.30 p.m or or immediately after the
conclusion of 49th Annual General Meeting of Binani Industries Limited.

Name of the Member _____

No. of Shares held _____

Folio No. _____

DPID* _____ Client Id* _____

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

Signature of the Members of Proxy/Representative.

* Applicable for Investors holding shares in Electronic Mode.

BOOK-POST



BINANI ZINC LIMITED

If undelivered please return to: Binani Zinc Ltd.,
Mercantile Chambers, 12, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001
www.binani.com