

Binani

BRAJ BINANI GROUP

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 FOR THE QUARTER AND HALF YEAR ENDED ON 30TH SEPTEMBER, 2008

Rs. in Lakhs

| | Particulars | Quarter ended 30.09.2008 | Quarter ended 30.09.2007 | Half year ended 30.09.2008 | Half year ended 30.09.2007 | Year ended 31.03.2008 (Audited) |
|-------|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|---------------------------------------|
| 1 (a) | Gross sales | 35,948 | 25,053 | 74,403 | 48,252 | 114,855 |
| | Less Excise Duty | 5,314 | 3,679 | 11,170 | 7,316 | 16,988 |
| | Net Sales | 30,634 | 21,374 | 63,233 | 40,936 | 97,867 |
| (b) | Other Operating Income | 391 | 443 | 454 | 460 | 1,043 |
| 2 | Expenditure | | | | | |
| a) | (Increase)/decrease in stock in trade and stock in process | (2,153) | 110 | (5,212) | (316) | (3,918) |
| b) | Raw / Packing Materials & Goods Consumption | 5,255 | 2,798 | 9,077 | 5,181 | 12,637 |
| c) | Employees Cost | 694 | 609 | 1,361 | 1,187 | 2,550 |
| d) | Power & Fuel | 11,595 | 3,857 | 23,115 | 7,817 | 23,556 |
| e) | Freight and Transport | 6,604 | 4,688 | 13,025 | 9,149 | 20,616 |
| f) | Other Manufacturing Expenses | 951 | 1,157 | 2,699 | 1,595 | 3,815 |
| g) | Depreciation | 1,948 | 1,135 | 3,821 | 2,245 | 5,567 |
| h) | Other Expenditure | 1,462 | 1,221 | 3,565 | 1,979 | 5,228 |
| | Total Expenditure | 26,356 | 15,575 | 51,451 | 28,837 | 70,051 |
| 3 | Profit from Operations before Other Income, Interest and Exceptional Items (1-2) | 4,669 | 6,242 | 12,236 | 12,559 | 28,859 |
| 4 | Other Income | 84 | 153 | 200 | 315 | 271 |
| 5 | Profit before Interest & Exceptional Items (3+4) | 4,753 | 6,395 | 12,436 | 12,874 | 29,130 |
| 6 | Interest and Financial charges | 1,723 | 983 | 3,382 | 1,738 | 4,647 |
| 7 | Profit after Interest but before Exceptional Items (5-6) | 3,030 | 5,412 | 9,054 | 11,136 | 24,483 |
| 8 | Exceptional Items | - | - | - | - | - |
| 9 | Profit from Ordinary Activities before Tax (7+8) | 3,030 | 5,412 | 9,054 | 11,136 | 24,483 |
| 10 | Tax Expenses | | | | | |
| a) | Current Tax (MAT) | 338 | 612 | 1,019 | 1,259 | 2,770 |
| b) | MAT Credit Entitlement | - | - | - | - | (4,359) |
| c) | Deferred Tax | - | - | - | - | 8,440 |
| d) | Fringe Benefit Tax | 11 | 13 | 24 | 23 | 51 |
| 11 | Net Profit from Ordinary Activities after Tax (9-10) | 2,681 | 4,787 | 8,011 | 9,854 | 17,581 |
| 12 | Extraordinary Items (net of tax expenses) | - | - | - | - | - |
| 13 | Net Profit for the period (11-12) | 2,681 | 4,787 | 8,011 | 9,854 | 17,581 |
| 14 | Paid up Equity Share Capital (Face Value per share Rs.10/-) | 20,310 | 20,310 | 20,310 | 20,310 | 20,310 |
| 15 | Reserves (excluding Revaluation Reserves as per Balance Sheet of previous accounting year) | - | - | - | - | 21,454 |
| 16 | Earnings per Share (EPS) - Basic & Diluted (not annualised) (Rs.) | 1.32 | 2.36 | 3.94 | 4.85 | 8.66 |
| 17 | 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

- 1 Unaudited Financial Results of the subsidiaries/ associates for the nine months ended 30th September,2008 as per applicable GAAP of their respective countries of residence are as follows :-

| | <u>(Rs. In Lakhs)</u> | |
|---|-----------------------|---------------------------------------|
| | <u>Holding (%)</u> | <u>Profit / (Loss) before Tax</u> |
| i) Mukundan Holdings Limited (MHL) * | 100% | 33.33 |
| ii) Binani Cement Factory LLC (BCF) | 49% | 3950.94 |
| iii) Krishna Holdings Pte Ltd. (KHL) | 100% | (43.89) |
| iv) Shandong Binani Rong'An Cement Co. Ltd. (SBRCC) | 70% | 46.66 |

* 5th February,2008 to 30th September,2008.

The expansion of the capacity of the grinding unit of BCF from 1.2 Million MT to 2.0 Million MT is expected to be completed by March '09.

For expansion of cement manufacturing capacity of SBRCC from 0.50 Million MT to 2.50 Million MT, the land acquisition and project design and engineering works are in progress.

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- 2 During the current period, the profitability of the Company has been affected significantly due to steep increase in the costs of imported coal. Commercial production of the split grinding unit at Neem Ka Thana, Rajasthan commenced from 1st September, 2008. The installation of the second phase of the 2 x 22.3 MW power plants is taking additional time due to non-performance by the turnkey contractor, which is slated to be completed by March 2009.
The Board has also reviewed the progress of the forthcoming greenfield project in Gujarat having 2.5 Million Tonne Clinker/Cement production capacity, with a total capital outlay of Rs.825 Crores with captive power plant, for which financial closure has been done. Keeping in view the delay in receiving the approvals for the land and mines till date from the Government of Gujarat, the project which was scheduled to go into production during 2nd half of 2010 had to be rescheduled for completion by mid 2011. On a review of the economic parameters of the project, the capital outlay has now been pegged at Rs.700 Crores with power requirements proposed to be met from the captive generation capacities including the proposed pithead power plant at Nimbri Chandawatan, Rajasthan.
- 3 Land acquisition and development work has been initiated in respect of the lignite mine allotted to the company at Nimbri Chandawatan, Rajasthan. Production from the mines is expected by end of 2009. The company has decided to instal additional 25 MW power plant at the pit head to further reduce the cost of generation of power.
- 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) approved during the Financial Year 2004-05 is payable in four annual instalments commencing from 31st March, 2010 and ending on 31st March, 2013. The same will be accounted for on actual payment basis.
- 5 Major shutdown repairs, exchange fluctuation loss, expenditure on brand building etc. aggregating to Rs. 1391 lacs have been deferred and shall be expensed out evenly during the remaining period of the current financial year.
- 6 Deferred Tax will be provided at the end of the year.
- 7 The Company operates in a single segment i.e. "Production and sales of Cement and Clinker in India". The Company's entire Cement/Clinker sales are in India. Hence no additional disclosure under Accounting Standard-17,"Segment Reporting" is required .
- 8 There were Nil complaints pending at the beginning of the quarter and during the quarter, the Company received 37 complaints from investors, all of which have been redressed.
- 9 The above results were reviewed by the Audit Committee at its meeting held on 23rd October, 2008 and were taken on record and approved by the Board of Directors at its meeting held on 23rd October, 2008.
- 10 The Statutory Auditors have conducted limited review of the above results of the Company as required by clause 41 of the listing agreement.
- 11 The Company has opted to publish quarterly stand alone results.
- 12 Previous period/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 2008