

BINANI CEMENT LIMITED

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

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

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2007

Rs.Lakhs

| | Particulars | Quarter ended 30.09.2007 | Quarter ended 30.09.2006 | Half Year ended 30.09.2007 | Half Year ended 30.09.2006 (Audited) | Year ended 31.03.2007 (Audited) |
|----|--|-----------------------------|-----------------------------|-------------------------------|--|---------------------------------------|
| 1 | Gross Sales | 25,053 | 17,674 | 48,252 | 37,721 | 78,200 |
| | Less Excise Duty | 3,679 | 2,277 | 7,316 | 4,912 | 10,217 |
| | Net Sales | 21,374 | 15,397 | 40,936 | 32,809 | 67,983 |
| 2 | Other Income | 596 | 83 | 775 | 169 | 458 |
| 3 | Expenditure | | | | | |
| | a) (Increase)/Decrease in Stock in Trade and Work in Progress | 110 | (703) | (316) | (535) | (355) |
| | b) Consumption of Raw / Packing Materials | 2,798 | 2,333 | 5,181 | 4,245 | 8,940 |
| | c) Employees Cost | 609 | 405 | 1,187 | 1,009 | 1,878 |
| | d) Power and Fuel | 3,857 | 3,817 | 7,817 | 7,203 | 14,203 |
| | e) Freight and Transport | 4,688 | 3,397 | 9,149 | 7,526 | 14,697 |
| | f) Other Manufacturing Expenses | 1,157 | 361 | 1,595 | 697 | 2,442 |
| | g) Other Expenditure | 1,221 | 482 | 1,979 | 1,338 | 3,371 |
| | Total Expenditure | 14,440 | 10,092 | 26,592 | 21,483 | 45,176 |
| 4 | Operating Profit before Interest and Depreciation (1+2-3) | 7530 | 5388 | 15119 | 11495 | 23265 |
| 5 | Interest | 983 | 799 | 1,738 | 1,590 | 3,262 |
| 6 | Gross Profit before Depreciation and Tax (4-5) | 6,547 | 4,589 | 13,381 | 9,905 | 20,003 |
| 7 | Depreciation/Amortisation | 1,135 | 1,078 | 2,245 | 2,155 | 4,346 |
| 8 | Profit from Ordinary Activities before Tax (6-7) | 5,412 | 3,511 | 11,136 | 7,750 | 15,657 |
| 9 | Tax Expenses | | | | | |
| | a) Current Tax (MAT) | 612 | 393 | 1,259 | 868 | 1,753 |
| | b) Deferred Tax | - | 1,600 | - | 1,600 | 4,312 |
| | c) Fringe Benefit Tax | 13 | 7 | 23 | 13 | 31 |
| 10 | Net Profit for the period (8-9) | 4,787 | 1,511 | 9,854 | 5,269 | 9,561 |
| 11 | Paid up Equity Share Capital (Face Value per share Rs.10/-) | 20,310 | 20,310 | 20,310 | 20,310 | 20,310 |
| 12 | Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year | | | - | - | 9813 |
| 13 | Earnings per Share (EPS) | | | | | |
| | - Basic & Diluted (not annualised) (Rs.) | 2.36 | 0.74 | 4.85 | 2.59 | 4.71 |
| 14 | Public Shareholding | | | | | |
| | - Number of Shares | 71,275,318 | 71,275,318 | 71,275,318 | 71,275,318 | 71,275,318 |
| | - Percentage of Shareholding | 35.09% | 35.09% | 35.09% | 35.09% | 35.09% |

Notes:

- Sale of cement increased to 691,625 MT in the quarter ending September 30, 2007 as compared to 558,831 MT in the corresponding quarter of the previous year on account of improved operational efficiencies.
- The cement expansion project at Binanigram has commenced commercial production with effect from October 2, 2007 and has started selling clinker produced from the new kiln and is expected to achieve normal capacity utilization in October, 2007.
 - The new cement grinding plant at Binanigram is expected to be operational in November 2007.
 - The second grinding mill for the expansion project which is under installation at Neem ka Thana located in North Rajasthan is scheduled to be completed in end-December 2007 and to start cement production in first quarter of 2008.
 - Consequent to this the overall cement capacity of the company will increase from 2.25 Million Tonne per annum to 6.0 Million Tonne per annum in the fourth quarter of the current financial year.

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- 3 Preliminary steps have been initiated for exploitation of the lignite mine allotted to the company at Nimbri-Chandavan in the State of Rajasthan. Production from the mines is expected to start in early 2009.

The supply of lignite from the mines would facilitate reduction in cost of power from CPP.
- 4 Reduction in interest of Rs.1361 Lakhs for the period 1st October' 2004 to 31st March' 2005, converted to Zero Coupon Loan (ZCL) as per the Restructuring Package (RP) of the Industrial Development Bank of India Limited (IDBI) was not accounted as negotiations were going on with IDBI for waiver of the same. As decided by IDBI the Company is required to pay the said ZCL (carrying nil interest) in four annual instalments commencing from March 31' 2010 and ending on March 31' 2013. The same will be accounted for on actual payment basis.
- 5 During the quarter, the Company has invested USD10.96 million being 70% of the Share Capital of Krishna Holdings Pte. Ltd., Singapore an SPV. This investment is for purchase of 49% paid up Equity Share Capital of Shandong Binani Rongan Cement Company, China (a Joint Venture with Rongan Group), which has an installed capacity of 0.40 Million Tonne per annum of clinker and has mines with reserves of high quality limestone of 148 Million Tonne. The Company proposes to install a 2 Million Tonne plant, commencement of activities in this regard at plant site would be taken up in the second quarter of 2008.
- 6 Up to 30th September' 2007 the Company has Minimum Alternate Tax (MAT) credit entitlement of Rs. 3,499 lakhs, which will be recognised and accounted at the end of the year along with provision for deferred tax.
- 7 Liability for Gratuity and Leave Encashment as on 1st April ' 2007 as per actuarial valuation have been fully provided for as per revised Accounting Standard 15 .
For Interim account, gratuity liability has been taken on estimated basis and leave encashment liability on actual basis.
- 8 The Company operates in a single segment i.e. "Production and sales of cement in India". The Company's entire cement sales are in India. Hence no additional disclosure under Accounting Standard-17,"Segment Reporting" is required .
- 9 There were no investor complaints pending at the beginning of the quarter and during the quarter, the Company received 167 complaints from investors , out of which 163 complaints were disposed off, leaving 4 complaints unresolved at the end of the quarter.
- 10 The above results were reviewed by the Audit Committee at its meeting held on 23rd October' 2007 and were taken on record and approved by the Board of Directors at its meeting held on 23rd October' 2007. The above financial results reviewed by statutory auditors as required under clause 41 of the listing agreement with stock exchanges.
- 11 Previous year figures have been regrouped / recast, wherever necessary.

By Order of the Board
For **Binani Cement Ltd.**

Braj Binani
Chairman

Place : Mumbai
Dated : 23rd October' 2007