Binani

BRAJ BINANI GROUP

# Binani

## BINANI INDUSTRIES LIMITED

ANNUAL REPORT 2012-13

# Binani Industries Limited

Binani
BRAJ BINANI GROUP

## BOARD OF DIRECTORS

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

## AUDIT COMMITTEE

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

## CORE MANAGEMENT COMMITTEE

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

## EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER-GROUP CONTROL ACCOUNTS

Mr. R. Venkiteswaran

## PRESIDENT & COMPANY SECRETARY

Mr. K.K.Saraf

## AUDITORS

Kanu Doshi Associates, Mumbai

## TERM LENDERS & BANKERS

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

## LEGAL ADVISORS

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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## SUBSIDIARIES' PLANT LOCATIONS

1. **Binani Cement Limited**
   a) Binanigram, Pindwara, Sirohi, Rajasthan –307031
   b) Village Sirohi, Taluka:Neem Ka Thana, Dist-Sikar, Rajasthan.
2. **Binani Zinc Limited**
   Binanipuram, Ernakulam, Kerala- 683502
3. **Goa Glass Fibre Limited**
   Colvale, Bardez, Goa – 403513
4. **BT Composites Limited**
   C5 to C9, Madkaim Indl.Est. Mardol Post, Goa- 403404
5. **3B Fibreglass SPRL.**
   Route de Maestricht 67, 4651, Battice, Belgium
6. **3B Fibreglass AS**
   Tollenesveien 60, 4760, Birkeland, Norway
7. **CPI Binani Inc.**
   1700 Wilkie Drive Winona, MN 55987, USA
8. **Shandong Binani Rong'An Cement Co.Ltd.**
   Fujiazhuang,Dong Guan Town,
   Ju Country, Rizhao City, Shandong Nagar,China
9. **Binani Cement Factory LLC.**
   Jabel Ali, Dubai.

## REGISTRAR AND SHARE TRANSFER AGENTS

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

## CONTENTS


| CONTENTS | Page |
|---|---|
| Notice for the 50th Annual General Meeting | 2-5 |
| Directors' Report including Management Discussion & Analysis | 6-15 |
| Corporate Governance Report | 16-24 |
| Auditors' Report on Standalone Financial Statements | 25-27 |
| Standalone Financial Statements | 28-53 |
| Auditors' Report on Consolidated Financial Statements | 54-55 |
| Consolidated Financial Statements | 56-94 |
| Financial Information Relating to Subsidiaries | 95-96 |

# NOTICE

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

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mrs. Nidhi Singhania who retires by rotation and being eligible, offers herself for reappointment.
4. To resolve that Mr. Jitender Balakrishnan, who retires by rotation and who has not sought reappointment, hence not to be reappointed and the resulting vacancy not to be filled-up.
5. To reappoint M/s. Kanu Doshi Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors / Audit Committee to fix their remuneration.

## SPECIAL BUSINESS:

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

   "RESOLVED THAT Miss Shradha Binani, who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from a Member of the Company alongwith a deposit of ₹ 500 /- under Section 257 of the Companies Act, 1956, proposing the candidature of Miss Shradha Binani for the office of Director be and she is hereby appointed as a Director of the Company."

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

   "RESOLVED THAT Mr. Rahul Asthana , who was appointed as an Additional Director and who in terms of Section 260 of the Companies Act, 1956 read with Article 89 of the Articles of Association of the Company, holds office upto this Annual General Meeting and in respect of whom the Company has received a notice from a Member of the Company alongwith a deposit of ₹ 500 /- under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Rahul Asthana for the office of Director be and he is hereby appointed as a Director of the Company."

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

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

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

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

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

   a. Article 67A after existing Article 67

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

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

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

c. Article 111A after existing Article 111

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

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

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

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

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

Place : Mumbai — **K.K. Saraf**
Dated : 27th July, 2013 — **President & Company Secretary**

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **The proxy form in order to be effective should be duly stamped, signed and completed in all respects and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.**
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 6,7,8 and 9 of the Notice is appended hereto and forms part of this Notice.
4. No person shall be entitled to attend or vote at the meeting as a duly Authorized Representative of any Body Corporate which is a Member of the Company, unless a certified copy of the Resolution appointing him/her as duly Authorized Representative has been deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September, 2013 to Saturday, the 28th September, 2013 (both days inclusive).
6. Dividend, if declared, will be paid to those Members whose names appear on the Company's Register of Members on 28th September, 2013. In respect of shares held in electronic form (Demat mode), the dividend will be paid to the beneficial owners as per the position received from the depositories as at the close of 28th September, 2013.
7. Pursuant to the provisions of Section 205A of the Companies Act, 1956, all unclaimed / unpaid Dividends declared by the Company will be transferred to the Investor Education & Protection Fund (IEPF)established by the Central Government on or before the dates indicated below:

| S.No. | Dividend for Year ended | Last date for claiming the amount of dividend from the Company |
|---|---|---|
| 1. | 31.3.2006 | 10.08.2013 |
| 2. | 31.3.2007 | 07.08.2014 |
| 3. | 31.3.2008 | 04.08.2015 |
| 4. | 31.3.2009 | 07.08.2016 |
| 5. | 31.3.2010 | 06.08.2017 |
| 6. | 31.3.2011 | 08.08.2018 |
| 7 | 31.3.2012 | 15.09.2019 |

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

8. Members holding shares in identical names under different ledger folios are requested to apply for consolidation of such folios and send the relevant Equity Share Certificates to the Company's Registrars & Share Transfer Agents.
9. Members who are holding shares in single name are advised, in their own interest, to get the shares transferred in joint names. There is a facility available for nomination and Members are advised in their own interest to nominate persons for transferring the interest in those shares . Nomination form is available on request.
10. Those Members of the Company who are still holding Share Certificates of the Company with the old name Binani Zinc Limited, should immediately write to the Registered Office of the Company asking for stickers for change of name, to be affixed on such Share Certificates . The Share Certificates need not be sent, only the details of the Certificates are to be furnished.
11. Members, who are holding shares in physical form, are advised to get their physical shares dematerialized in their own interest which will facilitate quick credit of the dividend into their Bank Account directly and also save them from unnecessary hardship that may be caused in case of the dividend warrants getting lost in postal transit. Members may note that the Company's shares are traded in the Stock Exchange(s) only in dematerialized form.
12. Inspite of repeated requests, some shareholders are still holding share certificates of ₹100/- each. They are requested to send them to the Registered Office of the

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

13. The practice of distributing copies of Annual Reports at the Annual General Meeting has been discontinued as a measure of economy. Members are therefore requested to bring their copy of the Annual Report and Attendance Slip duly completed to the Meeting.

14. The Ministry of Corporate Affairs, Government of India, vide Circular No. 17/2011 has allowed service of documents by e-mode as a Green Initiative in the Corporate Governance. Members are requested to Register their e-mail addresses with the Company's Registrar & Share Transfer Agents M/s. Link Intime India Pvt. Limited Unit: Binani Industries Limited, C-13 Pannalal Silk Mills Compound, L.B.S .Marg, Bhandup (W), Mumbai -400 078, to facilitate service of documents under Section 53 of the Companies Act, 1956.

15. Members are requested to:

    a) Notify promptly any change in their address and send all correspondence relating to shares including requests for transfers, change of status, change of mandate, fresh mandate etc either to the Company at its Registered Office or to the Company's Registrar and Share Transfer Agents, **M/s Link Intime India Pvt Limited Unit:** Binani Industries Limited, C-13 Pannalal Silk Mills Compound, L.B.S .Marg, Bhandup (W), Mumbai -400 078, Tel.No. 022-25946970 - Fax: 022-25946969 E-mail: rnt.helpdesk@linkintime.co.in

    b) Notify the change in the address and change in the bank mandate to the concerned Depository Participants, if the shares are held in dematerialized form.

    c) Send their queries, if any, in respect of Annual Accounts of the Company at least 15 days in advance of the meeting, to the Company's Registered Office so that information can be made available at the meeting.

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

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

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

**Item No.6 :**

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

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

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

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

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

**Item No. 7 :**

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

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

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

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

**Item No.8 :**

Through a Resolution passed by Postal Ballots on 26th November 2010, the Members of the Company had authorized the Board of Directors of the Company to borrow moneys for Company's business notwithstanding that the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, i.e. to say reserves not set apart for any specific purpose, provided, however that the aggregate amount of moneys which may be borrowed, shall not at any time exceed the limit of ₹ 1000 Crores (Rupees One Thousand Crores only)."

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

The Directors recommend the Resolution for your approval .

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

**Item no. 9 :**

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

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

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

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

The Directors recommend the passing of the Resolution.

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

The Articles of Association of the Company, incorporating the proposed alteration will be available for inspection by the Members of the Company during working hours from 11.00 a.m to 1.00 p.m at the Registered Office of the Company on any working day except Saturdays and Sundays upto the date of this Meeting.

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

Place : Mumbai
Dated : 27th July, 2013.

**K.K. Saraf**
**President & Company Secretary**

# DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS REPORT

Dear Members,

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

## 1. FINANCIAL HIGHLIGHTS

(₹ in Lacs)

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

## 2. REVIEW OF OPERATIONS

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

For providing management and support services to the Subsidiaries, the Company has created a Talent Pool comprising of Professionals with rich experience in different functional areas. This facilitates the Company in providing expertise and support services to its Subsidiaries in the areas of Accounts, Finance, Treasury, Audit, Forex / Commodity, Risk Management, IT, HR, Secretarial and Legal, Purchase, Taxation, Corporate Strategy, Media Services etc. The Company regularly takes initiatives in Brand Promotion & Brand Building exercise and spends considerable amount on advertisement which help the Subsidiaries derive significant benefits.

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

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

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

## 3. DIVIDEND

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

## 4. OUTLOOK

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

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

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

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

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

## 4. SUBSIDIARIES

### 4.1 Report on Subsidiary Companies

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

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

### 4.2. Loans/Investments in Subsidiaries

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

4.2.1 Invested an aggregate sum equivalent to ₹ 31,198.28 lacs in 3B Binani Glassfibre S.a.r.l, Luxembourg and provided loan ₹ 77.45 lacs to CPI Binani Inc, USA.

4.2.2 A total amount of ₹ 4,575 lacs was paid as loan to Goa Glass Fibre Limited out of which a sum of ₹ 25 crores was converted into 6% Redeemable Non-cumulative Preference Shares of ₹ 100/- each.

4.2.3 Invested a sum of US $ 1000 in Binani Global Cement Holdings Pvt. Limited in Singapore towards initial capital at the time of its incorporation.

4.2.4 An aggregate of ₹ 54.70 lacs paid as loan to Wada Industrial Estate Limited.

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

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

#### 4.3.1 Binani Cement Limited (BCL)

**Financial Highlights**

(₹ in Lacs)

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

**Operations Review**

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

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

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

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

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

**Business Outlook**

**Indian Cement Industry :**

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

**Company Outlook**

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

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

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

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

**Financial Highlights**
**(Consolidated excluding Goa Glass Fibre Ltd.)**

**(Euro in Million)**

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

**Industry Overview**

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

**Operations Overview**

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

**Business Outlook**

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

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

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

### 4.3.3 Goa Glass Fibre Limited (GGFL)

**Financial Highlights**

(₹ in Lacs)

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

**Operations Review**

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

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

**Business Outlook**

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

GGFL is currently focusing on optimizing the product mix by giving thrust to the products with better margins, thereby improving profitability. This will also improve capacity utilisation and contain the operational cost. With this perspective, focus was on Chopped Strand Mat during the year 2012-13 which provided better margin and will also help maximizing the production and sales in future.

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

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

### 4.3.4 Binani Zinc Limited (BZL)

**Financial Highlights**

(₹ in Lacs)

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

**Operations Review**

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

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

year. However, the steep hike in the power tariff and adverse variation in the exchange rates affected the performance of the Company. The decline in zinc prices on LME (Average price of US$1950/MT during the year 2012-13 as compared to average price of US $2150 in 2011-12) affected all stand-alone Smelters. Slow Down in Automotive and Telecom Sectors also resulted in low Zinc demand. Despite this, BZL contained its loss at ₹ 1,044.43 lacs as against ₹ 1,455.96 lacs in the previous year.

**Industry Overview**

Demand for Zinc metal, world-wide, continued to record robust growth rates. However, the accelerated growth of previous years was muted, due to lower than expected growth in China.

The Euro-zone crisis dampened price sentiments and with Funds keeping away from the metals sector, LME prices recorded lower levels, resulting in an average price of $1950/MT during 2012-13 as compared to the previous year's average of $2101.

The Indian economy struggled to achieve the decadal growth rates. The GDP growth rates are positively correlated to Zinc demand. However, BZL's to be a "supplier of choice" continued to pay rich dividends in terms of premium achieved on metal sales.

The power scenario in Kerala was a cause of concern & continues to be so. Tariff hike of 35% effective from 1st July 2012, severely affected profitability. Restrictions on power supply were also introduced which has recently been withdrawn.

With revival of monsoon in 2013, expected Hydel Generation at normal levels thus, restoring the balance of power in the state of Kerala.

BZL is actively interacting with the Regulatory Authorities, Kerala State Electricity Board (KSEB) & Government, to mitigate further tariff hikes/restrictions.

**Business Outlook**

The recent monetary easing, pullback in inflation rates & expected investments in infra projects like telecom & power should assist in restoring the growth momentum for zinc demand.

During the first half of 2012, concentrate supply was squeezed leading to low Treatment Charges (TC). The situation has eased out since then. Higher TC levels are expected during 2013-14.

BZL has entered into an Agreement with an established Technology provider (M/s Tamzinco) for introducing a process step whereby Lead-Silver (Pb-Ag) separation can be achieved from the leach streams. The process will enable recovery of value-adding Pb-Ag as well as generation of cleaner Jarosite of non-hazardous nature. The process is also designed to improve the smelter flexibility to treat concentrates with higher level of impurities.

With the successful commissioning of the above project by 2014-15, BZL is hopeful of growth in both the top line & bottom line.

BZL is actively working to ensure that the RBG mines start functioning within the next couple of years. It is also pursuing its plans for capacity expansion as well as, mini-Hydel projects. It will continue to focus on development of value added products, from existing products as well as solid wastes.

With the implementation of above plans, BZL is expected to report substantially improved results in the years ahead.

**4.3.5 BIL Infratech Limited ( BILIL)**

**Financial Highlights:**

(₹ in Lacs)

| Particulars | Year ended 31.3.2013 | Year ended 31.3.2012 |
|---|---|---|
| Total Revenue | **12,783.17** | 6,549.29 |
| Profit before , Depreciation, Interest & Taxation and Exceptional Items. | **417.02** | 136.68 |
| Provision for Depreciation | **152.83** | 45.67 |
| Interest and Financial Charges | **137.39** | 42.28 |
| Profit before Tax & Exceptional items | **126.80** | 48.73 |
| Exceptional Items | **-** | - |
| Provision for Tax | **46.05** | 14.09 |
| Profit after Tax | **80.75** | 34.64 |

**Operations Overview**

During the year under review, BIL Infratech Ltd. (BILIL) earned Revenue of ₹12,783.17 lacs as against ₹6,549.29 lacs in the previous year. The order backlog of BILIL at the end of the year 2012-13 stood at ₹53,000 lacs. During the year, the Company was awarded a prestigious work by the Government of West Bengal for construction of Aliah University Campus of the value of ₹22,100 lacs.

**Industry Overview**

The Construction Industry has been passing through sluggish phase in the absence of clearance of various infrastructure projects by the Government. Similarly, there have not been too many opportunities in EPC sector except for a few tenders which are currently in pipelines by large corporates. Some of the engineering contracts were put on hold by the Customers for various reasons.

**Business Outlook**

BILIL has participated in a number of Tenders and expect to clock a revenue of ₹700 Crores by FY'16. BILIL has planned various strategies which inter-alia include concentrating on construction of residential and commercial buildings, industrial structures , focus on EPC projects wherever possible and strengthen its core team. BILIL hopes to achieve total revenue of around ₹390 Crores in 2013-14 with significantly improved EBIDTA, barring unforeseen circumstances.

**4.3.6 CPI Binani Inc. (CPI Binani)**

**Financial Highlights**

(USD in Million)

| Particulars | Year ended 31.12.2012 | Year ended 31.12.2011 |
|---|---|---|
| Total Revenue | **13.94** | 10.19 |
| Profit/(Loss) before, Depreciation, Interest & Taxation and Exceptional Items | **0.97** | (1.18) |
| Provision for Depreciation | **1.26** | 1.01 |
| Interest and Financial Charges | **0.44** | 0.19 |
| Loss before Tax & Exceptional items | **(0.73)** | (2.38) |
| Exceptional Items | **-** | - |
| Provision for Tax | **(0.30)** | (0.84) |
| Loss after Tax | **(0.43)** | (1.54) |

**Operations Overview**

The year 2012 had been a difficult year for CPI Binani, Inc, USA which incurred an operating loss. The Company's performance got affected due to an anticipated increase in Sales not materializing in view of the overall business scenario prevailing in USA and European Countries.

**Business Outlook**

CPI Team has taken various steps to improve overall performance of the Company. These include bringing down the material cost and process improvement, which will significantly improve the contribution margins and overall profitability. In addition, thrust is also being given on cost containment wherever feasible. New product developments in co-ordination with key customers are in advance stages and expected to be fully commercialized in the coming years.

**4.3.7 BT Composites Limited (BTCL)**

**Financial Highlights**

(₹ in Lacs)

| Particulars | Year ended 31.03.2013 | Year ended 31.03.2012 |
|---|---|---|
| Total Revenue | **435.60** | 598.74 |
| Loss before, Depreciation, Interest & Taxation and Exceptional Items. | **(88.07)** | (64.72) |
| Provision for Depreciation | **55.69** | 66.80 |
| Interest and Financial Charges | **0.18** | 2.40 |
| Loss before Tax & Exceptional items | **(143.94)** | (133.92) |
| Exceptional Items | **-** | (20.90) |
| Provision for Tax | **-** | - |
| Loss after Tax | **(143.94)** | (154.82) |

**Operations Overview**

During the year 2012-13, the products manufactured by BTCL were well received in the markets. Total Revenue was lower at ₹435.60 Lacs compared to ₹598.74 Lacs in the previous year. During the year, sales of Sheet Moulding Compound (SMC) Products was 199 MT as compared to 317 MT in the last year.

**Business Outlook**

BTCL has been able to focus on private construction companies and South Central Railway. It is also looking at expanding sales operations in other Countries where awareness of SMC (GRP) has already been established.

**4.3.8 Wada Industrial Estate Limited (WIEL)**

WIEL did not undertake any business activity during the year 2012-13. It is in the process of identifying an appropriate business opportunity.

For the year ended 31st March, 2013, WIEL incurred a loss of ₹39.29 Lacs as against ₹21.05 Lacs in the previous year.

**4.3.9 Sankalp Holdings Limited (SHL)**

SHL is an investment holding Company. For the year 2012, SHL incurred a loss of US$ 10,914 as against US$ 11,177 in the previous year.

**4.3.10 Binani Global Cement Holdings Private Limited (BGCHPL)**

BGCHPL was incorporated in Singapore on 1st March, 2013 with an initial capital of US$ 1,000. It is yet to commence any activity.

## 5. DIRECTORS

The Board of Directors appointed Miss Shradha Binani and Mr. Rahul Asthana as the Additional Directors of the Company effective 5th August 2012 and 6th April 2013 respectively. They hold Office up to the date of the ensuing Annual General Meeting.

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

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

The Company has received notices from a Shareholder along with a deposit of ₹500/- each proposing the appointment of Miss Shradha Binani and Mr. Rahul Asthana as Directors of the Company at the ensuing Annual General Meeting .

Mr. Jitender Balakrishnan, retires by rotation at the ensuing Annual General Meeting. However, he has not sought reappointment. Accordingly, Mr. Balakrishnan will cease to be a Director of the Company upon conclusion of the Annual General Meeting. The Directors place on record their appreciation for the invaluable contribution made by Mr. Balakrishnan during his tenure of 3 years as a Director of the Company. Directors do not propose to fill the vacancy arising out of the retirement of Mr. Balakrishnan.

Mrs. Nidhi Singhania, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered herself for reappointment.

Your Directors recommend appointment of Miss Shradha Binani and Mr. Rahul Asthana and re-appointment of Mrs. Nidhi Singhania as the Directors of the Company.

## 6. EXIT OPPORTUNITY TO THE SHAREHOLDERS OF BINANI CEMENT LTD. (BCL).

Members are aware that Shares of Binani Cement Limited (BCL) were delisted on 23rd May, 2011 consequent upon completion of the Reverse Book Building process by BCL for voluntary delisting of its Equity Shares in terms of SEBI (Delisting of Equity Shares), Regulations, 2009.

With a view to provide exit opportunity to the public shareholders of BCL under SEBI (Delisting of Equity Shares), Regulations, 2009, the Company had sent an Exit Offer to the remaining public Shareholders to tender their shares in the Offer. The Exit Offer closed on 29th May 2012. During the year under review, the Company thus purchased 39,63,463 shares of BCL from the public Shareholders at a price of ₹ 90 per share valued at ₹ 3,567.11 lacs. Consequently, the Company's stake in BCL has gone up marginally to 98.43%.

## 7. AUDITORS

The Statutory Auditors, M/s. Kanu Doshi Associates, Chartered Accountants, hold office upto the conclusion of the forthcoming Annual General Meeting and have offered themselves for re-appointment. They have confirmed that, if reappointed, their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment as Statutory Auditors of the Company.

## 8. AUDITORS' OBSERVATIONS

The observations in the Auditors' Report on standalone and consolidated accounts are self explanatory and need no further explanations. With regard to the Qualified Opinion of the Auditors, the justification for the accounting treatment adopted by the Company, has been provided under Note no. 34 of the annexed Accounts.

## 9. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company, prepared in accordance with relevant Accounting Standards viz. AS21, AS23 and AS27 issued by the Institute of Chartered Accountants of India, form part of this Annual Report.

## 10. CORPORATE GOVERNANCE

Your Company lays strong emphasis on observance of Corporate Governance in all functional areas across the organization.

A detailed Report on Corporate Governance together with a Certificate of the Compliance of Clause 49 of the Listing Agreement received from the Practising Company Secretary, M/s. Uma Lodha & Associates, is annexed and forms part of this Report.

## 11. MANAGEMENT DISCUSSIONS & ANALYSIS

The Management Discussion and Analysis form part of this Report.

## 12. SECRETARIAL COMPLIANCE

The Company has obtained a Certificate of Compliance from M/s. Uma Lodha & Associates, Practising Company Secretary which reassures that the Company has complied with all the requirements under the provisions of the Companies Act, 1956 and also the Stock Exchange Listing Agreement. This reflects the Company's continued emphasis on Governance and Compliances.

## 13. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts , all applicable Accounting Standards have been followed and proper explanation relating to material departures, if any, have been furnished;

b) accounting policies as listed in Note 2 to the standalone financial statements have been selected & consistently applied and prudent judgments & 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, 2013 and of the Profit of the Company for the Accounting Year ended on that date;

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 & detect fraud and other irregularities; and

d) the annual accounts have been prepared on a going concern basis.

## 14. INTERNAL CONTROL SYSTEM & RISK MANAGEMENT

The Company believes that a strong Internal Controls framework is one of the important pillers of Corporate Governance. The Group has embedded internal control in the processes and operations across all the Companies in the Group. The Company had also undertaken Risk Assessment exercise earlier in respect of all the operational areas in its major Indian Subsidiaries which was facilitated by a renowned firm of Consultants. The effectiveness of Internal control mechanism and actions taken for Risk Mitigation, are reviewed by the Internal Auditors, Independently and also by the Statutory Auditors. The Audit Committees of Directors of the respective Companies review the observations of the Internal Auditors at its meetings periodically.

The Company is also currently in the process of creating a Corporate Cell to oversee the Internal Controls in the business processes across the Group.

## 15. CORPORATE SOCIAL RESPONSIBILITY

The Braj Binani Group upholds deep conviction in Corporate Social Responsibility(CSR). Social welfare and community development is at the core of the Group's CSR philosophy and continue to draw regular attention of the Top Management. It focuses not only on protecting health and ensuring the well-being and security of its Employees, but that of up-liftment of the local communities also, in which its various manufacturing units operate.

Some of the main CSR activities undertaken by the major Subsidiary Companies are mentioned below:

### 15.1 Binani Cement Limited ( BCL)

BCL is carrying out various community development activities in partnership with M/s. Rajasthan Bal Kendra Sansthan (RBKS), a NGO. The focus areas under its community development programme are broadly categorized as :

a. **Development of infrastructure –** Existing Well Development, farm Pond, cattle Troughs, Roof Rain Water harvesting, irrigation facility creation through providing diesel pumps to the group of beneficiary.

b. **Increase in literacy / awareness levels by imparting education to children and community -** Assisting the villagers, including old-age residents

and widows, for opening post office pension accounts under the Mahatma Gandhi National Rural Employment Guarantee Act (NREGA)

c. **Poverty alleviation and sustaining livelihood through employment creation and skill development –** Improved seeds distribution, up-liftment of rural women through setting up of training centers wherein women are provided training in tailoring with additional monetary support for purchase of sewing machines. The farmers are trained with new improved agriculture technology.

d. **Improvement of medical and health services –** Regular awareness on health Issues are provided through meetings and awareness camps.

e. **Development and expansion of green cover in the surrounding area –**Awareness is spread on Natural Resource Management and soil water conservation.

f. **Micro Credit-** Assisted in the organization and operation of Self-Help Groups (SHG) across the surrounding villages. The SHG members are provided with training on aspects such as book-keeping and opening bank accounts to enable them take control of their own finances.

15.2 Binani Zinc Limited ( BZL)

In BZL, the CSR initiatives are undertaken through Ghanshyam Binani Occupational Health Centre and Ghanshyam Binani Community Hall.

Over the years, BZL has emerged as a model for CSR initiatives in Kerala. This was also recognized by ASSOCHAM .

## 16. RECOGNITION & REWARDS

The efforts made and various initiatives taken by the Company's Subsidiaries have been well recognised by the prestigious Bodies/Government. Some of such significant achievements are as under:

BCL

- **Rajiv Gandhi National Quality Excellence - 2010** Commendation Certificate from Bureau of Indian Standards, New Delhi, for quality excellence
- **Bhamashah Award** from Department of Education, Govt. of Rajasthan
- **NSCI Safety Award - 2011** from National Safety Council, Mumbai for developing & implementing effective Management System & procedures and achieving good performance in Organisation Safety and Health for the assessment period of three years -2008 to 2010.

BZL

- **National CSR Excellence Award** from ASSOCHAM
- **Green Tech Environment Excellence Award.**

## 17. REGISTERED OFFICE

The Company has taken on lease new office premises at 601, Axis Mall, Block C, Action Area-1, New Town, Rajarhat, Kolkata - 700 156 and shifted its Registered Office to the above premises effective 1st April, 2013.

## 18. FIXED DEPOSITS

During the year, your Company has neither invited nor accepted/renewed Deposits from the public.

## 19. PARTICULARS UNDER SECTION 217 OF THE COMPANIES ACT,1956

The Statement of particulars as required, under Section 217(1) (e) relating to Conservation of Energy and Technology Absorption and activities relating to Exports etc. are not applicable to the Company. Details of foreign exchange earnings and outgo are annexed to this Report.

The Statement of particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with Companies(Particulars of Employees) Rules, 1975 (as amended) is annexed and forms part of this Report. However, in accordance with the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the Members of the Company excluding the aforesaid Statement of Particulars of Employees. Any Member, who is interested in obtaining these particulars, may write to the Company Secretary at the Registered Office of the Company.

## 20. INVESTOR SUPPORT SCHEME

Your Directors have decided to introduce an Investor Support Scheme for the benefit of small Shareholders holding upto 100 Shares of ₹ 10 each in physical form. Under the Scheme, the eligible Shareholders, if they so desire, will be able to dispose-off their holding and realize the sale proceeds without going through the process of dematerialisation of Shares and other costs related thereto.

## 21. HUMAN RESOURCES

As the Organisation continues to grow exponentially and takes significant strides towards global expansion, there is an increasing focus on Human Resource training and development and functional alignment with the business and building & enhancing people capability. There has been considerable focus on Leadership hiring to cater to both our current and future requirements. The Company has also embarked on hiring younger talents/leaders to reduce the average age of the Employees and to have a right mix of experience and dynamism.

Across the Companies in the Group, Employee Relation continues to remain cordial. The Group's emphasis on safe work practices and productivity improvement is unrelenting.

## 22. ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank the Financial Institutions, Banks, State and Central Government Authorities, and other stakeholders for their unstinted support and the Employees for their co-operation & continued support.

FOR AND ON BEHALF OF THE BOARD

Mumbai
27th July, 2013

BRAJ BINANI
CHAIRMAN

## DISCLAIMER

The Directors' Report including Management Discussion and Analysis Report, contains forward looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the Government Policies, etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially vary from those expressed or implied in the Report.

## ANNEXURE TO DIRECTORS' REPORT

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

Particulars in respect of (a) Conservation of Energy (b) Technology Absorption and (c) Activities relating to exports etc. are not applicable to the Company.

The details of the Foreign Exchange Earnings and Outgo during the year 2012-13 are given below:

| FOREIGN EXCHANGE EARNED AND OUTGO | (₹ in Lacs) |
|---|---|
| **Foreign Exchange Earnings** | |
| Sale of investment | 7895.20 |
| Interest earned | 232.93 |
| **Foreign Exchange Outgo*** | |
| Royalty Expenses | 1267.67 |
| Interest | 2906.27 |
| Other expenses | 523.81 |

- Excluding Investment in and loans to overseas subsidiaries.

# CORPORATE GOVERNANCE REPORT

## 1. Company's Philosophy

Good Corporate Governance is a set of systems and business practices to ensure that the affairs of the Company are being managed in a manner which ensures accountability, transparency and fairness in the way it manages business and meet its Stakeholders aspiration and societal expectations. It is also a journey for constantly improving sustainable value creation and is an upward moving target. At Binani, it is the Company's belief that as we move towards our aspiration of becoming a global corporation, our corporate governance standards must be globally benchmarked and all actions must serve the underlying goal of enhancing Shareholder Value, consistently.

## 2. Board of Directors

It is the endeavour of the Board of Directors to achieve higher standards and provide oversight and guidance to Management in strategy implementation, risk management and fulfilment of stated goals and objectives.

### a) Composition

Presently, the Company's Board comprises of 3 Non-Executive Promoter Directors, 1 Executive Vice-Chairman & Managing Director and 5 Independent Directors. The Promoter is a Non-Executive Chairman. The composition of the Board is in conformity with clause 49 of the Listing Agreement. Members of the Board possess the required skills, experience and expertise necessary to guide the Company. All the Independent Directors meet the independence criteria as mentioned under clause 49 of the Listing Agreement.

### b) Number of Board Meetings

During the year, the Board met 11 times on 13.4.2012, 21.4.2012, 20.7.2012, 24.7.2012, 26.9.2012, 29.10.2012, 24.12.2012, 21.1.2013, 29.1.2013, 8.2.2013 and 25.3.2013.

### c) Directors' attendance record and Directorship in other Public Limited Companies.

The Composition of the Board of Directors, their attendance at the Board Meetings and Annual General Meeting held during the year and the Directorships/Committee Memberships held in other Companies are as follows:

| Name of the Director | Category | No. of Board meetings attended | Attendance at Last Annual General Meeting | No. of other Directorship in domestic public Companies | | No. of other Committee @ Memberships in domestic public companies | |
|---|---|---|---|---|---|---|---|
| | | | | As Chairman | As Director | As Chairman | As Member |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Mr Braj Binani | Non- Executive, Promoter | 9 | Yes | 4 | - | - | - |
| Mr Sunil Sethy | Executive Vice Chairman and Managing Director | 11 | Yes | - | 1 | - | 1 |
| Mr N.C. Singhal | Non- Executive, Independent | 10 | Yes | 3 | 6 | 5 | 2 |
| Mr. Jitender Balakrishnan | Non –Executive, Independent | 10 | No | - | 12 | 1 | 4 |
| Mrs. Nidhi Singhania | Non- Executive, Promoter | 2 | No | - | 2 | - | - |
| Mr. V. Subramanian | Non –Executive, Independent | 8 | Yes | - | 9 | 2 | 8 |
| Mr. Sudhakar Rao | Non –Executive, Independent | 6 | Yes | - | 6 | 1 | 6 |
| Miss Shradha Binani* | Non Executive, Promoter | 8 | N.A | - | 1 | - | - |
| Mr. Rahul Asthana+ | Non –Executive, Independent | N.A | N.A | - | 3 | - | - |

@ Only mandatory Committees viz. Audit Committee and Investor Relations Committee are considered.

* Appointed effective 5th August, 2012

+ Appointed effective 6th April, 2013

## 3. Audit Committee

### a) Composition

The Audit Committee comprised of Mr. N.C.Singhal, Mr. V.Subramanian and Mr. Jitender Balakrishnan as Members. All the Members of the Audit Committee are Independent Directors. Mr. Jitender Balakrishnan chaired the meetings of the Audit Committee held during the year.

All the Members of the Audit Committee are financial experts.

The Executive Vice-Chairman & Managing Director, Executive Director, Mr. M.K. Chattopadhyaya, Executive Director & Chief Financial Officer (Group Control Accounts) are permanent Invitees at the meetings of the Audit Committee. Representatives of the Statutory Auditors and Internal Auditors are also invited to attend the meetings.

The President & Company Secretary of the Company attends the Meetings of the Audit Committee, as the Secretary of the Committee.

### b) Terms of reference, powers and role of the Committee

The terms of reference of the Audit Committee including its role and powers are as specified in clause 49 of the Listing Agreement , besides other terms, as may be referred to it by the Board of Directors.

The terms of reference of the Audit Committee are broadly given below

1. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that financial statements are true and fair.
2. Recommending to the Board, the appointment, reappointment of Statutory Auditors, Cost Auditors, Internal Auditors and fixation of their fees for conducting Audit and for other services.
3. Reviewing with Management, the quarterly and annual financial statements before submission to the Board for approval.
4. Reviewing adequacy of internal control systems and internal audit functioning, reporting structure coverage and frequency of internal audit.
5. Discussion with Statutory Auditors, their nature and scope of Audit as well as post audit presentation to ascertain any area of concern.
6. To look into reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders ( in case of non-payment of dividends ) and creditors.
7. In addition to the above, all items listed in Clause 49 of the Listing Agreement.

### c) Number of Committee meetings and attendance

The Audit Committee met 4 (four) times during the year under review on 20th April, 2012, 19th July, 2012, 29th October, 2012 and 28th January, 2013. The Members of the Audit Committee attended the last Annual General Meeting.

The attendance record of the Members of the Committee at the meetings were as under:

| Name of the Director | No. of Meetings held | No of Meetings attended |
|---|---|---|
| Mr. Jitender Balakrishnan | 4 | 4 |
| Mr. N.C.Singhal | 4 | 4 |
| Mr. V Subramanian | 4 | 4 |

## 4. Remuneration Committee

### a) Composition

The Remuneration Committee is comprised of 3 (Three) Non-executive Independent Directors viz. Mr. N.C.Singhal, Mr. V.Subramanian and Mr. Jitender Balakrishnan.

**Terms of Reference**

The Committee reviews and approves the salary and Service Agreement of the Managing Director and other Whole-Time Directors; if any.

### b) Number of Meetings held and Attendance Record

During the year under review, no meetings were held.

c) **Remuneration Policy and Remuneration of Directors**

The Managing Director is being paid remuneration as approved by the Board of Directors on the recommendation of the Remuneration Committee. The remuneration has been approved by the Central Government and the shareholders and such other authorities as may be required.

The details of the remuneration paid to Mr. Sunil Sethy, Executive Vice Chairman & Managing Director for the year 2012-13 is given below :

| | | |
|---|---|---|
| Basic Salary | : | ₹130.97 Lacs |
| Perquisites | : | ₹ 36.00 Lacs |
| **Total** | **:** | **₹ 166.97 Lacs.** |

The Non-Executive Directors are remunerated by way of sitting fees, as decided by the Board of Directors of the Company from time to time. During the year, there were no pecuniary transactions between the Company and its Non-Executive Directors except for the Royalty paid to Mr. Braj Binani and sitting fees paid to the Non-Executive Directors for attending Board and Committee Meetings.

## 5. Investor Relations Committee

a) **Composition**

The Investor Relations Committee consists of 2(Two) Non-Executive Independent Directors and the Executive Vice-Chairman & Managing Director. The Members of the Committee are Mr. V. Subramanian, Mr. N.C. Singhal and Mr. Sunil Sethy.

Mr. K.K. Saraf, President & Company Secretary is the Compliance Officer and he attends the meetings of the Investor Relations Committee.

b) **Terms of Reference**

The Committee has been constituted to specifically look into the issues relating to redressal of Investors' / Shareholders' complaints including complaints relating to transfer of shares, non- receipt of Annual Reports and non- receipt of dividends and/ or any other matter.

c) **Number of Meetings held and Attendance Record**

The Committee met 5 times during the period under review.

During the year 2012-13, 42 Investor Complaints were received and all have been resolved. As on 31st March, 2013, there were no complaints pending to be resolved.

The attendance of Members at the meetings of the Committee was as under:-

| Name of the Director / Member | No. of Meetings attended |
|---|---|
| Mr. N.C.Singhal | 5 |
| Mr. Sunil Sethy | 5 |
| Mr. V.Subramanian | 5 |

The Board has also formed a Executives Committee on Share Transfer which looks after the demat and transfer of shares and reports to the Investor Relations Committee which meets at regular intervals. 31 Meetings of such Executive Committee were held during the year for approving the Share Transfer, Rematerialisation and Dematerialisation of Shares.

## 6. Finance Committee

The Finance Committee consists of Mr. Braj Binani, Mr. Sunil Sethy, Mr. N.C.Singhal and Mr. V. Subramanian.

The Committee met once during the year to consider matters relating to availing of Corporate Loans and for grant of Corporate Guarantee for the loans and other credit facilities availed by the Subsidiaries.

## 7. General Body Meetings

**a) Details of last three Annual General Meetings are as under:**

| Financial Year | Date | Time | Venue | Details of Special Resolution passed, if any |
|---|---|---|---|---|
| 2009-10 | 25.6.2010 | 9.30 a.m | Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 | Special Resolution was passed for the payment of remuneration to Mr. Sunil Sethy, Managing Director of the Company and for alteration of the Articles of Association to alter Article 126 relating to use of Common Seal. |
| 2010-2011 | 27.6.2011 | 2.00 p.m | Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 | None |
| 2011-2012 | 4.08.2012 | 12.30 p.m | Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020 | None |

**b) Postal Ballot**

During the year under review, no Resolution was passed by Postal Ballot.

## 8. Disclosures

**i) Code of Conduct**

As required under the Clause 49 of the Listing Agreement, the Board of Directors of the Company have adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has been posted on the website of the Company. The Members of the Board of Directors and Senior Management Personnel of the Company and its major Indian Subsidiaries have affirmed compliance of the said Code for the year under review.

**ii) Subsidiary Companies**

As required by the amended Clause 49, the Company had appointed Mr. V. Subramanian , Independent Director, on the Boards of Binani Cement Limited, Binani Zinc Limited and Goa Glass Fibre Limited which are material non-listed Subsidiaries of the Company.

The Audit Committee of the Company also reviews the Financial Statements of the Subsidiaries.

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

**iii) Related Party Transactions**

A statement in summary form of Related Party Transactions are placed before the Audit Committee on a quarterly basis . The Company did not have any materially significant Related Party Transactions that may have a potential conflict with the interest of the Company.

Based on disclosures received from Company's Senior Management Personnel, none of Senior Management Personnel had any material, financial or commercial transactions wherein they had personal interest that could have potential conflict with the interest of the Company. The Transactions with Related Parties have been disclosed in the Notes to Accounts forming part of Standalone Financial Statements.

**iv) Disclosures of Accounting treatment**

Disclosures of Accounting treatment, wherever applicable, have been made in the Audited Financial Statements for the year ended 31st March, 2013.

**v) Board Disclosures-Risk Management**

The Company has laid down procedures to inform the Board about the risk assessment and minimization procedures for the Company and also for the material subsidiaries and they are being reviewed at quarterly intervals and Reports are placed before the Audit Committee.

**vi) EVC&MD/ CFO-Group Control Accounts Certification**

A Certificate from the Executive Vice Chairman & Managing Director and Executive Director & CFO-Group Control Accounts in relation to the Annual Accounts, Internal Controls etc has been placed before the Board and forms part of this Annual Report.

vii) **Material Transactions of Directors/ Compliances etc.**

The related party transactions with the subsidiaries and Promoter Group Companies have been disclosed in the Annual Accounts as per the Accounting Standards. No penalty or strictures have been imposed on the Company by the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited, where the Company's Shares are listed or by any other Statutory Authority on any matter relating to capital markets during the last three years.

However, the Registrar of Companies had launched prosecution against the Company and the then two Directors and the then Company Secretary for the alleged violation of Sections 211 and 217 of the Companies Act, 1956 based on the scrutiny of the Accounts for the year ended 31st March 2005, which is pending before the Chief Metropolitan Magistrate Court at Kolkata and the same is being strongly defended by the Company.

viii) **Shareholding of Non- Executive Directors**

The shareholding of Non- Executive Directors as on 31.3.2013 are as under:

| Sl.No | Name of the Director | No. of Shares held |
|---|---|---|
| 1 | Mr Braj Binani | 53,125 |
| 2 | Ms Nidhi Singhnia | 6,250 |
| 3. | Mr N.C Singhal | Nil |
| 4 | Mr. Jitender Balakrishnan | Nil |
| 5 | Mr. V. Subramanian | Nil |
| 6 | Mr. Sudhakar Rao | Nil |
| 7. | Miss Shradha Binani | Nil |

## 9. Means of Communication

The Quarterly, Half Yearly and Annual Financial Results are usually published in Financial Express and Aajkal (Bengali Edition) News Papers in Kolkata. The results as well as the shareholding pattern are made available on the Company's website www.binani.com.

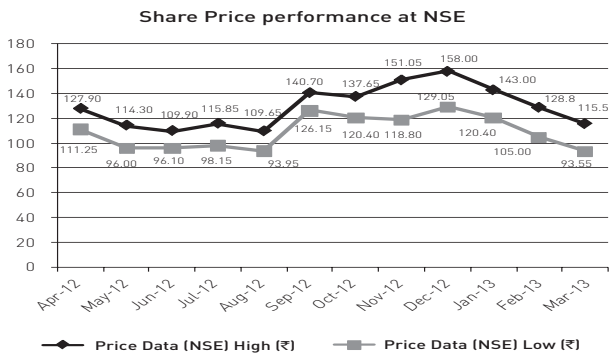
## 10. General Shareholders Information

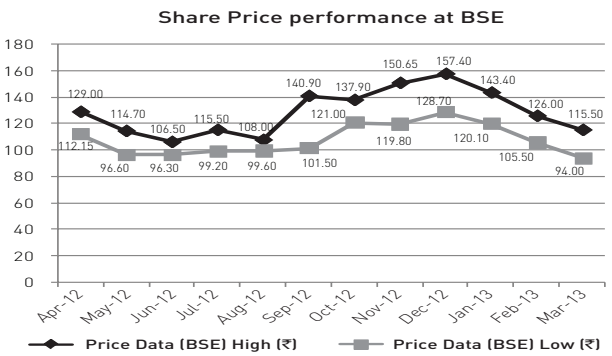
| | | |
|---|---|---|
| a) | 50th Annual General Meeting | Saturday, 28th September, 2013 at 12.30 p.m. at Kala Mandir, 48 Shakespeare Sarani, Kolkata 700 017. |
| b) | Financial Calendar | |
| | i) Financial Year. | 1st April to 31st March. |
| | ii) Unaudited Financial Results for the quarter ended June,2013. | 4th week of July,2013 |
| | iii) Unaudited Financial Results for the quarter ended September, 2013. | 4th week of October,2013 |
| | iv) Unaudited Financial Results for the quarter ended December, 2013 . | 4th week of January, 2014 |
| | v) Audited Financial Results for the year 2013-14. | 4th week of April, 2014 |
| c) | Date of Book Closure | From Monday, 23rd September, 2013 to Saturday, 28th September, 2013 (both days inclusive). |
| d) | Dividend Payment Date | On or before 25th October, 2013. |
| e) | Listing on Stock Exchanges | The Bombay Stock Exchange Limited (BSE)<br>The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Limited |
| f) | Listing Fees | Company has paid the Annual Listing Fees for the year 2013-14 to all the Stock Exchanges where the Shares are listed. |
| g) | Stock Code | BSE 500059 - NSE BINANIIND |

h) Market Price Data (NSE) & (BSE)

| | Price Data (NSE) | | Price Data(BSE) | | Sensex(BSE) | |
|---|---|---|---|---|---|---|
| Months | High (₹) | Low (₹) | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2012 | 127.90 | 111.25 | 129.00 | 112.15 | 17664.10 | 17010.16 |
| May 2012 | 114.30 | 96.00 | 114.70 | 96.60 | 17432.33 | 15809.71 |
| June 2012 | 109.90 | 96.10 | 106.50 | 96.30 | 17448.48 | 15748.98 |
| July 2012 | 115.85 | 98.15 | 115.50 | 99.20 | 17631.19 | 16598.48 |
| August 2012 | 109.65 | 93.95 | 108.00 | 99.60 | 17972.54 | 17026.97 |
| September 2012 | 140.70 | 126.15 | 140.90 | 101.50 | 18869.94 | 17250.80 |
| October 2012 | 137.65 | 120.40 | 137.90 | 121.00 | 19137.29 | 18393.42 |
| November 2012 | 151.05 | 118.80 | 150.65 | 119.80 | 19372.70 | 18255.69 |
| December 2012 | 158.00 | 129.05 | 157.40 | 128.70 | 19612.18 | 19149.03 |
| January 2013 | 143.00 | 120.40 | 143.40 | 120.10 | 20203.66 | 19508.93 |
| February 2013 | 128.80 | 105.00 | 126.00 | 105.50 | 19966.69 | 18793.97 |
| March 2013 | 115.50 | 93.55 | 115.50 | 94.00 | 19754.66 | 18568.43 |

i) Performance of Company's Equity Shares on NSE & BSE.




j) Registrar and Share Transfer Agents — M/s. Link Intime India Pvt.Limited
C-13 Pannalal Silk Mills Compound, L B S Marg,
Bhandup (W), Mumbai -400 078
E-mail: rnt.helpdesk@linkintime.co.in
Tel. No. 25946970 Fax: 022-25946969

Contact Person: Mr. Rajesh Mishra
E-mail ID: rajesh.mishra@linkintime.co.in

k) Compliance Officer — Mr. K.K. Saraf - President & Company Secretary
Contact No. 022-30263000-02
E-mail ID: krishna.saraf @ binani.net

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

Contact Person:

Mumbai Office — Mr. Atul P. Falgunia, Sr. Vice President (Secretarial)
Tel. 022- 30263019
E-mail ; atul@binani.net

Kolkata Office — Mr. Sauvik Nayak
Dy.Manager (Secretarial)
Tel. No. 033 2324 0063
E-mail: sauvik.nayak@binani.net

m) Category wise distribution of Equity Shareholding as on 31st March, 2013

| Category | No. of Shares held ( ₹ 10 each ) | Percentage of Shareholding ( % ) |
|---|---|---|
| Promoter and Promoter Group | 1,51,75,804 | 51.28 |
| Mutual Funds /UTI | 3,82,187 | 1.29 |
| Financial Institutions /Banks | 7,97,976 | 2.70 |
| Foreign Institutional Investors | 6,20,573 | 2.10 |
| State Government | 90 | 0.00 |
| Bodies Corporate | 24,00,063 | 8.11 |
| Individuals | 91,56,728 | 30.94 |
| Clearing Members | 65,577 | 0.22 |
| Directors /Relatives | 0 | 0 |
| Employee | 5,650 | 0.01 |
| NRI | 9,82,567 | 3.32 |
| Foreign National | 5,050 | 0.02 |
| Foreign Company | 100 | 0.00 |
| Trusts | 4,060 | 0.01 |
| **GRAND TOTAL** | **2,95,96,425** | **100.00** |

n) Distribution of Shareholding as on 31st March, 2013

| No. of Ordinary Shares held | No. of Shareholders | No. of Shareholders (%) |
|---|---|---|
| 1 to 500 | 46,777 | 95.85 |
| 501 to 1000 | 1,024 | 2.10 |
| 1001 to 2000 | 479 | 0.98 |
| 2001 to 3000 | 164 | 0.34 |
| 3001 to 4000 | 74 | 0.15 |
| 4001 to 5000 | 54 | 0.11 |
| 5001 to10000 | 115 | 0.23 |
| 10001 and above | 117 | 0.24 |
| **TOTAL** | **48,804** | **100.00** |

o) **Dematerialization of shares and liquidity**

The Company's shares are under Compulsory demat mode. As on 31st March 2013, 91.29% of the total outstanding Shares are held in Dematerialized form. The Shares are actively traded at BSE/NSE.

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

NIL

r) **Subsidiaries' Plant Locations**

1. **Binani Cement Limited**
   a) Binanigram, Pindwara, Sirohi, Rajasthan –307031
   b) Village Sirohi, Taluka:Neem Ka Thana, Dist-Sikar, Rajasthan.
2. **Binani Zinc Limited**
   Binanipuram, Ernakulam, Kerala- 683502
3. **Goa Glass Fibre Limited**
   Colvale, Bardez, Goa – 403513
4. **BT Composites Limited**
   C5 to C9, Madkaim Indl.Est. Mardol Post,
   Goa- 403404
5. **3B Fibreglass SPRL.**
   Route de Maestricht 67, 4651,
   Battice, Belgium
6. **3B Fibreglass AS**
   Tollenesveien 60, 4760, Birkeland
   Norway
7. **CPI Binani Inc.**
   1700 Wilkie Drive Winona, MN 55987
   USA
8. **Shandong Binani Rong'An Cement Co.Ltd.**
   Fujiazhuang,Dong Guan Town,
   Ju Country, Rizhao City, Shandong Nagar,China
9. **Binani Cement Factory LLC.**
   Jabel Ali, Dubai.

s) **Address for correspondence**

**Registered Office:**
601,Axis Mall, Action Area-I, 6th floor, Block-C
Rajarhat, New Town,
Kolkata -700 156,

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

## 11. Compliance with Corporate Governance Framework

The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of the Remuneration Committee.

---

## DECLARATION

All the Members of the Board of Directors of the Company and Senior Management Personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31st March, 2013.

Place : Mumbai
Date : 27th July, 2013.

**Sunil Sethy**
**Executive Vice-Chairman & Managing Director**

## CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Binani Industries Limited

We have examined the compliance of conditions of Corporate Governance by Binani Industries Limited (the Company) for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges of India.

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

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

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

**For Uma Lodha & Co.**
**Practising Company Secretaries**

**Uma Lodha**
**Proprietor**
**C.P. No. 2593**

Place : Mumbai
Date : 27th July, 2013

## CEO / CFO CERTIFICATION

To the Board of Directors
BINANI INDUSTRIES LIMITED

We, Sunil Sethy, Executive Vice-Chairman & Managing Director and R. Venkiteswaran, Executive Director & CFO- Group Control Accounts, Binani Industries Limited to the best of our knowledge and belief certify that;

a) We have reviewed financial statements and the Cash flow Statement of the Company for the year 2012–13:

   i) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee :

   i) significant changes in internal control over financial reporting during the year.

   ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sunil Sethy**
**Executive Vice-Chairman & Managing Director**

**R. Venkiteswaran**
**Executive Director & CFO- Group Control Accounts**

# INDEPENDENT AUDITORS' REPORT

To
The Members of Binani Industries Limited

**Report on the Financial Statements**

We have audited accompanying financial statements of **BINANI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management' Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

***Basis for Qualified Opinion***

*Attention is invited to Note no. 34 of the financial statements regarding deferment of certain expenditure amounting to ₹6,544.51 Lacs classified as unamortised expenses incurred for holding current investment, which constitutes a departure from the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.*

***Opinion***

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

*a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*

*b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and*

*c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.*

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003,("the order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, we report that:
   a) 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.
   b) 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.
   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
   *d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.*
   e) On the basis of the written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No.45375

Place : Mumbai
Date : April 23, 2013

## ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 of Report on other Legal and Regulatory Requirements of the Auditors' Report of even date to the members of BINANI INDUSTRIES LIMITED on the financial statements for the year ended 31st March, 2013]

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification which in our opinion is reasonable having regards to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.

(c) There has been no disposal of substantial part of fixed assets during the year, which may affect the going concern status of the Company.

(ii) The Company does not hold any inventories. Accordingly, clause (ii) of paragraph 4 of the Order is not applicable.

(iii) According to information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the sub-clauses (b),(c),(d),(f) and (g) of clause (iii) are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of services. On the basis of our examination of the books and records of the Company, we have not observed any continuing failure to correct major weaknesses in the internal control system.

(v) To the best of our knowledge and belief and according to the information and explanations given to us that there are no transactions, particulars of contracts or arrangements required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956. Accordingly, clause (v) (b) of the order is not applicable.

(vi) The Company has not accepted any deposits from the public to which the directives issued by Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act and the rules framed there under apply.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.

(viii) As informed to us, the Company is not required to maintain cost records under Section 209 (1) (d) of the Companies Act, 1956.

(ix) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year.

(b) According to the record of the Company, there are no dues outstanding of Income Tax, Sales Tax, Service tax, Custom Duty, Wealth Tax, Excise Duty, Cess on account of any dispute, other than the following:

| Name of the Statute | Nature of Dues | Period to which the amount relates | Amount ₹ in Lacs | Forum where dispute is pending |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 1995-96 | 344.45 | Assessing Officer |
| Income Tax Act, 1961 | Income Tax | 2006-07 | 3,791.76 | High Court |
| Income Tax Act, 1961 | Income Tax | 2010-11 | 112.70 | Assessing Officer |

(x) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth and it has not incurred cash loss both in the current year and in the immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit/societies.

(xiv) In our opininon and according to information and explanation given to us, the Company has invested temporary surplus funds in mutual funds and term deposits. According to the information and explanation given to us proper records have been maintained of the transactions and contracts and timely entries have been made therein. The mutual funds, term deposits and the shares of its subsidiaries have been held by the Company in its own name.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by its subsidiaries from Banks and financial institutions, the terms and conditions thereof in our opinion are not prima facie prejudicial to the interest of the Company.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short-term basis for long term purposes.

(xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us and the records examined by us, no debentures were issued by the Company during the year.

(xx) The Company has not raised any money through public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No.45375

Place : Mumbai
Date : April 23, 2013

## BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | Note No. | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **SHAREHOLDERS' FUNDS** | | | |
| (a) Share Capital | 3 | **2,961.52** | 2,961.52 |
| (b) Reserves and Surplus | 4 | **16,857.23** | 17,432.75 |
| | | **19,818.75** | 20,394.27 |
| **NON-CURRENT LIABILITIES** | | | |
| (a) Long-term borrowings | 5 | **73,279.13** | 56,173.06 |
| (b) Long term Provisions | 6 | **74.89** | 82.95 |
| | | **73,354.02** | 56,256.01 |
| **CURRENT LIABILITIES** | | | |
| (a) Short-term borrowings | 7 | **65,339.00** | 43,075.00 |
| (b) Trade payables | 8 | **1,317.51** | 1,196.15 |
| (c) Other current liabilities | 9 | **1,464.93** | 5,933.99 |
| (d) Short-term provisions | 10 | **1,068.10** | 1,066.72 |
| | | **69,189.54** | 51,271.86 |
| **TOTAL** | | **162,362.31** | 127,922.14 |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11.1 | **691.51** | 614.61 |
| (ii) Intangible assets | 11.2 | **31.24** | 13.03 |
| (iii) Intangible assets under development | | **53.67** | - |
| (b) Non-current investments | 12 | **88,922.21** | 107,084.91 |
| (c) Long term loans and advances | 13 | **7,100.81** | 4,167.03 |
| (d) Other non-current assets | 14 | **2.21** | 2.05 |
| | | **96,801.65** | 111,881.63 |
| **CURRENT ASSETS** | | | |
| (a) Current investments | 15 | **50,602.81** | - |
| (b) Trade receivables | 16 | **1,859.07** | 250.54 |
| (c) Cash and bank balances | 17 | **1,178.99** | 13,133.15 |
| (d) Short-term loans and advances | 18 | **5,115.54** | 2,617.56 |
| (e) Other current assets | 19 | **6,804.25** | 39.26 |
| | | **65,560.66** | 16,040.51 |
| **TOTAL** | | **162,362.31** | 127,922.14 |
| **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** | 2 | | |

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No: 45375

Place : Mumbai
Date : 23rd April, 2013

**For and on behalf of the Board of Directors**

**Braj Binani**
Chairman

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**K. K. Saraf**
President & Company Secretary

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

Place : Mumbai
Date : 23rd April, 2013

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | Note No. | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 20 | **17,928.16** | 13,928.82 |
| Other Income | 21 | **806.03** | 5,075.23 |
| **TOTAL** | | **18,734.19** | 19,004.05 |
| **EXPENSES** | | | |
| Advertisement & brand building expenses | | **4,852.87** | 4,547.94 |
| Royalty expenses | | **1,267.67** | 952.55 |
| Employee benefits expenses | 22 | **2,889.14** | 2,258.41 |
| Financial costs | 23 | **9,384.00** | 10,672.01 |
| Depreciation and amortization expenses | 11 | **119.17** | 64.63 |
| Other expenses | 24 | **2,839.68** | 2,132.61 |
| **TOTAL** | | **21,352.53** | 20,628.15 |
| **Earnings before exceptional items and tax** | | **(2,618.34)** | (1,624.10) |
| Exceptional Items (Net) | 25 | **4,111.87** | 3,626.70 |
| **Profit before tax** | | **1,493.53** | 2,002.60 |
| Tax expense: | | | |
| Current Tax (MAT) | | **255.20** | 634.42 |
| **Profit for the year from continuing operations** | | **1,238.33** | 1,368.18 |
| **Earnings per Equity Share (EPS) :** | | | |
| Basic and Diluted (₹) | | **4.18** | 4.62 |
| **Nominal Value per Equity Share (₹)** | | **10.00** | 10.00 |
| **Number of shares used in computing EPS** | | **29,596,425** | 29,596,425 |
| **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** | 2 | | |

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No: 45375

Place : Mumbai
Date : 23rd April, 2013

**For and on behalf of the Board of Directors**

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**K. K. Saraf**
President & Company Secretary

Place : Mumbai
Date : 23rd April, 2013

**Braj Binani**
Chairman

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 1 CORPORATE INFORMATION

Binani Industries Limited is a public limited company (herein after called 'Company') domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange(BSE), National Stock Exchange(NSE) and the Calcutta Stock Exchange (CSE).

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements of the Company have been prepared under the historical cost convention and on accrual basis in accordance with accounting principles generally accepted in India and in compliance with all material aspects of the Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as upto twelve months for the purpose of current - non-current classification of assets and liabilities.

#### USE OF ESTIMATES

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires the management to make estimates and assumptions 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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amount of assets or liabilities in future periods.

#### REVENUE RECOGNITION

**Income from Services**

Management Services fees and royalty income are recognised on accrual basis (net of Service Tax).

**Interest income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Sale of investments**

Income from sale of investments is recognised on transfer of underlying instruments.

**Dividend income**

Income from Dividend is recognised when the right to receive payment is established.

#### FIXED ASSETS

Fixed Assets are stated at cost, net of accumulated depreciation / amortization and accumulated impairment loss, if any. Interest and Finance costs, if any in respect of loan for financing Fixed Assets, are capitalised till the date the assets are ready for use. However tangible assets having individual value below ₹5,000/- are depreciated @ 100% except mobile phones, which are charged to revenue, considering their useful life to be less than one year. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits arising from the existing assets beyond its previously assessed standard of performance.

#### DEPRECIATION AND AMORTISATION

Depreciation on Plant and Machinery is provided on Straight Line Method (SLM) , at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 which includes Computers and Air Conditioners. 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 of the Companies Act, 1956.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Expenditure on major computer software is amortised over the period of expected benefit not exceeding five years.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### IMPAIRMENT OF FIXED ASSETS

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

### INVESTMENTS

Investments classified as long term investments are stated at cost. Provision is made to recognize any diminution other than temporary in the value of such investments. Current Investments are carried at lower of cost and fair value.

### 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 recognized in the Statement of Profit and Loss. In case of forward contracts (non speculative), the premium / discount are dealt with in the Statement of Profit and Loss over the period of contracts.

Exchange differences arising on long term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned Monetary item.

### EMPLOYEE BENEFITS

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

**ii) Post Employment/Retirement Benefits** – Defined Contribution Plans such as Provident Fund etc. are charged to the Statement of Profit and Loss, as incurred.

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

### BORROWING COSTS

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

### INCOME TAX

Income tax is accounted in accordance with AS-22 'Accounting for taxes on income', issued under Accounting Standards Rules 2006, which includes current tax and deferred tax. Deferred income tax reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

### CONTINGENT LIABILITY

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 3** | | |
| **SHARE CAPITAL** | | |
| **Authorised Shares** | | |
| 4,00,00,000 Equity Shares of ₹10 each (Previous Year. 4,00,00,000 Equity Shares of ₹10 each) | **4,000.00** | 4,000.00 |
| 60,00,000 Preference Shares of ₹ 100 each (Previous Year 60,00,000 Preference Shares of ₹ 100 each) | **6,000.00** | 6,000.00 |
| | **10,000.00** | 10,000.00 |
| **Issued, Subscribed and fully paid-up shares** | | |
| 2,95,96,425 Equity Shares of ₹10 each fully paid up (Previous Year 2,95,96,425 Equity Shares of ₹10 each fully paid up) | **2,959.64** | 2,959.64 |
| Add: Amount paid up on forfeited Shares | **1.88** | 1.88 |
| TOTAL | **2,961.52** | 2,961.52 |

### 3.1 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. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2013, the amount of dividend proposed for distribution to equity shareholders is ₹3 per share (Previous year - ₹3 per share )

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 3.2 Details of shareholders holding more than 5% of Share Capital in the Company

| | 31st March, 2013 | | 31st March, 2012 | |
|---|---|---|---|---|
| Particulars | No. of Equity Share | % of holding | No. of Equity Share | % of holding |
| **Equity Shares of ₹ 10 each fully paid:** | | | | |
| Dharmik Commodeal Private Limited | **4,758,750** | **16.08** | 4,758,750 | 16.08 |
| Vijayshree Holdings Private Limited | **4,288,300** | **14.49** | 4,288,300 | 14.49 |
| K.B.Vyapar Private Limited | **3,930,930** | **13.28** | - | - |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 4** | | |
| **RESERVES & SURPLUS** | | |
| **Capital Reserve** | 49.04 | 49.04 |
| **Capital Investment Subsidy** | 15.00 | 15.00 |
| **Securities Premium** | 19,595.68 | 19,595.68 |
| **General Reserve** | | |
| Opening Balance | - | - |
| Transferred from Statement of Profit and Loss | 124.00 | 137.00 |
| Transferred to Statement of Profit and Loss | (124.00) | (137.00) |
| **Foreign Currency Monetary Item Translation Difference A/c** | | |
| Opening Balance | 376.28 | - |
| Addition / (Reduction) during the year (Net) | (775.06) | 376.28 |
| Closing Balance | (398.78) | 376.28 |
| **Surplus/( Deficit) in the Statement of Profit and Loss** | | |
| Opening Balance | (2,603.25) | (2,939.50) |
| Transferred from Statement of Profit and Loss | 1,238.33 | 1,368.18 |
| | (1,364.92) | (1,571.32) |
| **Appropriations:** | | |
| Proposed Dividend | (887.89) | (887.89) |
| Dividend Distribution Tax on Proposed Dividend | (150.90) | (144.04) |
| Transferred to General Reserve | (124.00) | (137.00) |
| Transferred from General Reserve | 124.00 | 137.00 |
| Net surplus/(deficit) in the Statement of Profit and Loss | (2,403.71) | (2,603.25) |
| TOTAL | 16,857.23 | 17,432.75 |
| **Note No. 5** | | |
| **LONG TERM BORROWINGS** | | |
| **Term Loans ( Secured)** | | |
| **From Banks** | | |
| - Foreign Currency Loan | 38,279.13 | 20,738.25 |
| **From Financial Institutions** | 35,000.00 | 35,000.00 |
| **Term Loans ( Unsecured)** | | |
| From Banks | 434.78 | 5,652.17 |
| Less: Current maturities shown under other current liabilities (Refer Note 9) | 434.78 | 5,217.36 |
| | - | 434.81 |
| TOTAL | 73,279.13 | 56,173.06 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

a **Export Import Bank of India** - Foreign Currency Loan - Outstanding ₹22,086.46 Lacs (USD 40.245 mio) (Previous Year ₹20,738.25 Lacs - USD 40.245 mio ).

The loan carries interest @ 6 Months LIBOR plus 800 bps p.a. The loan is repayable after 3 years from the date of drawdown , i.e.8th December, 2011 in 4 equal semi annual instalments of USD 10.06 mio each.

The loan is secured/to be secured against (a) Second Pari passu charge on pledge of 100% shares of 3B Binani Glass Fibre S.a.r.l. held by the Company (b) exclusive charge on royalty and dividend payment to be received from Binani Cement Limited (c) second charge on the entire assets of Project Bird Holding S.a.r.l and its subsidiaries (d) second charge on the pledge of 100% shares of Project Bird Holding S.a.r.l and its subsidiaries (e) pledge of 94,50,000 equity shares of Binani Cement Limited held by the Company on exclusive charge basis (f) First paripassu charge on the entire fixed assets of Binani Zinc Limited including immovable properties present and future (g) Corporate Guarantee of Binani Cement Limited and Binani Zinc Limited and (h) Personal Guarantee of a promoter director of the Company.

b **Export Import Bank of India** - Foreign Currency Loan-Outstanding ₹16,192.67 Lacs (USD 29.506 mio) (Previous Year Nil).

The loan carries interest @ 6 Months LIBOR plus 800 bps p.a. The loan is repayable after 3 years from the date of drawdown, i.e. 30th July, 2012 in 16 equal quarterly instalments of USD 1.8441 mio each.

The loan is secured / to be secured against (a) pledge of 2,05,00,000 equity shares of Binani Cement Limited held by the Company on exclusive charge basis (b) exclusive charge on royalty and dividend payment to be received from Binani Cement Limited (c) Corporate Guarantee of Binani Cement Limited and Binani Zinc Limited. (d) Second charge on pledge of shares of Project Bird Holding S.a.r.l. (e) Second pari passu charge on pledge of shares and / or other instruments of subsidiaries of Project Bird Holding S.a.r.l (f) the Personal Guarantee of a promoter director of the Company.

c **IFCI Ltd -** Outstanding ₹ 35,000 Lacs (Previous Year ₹ 35,000 Lacs).

The Loan carried interest @ 13.25% p.a. IFCI has revised the interest @ 15.50% w.e.f. 17th January, 2013. The Company has requested IFCI to maintain the interest rate @13.25%, based on the original sanction , though interest @ 15.50% has been paid under protest. The loan is repayable in 4 quarterly instalments of ₹8,750 Lacs each, after three years from the date of drawdown i.e. 17th January, 2011.

The Loan is secured against pledge of 8,01,40,000 equity shares of Binani Cement Ltd. (BCL), and post dated cheques issued for interest and principal repayment.

d **Syndicate Bank-** Outstanding ₹ 434.78 Lacs (Previous Year ₹ 5,652.17 Lacs)

Loan carries interest @ 13.5% p.a. The loan is repayable in 23 equal monthly instalments of ₹ 217.39 Lacs from the date of drawdown 30th June, 2010.

Out of total outstanding ₹ Nil shown under Long term borrowing and ₹ 434.78 Lacs shown under Other current liabilities. (Previous Year ₹ 434.81 Lacs - Long term borrowings and ₹ 5,217.36 Lacs - Other Current Liabilities). (Refer Note 9)

**(₹ in Lacs)**

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 6** | | |
| **LONG TERM PROVISION** | | |
| **Provision for employee benefits** | | |
| For Gratuity (Funded) (Refer note no.39 (b)) | - | 4.34 |
| For Leave Encashment (unfunded) (Refer note no.39 (c)) | **74.89** | 78.61 |
| **TOTAL** | **74.89** | 82.95 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| **Note No. 7** | | | |
| **SHORT TERM BORROWINGS** | | | |
| **(Unsecured)** | | | |
| **Inter Corporate Deposits** | | | |
| From Subsidiaries-repayable on demand (Refer Note 37) | | **59,544.00** | 41,950.00 |
| From Others | | **5,795.00** | 1,125.00 |
| | TOTAL | **65,339.00** | 43,075.00 |
| **Note No. 8** | | | |
| **TRADE PAYABLES** | | | |
| Trade Payables (Refer Note 38) | | **1,317.51** | 1,196.15 |
| | TOTAL | **1,317.51** | 1,196.15 |
| **Note No. 9** | | | |
| **OTHER CURRENT LIABILITIES** | | | |
| Current maturities of Long Term Debt (Refer Note 5(d)) | | **434.78** | 5,217.36 |
| Interest accrued but not due on Borrowings | | **601.79** | 317.52 |
| Unpaid Dividend | | **192.95** | 160.10 |
| Other Liabilities | | **235.41** | 239.01 |
| | TOTAL | **1,464.93** | 5,933.99 |
| **Note No. 10** | | | |
| **SHORT TERM PROVISIONS** | | | |
| **Provision for employee benefits** | | | |
| For Gratuity (Funded) (Refer Note 39 (b)) | | **0.98** | 10.45 |
| For Leave Encashment (Unfunded) (Refer Note 39 (c)) | | **28.33** | 24.34 |
| **Others** | | | |
| Proposed Dividend | | **887.89** | 887.89 |
| Provision for Dividend Distribution Tax | | **150.90** | 144.04 |
| | TOTAL | **1,068.10** | 1,066.72 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | LAND | BUILDINGS* | AIR CONDITIONERS / COMPUTERS / FRIDGE | FURNITURE & FIXTURES / OFFICE EQUIPMENTS | TOTAL |
|---|---|---|---|---|---|
| **Note No. 11.1** | | | | | |
| **TANGIBLE ASSETS** | | | | | |
| Cost as at 1st April, 2011 | 4.04 | 321.89 | 154.43 | 247.67 | 728.03 |
| Additions | - | 17.10 | 57.25 | 334.26 | 408.61 |
| Sales/ Adjustments | - | 0.72 | 19.91 | 14.07 | 34.70 |
| Total as at 31st March, 2012 | 4.04 | 338.27 | 191.77 | 567.86 | 1,101.94 |
| Additions | - | - | 189.61 | 15.37 | 204.98 |
| Sales/ Adjustments | - | - | 4.48 | 14.72 | 19.20 |
| **Total as at 31st March 2013** | **4.04** | **338.27** | **376.90** | **568.51** | **1,287.72** |
| **Depreciation** | | | | | |
| Total as at 1st April, 2011 | - | 235.10 | 46.78 | 160.74 | 442.63 |
| Charge for the year | - | 6.31 | 20.55 | 37.76 | 64.62 |
| Sales/ Adjustments | - | 0.45 | 11.00 | 8.46 | 19.91 |
| Total as at 31st March 2012 | - | 240.96 | 56.33 | 190.04 | 487.34 |
| Charge for the year | - | 5.96 | 41.21 | 67.21 | 114.38 |
| Sales/ Adjustments | - | - | 0.92 | 4.59 | 5.51 |
| **Total as at 31st March 2013** | **-** | **246.92** | **96.62** | **252.66** | **596.21** |
| **NET BLOCK** | | | | | |
| As at 31st March, 2012 | 4.04 | 97.31 | 135.44 | 377.82 | 614.61 |
| **As at 31st March 2013** | **4.04** | **91.35** | **280.28** | **315.84** | **691.51** |

* Includes Buildings of ₹198.05 Lacs on leasehold land. Transfer of lease is yet to be completed.

(₹ in Lacs)

| Particulars | COMPUTER SOFTWARE | TOTAL |
|---|---|---|
| **Note No. 11.2** | | |
| **INTANGIBLE ASSETS** | | |
| **Cost as at 31st March, 2011** | - | - |
| Additions | 13.04 | 13.04 |
| Sales/ Adjustments | - | - |
| Total as at 31st March, 2012 | 13.04 | 13.04 |
| Additions | 23.00 | 23.00 |
| Sales/ Adjustments | - | - |
| **Total as at 31st March 2013** | **36.04** | **36.04** |
| **Depreciation** | | |
| **Total as at 1st April, 2011** | - | - |
| Charge for the year | 0.01 | 0.01 |
| Sales/ Adjustments | - | - |
| As at 31st March 2012 | 0.01 | 0.01 |
| Charge for the year | 4.79 | 4.79 |
| Sales/ Adjustments | - | - |
| **Total as at 31st March 2013** | **4.80** | **4.80** |
| **NET BLOCK** | | |
| As at 31st March, 2012 | 13.03 | 13.03 |
| **As at 31st March 2013** | **31.24** | **31.24** |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | | 31st March, 2012 | |
|---|---|---|---|---|
| **Note No. 12** | | | | |
| **NON CURRENT INVESTMENTS** | | | | |
| **Non Trade - investments (valued at cost unless stated otherwise)** | | | | |
| **Unquoted equity instruments** | | | | |
| **Investment in subsidiaries** | | | | |
| 18,56,49,464 Equity Shares of Binani Cement Limited of ₹10 each fully paid up (Previous Year 18,16,86,001 Equity Shares of Binani Cement Limited of ₹10 each fully paid up) | | 61,623.75 | | 58,056.64 |
| Less: Current Portion of long term investment (Refer Note 15) | | 50,602.81 | | - |
| | | 11,020.94 | | 58,056.64 |
| 5,90,007 Equity Shares of Wada Industrial Estate Limited of ₹100 each fully paid up (Previous Year 5,90,007 Equity Shares of ₹ 100 each fully paid up) | | 237.78 | | 237.78 |
| Nil Equity Shares of Goa Glass Fibre Limited of ₹10 each fully paid up (Previous Year 37,830,389 Equity Shares of ₹ 10 each fully paid up) | | - | | 3,783.04 |
| 6,07,88,138 Equity Shares of Binani Zinc Limited of ₹10 each fully paid up (Previous Year 6,07,88,138 Equity Shares of ₹ 10 each fully paid up) | | 6,078.81 | | 6,078.81 |
| 75,000 Equity Shares of Sankalp Holdings Limited of Euro 1 each ( Previous Year 75,000 Equity Shares of Euro 1 each) | | 48.25 | | 48.25 |
| 150,00,000 Equity Shares of BIL Infratech Limited of ₹10 each fully paid up (Previous Year 150,00,000 Equity Shares of ₹10 each fully paid up) | | 1,500.00 | | 1,500.00 |
| 27,09,999 Equity Shares of USD.0.996 each of CPI Binani, Inc. (Previous Year 27,09,999 Equity Shares of USD.0.996 each) | | 1,234.58 | | 1,234.58 |
| 100 Equity Shares of Euro 125 each in Glassfibre Holding II S.a.r.l Luxembourg (Previous Year 100 Equity Shares of Euro 125 each) | | 8.30 | | 8.30 |
| 100 Equity Shares of Euro 125 each in Glassfibre Holding III S.a.r.l. Luxembourg ( Previous Year 100 Equity Shares of Euro 125 each) | | 8.30 | | 8.30 |
| 7,70,171 Equity Shares of Euro 125 each in 3B Binani Glassfibre S.a.r.l., Luxembourg (Previous Year 3,78,157 Equity Shares of Euro 125 each) (Formerly known as Glass Fibre Holding I S.a.r.l. ) | | 66,284.58 | | 32,672.49 |
| 1,000 Equity Shares of USD 1 each in Binani Global Cement Holdings Private Limited (Previous Year Nil) | | 0.55 | | - |
| **Sub Total** | | 86,422.09 | | 103,628.19 |
| 1,40,00,000 Equity Shares of BT Composites Limited of ₹10 each fully paid up (Previous Year 1,40,00,000 Equity Shares of ₹ 10 each fully paid up) | | 1,400.00 | | 1,400.00 |
| Less: Value of 90,00,000 Equity Shares Written off in earlier years | | (1,100.00) | | (900.00) |
| Less: Value written off in current year | | (300.00) | | (200.00) |
| **Sub Total** | | - | | 300.00 |
| Preference Shares (unquoted) | | | | |
| 25,00,000 6% Non Cumulative Preference Shares of Goa Glass Fibre Limited of ₹100 each fully paid up (Previous Year Nil) | | 2,500.00 | | - |
| 5,00,000 4% Redeemable Non Cumulative Preference Shares of BT Composites Limited of ₹10 each fully paid up (Previous Year 5,00,000 4% Redeemable Non Cumulative Preference Shares of ₹10 each fully paid up) | 50.00 | | 50.00 | |
| Less: Value written off in earlier Years | (50.00) | - | (50.00) | - |
| **Sub Total** | | 2,500.00 | | - |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| Aggregate amount of unquoted investments | 86,422.09 | 103,628.19 |
| Aggregate value of investments written off | 1,450.00 | 1,150.00 |
| **Investments in Capital of Subsidiaries Pending Allotment / Transfer** | | |
| Binani Energy Private Limited | - | 3.47 |
| Binani Cement Limited | - | 38.87 |
| 3B Binani Glassfibre S.a.r.l. | 0.12 | 3,114.38 |
| **Sub Total** | 0.12 | 3,156.72 |
| **TOTAL** | 88,922.21 | 107,084.91 |
| **Note No. 13** | | |
| **LONG TERM LOANS AND ADVANCES** | | |
| **(Unsecured considered good)** | | |
| Security Deposits | 109.15 | 103.68 |
| Loans and advances to related parties (Refer Note 37) | 4,496.58 | 3,634.77 |
| Advance Tax Including Tax Deducted at Source (Net) | 2,493.45 | 426.95 |
| Fringe Benefit Tax (Net) | 1.63 | 1.63 |
| **TOTAL** | 7,100.81 | 4,167.03 |
| **Note No. 14** | | |
| **OTHER NON-CURRENT ASSETS** | | |
| Non- current bank deposit | 2.21 | 2.05 |
| (Fixed Deposits with maturity of more than 12 months) | | |
| **TOTAL** | 2.21 | 2.05 |
| **Note No. 15** | | |
| **CURRENT INVESTMENTS** | | |
| **Current portion of Long Term Investments ( Valued at Cost)** | | |
| 7,54,40,000 Equity Shares of Binani Cement Limited of ₹10 each fully paid up ( Previous Year Nil) ( Refer Note No. 34) | 50,602.81 | - |
| **TOTAL** | 50,602.81 | - |
| **Note No. 16** | | |
| **TRADE RECEIVABLES AND OTHER ASSETS** | | |
| **Trade Receivables (including due from related parties)** | | |
| (Unsecured, considered good) | | |
| (outstanding for period less than six months from the date they are due for payment) | 1,859.07 | 250.54 |
| **TOTAL** | 1,859.07 | 250.54 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 17** | | |
| **CASH AND BANK BALANCES** | | |
| **Cash and cash equivalents** | | |
| Balances with Banks in Current Accounts | 118.92 | 5,459.04 |
| Cash on hand | 1.52 | 1.79 |
| | 120.44 | 5,460.83 |
| **Other Bank Balances (Restricted Deposits)** | | |
| Dividend Accounts | 193.04 | 160.19 |
| Binani Cement Ltd.- Delisting Offer - 2011 Escrow Account | - | 6,187.24 |
| Short Term Deposits - Escrow Account | 1.51 | 824.89 |
| Other Deposits with maturity of more than three months but less than 12 months (held as security against Interest on borrowings) | 864.00 | 500.00 |
| TOTAL | 1,178.99 | 13,133.15 |
| **Note No. 18** | | |
| **SHORT TERM LOANS AND ADVANCES** | | |
| **(Unsecured considered good)** | | |
| Loans and Advances to Subsidiaries (Refer Note 37) | 4,853.21 | 2,484.55 |
| Advances recoverable in cash or in kind | 134.00 | 46.29 |
| Balances with statutory authorities | 128.33 | 86.72 |
| TOTAL | 5,115.54 | 2,617.56 |
| **Note No. 19** | | |
| **OTHER CURRENT ASSETS** | | |
| Interest Receivable | 259.74 | 39.26 |
| Unamortized Expenditure ( Refer Note 34) | 6,544.51 | - |
| TOTAL | 6,804.25 | 39.26 |
| **Note No. 20** | | |
| **REVENUE FROM OPERATIONS** | | |
| Fees for Management Services Rendered | 5,251.50 | 4,403.29 |
| Royalty | 12,676.66 | 9,525.53 |
| TOTAL | 17,928.16 | 13928.82 |
| **Note No. 21** | | |
| **OTHER INCOME** | | |
| Interest Income | 779.69 | 259.47 |
| Dividend Income from Subsidiaries | - | 4,479.60 |
| Other Dividend | 11.56 | 27.64 |
| Other Miscellaneous Income | 14.78 | 18.53 |
| Gain on foreign currency transactions (Net) | - | 289.99 |
| TOTAL | 806.03 | 5,075.23 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 22** | | |
| **EMPLOYEE BENEFIT EXPENSES** | | |
| Salaries and Wages | 2,721.34 | 2,135.94 |
| Contribution to Provident and other Funds | 130.07 | 88.60 |
| Staff Welfare Expenses | 37.73 | 33.87 |
| TOTAL | 2,889.14 | 2,258.41 |
| **Note No. 23** | | |
| **FINANCE COSTS** | | |
| Interest Expenses | 8,971.17 | 10,185.29 |
| Other Borrowing Cost | 412.83 | 486.72 |
| TOTAL | 9,384.00 | 10,672.01 |
| **Note No. 24** | | |
| **OTHER EXPENSES** | | |
| Professional Fees | 230.89 | 166.53 |
| Management Support Service Fees | 418.74 | - |
| Insurance | 12.38 | 1.76 |
| Rates & Taxes | 2.49 | 2.22 |
| Rent | 207.09 | 212.48 |
| Directors Sitting Fees | 12.98 | 2.85 |
| Commission to Directors | - | 10.00 |
| Travelling Expenses | 419.52 | 373.31 |
| Service Charges | 368.70 | 286.20 |
| Printing & Stationery Expenses | 44.26 | 42.56 |
| Postage & Telephone Expenses | 82.82 | 120.02 |
| Electricity Charges | 86.63 | 56.96 |
| Repairs & Maintenance : | | |
| Buildings | 14.79 | 46.25 |
| Others | 57.95 | 71.85 |
| Motor Car Expenses | 215.58 | 177.96 |
| Loss on foreign currency transactions (net) | 86.05 | - |
| Loss on Sale/ Discard of Fixed Asset | 11.07 | 11.69 |
| Miscellaneous Expenses | 267.74 | 349.97 |
| Value of investments in subsidiaries written off | 300.00 | 200.00 |
| TOTAL | 2,839.68 | 2,132.61 |
| **Note No. 25** | | |
| **EXCEPTIONAL ITEMS** | | |
| Gain on Sale of non current investments in subsidiaries | 4,112.16 | 3,951.20 |
| Loss on sale of non current investments in subsidiaries | (0.29) | (324.50) |
| TOTAL | 4,111.87 | 3,626.70 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 26** | | |
| **CONTINGENT LIABILITIES NOT PROVIDED FOR** | | |
| a) Claims against the Company not acknowledged as debts in respect of certain Income Tax matters. | **5,464.65** | 5,280.05 |
| b) Commitments relating to the purchase of customised software application. | **25.00** | 126.82 |
| c) Corporate Guarantees given to Financial Institutions and Banks in respect of loans to subsidiaries / step down subsidiaries of the Company. | **266,648.00** | 242,925.00 |
| | **272,137.65** | 248,331.87 |

### Note No. 27

### MANAGEMENT SERVICES FEES

The Company is providing corporate support services related to Accounting, Finance, Treasury, Forex / Commodity Risk Management, Purchases , Audit, Taxation, Corporate Strategy, Media Services, Credit Rating, Legal Services, Market Research, Quality Control, Project Management etc. to its subsidiaries namely Binani Cement Limited, Binani Zinc Limited, and Goa Glass Fibre Limited on payment of monthly Management Service Fees by the subsidiaries.

### Note No. 28

### ROYALTY INCOME

The Company, as the owner, licensor and rights holder of the Marks including but not limited to " Binani", " Binani-Braj Binani Group" and the Binani family / corporate name and also in its capacity of Holding Company of the Braj Binani Group, has entered into separate agreements with its principal subsidiaries viz. Binani Zinc Ltd.(BZL), Binani Cement Ltd.(BCL), BT Composites Ltd. (BTCL) and step down subsidiary Goa Glass Fibre Ltd.(GGFL) for grant of the use of the Marks, corporate name, logo etc, in consideration of payment of Royalty as a percentage of net turnover of the Licensee (net of inter company turnover). Accordingly, the Company has earned royalty from BCL, BZL, GGFL and BTCL on the basis of their respective turnovers for the year. The Company has incurred expenditure on advertisement and corporate brand building of all the group companies as per terms of the said agreements. By virtue of a separate agreement between Promoter and the Company, the Promoter has licensed the Marks to the Company in consideration of a payment equal to 10% of the royalty earned by the Company by sub licensing the marks to its subsidiaries and affiliates.

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 29** | | |
| **OTHER MISCELLANEOUS INCOME** | | |
| i) Liability no longer required written back | **-** | 4.51 |
| ii) Service Charges | **13.72** | 12.47 |
| iii) Others | **1.06** | 1.54 |
| TOTAL | **14.78** | 18.53 |
| **Note No. 30** | | |
| **EXPENDITURE IN FOREIGN CURRENCY (Accrual Basis)** | | |
| Foreign Travelling Expenses | **90.57** | 99.92 |
| Conference Expenses | **3.41** | 1.68 |
| Subscription to periodicals | **0.76** | 1.01 |
| Recruitment Expenses | **10.33** | 40.31 |
| Interest on Foreign Currency Loan | **2,906.27** | 569.11 |
| Royalty Expenses | **1,267.67** | 952.55 |
| Fees for Support Services | **418.74** | - |
| TOTAL | **4,697.75** | 1,664.58 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 31** | | |
| **REMUNERATION TO AUDITORS** | | |
| Audit Fees | 6.00 | 6.00 |
| For Taxation matters | 0.75 | 6.31 |
| For Other Services | 4.65 | 7.09 |
| For Reimbursement of Expenses | 0.45 | 0.10 |
| TOTAL | 11.85 | 19.50 |

### Note No. 32

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

**Deferred Tax Liability / Assets comprise of the following:**

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| a) **Deferred Tax Liability** | | |
| Fixed Assets | (1.89) | - |
| TOTAL | (1.89) | - |
| b) **Deferred Tax Asset** | | |
| Fixed Assets | - | 17.89 |
| Disallowance under Income Tax Act, 1961 | 35.42 | 38.23 |
| Unabsorbed Losses & Depreciation | 2,432.92 | 2,743.60 |
| TOTAL | 2,468.34 | 2,799.72 |
| Deferred Tax Assets (net) | 2,466.45 | 2,799.72 |

However, the Company on a prudent basis has not recognised deferred tax assets.

### Note No. 33

During 2010-11, Binani Cement Limited had completed the Reverse Book Building process for voluntary delisting of its Equity Shares in terms of SEBI (Delisting of Equity Shares), Regulations, 2009.

With a view to provide exit opportunity to the public shareholders of Binani Cement Limited under SEBI (Delisting of Equity Shares), Regulations, 2009, during the year 2011-12, the Company had paid ₹ 38.87 Lacs towards purchase of 43,186 number of shares of Binani Cement Limited from its public shareholders at a price of ₹ 90 per share. The transfer of above shares in favour of the Company has taken place in the current year. During the current year, the Company has further purchased 3,920,277 shares of Binani Cement Limited from its public shareholders at a price ₹ 90 per share valuing ₹ 3,528.25 Lacs.

### Note No. 34

The Company has decided to sell part of its holding in its subsidiary Binani Cement Limited. The Company is in the process of identifying the prospective financial investors and expects to finalize the same in the ensuing financial year. Accordingly, the said part of its investment is classified as "Current Investments" under the head "Current Assets".

In line with the above classification, the company has deferred an expenditure amounting to ₹6,544.51 Lacs incurred for holding part of the said current portion of the investment in its subsidiary Binani Cement Limited. The above expenditure shall be

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

amortized in ensuing financial year as it is necessarily incurred for holding the said investment and economic benefits thereon shall flow to the Company in the ensuing financial year. The said deferred expenditure is classified as " Other Current Assets" under the head "Unamortized Expenses". Had the Company not deferred the said expenditure, the profit for the year would have been lower by ₹ 6,544.51 Lacs and reserves and surplus would have been lower by ₹ 6,544.51 Lacs.

### Note No. 35

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **PRIMARY SEGMENT INFORMATION** | | |
| **1) Segment Revenue** | | |
| a) Fees for Management Services rendered | **5,251.50** | 4,403.29 |
| b) Royalty Fees | **12,676.66** | 9,525.53 |
| c) Unallocated/Other Income (Refer Note 1 below) | **4,917.91** | 8,701.93 |
| | **22,846.07** | 22,630.75 |
| **2) Segment Result** | | |
| (Profit/Loss) before interest and tax) | Refer Note 2 below | |
| **3) Capital Employed** | Refer Note 2 below | |
| (Segment Assets - Segment Liabilities) | | |

**Note:**

1) Other Income includes dividend received from Subsidiary ₹ Nil (Previous Year ₹ 4,479.60 Lacs) and net gain on sale of investment ₹ 4,111.87 Lacs (Previous Year ₹ 3,626.70 Lacs)

2) Since resources used are common, fees for management services rendered and other sources of income, the segment result & capital employed are not ascertainable.

### Note No. 36

### PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT BALANCE SHEET DATE

| Particulars | Currency | Amount | ₹ In Lacs |
|---|---|---|---|
| Outstanding foreign currency loan receivable | **USD** | **8,817,764** | **4,766.88** |
| | USD | (8,167,764) | (4,141.87) |
| | **EURO** | **590,000** | **407.45** |
| | EURO | (-) | (-) |
| Outstanding interest on foreign currency loan receivable | **USD** | **406,799** | **219.92** |
| | USD | (88,745) | (45.00) |
| | **EURO** | **18,733** | **12.94** |
| | EURO | (-) | (-) |
| Outstanding foreign currency trade payable | **GBP** | **121,250** | **101.47** |
| | GBP | (-) | (-) |
| Outstanding foreign currency loan payable | **USD** | **69,750,600** | **38,279.13** |
| | USD | (40,245,000) | (20,738.25) |
| Outstanding interest on foreign currency loan payable | **USD** | **421,637** | **231.39** |
| | USD | (197,033) | (101.53) |

(Figures in brackets pertain to Previous Year)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note No. 37

### RELATED PARTY DISCLOSURE AS PER AS 18 ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED)

(₹ In Lacs)

| Particulars | Subsidiaries | Enterprises where Key Management Personnel have got significant influence | Total |
|---|---|---|---|
| **Fees received for Management services rendered** | | | |
| Binani Cement Limited | **3,938.50** | | **3,938.50** |
| | (3,114.30) | | (3,114.30) |
| BZ Minerals Australia ( Subsidiary of Binani Zinc Ltd.) | **(-)** | | **(-)** |
| | (250.54) | | (250.54) |
| Binani Zinc Limited | **788.00** | | **788.00** |
| | (623.45) | | (623.45) |
| Goa Glass Fibre Limited* | **525.00** | | **525.00** |
| | (415.00) | | (415.00) |
| **Royalty Income** | | | |
| Binani Cement Limited | **11,032.35** | | **11,032.35** |
| | (8,061.08) | | (8,061.08) |
| Binani Zinc Limited | **1,308.71** | | **1,308.71** |
| | (1,154.73) | | (1,154.73) |
| Goa Glass Fibre Limited* | **322.92** | | **322.92** |
| | (292.72) | | (292.72) |
| B T Composites Limited | **12.69** | | **12.69** |
| | (17.00) | | (17.00) |
| **Royalty Expenses** | | | |
| Golden Global Pte Ltd ( Assignee of Promoter) | | **1,267.67** | **1,267.67** |
| | | (952.55) | (952.55) |
| **Service charges received** | | | |
| Triton Trading Company Private Limited | | **13.72** | **13.72** |
| | | (12.47) | (12.47) |
| **Service charges paid** | | | |
| Sambhaw Holdings Limited | | **72.00** | **72.00** |
| | | (72.00) | (72.00) |
| Triton Trading Company Private Limited | | **45.16** | **45.16** |
| | | (13.32) | (13.32) |
| Nirbhay Management Services Pvt. Ltd. | | **151.81** | **151.81** |
| | | (120.65) | (120.65) |
| Binani Metals Limited | | **12.89** | **12.89** |
| | | (56.03) | (56.03) |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Lacs)

| Particulars | Subsidiaries | Enterprises where Key Management Personnel have got significant influence | Total |
|---|---|---|---|
| **Rent paid** | | | |
| Binani Metals Limited | | **3.46** | **3.46** |
| | | (6.48) | (6.48) |
| **Advertisement Expenses** | | | |
| Media magix | | **3,879.41** | **3,879.41** |
| (A Division of Asian Industry & Information Service Pvt Ltd) | | (4,041.42) | (4,041.42) |
| **Dividend Received** | | | |
| Binani Cement Limited | **(-)** | | **(-)** |
| | (4,479.60) | | (4,479.60) |
| **Dividend Paid** | | | |
| Dharmik Commodeal Pvt Ltd | | **142.76** | **142.76** |
| | | (142.76) | (142.76) |
| Vijayshree Holdings Pvt. Ltd. | | **128.65** | **128.65** |
| | | (35.85) | (35.85) |
| K.B. Vyapar Pvt. Ltd. | | **37.29** | **37.29** |
| | | (37.29) | (37.29) |
| Lucknow Properties & Finance Pvt Ltd | | **42.59** | **42.59** |
| | | (42.59) | (42.59) |
| Akror Traders Pvt Ltd. | | **38.05** | **38.05** |
| | | (38.05) | (38.05) |
| **Interest Received** | | | |
| CPI Binani Inc. | **204.23** | | **204.23** |
| | (112.47) | | (112.47) |
| 3B Binani Glassfibre S.a.r.l. | **28.70** | | **28.70** |
| | (-) | | (-) |
| Goa Glass Fibre Limited* | **478.17** | | **478.17** |
| | (135.76) | | (135.76) |
| **Interest paid to** | | | |
| Binani Cement Limited | **5,980.53** | | **5,980.53** |
| | (2,143.61) | | (2,143.61) |
| Binani Zinc Limited | **561.58** | | **561.58** |
| | (61.35) | | (61.35) |
| **Expenses incurred on behalf of the Company** | | | |
| BIL Infratech Limited | **1.25** | | **1.25** |
| | (0.16) | | (0.16) |
| Binani Cement Factory LLC | **-** | | **-** |
| | (1.23) | | (1.23) |
| Binani Cement Limited | **550.85** | | **550.85** |
| | (-) | | (-) |
| Goa Glass Fibre Limited* | **5.97** | | **5.97** |
| | (-) | | (-) |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Lacs)

| Particulars | Subsidiaries | Enterprises where Key Management Personnel have got significant influence | Total |
|---|---|---|---|
| B T Composites Limited | **1.15**<br>(-) | | **1.15**<br>(-) |
| Binani Zinc Limited | **9.66**<br>(-) | | **9.66**<br>(-) |
| Dhaneshwar Solutions Pvt. Ltd. | | **45.46**<br>(-) | **45.46**<br>(-) |
| **Investment during the period** | | | |
| Binani Cement Limited | **3,528.25**<br>(2,251.64) | | **3,528.25**<br>(2,251.64) |
| BIL Infratech Limited | **-**<br>(1,495.00) | | **-**<br>(1,495.00) |
| 3B Binani Glassfibre S.a.r.l | **30,497.82**<br>(32,672.49) | | **30,497.82**<br>(32,672.49) |
| Binani Readymix Concrete Limited | **(-)**<br>(355.90) | | **(-)**<br>(355.90) |
| BIL Holding II S.a.r.l. | **(-)**<br>(8.30) | | **(-)**<br>(8.30) |
| BIL Holding III S.a.r.l. | **(-)**<br>(8.30) | | **(-)**<br>(8.30) |
| Goa Glass Fibre Limited* | **2,500.00**<br>(-) | | **2,500.00**<br>(-) |
| Binani Global Cement Holdings Private Limited | **0.55**<br>(-) | | **0.55**<br>(-) |
| **Sale of Investment during the year:** | | | |
| Binani Energy Private Limited (100%) sold to Binani Cement Limited (Loss on sale of investment - ₹ 0.29 Lacs)** | **3.18**<br>(-) | | **3.18**<br>(-) |
| Binani Readymix Concrete Limited (100%) sold to Binani Cement Limited in 2011-12 (Loss on sale of investment - ₹ 324.49 Lacs) | **(-)**<br>(41.40) | | **(-)**<br>(41.40) |
| Goa Glass Fibre Limited (51%) sold to 3B Binani Glassfibre S.a.r.l. (Profit on sale of investment - ₹ 4,112.16 Lacs) (Previous year Goa Glass Fibre Limited (49%) sold to 3B Binani Glassfibre S.a.r.l. (Profit on sale of investment - ₹ 3,951.20 Lacs). | **7,895.20**<br>(7,585.90) | | **7,895.20**<br>(7,585.90) |
| **Loans & Advances/(Unsecured Loan) - Given to** | | | |
| CPI Binani Inc | **354.71**<br>(4,324.30) | | **354.71**<br>(4,324.30) |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Lacs)

| Particulars | Subsidiaries | Enterprises where Key Management Personnel have got significant influence | Total |
|---|---|---|---|
| 3B Binani Glassfibre S.a.r.l. | **677.75**<br>(-) | | **677.75**<br>(-) |
| Wada Industrial Estate Limited | **54.70**<br>(12.97) | | **54.70**<br>(12.97) |
| Goa Glass Fibre Limited* | **6,125.00**<br>(1,000.00) | | **6,125.00**<br>(1,000.00) |
| B T Composites Limited | **-**<br>(20.90) | | **-**<br>(20.90) |
| Binani Readymix Concrete Limited | **-**<br>(30.87) | | **-**<br>(30.87) |
| **Repaid during the year by**<br>Goa Glass Fibre Limited* | **1,550.00**<br>(600.00) | | **1,550.00**<br>(600.00) |
| **Loans & Advances taken**<br>3B Binani Glassfibre S.a.r.l. | **(-)**<br>(69.66) | | **(-)**<br>(69.66) |
| **Inter Corporate Deposit received** | | | |
| Binani Cement Limited | **31,289.00**<br>(40,650.00) | | **31,289.00**<br>(40,650.00) |
| Binani Zinc Limited | **13,375.00**<br>(2,000.00) | | **13,375.00**<br>(2,000.00) |
| **Inter Corporate Deposit repaid** | | | |
| Binani Cement Limited | **16,535.00**<br>(700.00) | | **16,535.00**<br>(700.00) |
| Binani Zinc Limited | **10,535.00**<br>(700.00) | | **10,535.00**<br>(700.00) |
| **Investments (Including advances for Investments) as on 31st March 2013** | | | |
| Sankalp Holdings Limited | **48.25**<br>(48.25) | | **48.25**<br>(48.25) |
| Binani Cement Limited | **61,623.75**<br>(58,056.64) | | **61,623.75**<br>(58,056.64) |
| Goa Glass Fibre Limited* | **-**<br>(3,783.04) | | **-**<br>(3,783.04) |
| Wada Industrial Estate Limited | **237.78**<br>(237.78) | | **237.78**<br>(237.78) |
| BT Composites Limited | **(-)**<br>(300.00) | | **(-)**<br>(300.00) |
| BIL Infratech Limited | **1,500.00**<br>(1,500.00) | | **1,500.00**<br>(1,500.00) |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Lacs)

| Particulars | Subsidiaries | Enterprises where Key Management Personnel have got significant influence | Total |
|---|---|---|---|
| Binani Zinc Limited | **6,078.81** | | **6,078.81** |
| | (6,078.81) | | (6,078.81) |
| 3B Binani Glassfibre S.a.r.l. | **66,284.58** | | **66,284.58** |
| | (32,672.49) | | (32,672.49) |
| CPI Binani, Inc. | **1,234.58** | | **1,234.58** |
| | (1,234.58) | | (1,234.58) |
| Glass Fibre Holding II S.a.r.l. | **8.30** | | **8.30** |
| | (8.30) | | (8.30) |
| Glass Fibre Holding III S.a.r.l. | **8.30** | | **8.30** |
| | (8.30) | | (8.30) |
| Binani Global Cement Holdings Pvt. Ltd. | **0.55** | | **0.55** |
| | (-) | | (-) |
| Binani Energy Pvt Ltd (Advance)** | **(-)** | | **(-)** |
| | (3.47) | | (3.47) |
| 3B Binani Glassfibre S.a.r.l. (Advance) | **0.12** | | **0.12** |
| | **(3,114.38)** | | **(3,114.38)** |
| Binani Cement Limited (Advance) | (-) | | (-) |
| | (38.87) | | (38.87) |
| **Balance Outstanding as on 31st March, 2013** | | | |
| **a) Receivables** | | | |
| Binani Cement Limited | **1,650.34** | | **1,650.34** |
| | (-) | | (-) |
| BIL Infratech Limited | **1.25** | | **1.25** |
| | (0.16) | | (0.16) |
| Binani Zinc Limited | **116.56** | | **116.56** |
| | (-) | | (-) |
| B T Composites Limited | **2.06** | | **2.06** |
| | (-) | | (-) |
| Goa Glass Fibre Limited* | **43.40** | | **43.40** |
| | (-) | | (-) |
| Dhaneshwar Solutions Pvt. Ltd. | | **45.46** | **45.46** |
| | | (-) | (-) |
| **b) ICDs and Other Loans and advances** | | | |
| Wada Industrial Estate Limited | **182.11** | | **182.11** |
| | (127.37) | | (127.37) |
| B T Composites Limited | **418.34** | | **418.34** |
| | (418.35) | | (418.35) |
| Goa Glass Fibre Limited* | **3,575.00** | | **3,575.00** |
| | (1,500.00) | | (1,500.00) |
| 3B Binani Glassfibre S.a.r.l. | **706.42** | | **706.42** |
| | (-) | | (-) |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Lacs)

| Particulars | Subsidiaries | Enterprises where Key Management Personnel have got significant influence | Total |
|---|---|---|---|
| CPI Binani, Inc. | **4,700.76** | | **4,700.76** |
| | (4,170.07) | | (4,170.07) |
| Binani Cement Factory LLC | **-** | | **-** |
| | (1.23) | | (1.23) |
| **Liabilities** | | | |
| **a) ICD payable** | | | |
| Binani Zinc Limited | **4,840.00** | | **4,840.00** |
| | (2,000.00) | | (2,000.00) |
| Binani Cement Limited | **54,704.00** | | **54,704.00** |
| | (39,950.00) | | (39,950.00) |
| **b) Trade payable** | | | |
| Golden Global Pte Ltd (Assignee of Promoter) | | **595.94** | **595.94** |
| | | (857.30) | (857.30) |
| Media magix | | **491.19** | **491.19** |
| (A Division of Asian Industry & Information Service Pvt Ltd) | | (209.26) | (209.26) |
| **c) Other Payable** | | | |
| 3B Binani Glassfibre S.a.r.l. | **-** | | **-** |
| | (69.66) | | (69.66) |

(Figures in brackets pertain to Previous Year)

*Wholly Owned Subsidiary of 3B Binani Glassfibre S.a.r.l. w.e.f 11th December, 2012

**Wholly Owned Subsidiary of Binani Cement Limited w.e.f 29th October, 2012

**Notes:**

1 **Guarantees given to Banks & Financial Institutions on behalf of subsidiaries have been separately disclosed vide Note no 26.**

2 **Names of related parties and description of relationship:**

a) Subsidiaries / step down subsidiaries where control exists : Binani Cement Limited (BCL), Binani Zinc Limited (BZL), Goa Glass Fibre Limited (GGFL), B T Composites Limited (BTCL), Wada Industrial Estate Limited (WIEL), Binani Energy Private Limited (BEPL), CPI Binani, Inc. U.S.A (CPI), 3B Binani Glass Fibre SARL, Luxembourg, BIL Holding II SARL Luxembourg, BIL Holding III SARL, Luxembourg, Sankalp Holdings Limited ( Cyprus ),Binani Global Cement Holdings Private Limited (Singapore), BIL Infratech Limited, Binani Infrastructure Mauritius Limited, Mauritius, Abhinav Holding Limited, Cyprus (AHL), R.B.G. Minerals Industries Limited, BZ Minerals (Australia) Pty Limited, Australia, BZ Minerals (Luxembourg) Sarl, Krishna Holding Pte. Limited, Singapore (KHL), Shandong Binani Rong'an Cement Co. Limited, China (SBRCC), Mukundan Holdings Limited, British Virgin Island (MHL), Binani Cement Factory LLC, UAE (BCFLLC), Murari Holdings Limited, British Virgin Island (MuHL), Bhumi Resources (Singapore) Pte Limited Singapore, Binani Cement Factory (Mauritius) Limited, Mauritius , Binani Cement Factory (SFZ) Limited, Sudan, BC Tradelink Limited, Tanzania, Binani Cement Co. Limited, (South Sudan), Binani Cement Co. Limited, (Sudan), Binani Cement Factory (Kenya) Limited, Kenya, Binani Cement SARL, Djibouti, Binani Cement (Uganda) Limited, Uganda, PT Anganna Energy Resources, Indonesia, Binani Cement Company WLL, Kuwait, Swiss Merchandise Infrastructure Limited, Merit Plaza

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Limited, Binani Readymix Concrete Limited, Binani Mineral Resources ( Mangolia) LLC, Weighbridge Investments (Pty) Limited Botswana, Christo schutte Investment Number Nine (Pty) Limited. Namibia, Binani Cimentos (Mozambique) LDA, Transafrica Cement Limited ( Mauritius), Rightside Investment Pty. Limited, Project Bird Holding S.a.r.l.(Luxembourg), Project Bird Holding II S.a.r.l.(Luxembourg), Project Bird Holding III B S.a.r.l.(Luxembourg), 3B - Fibreglass SPRL (Belgium), 3B - Fibreglass A/S (Norway), TunFib SARL (Tunisia).

b) Key Management Personnel: Mr. Braj Binani and Mr. Sunil Sethy. Dividend paid to Mr. Braj Binani during the year ended 31st March, 2013 was ₹ 1.59 Lacs (Previous Year ₹ 1.59 Lacs). Managerial Remuneration paid to Mr Sunil Sethy during the year ended 31st March, 2013 was ₹166.97 Lacs ( Previous Year ₹155.06 Lacs).

c) Enterprises where Key Management Personnel have got significant influence: Mr. Braj Binani in Binani Metals Limited, Sambhaw Holdings Limited, K. B. Vyapar Private Limited, Triton Trading Co. Pvt. Ltd., Lexus Holding & Finance Private Limited, Dhaneshwar Solutions Pvt. Ltd, Media magix (A Division of Asian Industry & Information Service Pvt Ltd), Nirbhay Management Services Pvt. Ltd. and Miracle Securities Private Limited. Mr. Sunil Sethy in Radix Technologies.

**(b) Loans and Advances in the nature of Loans given to/(received) from Subsidiaries etc.**

(₹ In Lacs)

| Sr no. | Name of the Company | Relationship | As at March 31, 2013 | Maximum Balance during the year 2012-13 |
|---|---|---|---|---|
| 1 | BT Composites Limited | Subsidiary | **418.35**<br>(418.35) | **418.35**<br>(418.35) |
| 2 | Goa Glass Fibre Limited | Subsidiary | **3,575.00**<br>(1,500.00) | **6,025.00**<br>(1,500.00) |
| 3 | Wada Industrial Estate Limited | Subsidiary | **182.11**<br>(127.37) | **182.11**<br>(127.37) |
| 4 | Binani Readymix Concrete Limited | Subsidiary | **-**<br>(-) | **-**<br>(30.90) |
| 5 | CPI Binani, Inc. | Subsidiary | **4,700.76**<br>(4,170.07) | **4,769.10**<br>(4,233.38) |
| 6 | Binani Energy Pvt. Limited | Subsidiary | **-**<br>**(-)** | **-**<br>(7.53) |
| 7 | 3B Binani Glassfibre Sarl | Subsidiary | **706.42**<br>(-69.66) | **719.14**<br>(76.74) |

(Figures in brackets pertain to Previous Year)

Except Loan to CPI Binani, Inc., Loans and Advances shown above fall under the category of 'Loans and Advances in the nature of loans (through intra company current accounts) where there is no fixed repayment schedule. Advance given to Binani Readymix Concrete Limited,Binani Energy Pvt. Limited, BT Composites Limited and Wada Industrial Estate Limited are interest free.

### Note No. 38

As the Company does not have information as to which of its trade payable is registered under The Micro, Small and Medium Enterprises Development Act, 2006, no disclosure as required by the said Act is given.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### Note No. 39

### EMPLOYEE BENEFITS DISCLOSURE AS PER AS 15(REVISED) ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED)

a) **Defined Contribution Plans**
During the year, the Company has recognised ₹ 117.43 Lacs (Previous Year ₹ 88.60 Lacs) in the Statement of Profit and Loss on account of defined contribution plans.

b) **Defined benefit plans as per actuarial valuation on 31st March, 2013.**

(₹ In Lacs)

| Particulars | | Gratuity Funded | |
|---|---|---|---|
| | | 31.03.2013 | 31.03.2012 |
| I | **Expenses recognised in the Statement of Profit & Loss for the year** | | |
| 1 | Current Service Cost | **31.50** | 22.67 |
| 2 | Interest Cost | **13.46** | 8.48 |
| 3 | Employees Contributions | **-** | - |
| 4 | Expected return on plan assets | **(12.34)** | (11.45) |
| 5 | Net Actuarial (Gains) / Losses | **(30.79)** | 35.32 |
| 6 | Total Expenses | **1.82** | 55.03 |
| II | **Net Asset/ (Liability) recognised in the Balance Sheet** | | |
| 1 | Fair value of plan assets as at the end of the year | **149.66** | 143.57 |
| 2 | Present value of Defined Benefit Obligation as at the end of the year | **150.64** | 158.36 |
| 3 | Funded status [Surplus/(Deficit)] | **(0.98)** | (14.79) |
| 4 | Net asset/ (Liability) as at the end of the year | **(0.98)** | (14.79) |
| III | **Change in obligation during the year** | | |
| 1 | Present value of Defined Benefit Obligation at beginning of the year | **158.36** | 102.82 |
| 2 | Current Service Cost | **31.50** | 22.67 |
| 3 | Interest Cost | **13.46** | 8.48 |
| 4 | Benefits Payments | **(20.38)** | (8.89) |
| 5 | Actuarial (Gains) / Losses | **(32.30)** | 33.27 |
| 6 | Present value of Defined Benefit Obligation at end of the year | **150.64** | 158.36 |
| IV | **Change in Assets during the year ended** | | |
| 1 | Plan assets at beginning of the year | **143.57** | 143.06 |
| 2 | Assets acquired on amalgamation in Previous Year | **-** | - |
| 3 | Settlements | **-** | - |
| 4 | Expected return on plan assets | **12.34** | 11.45 |
| 5 | Contributions by Employer | **15.70** | - |
| 6 | Actual benefits paid | **(20.38)** | (8.89) |
| 7 | Actuarial Gains / (Losses) | **(1.57)** | (2.04) |
| 8 | Plan assets at end of the year | **149.66** | 143.57 |
| 9 | Actual return on plan assets | **10.77** | 9.40 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ In Lacs)

| Particulars | | Gratuity Funded | |
|---|---|---|---|
| | | **31.03.2013** | 31.03.2012 |
| V | **The major categories of plan assets as a percentage of total plan** | | |
| | Qualifying Insurance Policy | **YES** | YES |
| VI | **Actuarial Assumptions** | | |
| | Discount Rate | **8.25%** | 8.50% |
| | Salary Escalation | **4.00%** | 4.00% |

c) Provision towards liability for Leave Encashment is made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value of liability as on 31.03.2013 is ₹103.22 Lacs ( Previous year ₹102.95 Lacs) based upon following assumptions.

| | | |
|---|---|---|
| Discount Rate | 8.25% | 8.50% |
| Salary Escalation | 4.00% | 4.00% |

### Note No. 40

Previous year / period figures have been regrouped / rearranged wherever necessary to confirm with the figures of the current period.

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No: 45375

Place : Mumbai
Date : 23rd April, 2013

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**K. K. Saraf**
President & Company Secretary

Place : Mumbai
Date : 23rd April, 2013

**For and on behalf of the Board of Directors**

**Braj Binani**
Chairman

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| | Particulars | | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|---|
| | **Cash Flow From Operating Activities** | | | |
| | **Net Profit Before Tax** | | **1,493.53** | 2,002.60 |
| | Adjustments for: | | | |
| | Depreciation | | **119.17** | 64.63 |
| | Interest & Financial Charges | | **9,384.00** | 10,672.01 |
| | Loss on sale/discard of Fixed Assets (net) | | **11.07** | 10.76 |
| | Excess Provision / Liabilities no longer required written back | | **-** | (4.51) |
| | Unrealised (Gain) / Loss on Exchange Rate Fluctuation (Net) | | **93.57** | (315.50) |
| | Interest and Dividend Income | | **(791.25)** | (4,766.71) |
| | Gain on sale of Non Current Investment in subsidiaries (Net) | | **(4,111.87)** | (3,626.70) |
| | Value of investment in subsidiaries written off | | **300.00** | 200.00 |
| | **Operating Profit Before Working Capital Changes** | | **6,498.22** | 4,236.57 |
| | Adjustments for: | | | |
| | Trade and Other Receivables | | **(1,731.49)** | (311.48) |
| | Trade and Other Payables | | **97.75** | 1,263.10 |
| | **Cash Generated from operations** | | **4,864.48** | 5,188.19 |
| | Direct Taxes Paid (including TDS) | | **(2,465.74)** | (369.86) |
| A | **Net Cash from operating activities** | TOTAL | **2,398.74** | 4,818.33 |
| | **Cash Flows from Investing Activities** | | | |
| | Purchase of Fixed Assets including CWIP | | **(281.65)** | (421.65) |
| | Sale of Fixed Assets | | **6.65** | 4.03 |
| | Investments in subsidiaries | | **(36,526.62)** | (39,452.74) |
| | Sale of investments in subsidiaries | | **7,898.39** | 7,626.70 |
| | Advances to subsidiaries (Net) | | **(2,975.86)** | (1,329.49) |
| | Interest and Dividend Income Received | | **566.32** | 4,727.45 |
| B | **Net Cash flow from Investing Activities** | TOTAL | **(31,312.77)** | (28,845.70) |
| | **Cash Flows from Financing Activities** | | | |
| | Proceeds - Unsecured Loan from Subsidiaries (Net) | | **17,594.00** | 36,450.00 |
| | Proceeds - Unsecured Loan from others (Net) | | **4,670.00** | 1,125.00 |
| | Proceeds - Secured Loans from Banks & Financial Institutions | | **16,413.96** | 20,999.84 |
| | Repayment of Loan to Bank & Financial Institutions | | **(5,217.39)** | (19,328.71) |
| | Interest & Finance Charges paid | | **(15,645.66)** | (10,572.33) |
| | Dividend Paid | | **(855.03)** | (860.09) |
| C | **Net Cash flow from Financing Activities** | TOTAL | **16,959.88** | 27,813.71 |
| D | **Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)** | | **(11,954.15)** | 3,786.34 |
| E | Cash and cash equivalents at the beginning of the year | | **13,133.15** | 9,346.81 |
| F | **Cash & Cash Equivalents at the end of the year (D+E)** | | **1,178.99** | 13,133.15 |

**Notes:**

1 Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS-3) "Cash Flow Statement" as specified in the Companies (Accounting Standard Rules, 2006.

2 Cash and Cash Equivalents are Cash and Bank Balances as per Balance Sheet and includes ₹ 1,058.55 Lacs (Previous Year ₹ 7,672.32 Lacs) as Restricted Bank Balances.

3 Previous year figures have been recast/ regrouped wherever considered necessary.

**Summary of Significant Accounting Policies (Note No. 2)**

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No: 45375

Place : Mumbai
Date : 23rd April, 2013

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**K. K. Saraf**
President & Company Secretary

Place : Mumbai
Date : 23rd April, 2013

**For and on behalf of the Board of Directors**

**Braj Binani**
Chairman

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of Binani Industries Limited**

We have audited the accompanying consolidated financial statements of Binani Industries Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Basis for Qualified Opinion:**

*Attention is invited to note no.39 of the financial statements regarding deferment of certain expenditure amounting to ₹4,797.16 Lacs classified as unamortised expenses incurred for holding current investment, which constitutes a departure from the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.*

***Opinion***

*Based on our audit and on consideration of reports of other auditors on separate financial statements of the components as explained in paragraph of 2(c) and 2(e) below and financial statements compiled and furnished by the management for remaining components as explained in paragraph 2(a), 2(b) and 2(d) below and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India except for the effects of the matter described in the Basis for Qualified Opinion paragraph:*

*(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*

*(b) in the case of the consolidated Profit and Loss Account, of the loss for the year ended on that date; and*

*(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.*

**Other Matters**

1. The financial statements of a subsidiary Binani Cement Limited, which reflect total assets of ₹ 3,36,099 Lacs as at 31st March, 2013, total revenue of ₹ 228,018 Lacs and net cash outflow of ₹701 Lacs for the year then ended, have been audited by us.

2. a) We have not audited the financial statements of the 11 subsidiaries (including 9 step down subsidiaries) included in the consolidated financial statements. These financial statements have been audited for the financial year ended 31st December, 2012. However, the management has compiled these financial statements for the year 1st April, 2012 to 31st March, 2013, since these are not audited up to and as at 31st March, 2013. These financial statements reflect total assets of ₹282,695 Lacs as at 31st March, 2013, total

revenues of ₹52,517 Lacs and net cash outflows of ₹766 Lacs for the year / period then ended.

b) Consolidated Financial statements of 9 subsidiaries (including 8 step down subsidiaries), have been audited by other auditors for their financial year ended 31st December, 2012, as per their terms of special purpose audit engagement to assist the holding company ie Binani Industries Limited to prepare its consolidated financial statements. However, the management has compiled the consolidated financial statements of these companies for the year 1st April, 2012 to 31st March, 2013, since these are not audited up to 31st March, 2013. These consolidated financial statements reflect total assets of ₹224,733 Lacs as at 31st March, 2013, total revenues of ₹108,232 Lacs and net cash outflows of ₹6,650 Lacs for the period then ended.

c) We have not audited the financial statements of 12 subsidiaries (including 8 step down subsidiaries) included in consolidated financial statements whose financial statement reflects total assets of ₹67,229 Lacs as at 31st March, 2013, total revenue of ₹ 71,588 Lacs and net cash outflows of ₹4,828 Lacs for the year / period then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.

d) We have relied on the unaudited financial statements and financial information furnished by the management with respect to 19 subsidiaries (including 16 step down subsidiaries), whose financial statements reflect total assets of ₹ 1,147 Lacs as at 31st March, 2013, total revenues of ₹ 2,474 Lacs and net cash outflows of ₹ 928 Lacs for the year / period then ended.

e) We have not audited the financial statements of a joint venture company of a step down company included in consolidated financial statements whose financial statement reflects total assets of ₹46 Lacs as at 31st March, 2013, total revenue of ₹ Nil and net cash inflows of ₹21 Lacs for the period then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.

We are unable to comment upon the resultant impact, if any, on the loss, assets and liabilities of the consolidated financial statements of the Group as at 31st March, 2013, had the subsidiaries (including step down subsidiaries) mentioned in para 2(a), (b) and 2 (d) been audited. However our opinion is not qualified in respect of this matter.

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration Number: 104746W

**Jayesh Parmar**
Partner
Membership No.: 45375

Place : Mumbai
Date : April 23, 2013

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | Note No. | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **SHAREHOLDERS' FUNDS** | | | |
| (a) Share Capital | 3 | **2,961.52** | 2,961.52 |
| (b) Reserves and Surplus | 4 | **15,491.57** | 36,833.88 |
| | | **18,453.09** | 39,795.40 |
| **MINORITY INTEREST** | | **5,996.15** | 7,453.86 |
| **NON-CURRENT LIABILITIES** | | | |
| (a) Long-term borrowings | 5 | **339,434.56** | 344,511.99 |
| (b) Deferred tax liabilities (net) | | **20,117.30** | 37,388.13 |
| (c) Other Long term Liabilities | 6 | **3,839.24** | 4,009.19 |
| (d) Long term provisions | 7 | **5,719.12** | 5,223.41 |
| | | **369,110.22** | 391,132.72 |
| **CURRENT LIABILITIES** | | | |
| (a) Short-term borrowings | 8 | **30,141.03** | 21,290.49 |
| (b) Trade payables | 9 | **103,956.45** | 81,112.45 |
| (c) Other current liabilities | 10 | **117,628.56** | 127,947.22 |
| (d) Short-term provisions | 11 | **6,126.88** | 6,323.08 |
| | | **257,852.92** | 236,673.24 |
| **TOTAL** | | **651,412.38** | 675,055.22 |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 12 | **310,596.36** | 385,110.22 |
| (ii) Intangible assets | 12 | **165,818.01** | 96,437.28 |
| (iii) Capital work-in-progress | | **25,061.40** | 21,371.84 |
| (iv) Intangible assets under development | | **3,325.96** | 2,208.29 |
| | | **504,801.73** | 505,127.63 |
| (b) Non-current investments | 13 | **27.55** | 66.42 |
| (c) Deferred tax assets (net) | | **675.70** | 6,477.66 |
| (d) Long term loans and advances | 14 | **22,237.13** | 22,902.27 |
| (e) Other non-current assets | | **312.08** | 828.93 |
| | | **528,054.19** | 535,402.91 |
| **CURRENT ASSETS** | | | |
| (a) Current investments | | **-** | - |
| (b) Inventories | 15 | **62,648.98** | 60,815.83 |
| (c) Trade receivables | 16 | **12,050.71** | 13,300.34 |
| (d) Cash and bank balances | 17 | **22,488.77** | 48,344.70 |
| (e) Short-term loans and advances | 18 | **19,979.21** | 14,356.39 |
| (f) Other current assets | 19 | **6,190.52** | 2,835.05 |
| | | **123,358.19** | 139,652.31 |
| **TOTAL** | | **651,412.38** | 675,055.22 |
| **Summary of significant accounting policies** | 2 | | |

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No: 45375

Place : Mumbai
Date : 23rd April, 2013

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**K. K. Saraf**
President & Company Secretary

Place : Mumbai
Date : 23rd April, 2013

**For and on behalf of the Board of Directors**

**Braj Binani**
Chairman

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | Note No. | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 20 | **487,619.72** | 342,303.83 |
| Less : Excise Duty | | **(40,411.36)** | (35,367.23) |
| Revenue from operations (net) | | **447,208.36** | 306,936.60 |
| Other Income | 21 | **5,525.01** | 8,484.71 |
| TOTAL | | **452,733.37** | 315,421.31 |
| **EXPENSES** | | | |
| Cost of Materials and Services Consumed | 22 | **111,930.73** | 86,409.47 |
| Purchase of Stock-in-Trade | | **8,684.90** | 2,178.13 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | | **(6,567.27)** | 987.05 |
| Employee Benefits Expenses | 23 | **50,036.09** | 19,258.84 |
| Financial Costs | 24 | **46,161.66** | 32,464.10 |
| Depreciation and Amortization Expense | | **28,354.93** | 17,648.53 |
| Other Expenses | 25 | **232,596.45** | 171,891.33 |
| TOTAL | | **471,197.49** | 330,837.45 |
| **Earnings before exceptional and extraordinary items and tax** | | **(18,464.12)** | (15,416.14) |
| **Exceptional Item** | | | |
| Prior Period Expenses | | **-** | 29.86 |
| Exchange Gain on account of repatriation of Investment in subsidiary | | **(1,143.52)** | - |
| **Loss before extraordinary items and tax** | | **(17,320.60)** | (15,446.00) |
| Extraordinary Items | | **-** | 20.90 |
| **Loss before tax** | | **(17,320.60)** | (15,466.90) |
| Tax expense: | | | |
| Less -Current Tax | | **3,601.42** | 1,338.83 |
| Less -Tax of earlier years | | **(212.02)** | 46.26 |
| Less -Deferred Tax (net) | | **(120.28)** | (252.14) |
| Less - MAT Credit Entitlement | | **255.20** | - |
| Less - Fringe Benefit Tax | | **3.06** | 3.11 |
| Add -Excess FBT Provision of earlier years written back | | **-** | 3.07 |
| **Loss after Tax** | | **(20,847.98)** | (16,596.78) |
| **Earning per equity share:** | | | |
| Basic | | **(70.44)** | (56.08) |
| Diluted | | **(70.44)** | (56.08) |
| Nominal Value per equity shares (in ₹) | | **10.00** | 10.00 |
| Number of shares used in computing earning per share | | **29,596,425** | 29,596,425 |
| **Summary of significant accounting policies** | 2 | | |

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No: 45375

Place : Mumbai
Date : 23rd April, 2013

**For and on behalf of the Board of Directors**

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**K. K. Saraf**
President & Company Secretary

Place : Mumbai
Date : 23rd April, 2013

**Braj Binani**
Chairman

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### Note No. 1 CORPORATE INFORMATION

Binani Industries Limited is a public limited company (herein after called 'Company') domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange(BSE), National Stock Exchange(NSE) and the Calcutta Stock Exchange (CSE)

### Note No. 2 BASIS OF CONSOLIDATION & SIGNIFICANT ACCOUNTING POLICIES

#### (i) BASIS OF ACCOUNTING

The accompanying consolidated financial statements of the Company, its subsidiaries and Joint Venture (hereinafter together referred as the Group) have been prepared under the historical cost convention and on accrual basis in accordance with the accounting principles generally accepted in India and in compliance with all material aspects of Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as upto twelve months for the purpose of current - non-current classification of assets and liabilities.

#### (ii) PRINCIPLES OF CONSOLIDATION

a) The financial statements of the Company and its subsidiary companies are consolidated on a line-by-line item basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions in accordance with the Accounting Standard (AS) 21 - "Consolidated Financial Statements".

The financial statements of Joint Ventures are consolidated by using the proportionate consolidation method as per AS-27 "Financial Reporting of Interests in Joint Ventures".

b) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as holding Company's separate financial statements, as far as possible, except as provided under para 2(iv) (c), 2(iv) (e), 2(iv) (h), 2(vi) (b), 2(vi) (d), 2 (vii) (b), 2 (vii) (e), 2(ix) (c), 2(xi) (a), 2 (xi) (b), 2(xii) (d), 2 (xiii) (b), 2(xiv), 2(xv) (b), 2 (xvii) (b), 2 (xviii) and 2 (xxiii).

c) Currency Translation of foreign subsidiaries' financials are done in accordance with AS-11 (Revised) "The Effects of Changes in Foreign Exchange Rates"". In the case of subsidiaries, the operation of which are considered as integral, the Balance Sheet items are translated at closing rate except share capital and fixed assets, which are translated at the transaction date. The income and expenditure items are translated at the average rate for the year / period. Exchange differences are recognised in the Statement of Profit and Loss.

In case of subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are translated at the closing rate at the end of the year and items of income and expenditure are translated at the average rate for the year / period. Exchange differences arising on conversion are recognised under Foreign Currency Translation Reserve."

d) Minority Interest's share of the net profit of the consolidated subsidiaries for the year/period is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

e) Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated financial Statements, separate from liabilities and the equity of the company's shareholders.

#### (iii) USE OF ESTIMATES

The preparation of the financial statements, are in conformity with the generally accepted accounting principles, requires the management to make judgments, estimates and assumptions 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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

(iv) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and can be reliably measured.

a) In case of sale of goods, domestic sales are accounted for when transfer of substantial risks and rewards of ownership of goods have passed to the buyer, which generally coincide with despatch of products to customers and export sales are accounted on the basis of dates of Bill of Lading. Sales are recorded net of Rebates & Discounts.

b) In case of sale of Carbon Credits (Certified Emission Reductions), revenue is recognized on submission of application with UNFCCC after execution of agreement with the buyer.

c) Export benefits are accounted on the basis of application filed with the appropriate authority. In case of BZL, export incentives are recognized on exports on accrual basis, and based on the estimated realisable values of such entitlements.

d) Income from services are recognised as they are rendered based on agreements / arrangements with the concerned parties and recognised net of service tax.

e) Dividend income on investments is accounted for when the right to receive the payment is established and Interest income is recognized on accrual basis. However, in case of 3B Binani Glass Fibre S.a.r.l. (3B Binani)(Formerly Glass Fibre Holding S.a.r.l) & its European subsidiaries, Mukundan Holding Limited, Murari Holding Limited, Krishna Holding Limited and Binani Cement Factory LLC (BCF LLC), interest income is recognized on effective yield basis.

f) Other income is accounted on accrual basis except where the receipt of income is uncertain in which case it is accounted on receipt basis.

g) Revenue from construction contracts is recognized by reference to the stage of completion of the construction activity as on Balance Sheet date, as measured by the proportion that contract cost incurred for work performed to date bear to the estimated total contract cost. Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction cost incurred if it is probable that they will be recoverable. In the case of the contract defined with mile stones and assigned price for each mile stone it recognizes the revenue on transfer of significant risks and rewards which coincides with achievement of mile stone and its acceptance by the customer. Provision is made for all losses incurred to the Balance Sheet date. Any further losses which are foreseen in bringing contracts to completion are also recognized. Contract Revenue earned in excess of billing has been reflected in Other Current Assets and billing in excess of contract revenue has been reflected under Current Liabilities in the Balance Sheet.

h) In case of Shandong Binani Rong'An Cement Co. Ltd. (SBRCC), China, subsidy Income is recognized when received and revenue from operating lease is recognized on a straight line basis over the period of the lease.

(v) ACCOUNTING OF CLAIMS

a) Claims receivable are accounted at the time when reasonable certainty of receipt is established. Claims payable are accounted at the time of acceptance.

b) Claims raised by Government Authorities regarding taxes and duties are accounted based on the merits of each claim. If same are disputed by the Company, these are shown as 'Contingent Liabilities'.

(vi) FIXED ASSETS

a) Fixed Assets are stated at cost, net of Cenvat less specific grants received, if any and accumulated depreciation / amortisation and impairment loss if any. Cost includes trial run and stablisation expenses, interest, finance costs and incidental expenses upto the date of capitalisation. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits arising from the existing assets beyond its previously assessed standard of performance.

b) In case of SBRCC, Fixed Assets include assets related to the operation of the Company having useful life over one year. Fixed Assets also include equipment other than the main production equipment with individual values of over RMB 2,000 equivalent to ₹ 17,267/- and useful lives in excess of 2 years.

c) Capital Work-in-Progress and Intangible assets under development include cost of fixed assets that are not yet ready for the intended use, at the Balance Sheet Date.

d) In case of 3B Fibreglass S.p.r.l and 3B Fibreglass A/s, expenditure on major repairs and maintenance of furnaces which take place approximately every 7 years, are capitalised and added to the cost of furnaces.

e) Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

**(vii) DEPRECIATION AND AMORTIZATION**

a) Depreciation on Plant and Machinery is provided on Straight Line Method (SLM) at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 as applicable for continuous process plant or as per the useful life of the asset estimated by the management which is higher than Schedule XIV rates, except for silos where general rate of depreciation is considered.

Assets having individual value below ₹ 5,000 are depreciated @ 100% and mobile phones are charged to revenue considering their useful life to be less than one year.

b) Depreciation on other Tangible Fixed Assets have been provided on Written Down Value Method at the rates and in the manner prescribed as per Schedule XIV of the Companies Act, 1956 including asset constructed on land not owned by the Company or as per the useful life of the asset estimated by the management. However Buildings & Roads inside plant are treated as Factory Buildings and depreciation charged accordingly.

Incase of BIL Infratech Limited, Computers are depreciated on SLM basis at the rate prescribed under the Schedule XIV of the Companies Act, 1956.

c) Leasehold land is amortized over the period of lease.

d) In case of BCL total expenditure on mine exploration and development is amortized in the ratio of ore extracted to the total estimated exploitable reserves.

e) In case of SBRCC (China) , Binani Infrastructure Mauritius Limited (Mauritius ), CPI Binani Inc (US), Bhumi Resources Pte. Limited, PT Anggana Energy Resources, Binani Mineral Resources LLC, Binani Readymix Concrete Limited (RMC) and Binani Cement Factory LLC (BCF LLC) and its subsidiaries, the depreciation on tangible and intangible assets is provided on SLM basis over the estimated useful life of the assets.

Further in case of 3B Binani and its European subsidiaires, the depreciation on fixed assets and intangible assets is provided on SLM basis over the estimated useful life of the assets, except for landfill and alloy. Landfills are depreciated based on Unit of production method and in the case of alloy, a yearly depreciation is applied based on the average historical yearly losses recorded in the production process. In Case of BCF LLC cost of each assets is depreciated over the estimated useful lives on straight line basis except in respect of Plant and Machiney ( Main) where the method of depreciation has been changed from Straight Line method to unit of production method W.e.f 1st january 2012. As a result of the above change, depreciation for the current year is lower by ₹ 744.17 Lacs ( AED 5,021,566) and loss for the year is lower by ₹ 744.17 Lacs ( AED 5,021,566).

f) Expenditure on major computer software is amortized over a period not exceeding five years.

g) Other Intangible assets are amortised over their estimated useful life and goodwill on consolidation is not amortised .

**(viii) IMPAIRMENT OF ASSETS**

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

**(ix) VALUATION OF INVENTORIES**

a) Raw Material, Fuel (except for coal lying at Port), Packing materials, Stores & Spares is valued at lower of weighted average cost (net of Cenvat) and net realisable value. Coal lying at Port is valued at cost on specific consignment basis plus custom duty. Loose Tools are charged over a period of three years. However, materials held for use in the production of inventories are not written down below cost if the finished products in which they are used and expected to be sold at or above cost.

b) Stock-in-process and Finished Goods are valued at lower of weighted average cost and Net Realisable Value. Cost for this purpose includes direct cost, attributable overheads and excise duty.

c) In case of Binani Cement Factory LLC (BCF) and Its subsidiaries, stocks are valued at the lower of cost or net realisable value. Raw materials comprising of clinker & slag and packing materials are valued at cost using the First in First out (FIFO) method. Consumables are valued at cost using specific identification method. Raw material comprising of gypsum and limestone are valued at cost using the Weighted Average Method (WAM).

In case of 3B Fibreglass S.p.r.l and 3B Fibreglass A/s, finished goods are valued at the lower of cost or net realisable value wherein cost is determined using Fist in First out (FIFO) method.

d) In case of Binani Zinc Limited, By Products are valued at estimated selling price.

**(x) INVESTMENTS**

a) Investments classified as long term investments are stated at cost. Provision is made to recognize any diminution other than temporary in the value of such investments. Current Investments are carried at lower of cost and fair value.

**(xi) FOREIGN EXCHANGE TRANSACTIONS**

a) Transactions in foreign currency are accounted at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year.

Incase of BIL and 3B Binani and its European Subsidiaries Exchange differences arising on long term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned Monetary item.

Gains and losses resulting from the settlement of other transactions and from the translation of other assets and liabilities denominated in foreign currencies, are recognized in the profit and loss account. In case of forward contracts (non speculative), the exchange differences are dealt with in the profit and loss account over the period of contracts.

b) In case of SBRCC, the accounting of foreign exchange transaction is as follows:

Except for the accounting treatment of paid-in capital, foreign currency transactions are translated into RMB at the exchange rates stipulated by the People's Bank of China ("the stipulated exchange rates") on the first day of the month in which the transactions took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into RMB at the stipulated exchange rates at the balance sheet date. Exchange differences arising from these translations are expensed, except for those attributable to foreign currency borrowings that have been taken out specifically for the construction of fixed assets, which are capitalized as part of the fixed asset costs and those arising in the pre-operating period, which are recorded as long-term prepaid expenses.

**(xii) EMPLOYEE BENEFITS**

a) Defined Contribution Plan

Contribution to defined contribution plans are recognized as expense in the Profit and Loss Account, as they are incurred.

b) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognized immediately in the Profit and Loss Account. Long term compensated absences are provided for based on actuarial valuation.

c) Short Term Employee Benefit

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employees renders the related services.

d) Other Employees' benefits

i) In case of BCF LLC Provision is made for end of service benefits (gratuity) payable to employees in accordance with UAE Labour Law regulations and is based on current remuneration and cumulative period of service at the reporting date.

ii) In case of 3B Binani and its European subsidiaries, CPI, BCF LLC and its subsidiaries, SBRCC and PT Anggana Energy Resources, the provision for liability is provided in accordance with laws of country in which the company is operating.

iii) In case of Binani Mineral Resources LLC , As required by law the Company makes contribution to social and health insurance scheme and such contribution are recognised as an expense in the income statement as incurred.

(xiii) BORROWING COSTS

a) 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 upto the date when such asset is ready for its intended use or sale. Other borrowing costs are recognized as expenses in the period in which they are incurred.

b) In the case of 3B Binani and its European subsidiaries, Borrowing and transaction costs directly attributable to the loans and borrowings are reduced from the loan principal at the time of initial recognition and these costs are recognized in profit & loss over the period of loan.

(xiv) STATUTORY RESERVE

a) In case of BCF LLC, statutory reserve is created by appropriating 10% of the profit of the company as required by Article 255 of the UAE Commercial Companies Law No.8 of 1984, as amended. The company can discontinue such annual transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except as provided in the Federal Law.

b) In case of Binani Cement Company WLL, Kuwait, Kuwait Commercial Companies' Law and the Company's articles and memorandum of association requires that 10% of the profit for the year, before contribution to Kuwait Foundation for Advancement of Science and directors' remuneration, is transferred to the statutory reserve. The Company may resolve to discontinue such transfer when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except for payment of dividend of 5% of paid up share capital in years when profit in not sufficient for the payment of such dividend.

(xv) INCOME TAXES

a) Tax expense comprises of current tax and deferred tax. Current tax and Deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting For Taxes on Income", issued by the ICAI. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income taxes reflect the impact of the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising on account of unabsorbed depreciation and losses are recognized if there is virtual certainty that sufficient future taxable income will be available to realise the same.

b) In case of foreign subsidiary & step down subsidiary companies Income Tax / Deferred Tax have been provided in accordance with laws of country in which the companies are operating. However in case of 3B Binani and its European subsidiaries no deferred tax assets and liabilities are recognised.

c) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI. The said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(xvi) CONTINGENCIES/PROVISIONS

a) A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the accounts.

b) In the Case of 3B Binani and its European subsidiaries, If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xvii) ACCOUNTING OF CAPITAL SUBSIDY

a) In case of investment subsidy under State Investment incentive Scheme not specifically related to a fixed asset is credited to Capital Investment Subsidy Reserve and retained till the requisite conditions are fulfilled.

b) In the respect of 3B Binani and its European subsidiaries , government grants related to fixed assets are recognised directly into reserves and are recognised in profit and loss statement over the useful life of assets.

(xviii) RISK MANAGEMENT TRANSACTIONS

In case of Binani Zinc Limited, 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 recognizes gain or loss on effective hedges on settlement. Unrealised gain/ loss as at the Balance sheet date is not recognized.In case of 3B Binani and its European subsidiaries, realised gains or losses and unrealized losses are recognized in profit and loss. Unrealized gains are not recognized.

In case of 3B Binani & its European subsidiaries and BCF LLC & its subsidiaries , derivatives are stated at fair values. Derivatives with positive market values (unrealised gains) are included in assets and derivatives with negative market values (unrealised loses) are included in liabilities. Change in fair values are recognized in profit or loss.

(xix) SEGMENT REPORTING POLICIES

Primary Segment is identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Secondary segment is identified based on geographical area in which major operating divisions of the Company operate.

(xx) LEASE

Finance lease

Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

Operating Lease

The lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account.

(xxi) EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xxii) EXPENDITURE DURING CONSTRUCTION PERIOD

In case of new projects and substantial expansion of existing factories, expenditure incurred including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalised.

(xxiii) LONG TERM PREPAID

In case of SBRCC,During the Previous Year the expenses incurred during the Company's pre-operating period were recorded as long-term prepaid expenses and were expensed in the first month of commercial operations.

(xxiv) CASH & CASH EQUIVALENTS

Cash & cash equivalent comprise cash in hand and at bank in current accounts and deposit accounts with maturity less than 3 months.

(xxv) PRINCIPLES OF CONSOLIDATION

a) Subsidiaries / step down subsidiaries considered for consolidation :

| Sr. No. | Name of Company | Relation with Holding Company | Country of Incorporation | % of Share Holding | Accounting Year / Period considered for consolidation |
|---|---|---|---|---|---|
| 1 | Binani Cement Limited (BCL) | Subsidiary of BIL | India | 98.43% | April'12 - March'13 |
| 2 | Binani Zinc Limited (BZL) | -do- | India | 89.90% | April'12 - March'13 |
| 3 | BT Composites Limited (BTCL) | -do- | India | 100% | April'12 - March'13 |
| 4 | Wada Industrial Estate Limited (WIEL) | -do- | India | 100% | April'12 - March'13 |
| 5 | BIL Infratech Limited | -do- | India | 100% | April'12 - March'13 |
| 6 | Goa Glass Fibre Limited (GGFL) | Step-down Subsidiary of BIL (Subsidiary of 3B Binani) (w.e.f. 11-12-2012) | India | 100% | April'12 - March'13 |
| 7 | R.B.G. Minerals Industries Limited (RBG) | Step-down Subsidiary of BIL (Subsidiary of BZL) | India | 100% | April'12 - March'13 |
| 8 | Swiss Merchandise Infrastructure Limited | Step-down Subsidiary of BIL (Subsidiary of BCL) | India | 100% | April'12 - March'13 |
| 9 | Binani Energy Private Limited | Step-down Subsidiary of BIL (Subsidiary of BCL) (w.e.f. 29-10-2012) | India | 100% | April'12 - March'13 |
| 10 | Binani Readymix Concrete Limited (BRMC) | Step-down Subsidiary of BIL (Subsidiary of BCL) | India | 100% | April'12 - March'13 |
| 11 | Merit Plaza Limited | Step-down Subsidiary of BIL (Subsidiary of BCL) | India | 100% | April'12 - March'13 |
| 12 | Krishna Holdings Pte Limited ( KHL) | Step-down Subsidiary of BIL (Subsidiary of BCL) | Singapore | 100% | April'12 - March'13 |
| 13 | Murari Holdings Limited (MUHL) | -do- | British Virgin Islands | 100% | April'12 - March'13 |
| 14 | Mukundan Holdings Limited (MHL) | -do- | British Virgin Islands | 100% | April'12 - March'13 |
| 15 | Bhumi Resources (Singapore) PTE Limited (BHUMI) | -do- | Singapore | 100% | April'12 - March'13 |
| 16 | PT Anggana Energy Resources | Step-down Subsidiary of BCL (Subsidiary of BHUMI). | Indonesia | 100% | April'12 - March'13 |
| 17 | Shandong Binani Rong'an Cement Company Limited (SBRCC) | Step-down Subsidiary of BIL.(Subsidiary of KHL). | China | 90% | April'12 - March'13 |
| 18 | Binani Mineral Resources (Mongolia) LLC | Step-down Subsidiary of BIL (Subsidiary of KHL) | Mongolia | 100% | April'12 - March'13 |
| 19 | Binani Cement Factory LLC. (BCFLLC) | Step-down Subsidiary of BIL (Subsidiary of MHL & MUHL). | United Arab Emirates | 100% | April'12 - March'13 |

| Sr. No. | Name of Company | Relation with Holding Company | Country of Incorporation | % of Share Holding | Accounting Year / Period considered for consolidation |
|---|---|---|---|---|---|
| 20 | Binani Cement Company WLL* | Step-down Subsidiary of BIL (Subsidiary of BCFLLC, Dubai). | Kuwait | 100% | April'12 - March'13 |
| 21 | Binani Cement Factory (SFZ)* Limited | -do- | Republic of Sudan | 100% | April'12 - October'12 |
| 22 | BC Tradelink Limited | -do- | Tanzania | 100% | April'12 - March'13 |
| 23 | Binani Cement Factory (Kenya) Limited | -do- | Kenya | 100% | April'12 - March'13 |
| 24 | Binani Cement (Uganda) Limited | -do- | Uganda | 100% | April'12 - March'13 |
| 25 | Binani Cement S.a.r.l.(Djibouti)* | -do- | Djibouti | 100% | April'12 - March'13 |
| 26 | Binani Cement Factory Mauritius | -do- | Mauritius | 100% | April'12 - March'13 |
| 27 | Binani Cement Co Limited* (Sudan) | -do- | Sudan | 100% | April'12 - October'12 |
| 28 | Rightside Investments (Pty)* Limited | -do- | Republic of South Africa | 100% | April'12- December'12 |
| 29 | Binani Cement Co Limited* (South Sudan) | -do- | South Sudan | 100% | April'12 - September'12 |
| 30 | Trans Africa Cement Limited* (Mauritius) | -do- | Mauritius | 100% | April'12 - October'12 |
| 31 | Weighbridge Investments (Pty)* Limited, Botswana | -do- | Botswana | 100% | April'12 - September'12 |
| 32 | Christo Schutte Investments* Number Nine (Pty) Limited, Namibia | -do- | Namibia | 100% | April'12 - Feburary'13 |
| 33 | Binani Cimentos (Mozambique)* LDA | -do- | Mozambique | 100% | April'12 - October'12 |
| 34 | Binani Infrastructure (Mauritius) Limited | Step-down Subsidiary of BIL (Subsidiary of BIL Infratech Limited). | Mauritius | 100% | April'12 - March'13 |
| 35 | CPI Binani , Inc. (USA) | Subsidiary of BIL | USA | 100% | April'12 - March'13 |
| 36 | BZ Minerals (Australia) Pty Limited | Step-down Subsidiary of BIL (Subsidiary of BZL). | Australia | 100% | April'12 - March'13 |
| 37 | BZ Minerals (Luxembourg) S.a.r.l. | Step-down Subsidiary of BIL (Subsidiary of BZL). | Luxembourg | 100% | April'12 - March'13 |
| 38 | BZ Minerals Mauritius Limited | Step-down Subsidiary of BIL (Subsidiary of BZL). | Mauritius | 100% | April'12 - March'13 |
| 39 | Sankalp Holdings Limited (SHL) | Subsidiary of BIL | Cyprus | 100% | April'12 - March'13 |
| 40 | Abhinav Holdings Limited (AHL) | Step-down Subsidiary of BIL (Subsidiary of SHL) | Cyprus | 100% | April'12 - March'13 |
| 41 | 3B Binani Glass Fibre S.a.r.l. (formerly known as Glass Fibre Holding I S.a.r.l.) (3B Binani)) | Subsidiary of BIL | Luxembourg | 100% | April'12 - March'13 |
| 42 | BIL Holding II S.a.r.l. | Subsidiary of BIL | Luxembourg | 100% | April'12 - March'13 |
| 43 | BIL Holding III S.a.r.l. | Subsidiary of BIL | Luxembourg | 100% | April'12 - March'13 |

| Sr. No. | Name of Company | Relation with Holding Company | Country of Incorporation | % of Share Holding | Accounting Year / Period considered for consolidation |
|---|---|---|---|---|---|
| 44 | Project Bird Holding S.a.r.l.(PBH) | Step-down Subsidiary of BIL (Subsidiary of 3B Binani) | Luxembourg | 100% | April'12 - March'13 |
| 45 | Project Bird Holding II S.a.r.l.(PBH II) | Step-down Subsidiary of BIL (Subsidiary of PBH) | Luxembourg | 100% | April'12 - March'13 |
| 46 | Project Bird Holding III C * S.a.r.l.(PBH III C) | Step-down Subsidiary of BIL (Subsidiary of PBH II) | Luxembourg | 100% | April'12 - June'12 |
| 47 | TunFib S.a.r.l. | Step-down Subsidiary of BIL (Subsidiary of PBH II) | Tunesia | 66.67% | April'12 - March'13 |
| 48 | Project Bird Holding III A * S.a.r.l.(PBH III A) | Step-down Subsidiary of BIL (Subsidiary of PBH III C) | Luxembourg | 100% | April'12 - June'12 |
| 49 | Project Bird Holding III B S.a.r.l.(PBH III B) | Step-down Subsidiary of BIL (Subsidiary of PBH II) | Luxembourg | 100% | April'12 - March'13 |
| 50 | 3B-Fibreglass SPRL | Step-down Subsidiary of BIL (Subsidiary of 3B Binani) | Belgium | 100% | April'12 - March'13 |
| 51 | 3B-Fibreglass A/S | Step-down Subsidiary of BIL (Subsidiary of 3B Binani) | Norway | 100% | April'12 - March'13 |
| 52 | Binani Global Cement Holdings Private Limited | Subsidiary of BIL | Singapore | 100% | March'13 |

* These companies were closed during the year. The financial statements of these Subsidiaries including Step down subsidiaries are consolidated on the basis of their stand alone / consolidated accounts available from 1st April 2012 till closure of the companies.

**b) Joint Venture**

During the year, Binani Readymix Concrete Limited together with Damini Engineers Private Limited have formed a Joint venture company Surya Ready Mix Private Limited. The financial statements of Surya Ready Mix Private Limited for the year ended 31st March, 2013 have been consolidated on proportionate basis.

| Name of company | Relation with Holding Company | Country of Incorporation | % of Share Holding | Accounting Year / Period considered for consolidation |
|---|---|---|---|---|
| Surya Ready Mix Private Limited | Step-down JV of BIL (JV of BRMC) | India | 50% | August'12 to March'13 |

i) During the year the Company acquired 2.07 % stake in BCL. On account of the same, the percentage holding is revised to 98.43%.

ii) For calculation of Goodwill / Capital Reserve, the pre acquisition profits and reserves of the acquired subsidiaries / stake in subsidiaries, wherever applicable, have been considered on (number of days) prorata basis.

iii) The excess of cost of investment in the Subsidiary Companies / joint venture over the book value of the shares of the subsidiary / joint venture on the date of investment is recognized in the financial statements as goodwill, being an asset in the consolidated financial statements. This goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies / joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' .

iv) In view of the Management, the effect of exception stated in 2 (ii)(b) above is not quantifiable.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| Note No. 3 | | |
| SHARE CAPITAL | | |
| AUTHORISED | | |
| 4,00,00,000 Equity Shares (Previous Year 4,00,00,000) of ₹ 10/- each | 4,000.00 | 4,000.00 |
| 60,00,000 (Previous year 60,00,000) Preference Shares of ₹ 100 each | 6,000.00 | 6,000.00 |
| | 10,000.00 | 10,000.00 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 2,95,96,425 (Previous Year 2,95,96,425) Equity Shares of ₹ 10/- each fully paid-up | 2,959.64 | 2,959.64 |
| Add: Amount paid up on forfeited Shares | 1.88 | 1.88 |
| TOTAL | 2,961.52 | 2,961.52 |

**3.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

| | 31st March, 2013 | | 31st March, 2012 | |
|---|---|---|---|---|
| Equity Shares | No. of Shares | ₹ in Lacs | No. of Shares | ₹ in Lacs |
| At the beginning of the year | 29,596,425 | 2,959.64 | 29,596,425 | 2,959.64 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 29,596,425 | 2,959.64 | 29,596,425 | 2,959.64 |

**3.2 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 entitledw to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2013, the amount of dividend proposed for distribution to equity shareholders was ₹ 3.00 per share (Previous Year ₹3.00 per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**3.3 Details of shareholders holding more than 5% of Share Capital in the Company**

| | 31st March, 2013 | | 31st March, 2012 | |
|---|---|---|---|---|
| | No. of Equity Share | % of holding | No. of Equity Share | % of holding |
| Equity Shares of ₹ 10 each fully paid | | | | |
| Dharmik Commodeal Private Limited | 4,758,750 | 16.08 | 4,758,750 | 16.08 |
| Vijayshree Holdings Private Limited | 4,288,300 | 14.49 | 4,288,300 | 14.49 |
| K.B. Vyapar Private Limited | 3,930,930 | 13.28 | - | - |

**3.4 The Company does not have any holding Company.**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| Note No. 4 | | |
| RESERVES & SURPLUS | | |
| **Capital Reserve** | 439.34 | 439.34 |
| **Share Premium** | 19,595.68 | 19,595.68 |
| **Capital Redemption Reserve** | | |
| Opening Balance | 1,013.50 | 1,013.50 |
| Add / Less : Transfer from / (to) Profit and Loss Account | | - |
| Less: Adjustment on account of Pre-operative Profit | (29.50) | (20.21) |
| Less :Reserve on account of revision of share in Minority Interest | 29.50 | 20.21 |
| Closing balance | 1,013.50 | 1,013.50 |
| **Capital Investment Subsidy Reserve** | | |
| Opening Balance | 65.00 | 65.00 |
| Add : addition during the year | 1,143.97 | - |
| Closing balance | 1,208.97 | 65.00 |
| **Debenture Redemption Reserve** | | |
| Opening Balance | 104.53 | 838.76 |
| Less :Transfer to / from Profit and Loss Account | (104.53) | (762.00) |
| Less :Share of Minority Interest | - | 27.77 |
| Add :Reserve on account of revision of share in Minority Interest | - | 16.18 |
| Less: Adjustment on account of Pre-operative Profit | - | (16.18) |
| Closing balance | - | 104.53 |
| **General Reserve** | | |
| Opening Balance | 4,633.50 | 4,633.50 |
| Add: Transfer from Profit and Loss Account | 124.00 | 137.00 |
| Add :Reserve on account of revision of share in Minority Interest | 163.13 | 105.73 |
| Less: Transfer to Profit and Loss Account | (124.00) | (137.00) |
| Less: Adjustment on account of Pre-operative Profit | (163.13) | (105.73) |
| Closing balance | 4,633.50 | 4,633.50 |
| **Foreign Currency Translation Reserve** | | |
| Opening Balance | 13,530.26 | 1,092.38 |
| Add : Exchange difference during the year on net Investment in non integral foreign operations | 5,745.00 | 12,437.88 |
| Closing balance | 19,275.26 | 13,530.26 |
| **Foreign Currency Monetary Item Translation Difference A/c** | | |
| Opening Balance | 3,878.95 | - |
| Add : addition / reduction (net) during the year | (6,475.51) | 3,878.95 |
| Closing balance | (2,596.56) | 3,878.95 |
| **Surplus / ( deficit) in the Statement of Profit and Loss** | | |
| Opening Balance | (6,426.87) | 10,321.46 |
| Transferred from Profit and Loss Account | (20,847.98) | (16,599.89) |
| | (27,274.85) | (6,278.43) |
| Minority Interest | 278.40 | 111.99 |
| Adjustment of pre-acquisition Profit | (877.17) | (297.61) |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| Adjustment In Minority interest for brought forward profit on account of change in shareholding pattern | 729.76 | 307.11 |
| Transfer to General Reserve | (124.00) | - |
| Transfer from General Reserve | 124.00 | - |
| Transfer (to) / from Debenture Redemption Reserve | 104.53 | 762.00 |
| Proposed Dividend | (887.89) | (887.89) |
| Tax on Proposed Dividend | (150.90) | (144.04) |
| Closing balance | (28,078.12) | (6,426.87) |
| TOTAL | 15,491.57 | 36,833.88 |
| **Note No. 5** | | |
| **LONG TERM BORROWINGS** | | |
| **Term Loans** | | |
| From Bank | | |
| Secured | 301,372.02 | 289,256.08 |
| Unsecured | - | 12,934.81 |
| | 301,372.02 | 302,190.89 |
| Financial Institutions | | |
| Secured | 35,569.07 | 36,059.88 |
| | - | - |
| | 35,569.07 | 36,059.88 |
| **Deferred Payment Liabilities** | | |
| | - | - |
| Unsecured | 1,434.88 | 3,813.53 |
| | 1,434.88 | 3,813.53 |
| **Long term maturities of finance lease obligations** | | |
| Secured | 1,058.59 | 2,447.69 |
| | - | - |
| | 1,058.59 | 2,447.69 |
| TOTAL | 339,434.56 | 344,511.99 |
| **Note No. 6** | | |
| **OTHER LONG TERM LIABILITIES** | | |
| **Trade Payables** | 276.98 | - |
| **Other Payables** | | |
| Trade Deposits | 3,562.26 | 4,002.42 |
| Others Liabilities | - | 6.77 |
| TOTAL | 3,839.24 | 4,009.19 |
| **Note No. 7** | | |
| **LONG TERM PROVISIONS** | | |
| **Provision for employee benefits** | | |
| Gratuity | 428.59 | 320.23 |
| Leave Encashment | 470.17 | 458.53 |
| Other Retirement Obligations | 3,250.63 | 3,026.00 |
| **Other** | | |
| Site Restoration Obligations | 1,569.73 | 1,418.65 |
| TOTAL | 5,719.12 | 5,223.41 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 8** | | |
| SHORT TERM BORROWINGS | | |
| **Short Term Loans / Loans repayable on demand** | | |
| **From Bank** | | |
| Secured | 22,091.32 | 13,560.19 |
| Unsecured | 1,911.23 | 1,125.00 |
| **From Others** | | |
| Secured | 133.48 | - |
| Unsecured | 5,795.00 | - |
| **Other Loans (including ICD)** | | |
| Secured | - | 3,600.00 |
| Unsecured | 210.00 | 3,005.30 |
| TOTAL | 30,141.03 | 21,290.49 |
| **Note No. 9** | | |
| TRADE PAYABLE | | |
| Trade Payables for Goods | 82,770.80 | 63,693.66 |
| Trade Payables for Services | 21,185.65 | 17,418.79 |
| TOTAL | 103,956.45 | 81,112.45 |
| **Note No. 10** | | |
| OTHER CURRENT LIABILITIES | | |
| Current maturities of Long term debt | 66,786.16 | 78,171.63 |
| Current maturities of Finance lease obligations | 207.94 | 366.32 |
| Interest accrued but not due on borrowings | 2,470.04 | 2,618.77 |
| Interest accrued and due on borrowings | 2,777.96 | - |
| Unpaid dividends (to be credited to Investors' Education and Protection Fund as and when due) | 212.12 | 179.33 |
| Advance from Customer | 7,872.16 | 6,744.34 |
| Other Liabilities (including Statutory dues and payable for Capital expenditure) | 37,302.18 | 39,866.83 |
| TOTAL | 117,628.56 | 127,947.22 |
| **Note No. 11** | | |
| SHORT TERM PROVISIONS | | |
| **Provision for employee benefits** | | |
| For Gratuity | 166.46 | 82.94 |
| For Leave Encashment | 96.11 | 97.07 |
| For Other Retirement Benefit | 545.91 | 857.57 |
| For Bonus | 3,008.98 | 2,969.94 |
| | 3,817.46 | 4,007.52 |
| **Others** | | |
| For Current Tax (net) | 512.83 | 400.94 |
| For Onerous Contract | 496.06 | 662.65 |
| For Proposed dividends | 887.89 | 887.89 |
| For Tax on Proposed Dividend | 150.90 | 144.04 |
| For Others | 261.74 | 220.04 |
| | 2,309.42 | 2,315.56 |
| TOTAL | 6,126.88 | 6,323.08 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

## Note No. 12

## TANGIBLE AND INTANGIBLE ASSETS

(₹ in Lacs)

| Particulars | TANGIBLE ASSETS | | | | | | | | | INTANGIBLE ASSETS | | | | TOTAL CURRENT YEAR | TOTAL PREVIOUS YEAR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FREEHOLD LAND | LEASEHOLD LAND | BUILDINGS (INCLUDING ROADS) | PLANT AND MACHINERY | RAILWAY SIDINGS | MINE EXPLORATIONS & DEVELOPMENTS | FURNITURE & OFFICE EQUIPMENTS | TRANSPORT EQUIPMENTS | TOTAL TANGIBLE ASSETS | GOODWILL | OTHER INTANGIBLE ASSETS | GOODWILL ON CONSOLIDATION | TOTAL INTANGIBLE ASSETS | | |
| **GROSS BLOCK** | | | | | | | | | | | | | | | |
| As at 1st April 2012 | 23,819.88 | 1,963.25 | 37,688.10 | 462,340.49 | 2,965.17 | 7,048.34 | 3,230.81 | 548.42 | 539,604.46 | 89.41 | 21,835.91 | 80,530.86 | 102,456.18 | **642,060.64** | 337,463.89 |
| Additions during the year | 5,502.73 | 163.31 | 1,083.67 | 13,894.65 | - | - | 404.37 | 0.71 | 21,049.44 | - | 518.75 | 2,017.42 | 2,536.17 | **23,585.61** | 280,259.47 |
| Sales/Transfers/ Adjustments during the year | - | - | - | 1,246.54 | - | - | 22.35 | 9.82 | 1,278.71 | - | 193.86 | - | 193.86 | **1,472.57** | 1,409.41 |
| Assets reclassification* | (9,633.30) | 99.55 | - | (32,533.24) | - | - | 135.70 | - | (41,931.29) | - | (12,505.48) | 74,033.87 | 61,528.39 | **19,597.10** | - |
| Foreign Currency Translation Reserve | 169.05 | 29.05 | 1,363.23 | 5,677.55 | - | 350.52 | 31.40 | 10.08 | 7,630.88 | 4.37 | 557.55 | 2,067.87 | 2,629.79 | **10,260.67** | 25,746.69 |
| **Total as at 31st March,2013** | **19,858.36** | **2,255.16** | **40,135.00** | **448,132.91** | **2,965.17** | **7,398.86** | **3,779.93** | **549.39** | **525,074.78** | **93.78** | **10,212.87** | **158,650.02** | **168,956.67** | **694,031.45** | 642,060.64 |
| **DEPRECIATION AND AMORTISATION** | | | | | | | | | | | | | | | |
| As at 1st April 2012 | 3,221.00 | 427.51 | 7,678.29 | 138,786.45 | 515.02 | 1,896.31 | 1,646.33 | 323.33 | 154,494.24 | - | 6,018.91 | - | 6,018.91 | **160,513.15** | 101,443.76 |
| Additions during the year | - | 133.46 | 1,772.97 | 24,093.11 | 141.95 | 710.76 | 408.18 | 67.99 | 27,328.42 | - | 1,026.51 | - | 1,026.51 | **28,354.93** | 5,705.74 |
| On Sales/Transfers/ Adjustments during the year | - | - | - | 982.88 | - | - | 17.39 | 24.32 | 1,024.59 | - | 172.78 | - | 172.78 | **1,197.37** | 1,372.20 |
| Assets reclassification* | (3,265.45) | 56.50 | - | 35,549.66 | - | - | 338.86 | - | 32,679.57 | - | (3,827.74) | - | (3,827.74) | **28,851.83** | - |
| Foreign Currency Translation Reserve | 44.45 | 3.20 | 121.89 | 730.76 | - | 85.21 | 10.24 | 5.03 | 1,000.78 | - | 93.77 | - | 93.77 | **1,094.55** | 4,735.85 |
| **Total as at 31st March,2013** | **0.00** | **620.67** | **9,573.15** | **198,177.10** | **656.97** | **2,692.28** | **2,386.22** | **372.03** | **214,478.42** | **-** | **3,138.67** | **-** | **3,138.67** | **217,617.09** | 160,513.15 |
| **NET BLOCK** | | | | | | | | | | | | | | | |
| **As at 31st March, 2013** | **19,858.36** | **1,634.49** | **30,561.85** | **249,955.81** | **2,308.20** | **4,706.58** | **1,393.71** | **177.36** | **310,596.36** | **93.78** | **7,074.21** | **158,650.02** | **165,818.01** | **476,414.36** | 481,547.49 |
| As at 31st March 2012 | 20,598.88 | 1,535.74 | 30,009.81 | 323,554.04 | 2,450.15 | 5,152.03 | 1,584.48 | 225.09 | 385,110.22 | 89.41 | 15,817.00 | 80,530.86 | 96,437.27 | 481,547.49 | |

* Reclassification of assets as on 31st March, 2012 of 3B Binani Glassfibre Group which were acquired on 2nd February, 2012.

**Notes**

1 In BZL: Land includes freehold land amounting to ₹41.42 Lacs (₹ 41.42 Lacs) taken possession of for which documentation / registration formalities are being completed.

2 In BIL: Buildings Include building of ₹ 198.05 Lacs (Previous year ₹ 198.05 Lacs) on leasehold land, transfer of lease yet to be completed.
In BCL: Buildings include assets built on land not owned by BCL ₹ 398.02 Lacs (Previous year ₹ 398.02 Lacs).
In BCF LLC: Buildings consist of factory constructed on a land leased from Government of Dubai under lease agreement of 30 years expiring on December 2027 and renewable thereafter.
In BCF LLC: Labour camp constructed on a land leased from Government of Dubai under lease agreement of 10 years expiring on July 2012 and renewable thereafter.

3 In BCL: Plant & Machinery includes assets built on land not owned by the company ₹ 226.34 Lacs (Previous year ₹ 212.83 Lacs)

4 In BCL: Mine Explorations & Developments include expenses of ₹ 26.57 Lacs incurred for development of new Mine area from which ores are not yet extracted.

5 Other Intangible Assets include Licenses, Trademark, Non Competition Fee, Geographical Investigation expenses, Design fee & Exploration, Land Use Rights, Computer Software etc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| Note No. 13 | | |
| NON CURRENT INVESTMENTS | | |
| Long Term Investment | | |
| Trade | | |
| (Valued at Cost) | | |
| Investments in Equity Shares | | |
| Kerala Enviro Infrastructure Limited - Equity Shares 1,75,000 (Previous Year 1,75,000) | 17.50 | 17.50 |
| Non Trade | | |
| (Valued at Cost) | | |
| Investments in Government or Trust securities | | |
| NSC | 0.03 | 0.03 |
| PNB Gilts Ltd. | 10.02 | 10.02 |
| (Market Value ₹ 8.27 Lacs (Previous Year ₹ 8.48 Lacs) | | |
| Investments in Equity Shares | | |
| Advance for Equity Shares of Binani Cement Limited | - | 38.87 |
| TOTAL | 27.55 | 66.42 |
| Note No. 14 | | |
| LONG TERM LOANS AND ADVANCES | | |
| Unsecured, considered good | | |
| Capital Advances | 12,278.06 | 14,853.71 |
| Security Deposits | 2,794.97 | 2,418.47 |
| Others (including advance tax, MAT credit) | 7,164.10 | 5,630.09 |
| TOTAL | 22,237.13 | 22,902.27 |
| Note No. 15 | | |
| INVENTORIES | | |
| Raw Material and Packing Material | 14,936.76 | 15,954.80 |
| Stock - In - Process | 782.36 | 631.44 |
| Finished Goods | 33,741.14 | 27,286.75 |
| Stock in Transit | - | 7.64 |
| Stores and Spares parts and Fuel | 12,854.38 | 16,886.97 |
| Stores and Spares- in transit | 313.80 | 19.52 |
| Loose Tools | 20.54 | 28.71 |
| TOTAL | 62,648.98 | 60,815.83 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| Note No. 16 | | |
| TRADE RECEIVABLES | | |
| **Trade receivables outstanding for a period less than six months from the date they are due for payment** | | |
| Unsecured, considered good | 11,522.36 | 11,234.66 |
| Unsecured, considered doubtful | 592.64 | 6.58 |
| Less: Provision for doubtful debts | (592.64) | (6.58) |
| | 11,522.36 | 11,234.66 |
| **Trade receivables outstanding for a period exceeding six months from the date they are due for payment** | | |
| Unsecured, considered good | 528.35 | 2,065.68 |
| Unsecured, considered doubtful | - | 672.96 |
| Less: Provision for doubtful debts | - | (672.96) |
| | 528.35 | 2,065.68 |
| TOTAL | 12,050.71 | 13,300.34 |
| Note No. 17 | | |
| CASH & BANK BALANCES | | |
| **Cash and Cash Equivalent** | | |
| Balances with Banks : | | |
| Current Accounts | 5,469.03 | 29,718.04 |
| Deposit Accounts | 4,102.88 | 10,909.02 |
| Cheques, Drafts on hand | 10.73 | 13.28 |
| Cash on hand | 43.03 | 26.09 |
| | 9,625.67 | 40,666.43 |
| **Other Bank Balances** | | |
| Dividend Accounts | 212.27 | 160.19 |
| Restricted Bank Balances | 12,625.64 | 7,012.13 |
| Bank Deposits with more than three months but less than 12 months | 25.19 | 505.95 |
| | 12,863.10 | 7,678.27 |
| TOTAL | 22,488.77 | 48,344.70 |
| Note No. 18 | | |
| SHORT TERM LOANS AND ADVANCES | | |
| **Others (Unsecured considered good)** | | |
| Advance Tax Including Tax deducted at Source | 336.72 | 189.16 |
| Fringe Benefit Tax (net) | 3.01 | 1.04 |
| Balance with Customs and Excise Authorities | 10,366.21 | 7,263.50 |
| Other Advances and Prepaids | 9,273.27 | 6,902.69 |
| TOTAL | 19,979.21 | 14,356.39 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 19** | | |
| **OTHER CURRENT ASSETS** | | |
| Interest Receivable | **287.61** | 224.10 |
| Insurance and Other Claims Receivable | **856.23** | 1,738.39 |
| Assets held for disposal | **45.00** | 312.57 |
| Derivative Assets | **-** | 559.99 |
| Unamortised Expenditure | **4,797.16** | - |
| Others (including Unbilled Revenue) | **204.52** | - |
| TOTAL | **6,190.52** | 2,835.05 |
| **Note No. 20** | | |
| **REVENUE FROM OPERATIONS** | | |
| **Sale of Products / By Products / Services** | | |
| Cement | **262,492.04** | 2,49,597.03 |
| Clinker | **31,003.05** | 6,472.79 |
| GGBFS | **2,820.83** | 649.16 |
| RMC | **2,365.44** | 1,841.29 |
| Unwrought Zinc | **37,942.40** | 31,760.45 |
| Aluminum & Zinc Alloys | **8,403.34** | 7,777.18 |
| Sulphuric Acid | **2,587.40** | 2,927.71 |
| Cadmium | **85.53** | 75.96 |
| Glass Fibre | **124,711.68** | 32,268.13 |
| Construction and Other Services | **12,530.09** | 6,508.44 |
| **Other operating revenues** | **2,677.92** | 2,425.69 |
| TOTAL | **487,619.72** | 3,42,303.83 |
| **Note No. 21** | | |
| **OTHER INCOME** | | |
| Interest & Dividend Income | **725.70** | 1,867.38 |
| Realised Profit on Hedging | **-** | 906.95 |
| Profit on sale of Investment | **-** | 1,501.62 |
| Other Miscellaneous Income | **4,799.31** | 4,208.76 |
| TOTAL | **5,525.01** | 8,484.71 |
| **Note No. 22** | | |
| **RAW MATERIALS, PACKING MATERIALS AND GOODS CONSUMPTION** | | |
| **Raw Material Consumed (Including direct Mining cost)** | | |
| Limestone, Gypsum & Others | **37,311.61** | 35,334.27 |
| Zinc Concentrate/Oxides | **28,968.20** | 26,080.67 |
| Glass Fibre & Others | **24,321.91** | 11,655.24 |
| Construction Materials, Consumables and Other Services | **9,894.15** | 4,513.28 |
| Packing Materials | **11,434.86** | 8,826.01 |
| TOTAL | **111,930.73** | 86,409.47 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lacs)

| Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|
| **Note No. 23** | | |
| **EMPLOYEE BENEFIT EXPENSES** | | |
| Salaries and Wages | **42,636.53** | 16,762.14 |
| Contribution to Provident and other Funds | **5,976.83** | 1,631.80 |
| Workmen and Staff Welfare Expenses | **1,422.73** | 864.90 |
| TOTAL | **50,036.09** | 19,258.84 |
| **Note No. 24** | | |
| **FINANCE COSTS** | | |
| Interest expenses | **42,652.40** | 30,539.65 |
| Other borrowing costs | **3,389.56** | 1,665.70 |
| Loss on foreign currency transactions (net) | **119.70** | 258.75 |
| TOTAL | **46,161.66** | 32,464.10 |
| **Note No. 25** | | |
| **OTHER EXPENSES** | | |
| Power & Fuel | **106,100.89** | 74,225.40 |
| Freight & Forwarding | **58,953.47** | 47,390.63 |
| Freight and Loading Expenses on Clinker Transfer | **5,462.71** | 4,412.09 |
| Consumption of Stores and Spares | **8,578.08** | 8,475.31 |
| Repairs and Maintenance | | |
| Buildings | **256.92** | 241.38 |
| Plant and Machinery | **3,974.31** | 3,376.07 |
| Others | **2,879.39** | 298.42 |
| Other Operating Expenses | **8,832.60** | 3,246.99 |
| Rent | **2,325.23** | 1,437.19 |
| Insurance | **1,483.83** | 871.61 |
| Rates and Taxes | **1,387.23** | 899.48 |
| Advertisement and Sales Promotion | **5,128.75** | 4,999.47 |
| Directors Fee | **31.39** | 8.23 |
| Foreign Exchange fluctuation (Gain) / Loss (net) | **6,686.79** | 4,425.24 |
| Bad Debts written off | **-** | 360.50 |
| Commission to Selling Agents | **4,648.11** | 4,256.23 |
| Loss on sale / discard of Fixed Assets | **243.24** | 468.44 |
| Miscellaneous Expenses | **15,623.51** | 12,498.65 |
| TOTAL | **232,596.45** | 1,71,891.33 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

**Note No. 26 Estimated amounts of contracts and commitments remaining to be executed and not provided for (net of advances):**

(₹ in Lacs)

| | Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| a | The estimated amount of contracts and commitments remaining to be executed on capital account not provided for | **29,387.71** | 16,808.29 |

**Note No. 27 Contingent liabilities not provided for:-**

(₹ in Lacs)

| | Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| a | Claims against the Companies not acknowledged as debts in respect of various Tax matters (Net of amount paid under protest ₹ 1,428.89 Lacs (Previous Year ₹ 259.87 Lacs )) | **10,290.99** | 10,019.66 |
| b | Claims against the Companies not acknowledged as debts in respect of other matters. | **1,835.32** | 1,023.34 |
| c | Corporate Guarantees / Bank Guarantee | **15,606.04** | 11,959.20 |
| d | Letters of Credit | **622.84** | 8,963.03 |

**Note No. 28 Other Contingent Liabilities**

I Binani Cement Limited

a) The Company has opted for Sales Tax Incentive Scheme, 1989. Earlier 25% incentive was allowed by State Level Screening Committee, but pursuant to order of Rajasthan Tax Board, 75% incentive from Sales Tax for sales effected in Rajasthan for 9 years subject to a limit of Eligible Fixed Capital Investment (EFCI) is being availed of. The Company has availed Sales Tax Incentive of ₹ 20,266.98 Lacs up to 31st March, 2006. The Sales Tax Department filed a revision petition before the Hon'ble Rajasthan High Court, Jodhpur contesting the order of Rajasthan Tax Board, which allowed the Company to avail 75% sales tax incentive. The Hon'ble High Court has dismissed the revision petition of Sales Tax Department. The Department has filed a revision petition before Hon'ble Supreme Court. Pending the decision of the Supreme Court, no provision has been made for the differential Sales Tax Incentive of ₹ 13,327.19 Lacs (excluding interest, if any) availed by the Company till 31st March, 2006.

However, on introduction of Value Added Tax (VAT) in the State of Rajasthan w.e.f 1st April, 2006, an option has been given to switch over to deferment scheme for twice the remaining validity period as available under the erstwhile Sales Tax Incentive Scheme, 1989 subject to the original limit of EFCI. The Company has exercised this option w.e.f 1st April, 2006 under which 75% of VAT collected and payable after the said date is being deferred for a period of 7 years. Till 26th May, 2007, ₹ 3,813.54 Lacs was deferred and shown as Unsecured Loan. (Refer Note no. 3 & 7). The Company has paid ₹ 59.11 Lacs under protest during 2012-13.

During the year 2007-08, the Company has filed an application with Sales Tax department for extension of period of EFCI scheme, which was not accepted. The company has filed a case with Hon'ble Jaipur High Court to instruct the Sales Tax department to extend the EFCI scheme period. However, the company has continued to defer 75% of the VAT liability amounting to ₹ 3,967.09 Lacs for the period 27th May, 2007 to 30th April, 2008.

Application for grant of sales tax incentive was filed to sanction the EFCI to the extent of ₹ 396.72 Crores, but the SLSC sanctioned ₹ 280.47 Crores in November, 2000, against which Company has requested vide letter dated 13.12.2000 to the SLSC for reviewing the amount of EFCI sanctioned, but no action was taken by the SLSC. A writ petition was filed during the year 2008-09 before the Hon'ble High Court, Jaipur bench, based on the fact that the SLSC has not replied to our review application within the time frame as per the the New Rajasthan Sales Tax Incentive Scheme, 1989 and the decision is pending for review till date, hence the company has continued to avail the deferment benefit treated as deemed to be sanctioned. Further, the company has made an application to the State Government / SLSC to revise the amount of EFCI from ₹ 396.72 Crores to ₹ 488.50 Crores based on applicable guidelines under the Incentive Scheme. The company has continued to avail the deferment benefit, pending the decision of State Government / SLSC.

Accordingly the tax liability for the period 30th April, 2008 to 31st August, 2011 is ₹ 17741.77 Lacs against which company has deposited ₹ 399.21 Lacs under protest as per the directions of the Hon'ble High Court & ₹ 600 Lacs has been also deposited under protest during 2012-13. The Matter is pending for decision before Hon'ble Rajasthan High Court / State Govt.

b) The Company has not deposited a sum of ₹ 1,405.10 Lacs (Previous Year ₹ 1,185.30 Lacs) net of ₹ 723.76 Lacs paid under protest (Previous Year 333.06 Lacs) shown as current liability in Note 10, on account of entry tax on goods under the Rajasthan Tax on

Entry of Goods into Local Area Act , 1999 on notified goods purchased from outside the state from May 06. the Company has filed a writ petition on 10.07.2006 against the notice of C.T.O. special circle, Commercial Taxes Department, Pali for notice issued under section 16(3) of the said "Act". The said petition was admitted by the Hon'ble Court and a stay was granted. Subsequently, the case was heard by Hon'ble High Court and passed an order that the stay shall remain continued on the condition that petitioner deposit the 50% of amount assessed and submit Solvent security for the balance amount including interest, penalty etc. Accordingly, in compliance of the order, the entry tax of ₹ 723.76 Lacs being 50% of assessed tax was deposited by the Company under protest and also submitted solvent security for the balance amount.

c) The Company was selling Cement on inter-state sales @ 6% CST without ""C"" form u/s 8(5) of CST act as per notification no. F.4(1) FD/Tax Div./99-266 dated 21.01.2000. The State Government has amended certain notifications for requirement of ""C"" or ""D"" form in the earlier notifications issued prior to 11.05.2002 on 27.09.2005, which cleary establishes that prior to amendment in the notification, there was no requirement of 'C' forms unless the notifications are amended. The above referred notification dated 21.01.2000 was rescinded by the Rajasthan Government on 01.12.2006, hence it was in application up to 30.11.2006. The Assessing Authority has raised demand notices in respect of sale of cement @6% CST for the period 27.09.2005 onwards. The matter was challenged by us in Hon'ble Rajasthan High Court, Jodhpur. The case was heard on 10.01.2012 and stay has been granted by Hon'ble High Court against submission of bank guarantee for the demand amount. In compliance of Hon'ble High Court order, the Company has submitted Bank Guarantees of ₹ 60.52 Lacs (including interest) to the Assessing Authority, Commercial Taxes Department, Pali.

d) The Company has placed a purchase order for procurement of ""Steam (Non Coking) coal and M/s Visa Comtrade A.G. supplied the same under five Bills of lading. Party failed to provide us the original bills of lading. The owner of the Ship M/s Great Eastern Shipping Co. Ltd. has filed the suit against the Company for providing original Bills of lading. We have informed to that the balance amount due to them will be paid after adjustment of the losses and expenditure incurred / to be incurred by Binani Cement Limited till the time matter is finally resolved. the Company have incurred expenses of ₹ 740.73 Lacs up to 31.03.2013 (upto Previous Year ₹ 503.79 Lacs) to defend the suit filed by M/s Great Eastern Shipping Co. Ltd. and debited the same to the account of supplier as to be recovered from the party.

II Binani Zinc Limited

a) 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 had also filed a further writ petition before the Division Bench, challenging that portion of the order, relating to remand. As informed by the legal counsel, the Division Bench held that no penalty can be levied on the company for the alleged unauthorized load. The certified copy of judgment has not been received by the Company.

b) 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 Lacs 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 Lacs 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 was heard and reserved for judgment. 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. 29 Secured and Unsecured Loan**

I Binani Industries Limited

a) Export Import Bank of India - Foreign Currency Loan - Outstanding ₹22,086.46 Lacs (USD 40.245 mio) (Previous Year ₹20,738.25 Lacs - USD 40.245 mio ).

The loan carries interest @ 6 Months LIBOR plus 800 bps p.a. The loan is repayable after 3 years from the date of drawdown , i.e. 8th December 2011 in 4 equal semi annual instalments of USD 10.06 mio each.

The loan is secured/to be secured against (a) Second Paripassu charge on pledge of 100% shares of 3B Binani Glass Fibre S.a.r.l. held by the Company (b) exclusive charge on royalty and dividend payment to be received from Binani Cement Limited (c) second charge on the entire assets of Project Bird Holding S.a.r.l and its subsidiaries (d) second charge on the pledge of 100% shares

of Project Bird Holding S.a.r.l and its subsidiaries (e) pledge of 94,50,000 no equity shares of Binani Cement Limited held by the Company on exclusive charge basis (f) First paripassu charge on the entire fixed assets of Binani Zinc Limited including immovable properties present and future (g) Corporate Guarantee of Binani Cement Limited and Binani Zinc Limited and (h) Personal guarantee of a promoter director of the company.

b) Export Import Bank of India - Foreign Currency Loan-Outstanding ₹16,192.67 Lacs (USD 29.506 mio) (Previous Year Nil).

The loan carries interest @ 6 Months LIBOR plus 800 bps p.a. The loan is repayable after 3 years from the date of drawdown, i.e. 30th July 2012 in 16 equal quarterly instalments of USD 1.84 mio each.

The loan is secured / to be secured against (a) pledge of 2,05,00,000 number equity shares of Binani Cement Limited held by the Company on exclusive charge basis (b) exclusive charge on royalty and dividend payment to be received from Binani Cement Limited (c) Corporate Guarantee of Binani Cement Limited and Binani Zinc Limited. (d) Second charge on pledge of shares of Project Bird Holding S.a.r.l. (e) Second pari passu charge on pledge of shares and / or other instruments of subsidiaries of Project Bird Holding S.a.r.l (f) the personal guarantee of a promoter director of the company.

c) IFCI Ltd - Outstanding ₹ 35,000 Lacs (Previous Year ₹ 35,000 Lacs ).

The Loan carried interest @ 13.25% p.a. IFCI has revised the interest @ 15.50% w.e.f. 17th Jan 2013. The Company has requested IFCI to maintain the interest rate @13.25%, based on the original sanction , though interest @ 15.50% has been paid under protest. The loan is repayable in 4 quarterly instalments of ₹8,750 Lacs each, after three years from the date of drawdown i.e. 17th January 2011.

The Loan is secured against pledge of 8,01,40,000 equity shares of Binani Cement Ltd. (BCL), and post dated cheques issued for interest and principal repayment.

d) Syndicate Bank- Outstanding ₹ 434.78 Lacs (Previous Year ₹ 5,652.17 Lacs)

Loan carries interest @ 13.5% p.a. The loan is repayable in 23 equal monthly instalments of ₹ 217.39 Lacs from the date of drawdown 30th June 2010.

Out of total outstanding ₹ Nil shown under Long term borrowing and ₹ 434.78 Lacs shown under Other current liabilities . ( Previous year ₹ 434.81 Lacs - Long term borrowings and ₹ 5,217.36 Lacs - Other current Liabilities).

**II Binani Cement Limited**

**A DEBENTURES**

11.95% (Reset Rate) Secured Redeemable Non Convertible Debentures (11.95% SRNCD) ₹Nil (Previous Year 875 Lacs) secured by (a) a charge created on the movable and immovable properties of the Company both present and future (except (a) the Assets Specifically charged (see note below) (b) exclusive first charge on plot of land situated at village Mouj, Dhanot, Kalol, Distt. Mehsana, Gujarat subject to charges on specified movables created for securing the borrowings for working capital requirements from Banks ranking pari-passu with charges created and/or to be created in favour of Financial Institutions/Banks/Debentures Trustee(s) executed by the Company and (c) Corporate Guarantee of Binani Industries Limited (BIL). The Debenture redeemed in a period of 6 years in quarterly instalments of ₹ 291.70 Lacs, commencing from 31st March, 2007 and ending on 31st December, 2012.

**B. TERM LOANS**

**I) Financial Institutions**

Eksport Kredit Finansiering A/S - Foreign Currency Loans of ₹ 1,128.78 Lacs (Previous Year 1,766.47 Lacs) Secured by (a) Exclusive first charge on the assets imported from M/s. F.L.Smidth, Denmark under the Export Contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered with EKF A/s. (b) Pari Passu charge on Trust and Retention account and (c) Corporate Guarantee of BIL. Loan repayable in 11 equal half yearly instalments of USD 6.86 Lacs commencing from June'09 and interest rate 1.26% p.a. (Libor+75 bps).

**II) Banks**

a) IDBI Bank Ltd. (IDBI) - Term Loans of ₹ 24,074.46 Lacs (Previous Year 28,985.77 Lacs) Secured/to be secured (a) first mortgage and charge created on immovable properties of the Company at Binanigram, Pindwara, Sirohi in Rajasthan (except the assets of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. and of BIL both present and future (b) first charge by way of hypothecation on all movables of the company at Binanigram, Pindwara, Sirohi in Rajasthan and BIL (save and except book debts) including movable machinery, machinery spares, tools and accessories present and future, subject to charges on specified movables created and/or to be created for securing the borrowings for working capital requirements from Banks and ranking pari-passu with mortgages and charges created and/or to be created in favour of Institutions/Banks/Debentures Trustee(s)/Other Term Lenders as detailed in the respective loan agreement(s) deed(s) of hypothecation/debenture trust deed(s)

executed by the Company except the assets i) imported from M/s F.L.Smidth, Denmark under the Export Contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company ii) of 4th Cement Grinding Unit at Binanigram, Pindwara, Dist. Sirohi Rajasthan charged to Syndicate Bank (c) Corporate Guarantee of BIL and (d) Pari Passu charge on Trust & Retention Account. Term loans repayable ₹ 7,071.01 Lacs in FY 2013-14, ₹ 5,571.01 Lacs in from FY 2014-15 to 2015-16, ₹ 2,615.96 Lacs for FY 2016-17, ₹ 2,290.92 Lacs for FY 2017-18 and ₹ 954.55 Lacs for FY 2018-19 and Interest rate ranging from 12.50% to 14.25% per annum

b) Syndicate Bank - Term Loan of ₹ 2,285.7 Lacs (Previous Year ₹ 3,428.56 Lacs) Secured/to be secured by a) Exclusive first charge on Plant and Machinery , Equipments of 4th cement grinding unit situated at Binanigram, Pindwara, Sirohi, Rajasthan and b) pari passu first charge on the portion of land pertaining to the 4th cement grinding unit situated at Binanigram, Pindwara, Sirohi, Rajasthan. Loan repayable in 14 equal quarterly instalments of ₹ 285.71 Lacs commencing from December, 2011 and Interest rate 13.50% per annum.

c) Syndicate Bank - Term Loan of ₹ 7,500 Lacs (Previous Year ₹ 7,500 Lacs)Secured/to be secured by a) First pari passu charge on Fixed Assets of the Company except i) the assets (including land) of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L.Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank b) Post dated cheques for payment of principal & Interest and c) Personal Guarantee of shri Braj Binani. Loan repayable in 8 equal quarterly instalments of ₹ 937.50 Lacs commencing from June, 2015 and Interest rate @ 12.50% per annum.

d) Syndicate Bank - Rupee Term Loan of ₹ 8,500 Lacs (Previous Year ₹ 10,000 Lacs)Secured/to be secured by a) second charge on the company's present and future fixed assets other than those which have been exclusively charged and mentioned in notes. Loan repayable in 5 yearly instalments (at the end of 1st and 2nd year ₹ 1,500 Lacs each, at the end of 3rd and 4th year ₹ 2,500 Lacs each and of 5th year ₹ 2,000 Lacs) commencing from November 2012 and Interest rate @ 12.50% per annum.

e) UCO Bank - Term Loan of ₹ Nil (Previous Year ₹ 6,000 Lacs)Secured/to be secured by a) pari passu subservient hypothecation charge on the plant and machinery of the company other than those which have been exclusively charged and mentioned in notes. b) Post dated cheques for repayment of Principal & Interest. Loan repayable in 4 equal quarterly instalments of ₹ 1,500 Lacs commencing from June'12 and Interest rate of 12.70% per annum.

f) Central Bank of India - Term Loan of ₹ Nil (Previous Year ₹ 5,000 Lacs)Secured/to be secured by a) pari passu subservient hypothecation charge on the movable assets of the company other than those which have been exclusively charged and mentioned in notes. b) Post dated cheques for repayment of Principal & Interest. Loan repaid in 2 equal quarterly instalments of ₹ 2,500 Lacs commencing from December, 2012.

g) State Bank of India - Term Loan of ₹ Nil (Previous Year ₹ 10,000 Lacs)Secured/to be secured by Second pari passu charge on Fixed Assets of the Company. Loan repaid in 3 quarterly instalments each of ₹ 3,000 Lacs, ₹ 3,500 Lacs and ₹ 3,500 Lacs commencing from September, 2012.

h) Punjab National Bank - Term Loan of ₹ 5,000 Lacs (Previous Year ₹ 5,000 Lacs)Secured / to be secured by pari passu subservient charge (third) by way of hypothecation of Plant & Machinery of the Company. Loan repayable in 2 equal quarterly instalments of ₹ 2,500 Lacs commencing from October, 2013 and Interest rate @ 11.75% per annum.

i) Bank of Baroda - Term Loan of ₹ 5,000 Lacs (Previous Year ₹ 10,000 Lacs)Secured/to be secured by pari passu subservient charge on fixed assets of the company both movable & immovable. Loan repayable in 4 equal quarterly instalments of ₹ 2,500 Lacs commencing from December, 2012 and Interest rate @ 13% per annum.

j) Central Bank of India - Term Loan of ₹ 14,000 Lacs (Previous Year ₹ 18,000 Lacs)Secured/to be secured by a) First pari passu charge on Fixed Assets of the Company except i) the assets (including land) of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L.Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company ) and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank. Loan repayable in 20 equal quarterly instalments of ₹ 1,000 Lacs commencing from December, 2011 and Interest rate @ 12.75% per annum.

k) Yes Bank Limited - Term Loan of ₹ 8,750 Lacs (Previous Year ₹ 10,000 Lacs) Secured/to be secured by a) Exclusive first charge on movable and immovable properties including land of first phase of 2x22.30 MW captive thermal power plant, comprising of 1x22.30 MW power plant, all associated equipments and shared facilities situated at Pindwara, Sirohi, Rajasthan and all goods and equipments forming part of the plant and on other such assets. b) post dated cheques. Loan repayable in 16 equal quarterly instalments of ₹625 Lacs commencing from December, 2012 and Interest rate @13.10% per annum.

l) Bank of Baroda - Term Loan of ₹ 7,500 Lacs (Previous Year ₹ 7,500 Lacs)Secured/to be secured by a) First pari passu charge on Fixed Assets of the Company except i) the assets (including land) of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L.Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank. Loan repayable in 8 equal quarterly instalments of ₹ 937.50 Lacs commencing from January 2015 and Interest rate @ 12.50% per annum.

m) Indian Overseas Bank - Term Loan of ₹ 15,000 Lacs (Previous Year ₹ 15,000 Lacs)Secured/to be secured by a) First pari passu charge on Fixed Assets of the Company except i) the assets (including land) of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd. ii) the assets imported from M/s F.L.Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company and iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank. Loan repayable in 8 equal quarterly instalments of ₹ 1,875 Lacs commencing from June 2015 and Interest rate @ 13% per annum.

n) Ratnakar Bank - Term Loan of ₹ Nil (Previous Year ₹ 3,600 Lacs)Secured/to be secured by pari passu Subservient hypothecation charge on the entire current assets and movable fixed assets both present and future of the company. b) Post dated cheques for payment of principal. Loan repaid in 3 equal monthly instalments of ₹ 1,200 Lacs commencing from January, 2013.

o) Central Bank of India - Rupee Term Loan of ₹ 12,000 Lacs (Previous Year ₹ Nil) Secured / to be secured by first pari passu charge on the fixed assets of the Company excluding block of assets which have exclusive / specific charge on them to various banks. Loan repayable in 7 yearly Instalments of ₹ 700 Lacs, ₹ 1,300 Lacs, ₹ 2,000 Lacs, ₹ 2,000 Lacs, ₹ 2,000 Lacs, ₹ 2,000 Lacs, and ₹ 2,000 Lacs, commencing from 31.03.2015 and Interest rate @ 12.75% per annum.

p) Union Bank of India - Rupee Term Loan of ₹ 5,000 Lacs (Previous Year ₹ Nil) Secured / to be secured by a) first pari passu charge on the fixed assets of the Company excluding block of assets which have exclusive charge b) second charge on current assets of the Company and c) Corporate Guarantee of Binani Industries Limited. Loan repayable ₹ 290 Lacs in FY 2014-15, ₹ 540 Lacs in FY 2015-16 and ₹ 834 Lacs from FY 2016-17 to 2020-21 and Interest rate @ 12% per annum.

q) State Bank of Patiala - Term Loan of ₹ 2,500 Lacs (Previous Year ₹ Nil) Secured / to be secured by a) first pari passu charge on the fixed assets of the Company excluding assets which have exclusive charge. b) Second charge on the current assets of the Company c) Corporate Guarantee of BIL d) Post dated cheques for loans repayment. Loan repayable ₹ 146.43 Lacs in FY 2014-15, ₹ 271.43 Lacs in FY 2015-16 and ₹ 416.43 Lacs from FY 2016-17 to 2020-21 and Interest rate @ 12.75% per annum.

r) Bank of Baroda - Term Loan of ₹ 9,000 Lacs (Previous Year ₹ Nil) Secured / to be secured by first pari passu charge on the fixed assets of the Company excluding assets which have exclusive charge. Loan repayable ₹ 525 Lacs in FY 2014-15, ₹ 975 Lacs in FY 2015-16 and ₹ 1,500 Lacs from FY 2016-17 to 2020-21 and Interest rate @ 11.75% per annum.

s) Punjab National Bank - Term Loan of ₹ 2,245.55 Lacs (Previous Year ₹ Nil) Secured / to be secured by first pari passu charge on the fixed assets of the Company excluding assets which have exclusive charge. Loan repayable in 20 quarterly instalments and Interest rate @ 13.25% per annum commencing from October, 2014.

**C. WORKING CAPITAL DEMAND LOANS / CASH CREDIT**

a) From Scheduled Banks of ₹ 4,103.48 Lacs (Previous Year ₹ 3,183.28 Lacs) Secured against (a) First pari passu charge by way of hypothecation of Raw Materials, Stock in Trade, Stock-in-Process, Finished Goods, Consumables, Stores & Spares and Packing Material, Book Debts and other Receivables belonging to the Company, b) Second pari passu charge on the fixed assets of the Company c) Corporate Guarantee of BIL and (d) pari passu charge on Trust and Retention Account.

Aggregate Loans outstanding as on 31.03.2013, amounting to ₹ 39,806 Lacs (Previous Year ₹ 23,435 Lacs), which are further secured by Corporate Guarantee of Binani Industries Limited, the Holding Company and ₹ 7,500 Lacs (Previous Year ₹ 7,500 Lacs), secured by Personal Guarantee of Shri Braj Binani.

ASSETS SPECIFICALLY CHARGED

i) The assets (including land) of the first phase of the 2X22.30 MW captive thermal power plant comprising of 1X22.30 MW thermal power plant, associated equipments and shared facilities which are exclusively charged on first charge basis to Yes Bank Ltd.

ii) The assets imported from M/s F.L.Smidth, Denmark under the export contract dated 14.09.2005 and defined clearly in the loan agreement dated 06.02.2007 entered into between M/s EKF A/S and the Company charged in favour of EKF A/S and

iii) The assets of 4th Cement grinding unit at Binanigram, Pindwara, Dist. Sirohi, Rajasthan charged to Syndicate Bank.

III Binani Zinc Limited

a) Term Loan from Punjab National Bank of ₹ 2,250 Lacs (Previous Year ₹ 2,250 Lacs), secured by first pari-passu charge on all movable and immovable fixed assets of the company, both present and future .The current maturities of three equal quarterly instalments total amounting to ₹ 1,125 Lacs (Previous Year ₹ 1,125 Lacs) are disclosed under 'Other Current Liabilities'.

b) Cash Credit of ₹ 1,124.04 Lacs (Previous Year 83.66 Lacs) is secured by pari-passu 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, pari-passu Second charge on the fixed assets of the Company located at Binanipuram, Kerala and Corporate Guarantee of Binani Industries Limited, the Holding Company.

IV Goa Glass Fibre Limited (GGFL)

a) Term Loan from Vijaya Bank carries interest at BPLR plus 0.25% per annum. The loan is repayable in 24 quarterly instalments of ₹ 104.16 Lacs after a moratorium period of twelve month from the date of first disbursement i.e. 30th August 2008. The loan is Secured by a) a first pari passu charge on the fixed assets of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) First charge by way of hypothecation of all movable including movable machinery, machinery spares, tools and accessories, present and future (except book debts) subject to charges created for securing the borrowings for working capital requirements from banks, and c) Corporate Guarantee of Binani Industries Limited.

b) Term Loan from Indian Overseas Bank carries interest at BPLR plus @ 1% per annum. The loan is repayable in 48 monthly instalments of ₹ 52.10 Lacs from the date of loan i.e. 22nd October 2009. The loan is Secured by a) a first pari passu charge on the land, building and plant and machinery of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) Second pari passu charge on the current assets of the company on pari passu with other term lender. c) Corporate guarantee of Binani Industries Limited.

c) Term Loan from Central Bank carries interest at BPLR plus 3.50% per annum. The loan is repayable in 16 quarterly instalments of ₹ 146.50 Lacs after a moratorium period of one year i.e. from 31st August 2012. The loan is Secured by a) a first pari passu charge on the fixed assets of the Company situated at Village Colvale, Taluka Bardez, Goa both present and future, b) Exclusive first charge by way of hypothecation of Fixed assets acquired out of the loan i.e. 56 kgs of precious metals Platinum and Rhodium, winders and bushing transformers and other moveable fixed assets acquired for the projects.

d) Cash Credit of ₹ 1,232.86 Lacs (Previous Year ₹ 1,291.41 Lacs) from Punjab National Bank is secured by (a) Hypothecation of present and future stocks of raw materials, work-in-process, finished goods, consumables, stores and spares, book debts, outstanding decrees, money receivables, claims, securities, government subsidies, investment, right and other movable assets excluding bills purchased/discounted by bank and bills against which advance has been paid which belong to the Company and (b) Second charge and mortgage on immovable properties of the Company situated at Village Colvale, Taluka Bardez, Goa, both present and future.

e) Bill Discounting of ₹ 327.50 Lacs (Previous Year 299.80 Lacs) from Punjab National Bank is secured by bills drawn on Letters of Credit issued by approved banks.

V CPI Binani Inc. (CPI)

a) Term Loan from Merchants Bank, Profinium Financial, Port Authority of Winona, Spectrum Commercial Services and others amounting to USD 3.73 Mio (equivalent ₹ 2,035.68 Lacs) with monthly payments at the interest rate of 3% -7% p.a.. The loan is Secured by building, automobile and other assets of the Company.

VI BIL Infratech Limited

a) Cash credit of ₹ 409.46 Lacs (Previous Year ₹ 26.01 Lacs ) from Punjab National Banks is secured against stock and receivables of projects. The Cash credit is repayable on demand and carries interest @ 13.50% p.a. (31st March, 2012: 13.75%).

VII Mukundan Holdings Limited

TERM LOANS

Bank of Baroda : Outstanding - ₹ 10,901.00 Lacs (US $ 20.00 Mio) (Previous Year ₹ 10,393.24 Lacs (US $ 20.00 Mio)).

"The term facility is secured by following:

- Pari Passu Pledge of 100% shares of the Company held by Binani Cement Limited, India, the Guarantor.
- Negative lien on the assets of the Binani Cement Factory LLC, Dubai.
- Non disposal undertaking for beneficial interest of 51% shares of Binani Cement Factory LLC, Dubai held by Murari Holdings Limited.

- Non disposal undertaking for beneficial interest of 49% shares of Binani Cement Factory LLC, Dubai held by Mukundan Holding Ltd, 100%.
- Pari Passu charge over the ESCROW Account held under the USD 85 Mio Syndicate loan facility.
- Irrecoverable and unconditional corporate guarantee of Binani Cement Limited

  The guarantor's maximum liability under is limited to a total aggregate amount of US$25 Mio (the Guarantee Cap)and shall remain in full force and effect and shall be valid until the date falling six months after the termination date (the Expiry Date ) regardless of any intermediate payment or discharged in whole or in part whichever is earlier.

**VIII Krishna Holdings Pte Limited**

**Term Loan**

State Bank of India (HK) : ₹10179.35 Lacs (USD 18.68 Mio) (Previous Year ₹11,848.81 Lacs (USD 22.80 Mio))

The loan is secured by irrecoverable and unconditional corporate guarantee of Binani Cement Limited.

**IX Binani Cement Factory LLC**

Bank Borrowings
Trust Receipts & Bill discounted with Recourse ₹ 4,314.95 Lacs (AED 29.08 Mio) (Previous Year ₹ 1,443.10 Lacs (AED 10.20 Mio))
The bank borrowings are secured by:

- Assignment of insurance policies on Stock and trade & other receivable
- Assignment of bank guarantees provided by customers and issued by reputed local banks.
- Undertaking to maintain own funds of AED167.55 Mio.

**X Murari Holdings Limited**

**TERM LOANS**

An analysis of the amount outstanding from bank is as follows:

a) Punjab National Bank: ₹ 1,907.68 Lacs (USD 3.50 Mio) (Previous Year ₹ 2,858.14 Lacs (USD 5.50 Mio)

b) Bank of Baroda: ₹ 1,090.10 Lacs (USD 2.00 Mio) (Previous Year ₹ 1,558.99 Lacs (USD 3.00 Mio))

c) State Bank of India: ₹ 2,452.73 Lacs (USD 4.50 Mio) (Previous Year ₹ 3,377.80 Lacs (USD 6.50 Mio)

d) Syndicate Bank: ₹ 1,226.36 Lacs (USD 2.25 Mio) (Previous Year ₹ 1,688.90 Lacs (USD 32.50)

The loan are secured by :

- Corporate Guarantee of Binani Cement Limited,
- Pledging of 100% shares of the company (held by Binani Cement Limited),
- A negative lien on the assets of the Binani Cement Factory LLC, Dubai.
- Non disposal undertaking for the beneficial interest for 51% shares of Binani Cement Factory LLC, Dubai
- Non disposal undertaking for 49% shares of Binani Cement Factory LLC held by Mukundan Holdings Limited.

**XI Shandong Binani Rong'An Cement Company**

Loan from Bank of Rizhao, Outstanding ₹ 17,374.80 Lacs (RMB 200.00 Mio) (Previous Year 16,370 Lacs (RMB 200.00 Mio)
The Loan is secured by Plant & Machinery and land purchased for 2nd Clinker Production Line

**XII 3B Binani Glass Fibre S.a.r.l. (formerly known as Glass Fibre Holding I S.a.r.l.) (3B Binani))**

IDBI Bank Limited - Outstanding ₹ 1,43,928.62 Lacs (USD 264.07 Mio)
The Loan is secured against

- First charge on the entire fixed assets (both movable & immovable) of Project Bird Holding S.à r.l and its subsidiaries and 3B Fibreglass A/S (except for the fixed assets of 3B Fibreglass A/S which would be exclusively charged against the revolving credit facility) present and future and of all subsidiaries companies if any, in between.
- Hypothecation of the entire current assets of Project Bird Holding S.à r.l and Its subsidiaries and 3B Fibreglass A/S, (except for the current assets of 3B Fibreglass A/S which would be exclusively charged against the revolving credit facility) present and future and of all subsidiaries companies if any, in between.
- First charge by way of assignment of all project documents, share purchase agreement, insurance policies, intangibles.
- Pledge of 100% shares, Bank Accounts, Rights & Claims for royalties, IP Licenses, Metal Alloy etc., Receivables of 3B Fibreglass A/S, Project Bird Holding S.à r.l and Its subsidiaries and of all subsidiaries / companies if any in between.

- First charge on the entire cash flow of the Project Bird Holding S.à r.l and 3B Fibreglass A/S.
- Debt service Reserve Account maintained by 3B Fibreglass A/S.
- Irrevocable and unconditional Corporate Guarantee of BIL, BCL, BZL and GGFL (Limited to 105% of the loan amount).
- Personal Guarantee of Shri Braj Binani. The continuation of personal Guarantee would be subject to annual review by IDBI / Lead Lender.
- Pledge of 40% shares of BCL, held by BIL. In the event of default IDBI Bank / Lenders shall have voting rights.

  All securities mentioned above would rank paripassu amongst the lenders participating in both the facilities.

**XIII 3B Fibre Glass S.p.r.l.**

Punjab National Bank - Loan Outstanding ₹ 6,986.72 Lacs (Euro 10 Mio) at 3month Libor +550 bps

- The Loan is secured by First Charge on Current Assets of the Company
- Corporate Guarantee of BIL / 3B Binani Glass fibre S.a.r.l.
- Security Margin of 25% for Raw Material, WIP, Book Debts.

**Note No. 30 Disclosures pursuant to Accounting Standard (AS) 7 (Revised) "Construction Contracts"**

**BIL Infratech Limited** (₹ in Lacs)

| | Particulars | Year ended 31st March, 2013 | Year ended 1st March, 2012 |
|---|---|---|---|
| i) | Contract revenue recognised for the financial year | **11,246.44** | 5,511.55 |
| ii) | Aggregate amount of contract costs incurred and recognised profits (Less recognised losses) as at end of the financial year for all contracts in progress as at that date | **8,351.39** | 5,511.55 |
| iii) | Amount of customer advances outstanding for contracts in progress as at end of the financial year | **1,826.07** | 786.11 |
| iv) | Retention amounts due from customers for contracts in progress as at end of the financial year | **1,006.61** | 826.95 |

**Note No. 31 Other Income**

(₹ in Lacs)

| | Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|---|---|---|
| i) | Profit from Hedging Transactions | **1,546.56** | 2.52 |
| ii) | Interest & Dividend from Banks/ Others | **615.81** | 1,569.85 |
| iii) | Profit on sale of Investments | **56.57** | 1,504.10 |
| iv) | Profit on sale of Fixed Assets | **0.12** | 0.93 |
| v) | Liability no longer required written back | **16.01** | 258.02 |
| vi) | Subsidy income | **427.61** | 1,655.75 |
| vii) | Insurance Claim | **1,927.24** | 421.22 |
| viii) | Scrap Sale | **398.51** | 209.06 |
| ix) | VAT Incentive & Duty Drawback | **76.72** | 77.41 |
| x) | Others | **459.86** | 2,785.84 |
| | | **5,525.01** | 8,484.71 |

**Note No. 32** During the year one of the subsidiary of the Group, BZ Minerals (Australia) Pty. Limited reduced its issued and paid up capital from 81,25,929 Equity Shares of AUD 1.00 each to 81,25,929 Shares of AUD 0.0001 each. The proceeds from share reduction of the investments in the subsidiary company have been repatriated to the Group. The exchange rate gain on repatriation of the said proceeds amounts to ₹1,143.52 Lacs, which is taken credit for during the year and disclosed as Exceptional Item in the Statement of Profit and Loss. During the year one of the subsidiary of the Group, BZ Minerals (Australia) Pty. Limited reduced its issued and paid up capital from 81,25,929 Equity Shares of AUD 1.00 each to 81,25,929 Shares of AUD 0.0001 each.The proceeds from share reduction of the investments in the subsidiary company have been repatriated to the Group. The exchange rate gain on account of the share reduction amounts to ₹1,143.52 Lacs, which is taken credit for during the year and disclosed as Exceptional Item in the Statement of Profit and Loss.

**Note No. 33**

Other Expenses includes donation, given to G D Binani Charitable Trust ₹ nil (Previous year ₹ 25 Lacs) and ₹ 125 Lacs (Previous Year ₹ 75 Lacs) to G. D. Binani Charitable Foundation.

**Note No. 34 Remuneration to Auditors**

(₹ in Lacs)

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|---|---|
| For Audit Fees | 195.57 | 121.31 |
| For Taxation Matters | 20.81 | 14.63 |
| For Company Law matter | 0.25 | - |
| For Other Services | 20.21 | 3.33 |
| For Reimbursement of Expenses | 11.65 | 1.85 |
| | 248.49 | 141.11 |

**Note No. 35 Deferred Tax Liability of the Group as on March 31, 2013 comprises of the following :**

(₹ in Lacs)

| | Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| a) | **Deferred Tax Liability** | | |
| | Fixed Assets | 22,952.89 | 49,219.09 |
| | Others | - | - |
| | TOTAL | 22,952.89 | 49,219.09 |
| b) | **Deferred Tax Asset** | | |
| | Fixed Assets | (17.85) | (373.84) |
| | Unabsorbed losses and depreciation | (1,751.54) | (12,416.80) |
| | Disallowance under Income Tax Act, 1961 | (1,741.90) | (1,821.42) |
| | Others | - | (3,696.56) |
| | TOTAL | (3,511.29) | (18,308.62) |
| | **Provision for Deferred Tax (net)** | 19,441.60 | 30,910.47 |

**Note No. 36 Segmental Reporting as per Accounting Standard AS - 17 issued by The Institute of Chartered Accountants of India (Consolidated)**

(₹ in Lacs)

| Particulars | Zinc & by products | Cement | Glass Fibre | Unallocated | Sub Total | Less: Elimination | Total |
|---|---|---|---|---|---|---|---|
| **Primary Segments** | | | | | | | |
| Segment Revenue (net of Excise Duty) | 44,062.53 | 266,892.82 | 123,568.29 | 12,684.72 | 447,208.36 | - | 447,208.36 |
| | (39,891.88) | (227,178.65) | (31,463.76) | (8,402.31) | (306,936.60) | - | (306,936.60) |
| Inter-Segment Revenue | - | - | - | 17,929.08 | 17,929.08 | 17,929.08 | - |
| | - | - | - | (21,244.92) | (21,244.92) | (21,244.92) | - |
| Total Revenue | 44,062.53 | 266,892.82 | 123,568.29 | 30,613.79 | 465,137.43 | 17,929.08 | 447,208.36 |
| | (39,891.88) | (227,178.65) | (31,463.76) | (29,647.23) | (328,181.52) | (21,244.92) | (306,936.60) |
| Segment Result | -3174.55 | 26274.10 | -7220.43 | 6061.40 | 21940.52 | -232.01 | 22,172.53 |
| | (-5160.74) | (12,785.70) | (-4723.95) | (8,648.23) | (11,549.24) | (-2985.99) | (8,563.25) |
| Finance and Other Income | | | | | | | 5,525.01 |
| | | | | | | | (8,484.71) |
| Finance Costs | | | | | | | 46,161.66 |
| | | | | | | | (32,464.10) |

(₹ in Lacs)

| Particulars | Zinc & by products | Cement | Glass Fibre | Unallocated | Sub Total | Less: Elimination | Total |
|---|---|---|---|---|---|---|---|
| Income Taxes | | | | | | | **3,527.38**<br>(1,132.99) |
| Extraordinary / Exceptional Items | | | | | | | **(1,143.52)**<br>(20.90) |
| Prior Period Expenses | | | | | | | -<br>(29.86) |
| Net Profit/Loss | | | | | | | **(20,847.98)**<br>(-16,599.89) |
| Segment Assets | **34,006.04**<br>(34,342.76) | **395,571.50**<br>(383,922.30) | **231,416.64**<br>(242,459.28) | **169,510.01**<br>(133,070.34) | **830,504.19**<br>(793,794.68) | **186,281.34**<br>(128,151.10) | **644,222.85**<br>(665,643.58) |
| Tax Assets | **49.30**<br>(0.06) | **3,971.09**<br>(2,743.79) | **662.32**<br>(6,495.96) | **2,506.83**<br>(171.83) | **7,189.54**<br>(9,411.64) | **-**<br>- | **7,189.54**<br>(9,411.64) |
| Total Assets | **34,055.34**<br>(34,342.82) | **399,542.59**<br>(386,666.09) | **232,078.96**<br>(248,955.24) | **172,016.84**<br>(133,242.17) | **837,693.73**<br>(803,206.32) | **186,281.34**<br>(128,151.10) | **651,412.38**<br>(675,055.22) |
| Segment Liability | **26,802.73**<br>(27,447.83) | **101,466.24**<br>(101,261.25) | **34,095.82**<br>(45,368.91) | **10,835.82**<br>(5,828.05) | **173,200.62**<br>(179,906.04) | **3,437.30**<br>(604.39) | **169,763.32**<br>(179,301.65) |
| Tax Liability | **267.30**<br>(894.94) | **19,963.18**<br>(19,464.07) | **398.58**<br>(17,418.13) | **1.07**<br>(11.83) | 20,630.13<br>(37,789.07) | -<br>- | **20,630.13**<br>(37,789.07) |
| Total Liability | **27,070.03**<br>(24,545.95) | **121,429.42**<br>(104,903.33) | **34,494.41**<br>(47,443.23) | **10,836.89**<br>(7,145.48) | **193,830.74**<br>(184,037.99) | **3,437.30**<br>(1,604.39) | **190,393.45**<br>(182,433.60) |
| Capital Expenditure (net) | **959.08**<br>(1,203.97) | **6,262.56**<br>(47,247.50) | **13,282.12**<br>(177,318.92) | **911.96**<br>(26,858.80) | **21,415.72**<br>(252,629.19) | -<br>- | **21,415.72**<br>(252,629.19) |
| Depreciation & Amortization | **887.42**<br>(904.02) | **15,404.19**<br>(12,543.67) | **11,784.74**<br>(4,077.22) | **278.58**<br>(123.63) | **28,354.93**<br>(17,648.53) | -<br>- | **28,354.93**<br>(17,648.53) |

| Particulars | Within India | Out of India | Less: Elimination | Total |
|---|---|---|---|---|
| **Segment Revenue** | **287,073.89**<br>(260,707.60) | **160,134.46**<br>(45,979.70) | **-**<br>(-250.54) | **447,208.36**<br>(306,936.60) |
| Segment Assets | **338,622.86**<br>(204,506.40) | **394,569.94**<br>(386,943.65) | **(88,969.95)**<br>(74,193.53) | **644,222.85**<br>(665,643.58) |
| Capital Expenditure | **8,610.80**<br>(27,239.46) | **12,804.92**<br>(225,389.73) | **-**<br>- | **21,415.72**<br>(252,629.19) |

(Figures in brackets pertain to Previous Year)

**Notes:**

(i) Business Segments

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

(ii) Geographical Segments

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

Note No. 37

a) Details of unhedged foreign currency exposure as at March 31, 2013

a) Binani Industries Limited

| Particulars | Currency | Amount in Foreign Currency | ₹ In Lacs |
|---|---|---|---|
| Outstanding foreign currency loan receivable | **USD** | **8,817,764** | **4,766.88** |
| | USD | (8,167,764) | (4,141.87) |
| Outstanding foreign currency loan receivable | **EURO** | **590,000** | **407.45** |
| | EURO | (-) | (-) |
| Outstanding interest on foreign currency loan receivable | **USD** | **406,799** | **219.92** |
| | USD | (88,745) | (45.00) |
| Outstanding interest on foreign currency loan receivable | **EURO** | **18,733** | **12.94** |
| | EURO | (-) | (-) |
| Outstanding foreign currency trade payable | **GBP** | **121,250** | **101.47** |
| | GBP | (-) | (-) |
| Outstanding foreign currency loan payable | **USD** | **69,750,600** | **38,279.13** |
| | USD | (40,245,000) | (20,738.25) |
| Outstanding interest on foreign currency loan payable | **USD** | **421,637** | **231.39** |
| | USD | (197,033) | (101.53) |

(Figures in bracket pertain to Previous Year)

b) Goa Glass Fibre Limited

| Particulars | Currency | Amount in Foreign Currency | ₹ In Lacs |
|---|---|---|---|
| Import Trade Payable | **USD** | **16,759** | **9.20** |
| | USD | (26,659) | (13.74) |
| Import Trade Payable | **EURO** | **159,865** | **112.96** |
| | EURO | (140,220) | (100.02) |
| Import Trade Payable | **GBP** | **-** | **-** |
| | GBP | (212) | (0.15) |
| Export Trade Receivable | **EURO** | **102,548** | **70.82** |
| | EURO | (203,824) | (136.53) |
| Export Trade Receivable | **USD** | **355,178** | **192.01** |
| | USD | (34,127) | (17.16) |
| Loans and Advances | **USD** | **-** | **-** |
| | USD | (129,568) | (65.24) |
| Loans and Advances | **EURO** | **200,000** | **141.32** |
| | EURO | (2,926) | (1.92) |

(Figures in bracket pertain to Previous Year)

c) Binani Zinc Limited

| Particulars | Currency | Amount in Foreign Currency | ₹ In Lacs |
|---|---|---|---|
| Receivables | **USD** | **55,062** | **30.22** |
| | USD | (-) | (-) |
| Receivables | **AUD** | **-** | **-** |
| | AUD | (197,000) | (103.28) |
| Trade Payables | **USD** | **20,067,000** | **11,012.51** |
| | USD | (17,119,000) | (8,821.54) |

(Figures in bracket pertain to Previous Year)

d) Binani Cement Limited

| Particulars | Currency | Amount in Foreign Currency | ₹ In Lacs |
|---|---|---|---|
| Outstanding Creditors for Coal | **USD** | **24,052,349** | **13,199.93** |
| | USD | (15,530,765) | (8,003.00) |
| Outstanding Creditors for Machinery | **USD** | **2,680,000** | **1,470.78** |
| | USD | (-) | (-) |
| Outstanding Creditors for Spares | **USD** | **-** | **-** |
| | USD | (30,200) | (15.56) |
| Loans Payables | **USD** | **2,056,820** | **1,128.78** |
| | USD | (3,073,032) | (1,583.53) |

(Figures in bracket pertain to Previous Year)

b) **Details of forward contracts outstanding at March 31, 2013 are as follows :-**

| Currency | Number of Contracts | Buy Amount | Purpose |
|---|---|---|---|
| USD | 8 | 25,276,690 | Creditors Payment |

**Note No. 38 RELATED PARTY DISCLOSURE AS PER AS 18 ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED)**

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

(₹ In Lacs)

| Particulars | Enterprises where Key Management Personnel have got significant influence |
|---|---|
| **Royalty expenses** | |
| Golden Global Pte Limited (Singapore Company ), Assignee of Promoter | **1,267.48** |
| | (952.55) |
| **Service charges received** | |
| Triton Trading Company Private Limited | **13.72** |
| | (12.47) |
| **Payment towards Services received** | |
| Sambhaw Holdings Limited | **72.00** |
| | (72.00) |
| Triton Trading Company Private Limited | **137.70** |
| | (108.66) |
| Nirbhay Management Services Private Limited | **151.81** |
| | (120.65) |

(₹ In Lacs)

| Particulars | Enterprises where Key Management Personnel have got significant influence |
|---|---|
| **Rent paid** | |
| Binani Metals Limited | **7.02** |
| | (6.48) |
| **Service charges paid for car usage** | |
| Binani Metals Limited | **113.91** |
| | (56.03) |
| **Advertisement Expenses** | |
| Media Magix | **3,879.41** |
| (A Division of Asian Industry & Information Service Pvt Ltd) | (4,041.42) |
| **Dividend Paid** | |
| Dharmik Commodeal Private Limited | **142.76** |
| | (142.76) |
| Vijayshree Holdings Private Limited | **128.65** |
| | (35.85) |
| K.B. Vyapar Private Limited | **37.29** |
| | (37.29) |
| Lucknow Properties & Finance Private Limited | **42.59** |
| | (42.59) |
| AK Traders Private Limited | **38.05** |
| | (38.05) |
| **Donation** | |
| G D Binani Charitable Trust | **-** |
| | (25.00) |
| G D Binani Charitable Foundation | **125.00** |
| | (75.00) |
| **Expenses incurred on behalf of the company** | |
| Dhaneshwar Solutions Private Limited | **45.46** |
| | (-) |
| **Execution of transportation / other services contract** | |
| Dhaneshwar Solutions Private Limited | **37,428.63** |
| | (32,878.13) |
| **Balance outstanding as on 31st March 2013** | |
| (Liabilities) | |
| Dhaneshwar Solutions Private Limited | **3,601.46** |
| | (1,235.84) |
| Media Magix | **491.19** |
| (A Division of Asian Industry & Information Service Private Limited) | (209.26) |
| Golden Global Pte Limited (Assignee of Promoter) | **595.94** |
| | (857.30) |
| Triton Trading Company Private Limited | **36.00** |
| | (-) |

(Figures in bracket pertain to Previous Year)

(b) Names of related parties and description of relationship:

i) Key Management Personnel: Mr. Braj Binani and Mr. Sunil Sethy. Dividend Paid to Mr Braj Binani 1.59 Lacs (Previous Year 1.59 Lacs).Managerial Remuneration paid to Mr Sunil Sethy during the year ended 31st March 2013 was ₹166.97 Lacs (Previous Year ₹155.06 Lacs).

ii) Enterprises where Key Management Personnel have got significant influence: Mr. Braj Binani in Binani Metals Limited, Sambhaw Holdings Limited, K. B. Vyapar Private Limited, Triton Trading Company Private Limited, Lexus Holding & Finance Private Limited, Dhaneshwar Solutions Private Limited, Media Magix (A Division of Asian Industry & Information Service Private Limited), Nirbhay Management Services Private Limited and Miracle Securities Private Limited. Mr. Sunil Sethy in Radix Technologies.

**Note No. 39**

The BIL has decided to sell part of its holding in its subsidiary BCL and is in process of identifying the prospective Financial Investors and expect to finalise the same in next financial year.

The company has deferred an expenditure amounting to ₹ 4,797.16 Lacs incurred for holding part of the said current portion of the investment in its subsidiary Binani Cement Limited. The above expenditure shall be amortized in ensuing financial year as it is necessarily incurred for holding the said investment and economic benefits thereon shall flow to the company in the ensuing financial year. The said deferred expenditure is classified as "Other Current Assets" under the head "Unamortized Expenses". Had the Company not deferred the said expenditure, the profit for the year would have been lower by ₹ 4,797.16 Lacs and reserves and surplus would have been lower by ₹ 4,797.16 Lacs.

**Note No. 40** **EMPLOYEE BENEFITS DISCLOSURE AS PER AS 15(REVISED) ISSUED UNDER ACCOUNTING STANDARD RULES 2006 (AS AMENDED).:**

**a) Defined Contribution Plan**

During the year the company has recognised ₹5,738.27 Lacs (Previous Year ₹ 1,545.62 Lacs) in the Statement of Profit and Loss on account of defined contribution plans.

**b) Defined Benefit Plan**

i) Details of the Group's defined benefit plans in respect of Gratuity (funded) :

(₹ In Lacs)

| | Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| I | **Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2013** | | |
| 1 | Current Service Cost | **172.17** | 142.35 |
| 2 | Interest Cost | **108.99** | 92.41 |
| 3 | Employees Contributions | **-** | - |
| 4 | Expected return on plan assets | **(107.19)** | (95.71) |
| 5 | Net Actuarial (Gains) / Losses | **51.20** | 72.60 |
| 6 | Past Service Cost | **-** | - |
| 7 | Settlement Cost | **-** | - |
| 8 | Total Expenses | **225.18** | 211.65 |
| II | **Net Asset/ (Liability) recognised in the Balance Sheet as at 31 st March, 2013** | | |
| 1 | Present value of Defined Benefit Obligation as at the end of the year | **1,464.40** | 852.92 |
| 2 | Fair value of plan assets as at the end of the year | **1,465.21** | 1,272.58 |
| 3 | Funded status [Surplus/(Deficit)] | **(45.58)** | 30.80 |
| 4 | Net asset/ (Liability) as at the end of the year | **(45.58)** | 30.80 |
| III | **Change in obligation during the year ended 31st March, 2013** | | |
| 1 | Present value of Defined Benefit Obligation at beginning of the year | **1,275.11** | 1,106.10 |
| 2 | Current Service Cost | **172.17** | 142.35 |
| 3 | Interest Cost | **108.12** | 92.41 |
| 4 | Settlement Cost | **-** | - |

(₹ In Lacs)

| | Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| 5 | Past Service Cost | - | - |
| 6 | Employees Contributions | - | - |
| 7 | Actuarial (Gains) / Losses | 43.91 | 70.92 |
| 8 | Benefits Payments | (109.52) | (136.68) |
| 9 | Present value of Defined Benefit Obligation at end of the year | 1,489.76 | 1,275.11 |
| IV | **Change in Assets during the year ended 31st March, 2013** | | |
| 1 | Plan assets at beginning of the year | 1,272.59 | 1,187.40 |
| 2 | Assets acquired on amalgamation in Previous Year | - | - |
| 3 | Settlements | - | - |
| 4 | Expected return on plan assets | 107.19 | 98.06 |
| 5 | Contributions by Employer | 179.34 | 127.61 |
| 6 | Actual benefits paid | (109.52) | (136.69) |
| 7 | Actuarial Gains / (Losses) | 5.53 | (3.79) |
| 8 | Plan assets at end of the year | 1,455.11 | 1,272.59 |
| 9 | Actual return on plan assets | 102.60 | 81.90 |
| V | **The major categories of plan assets as a percentage of total plan** | | |
| | Qualifying Insurance Policy | YES | YES |
| VI | **Actuarial Assumptions** | | |
| | Discount Rate | 8.25% - 8.50% | 8.50% |
| | Salary Escalation | 4.00% - 5.00% | 7.00% |

b) Details of the Group's defined benefit plans in respect of Gratuity (funded) :

In case of BRMC, the company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet.

| | Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|---|---|---|
| i) | Profit & Loss Account: | | |
| | Net Employee Benefit expenses (recognised in employee cost): | | |
| | Current Service Cost | | |
| | Interest cost on benefit Obligation | 1.64 | 1.75 |
| | Expected return on plan assets | 0.15 | - |
| | Net actuarial (gain) / loss recognised in the year | - | - |
| | Past service cost | (0.86) | - |
| | Net benefit expenses | - | - |
| | | 0.93 | 1.75 |
| ii) | Actual return on plan assets: | NA | NA |
| iii) | Balance Sheet: | | |
| | Details of Provision for Gratuity: | | |
| | Defined benefit obligation | | |
| | Fair value of plan assets | (2.67) | (1.75) |
| | | - | - |
| | Less: Unrecognised past service cost | (2.67) | (1.75) |
| | Plan Assets/(Liability) | - | - |
| | | (2.67) | (1.75) |

| | Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|---|---|---|
| iv) | Changes to the present value of defined benefit obligations are as follows: | | |
| | Opening defined benefit obligation | | |
| | Interest cost | (1.75) | - |
| | Current service cost | (0.15) | - |
| | Benefits paid | (1.64) | (1.75) |
| | Actuarial gains / (losses) on obligation | - | - |
| | Closing defined benefit obligation | 0.86 | - |
| | | (2.67) | (1.75) |

c) Provision towards liability for Leave Encashment is made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value of liability as on 31.03.2013 is ₹416.07 Lacs ( Previous year ₹412.39 Lacs) based upon following assumptions.

| | | |
|---|---|---|
| Discount Rate | 8.25% | 8.25% |
| Salary Escalation | 4.00% | 4.00% |

**d) Defined Benefit Plans –Loyalty (unfunded)**

Binani Zinc Limited: Under a scheme, employees are eligible for loyalty payment on retirement, if they have rendered a minimum of 10 years of service at the company. Loyalty plan is unfunded.

**(₹ in Lacs)**

| | Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| (i) | Actuarial Assumptions | | |
| | Discount Rate (per annum) | 8.25% | 8.25% |
| | Salary escalation rate * | 4.00% | 4.00% |
| | Mortality rate | LIC (1994-1996) rate | LIC (1994-1996) rate |
| (ii) | Reconciliation of present value of obligation: | | |
| | Present value of obligation at beginning of the year | 29.43 | - |
| | Current Service Cost | 9.23 | 8.68 |
| | Interest Cost | 2.81 | 0.36 |
| | Actuarial (gain)/loss | 0.07 | 20.39 |
| | Benefits Paid | (4.87) | - |
| | Present value of obligation at end of the year | 36.67 | 29.43 |
| (iii) | Reconciliation of present value of obligation: | | |
| | Present value of obligation at end of the year | 36.67 | 29.43 |
| | Fair value of plan assets at end of the year | - | - |
| | Net (Asset)/liability recognized in Balance Sheet | 36.67 | 29.43 |
| (v) | Expenses recognised in the Profit and Loss Account: | | |
| | Current Service Cost | 9.23 | 8.68 |
| | Interest Cost | 2.81 | 0.36 |
| | Expected return on plan assets | - | - |
| | Actuarial (gain) /loss recognised in the period | 0.07 | 20.39 |
| | Total expenses recognised in the Profit and Loss Account for the year | 12.11 | 29.43 |

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

e) **Binani Cement Factory LLC**

Employees terminal benefits

For employees terminal benefit provision, actuarial calculations are not made. Hence, provision is made on the assumption that all employees were to leave as of the end of the reporting period since this provides, in management's opinion, a reasonable estimate of the present value of the terminal benefits.

**Note No. 41 Consolidated Earning per share (EPS) is calculated as follows :**

A **Basic and Diluted EPS before extraordinary items** (₹ in Lacs)

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|---|---|
| Net Profit after tax attributable to Equity Shareholders | **(20,847.98)** | (16,578.99) |
| Net Profit after tax before extraordinary items attributable to Equity Shareholders | **(20,847.98)** | (16,578.99) |
| Equity shares outstanding as at the year end (in Nos.) | **29,596,425** | 29,596,425 |
| Weighted average number of Equity Shares used as denominator for calculating Basic and Diluted Earning Per Share | **29,596,425** | 29,596,425 |
| Nominal Value per Equity Share (₹) | **10.00** | 10.00 |
| Earning Per Share (Basic and Diluted) (₹) | **(70.44)** | (56.02) |

B **Basic and Diluted EPS after extraordinary items** (₹ in Lacs)

| Particulars | Year ended 31st March, 2013 | Year ended 31st March, 2012 |
|---|---|---|
| Net Profit after tax attributable to Equity Shareholders | **(20,847.98)** | (16,578.99) |
| Less: Extraordinary Items | **-** | 20.90 |
| Net Profit after tax after extraordinary items attributable to Equity Shareholders | **(20,847.98)** | (16,599.89) |
| Equity shares outstanding as at the year end (in Nos.) | **29,596,425** | 29,596,425 |
| Weighted average number of Equity Shares used as denominator for calculating Basic and Diluted Earning Per Share | **29,596,425** | 29,596,425 |
| Nominal Value per Equity Share (₹) | **10.00** | 10.00 |
| Earning Per Share (Basic and Diluted) (₹) | **(70.44)** | (56.09) |

**Note No. 42**

Incase of BCL, the Competition Commission of India (CCI) vide its order dated June 20, 2012 has imposed a penalty of ₹16732 Lacs on the Company alleging contravention of certain provisions of the Competition Act, 2002. the Company have filed an Appeal before the Competition Appellate Tribunal (CompAT) against the aforesaid order of CCI and the Company has been advised by its legal advisors that it has a good case for the CompAT to set aside the CCI order and accordingly no provision has been considered necessary by the Company in this regard.

**Note No. 43**

No events or transactions have occurred since the date of Balance Sheet or are pending that would have a material effect on the financial statements at that date or for the period then ended, other than those reflected or fully disclosed in the books of accounts.

**Note No. 44**

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

As per our report of even date attached

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**For and on behalf of the Board of Directors**

**Braj Binani**
Chairman

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**Jayesh Parmar**
Partner
Membership No: 45375

**K. K. Saraf**
President & Company Secretary

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

Place : Mumbai
Date : 23rd April, 2013

Place : Mumbai
Date : 23rd April, 2013

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013

(₹ in Lacs)

| | Particulars | 31st March, 2013 | 31st March, 2012 |
|---|---|---|---|
| | **Cash Flow From Operating Activities** | | |
| | **Earnings before exceptional and extraordinary items and tax** | **(18,464.12)** | (15,416.14) |
| | Adjustments for: | | |
| | Depreciation / Amortization | **28,354.93** | 17,648.53 |
| | Interest and Finance Charges | **46,161.66** | 32,464.10 |
| | Sundry Balances written off / Liabilities no longer required written back & other income | **(16.01)** | 360.50 |
| | Unrealised (Gain) / Loss on Exchange Rate Fluctuation (Net) | **93.00** | 479.74 |
| | Loss/(Profit) on sale/discard of Fixed Assets | **243.24** | 468.44 |
| | Interest and Dividend Income | **(725.70)** | (1,867.38) |
| | **Operating Profit Before Working Capital Changes** | **55,647.00** | 34,137.79 |
| | Adjustments for: | | |
| | Inventories | **(1,833.15)** | (25,688.84) |
| | Trade and Other Receivables | **(8,695.20)** | (12,462.83) |
| | Trade and Other Payables | **19,620.14** | 58,169.77 |
| | Exchange Fluctuation Unrealised on account of consolidation | **(825.73)** | 49.51 |
| | **Cash Generated from Operations** | **63,913.06** | 54,205.39 |
| | Extra-ordinary Item | **-** | (20.90) |
| | Direct Taxes Paid (including Fringe Benefit Tax) (Net) | **(5,473.01)** | (2,054.97) |
| A | **Net Cash flow from Operating Activities** | **58,440.05** | 52,129.52 |
| | **Cash Flow from Investing Activities** | | |
| | Purchase of Fixed Assets (including capital work - in progress) | **(28,604.17)** | (245,074.49) |
| | Sale of Fixed Assets | **275.20** | 37.21 |
| | Investment | **38.87** | 3,941.48 |
| | Capital Advances and Other Assets | **2,716.00** | 20,735.19 |
| | Interest and Dividend Income Received | **662.19** | 1,787.91 |
| B | **Net Cash Used in Investing Activities** | **(24,911.91)** | (218,572.71) |
| | **Cash Flow from Financing Activities** | | |
| | Repayment of Long Terms Borrowings | **(54,795.93)** | (69,397.46) |
| | Proceeds of Long Terms Borrowings | **37,836.45** | 267,438.55 |
| | Trade deposits | **(440.16)** | 817.75 |
| | Increase in Others liabilities | **270.21** | 6.77 |
| | Interest & Finance Charges paid | **(50,123.04)** | (30,308.12) |
| | Dividend Paid / Dividend Distribution Tax Paid | **(855.10)** | (825.82) |
| | Proceeds / Repayment from Short Terms Borrowings (Net) | **8,723.50** | (3,269.90) |

(Continued..)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013

(₹ in Lacs)

| | | | |
|---|---|---|---|
| C | Net Cash from Financing Activities | (59,384.07) | 164,461.77 |
| D | Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C) | (25,855.93) | (1,981.41) |
| E | Opening Cash & Cash Equivalents (Cash and Bank Balances) (A+B+C) | 48,344.70 | 50,326.11 |
| F | Closing Cash & Cash Equivalents (D+E) (Cash and Bank Balances) | 22,488.77 | 48,344.70 |

Notes:-

1. Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) - 3 " Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
2. Cash & Cash Equivalents are Cash and Bank balances as per the Balance Sheet and include ₹ 12863.10 Lacs ( Previous Year ₹ 7678.27 Lacs) as Restricted Bank Balances.
3. Previous year figures have been recast / regrouped wherever considered necessary.

**Summary of Significant Accounting Policies (note number 2)**

**The accompanying notes are integral part of the financial statements.**

As per our report of even date attached

**For Kanu Doshi Associates**
Chartered Accountants
Firm Registration No. 104746W

**Jayesh Parmar**
Partner
Membership No: 45375

Place : Mumbai
Date : 23rd April, 2013

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**K. K. Saraf**
President & Company Secretary

Place : Mumbai
Date : 23rd April, 2013

**For and on behalf of the Board of Directors**

**Braj Binani**
Chairman

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

SUMMARISED FINANCIAL INFORMATION FOR THE YEAR / PERIOD ENDED ON MARCH 31, 2013, 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.

(₹ in Lacs)

| Sr.no | Name of the Subsidiary Company | Country of Incorporation | Relationship | Currency | Conversion Rate | Capital | Reserves | Total Assets | Total Liabilities | Details of Investments (except investment in subsidiaries) | Turnover excluding other income | Profit/ (Loss) before Taxation | Provision for Taxation | Profit/ (Loss) after Taxation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Binani Cement Limited (BCL) | India | Subsidiary of BIL | INR | - | 18,860.38 | 58,753.34 | 336,098.99 | 258,485.27 | - | 221,694.46 | 15,499.78 | 3,517.30 | 11,982.48 |
| 2 | Binani Zinc Limited (BZL) | India | Subsidiary of BIL | INR | - | 6,761.81 | (2,000.92) | 34,024.73 | 29,263.84 | 17.50 | 44,062.53 | (1,307.43) | (263.00) | (1,044.43) |
| 3 | Goa Glass Fibre Limited (GGFL) | India | Subsidiary of 3B Binani | INR | - | 9,917.74 | (8,187.94) | 12,296.77 | 10,566.97 | - | 10,929.93 | (3,582.14) | (0.01) | (3,582.13) |
| 4 | B.T.Composites Limited (BTCL) | India | Subsidiary of BIL | INR | - | 1,450.00 | (1,598.17) | 463.82 | 611.99 | - | 426.81 | (143.94) | - | (143.94) |
| 5 | Wada Industrial Estate Limited (WIEL) | India | Subsidiary of BIL | INR | - | 590.01 | (506.39) | 269.00 | 185.38 | 10.02 | - | (39.29) | - | (39.29) |
| 6 | Binani Infratech Limited (BInfra) | India | Subsidiary of BIL | INR | - | 1,500.00 | 112.25 | 9,340.64 | 7,728.39 | - | 12,675.14 | 126.80 | 46.05 | 80.75 |
| 7 | Sankalp Holdings Limited (SHL) | Cyprus | Subsidiary of BIL | USD | 54.51 | 1.00 | (0.54) | 0.51 | 0.05 | - | - | (0.11) | - | (0.11) |
| | | | | INR | - | 54.51 | (29.43) | 27.80 | 2.73 | - | - | (6.20) | - | (6.20) |
| 8 | BZ Minerals (Australia) PTY Limited (BZA) | Australia | Subsidiary of BZL | AUD | 56.79 | 0.01 | 0.58 | 1.08 | 0.49 | | - | 0.94 | 0.41 | 0.53 |
| | | | | INR | - | 0.57 | 32.94 | 61.34 | 27.83 | | - | 53.44 | 23.28 | 30.16 |
| 9 | RBG Minerals Industries Limited (RBG) | India | Subsidiary of BZL | INR | - | 495.00 | - | 505.54 | 10.54 | 0.03 | - | - | - | - |
| 10 | Abhinav Holdings Limited (AHL) | Cyprus | Subsidiary of SHL | USD | 54.51 | 0.33 | (0.46) | 0.04 | 0.17 | - | - | (0.12) | - | (0.12) |
| | | | | INR | - | 17.99 | (25.07) | 2.18 | 9.27 | - | - | (6.32) | - | (6.32) |
| 11 | Binani Infrastructure Mauritius Limited (BIML) | Mauritius | Subsidiary of BInfra | MUR | 1.75 | 0.00 | 2.02 | 8.07 | 6.05 | | 5.87 | (0.84) | | (0.84) |
| | | | | INR | - | 0.00 | 3.54 | 14.13 | 10.59 | - | 10.28 | (1.47) | - | (1.47) |
| 12 | CPI Binani Inc. | USA | Subsidiary of BIL | USD | 54.51 | 27.00 | (11.72) | 188.93 | 173.66 | - | 142.16 | (10.65) | (4.92) | (5.73) |
| | | | | INR | - | 1,471.64 | (638.90) | 10,297.84 | 9,465.10 | - | 7,748.43 | (580.51) | (268.30) | (312.21) |
| 13 | BZ Resources Mauritius Limited | Mauritius | Subsidiary of BZL | USD | 54.51 | 0.00 | (0.12) | 0.03 | 0.15 | | - | (0.12) | - | (0.12) |
| | | | | INR | - | 0.00 | (6.31) | 1.87 | 8.18 | - | - | (6.31) | - | (6.31) |
| 14 | BZ Minerals (Luxembourg) S.a.r.l. | Luxembourg | Subsidiary of BZL | EUR | 69.87 | 0.13 | (0.23) | 0.10 | 0.21 | | - | (0.22) | 0.02 | (0.24) |
| | | | | INR | - | 8.73 | (16.18) | 7.16 | 14.61 | - | - | (15.07) | 1.11 | (16.18) |
| 15 | Binani Global Cement Holdings Private Limited | Singapore | Subsidiary of BIL | USD | 54.51 | 0.01 | (0.03) | 0.01 | 0.03 | | - | (0.03) | - | (0.03) |
| | | | | INR | - | 0.55 | (1.65) | 0.69 | 1.80 | - | - | (1.65) | - | (1.65) |
| 16 | BIL Holding II S.a.r.l. | Luxembourg | Subsidiary of BIL | EUR | 69.87 | 0.13 | (0.20) | 0.12 | 0.20 | | | (0.17) | 0.03 | (0.20) |
| | | | | INR | - | 8.73 | (14.27) | 8.41 | 13.94 | - | - | (12.03) | 2.10 | (14.13) |
| 17 | BIL Holding III S.a.r.l. | Luxembourg | Subsidiary of BIL | EUR | 69.87 | 0.13 | (0.20) | 0.12 | 0.20 | | | (0.17) | 0.03 | (0.20) |
| | | | | INR | - | 8.73 | (14.27) | 8.41 | 13.94 | - | - | (12.03) | 2.10 | (14.13) |
| 18 | 3B Binani Glassfibre S.a.r.l (3B Binani) | Luxembourg | Subsidiary of BIL | Euro | 69.87 | 962.72 | (209.77) | 2,784.83 | 2,031.88 | - | - | (146.00) | - | (146.00) |
| | | | | INR | | 67,262.33 | (14,656.34) | 194,568.22 | 141,962.22 | - | - | (10,200.50) | - | (10,200.50) |
| 19 | Project Bird Holding S.a.r.l (PBH) | Luxembourg | Subsidiary of 3B Binani | Euro | 69.87 | 1,250.44 | 32.77 | 1,739.54 | 456.34 | - | - | 34.01 | 5.47 | 28.54 |
| | | | | INR | | 87,364.60 | 2,289.50 | 121,537.12 | 31,883.02 | - | - | 2,376.39 | 382.34 | 1,994.05 |
| 20 | Project Bird Holding II S.a.r.l (PBH II) | Luxembourg | Subsidiary of PBH | Euro | 69.87 | 1,622.74 | 16.42 | 1,770.56 | 131.40 | - | - | 24.39 | 0.06 | 24.33 |
| | | | | INR | | 113,376.67 | 1,147.26 | 123,704.50 | 9,180.56 | - | - | 1,704.08 | 3.86 | 1,700.22 |
| 21 | Project Bird Holding IIIB S.ar.l (PBH IIIB) | Luxembourg | Subsidiary of PBH II | Euro | 69.87 | 780.13 | (107.51) | 1,005.34 | 332.72 | - | - | (0.09) | 0.01 | (0.10) |
| | | | | INR | | 54,505.23 | (7,511.16) | 70,240.09 | 23,246.03 | - | - | (6.06) | 0.88 | (6.94) |
| 22 | 3B-Fibreglass SPRL (3B SPRL) | Belgium | Subsidiary of PBH IIIB | Euro | 69.87 | 519.47 | (91.26) | 1,047.31 | 619.10 | - | 1,490.88 | (31.58) | (0.02) | (31.56) |
| | | | | INR | | 36,294.10 | (6,376.23) | 73,173.03 | 43,255.16 | - | 104,163.80 | (2,206.40) | (1.35) | (2,205.05) |
| 23 | 3B-Fibreglass A/S (3B A/S) | Norway | Subsidiary of PBH IIIB | NOK | 9.32 | 2,165.92 | (650.24) | 3,325.69 | 1,810.02 | - | 2,366.37 | (693.49) | - | (693.49) |
| | | | | INR | | 20,188.32 | (6,060.85) | 30,998.45 | 16,870.98 | - | 22,056.72 | (6,463.93) | - | (6,463.93) |
| 24 | Tunfib S.a.r.l (Tunfib) | Tunisia | Subsidiary of PBH II | TND | 34.12 | 60.00 | 2.82 | 62.91 | 0.09 | - | - | 1.68 | - | 1.68 |
| | | | | INR | | 2,047.05 | 96.37 | 2,146.34 | 2.92 | - | - | 57.37 | - | 57.37 |
| 25 | Krishna Holdings Pte. Ltd.(KHL) | Singapore | Subsidiary of BCL | USD | 54.51 | 682.78 | 6.49 | 876.62 | 187.35 | - | - | 4.48 | 0.37 | 4.11 |
| | | | | INR | | 37,214.96 | 353.51 | 47,780.08 | 10,211.61 | - | - | 244.24 | 20.00 | 224.24 |

SUMMARISED FINANCIAL INFORMATION FOR THE YEAR / PERIOD ENDED ON MARCH 31, 2013, 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.

(₹ in Lacs)

| Sr.no | Name of the Subsidiary Company | Country of Incorporation | Relationship | Currency | Conversion Rate | Capital | Reserves | Total Assets | Total Liabilities | Details of Investments (except investment in subsidiaries) | Turnover excluding other income | Profit/ (Loss) before Taxation | Provision for Taxation | Profit/ (Loss) after Taxation |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 26 | Mukundan Holdings Ltd. (MHL) | British Virgin Islands | Subsidiary of BCL | USD | 54.51 | 908.00 | (91.48) | 1,023.18 | 206.66 | - | - | (12.04) | - | (12.04) |
| | | | | INR | | 49,490.54 | (4,986.21) | 55,768.50 | 11,264.17 | - | - | (656.11) | - | (656.11) |
| 27 | Murari Holdings Ltd. (MUHL) | British Virgin Islands | Subsidiary of BCL | USD | 54.51 | 673.00 | (47.22) | 803.50 | 177.72 | - | - | (9.16) | - | (9.16) |
| | | | | INR | | 36,681.87 | (2,573.94) | 43,794.65 | 9,686.73 | - | - | (499.43) | - | (499.43) |
| 28 | Swiss Merchandise Infrastructure Limited (Swiss) | India | Subsidiary of BCL | INR | | 5.00 | 1.85 | 5,428.02 | 5,421.17 | - | - | (1.08) | - | (1.08) |
| 29 | Merit Plaza Limited (Merit) | India | Subsidiary of BCL | INR | | 5.00 | (1.85) | 4,333.32 | 4,330.17 | - | - | (0.36) | - | (0.36) |
| 30 | Bhumi Resources (Singapore) Pte. Ltd (Bhumi) | Singapore | Subsidiary of BCL | USD | 54.51 | 150.00 | 2.20 | 152.33 | 0.13 | - | 0.75 | 2.36 | 0.11 | 2.25 |
| | | | | INR | | 8,175.75 | 119.71 | 8,302.68 | 7.22 | - | 40.88 | 128.45 | 5.97 | 122.49 |
| 31 | Binani Cement Factory LLC (BCF) | United Arab Emirates | Subsidiary of MHL & MUHL | AED | 14.84 | 319.43 | 236.91 | 2,172.97 | 1,616.63 | - | 508.96 | (284.30) | - | (284.30) |
| | | | | INR | | 4,740.15 | 3,515.58 | 32,245.55 | 23,989.82 | - | 7,552.65 | (4,218.79) | - | (4,218.79) |
| 32 | Binani Energy Private Ltd | India | Subsidiary of BCL | INR | | 1.00 | 1.92 | 3.01 | 0.08 | - | - | (0.23) | - | (0.23) |
| 33 | Shandong Binani Rong'An Cement Co. Ltd. (SBRCC) | China | Subsidiary of KHL | RMB | 8.69 | 4,500.00 | (313.87) | 9,502.70 | 5,316.57 | - | 4,097.88 | (414.44) | - | (414.44) |
| | | | | INR | | 39,093.30 | (2,726.71) | 82,553.78 | 46,187.18 | | 35,599.93 | (3,600.38) | - | (3,600.38) |
| 34 | PT Anggana Energy Resources (Anggana) | Indonesia | Subsidiary of Bhumi | IDR | 0.01 | 54,630.00 | (10,013.70) | 334,967.49 | 290,351.18 | - | - | (22,518.02) | (895.22) | (21,622.80) |
| | | | | INR | | 305.93 | (56.08) | 1,875.82 | 1,625.97 | - | - | (126.10) | (5.01) | (121.09) |
| 35 | Binani Mineral Resources (Mongolia) LLC | Mongolia | Subsidiary of KHL | MNT | 0.04 | 1,258.64 | (67.80) | 1,191.06 | 0.22 | - | - | 51.89 | 7.67 | 44.22 |
| | | | | INR | | 49.09 | (2.64) | 46.45 | 0.01 | - | - | 2.02 | 0.30 | 1.72 |
| 36 | BC Tradelink Limited | Tanzania | Subsidiary of BCF LLC | TZS | 0.03 | 0.02 | (2,572.95) | 95.79 | 2,668.73 | - | 69.82 | (67.24) | - | (67.24) |
| | | | | INR | | 0.00 | (86.71) | 3.23 | 89.94 | - | 2.35 | (2.27) | - | (2.27) |
| 37 | Binani Cement Factory (Kenya) Ltd. | Kenya | Subsidiary of BCF LLC | KES | 0.64 | 0.00 | 9.51 | 10.39 | 0.88 | - | 312.30 | 252.46 | 4.79 | 247.67 |
| | | | | INR | | 0.00 | 6.07 | 6.63 | 0.56 | - | 199.41 | 161.19 | 3.06 | 158.14 |
| 38 | Binani Cement (Uganda) Ltd | Uganda | Subsidiary of BCF LLC | UGX | 0.02 | 0.02 | 77.88 | 77.92 | 0.02 | - | - | 12,002.15 | - | 12,002.15 |
| | | | | INR | | 0.00 | 1.64 | 1.64 | 0.00 | - | - | 253.25 | - | 253.25 |
| 39 | Binani Cement Factory Mauritius | Mauritius | Subsidiary of BCF LLC | MUR | 1.75 | 0.25 | (90.51) | 633.56 | 723.81 | - | - | 8.63 | - | 8.63 |
| | | | | INR | | 0.44 | (158.44) | 1,109.04 | 1,267.04 | - | - | 15.10 | - | 15.10 |
| 40 | Binani Ready Mix Concrete Limited* | India | Subsidiary of BCL | INR | | 645.90 | (710.47) | 489.14 | 553.71 | - | 2,322.19 | (343.35) | - | (343.35) |

**Notes**

1) For the purpose of the above statement, the financial statements of the overseas subsidiaries are converted into INR on the basis of closing exchange rate as on March 31, 2013.

2) Turnover, Profit/(Loss) before Taxation, Provision for Taxation and Profit/(Loss) after Taxation shown above are for the period / year April 01, 2012 to March 31, 2013 except in case of a company incorporated during the year whose details are from the date of incorporation to March 31, 2013.

3) None of the companies have proposed dividend as at March 31, 2013 except BZ Minerals (Australia) PTY Limited (BZA) which had paid dividend of AUD 1,700,000 (equivalent to ₹ 908.68 Lacs) to Binani Zinc Limited (BZL) during the year.

4) The Statement does not include companies which have been closed during the year.

For and on behalf of the Board of Directors

**Braj Binani**
Chairman

**Sunil Sethy**
Executive Vice-Chairman
& Managing Director

**R. Venkiteswaran**
Executive Director &
CFO - Group Control Accounts

**K. K. Saraf**
President & Company Secretary

Place : Mumbai
Date : 23rd April, 2013

Binani

BRAJ BINANI GROUP

BINANI INDUSTRIES LIMITED

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

www.sapprints.com