

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 ENDED 30TH JUNE, 2007

Rs. in Lakhs

| | Particulars | Quarter ended 30.06.2007 | Quarter ended 30.06.2006 | Year ended 31.03.2007 (Audited) |
|----|--|-----------------------------|-----------------------------|---------------------------------------|
| 1 | Gross sales | 23,199 | 20,047 | 78,200 |
| | Less Excise Duty on sales | 3,637 | 2,635 | 10,217 |
| | Net Sales | 19,562 | 17,412 | 67,983 |
| 2 | Other Income | 179 | 86 | 458 |
| 3 | Expenditure | | | |
| | a) (Increase)/decrease in stock | (424) | 156 | (375) |
| | b) Consumption of raw / packing materials | 2,381 | 1,924 | 8,960 |
| | c) Staff Cost | 578 | 604 | 1,878 |
| | d) Power & Fuel | 3,960 | 3,386 | 14,203 |
| | e) Other manufacturing expenses | 438 | 336 | 2,442 |
| | f) Other expenditure | 5,219 | 4,985 | 18,068 |
| | Total Expenditure | 12,152 | 11,391 | 45,176 |
| 4 | Profit before Interest and Depreciation (1+2-3) | 7,589 | 6,107 | 23,265 |
| 5 | Interest & Financial charges | 755 | 791 | 3,262 |
| 6 | Profit after interest but before Depreciation & Tax (4-5) | 6,834 | 5,316 | 20,003 |
| 7 | Depreciation/Amortisation | 1,110 | 1,077 | 4,346 |
| 8 | Profit before Tax (6-7) | 5,724 | 4,239 | 15,657 |
| 9 | Provision for Current Tax (MAT) | 647 | 475 | 1,753 |
| 10 | Provision for Deferred Tax (refer note no. 7 below) | - | - | 4,312 |
| 11 | Provision for Fringe Benefit Tax | 10 | 6 | 31 |
| 12 | MAT Credit Entitlement (refer note no. 7 below) | - | - | - |
| 13 | Profit after Tax (8-9-10-11-12) | 5,067 | 3,758 | 9,561 |
| 14 | Paid up Equity Share Capital (Face Value per share Rs.10/-) | 20,310 | 20,310 | 20,310 |
| 15 | Reserves (excluding Revaluation Reserves) | | | 9813 |
| 16 | Cash Earnings per share (not annualised) | | | |
| | - Basic & Diluted (Rs.) | 3.04 | 2.38 | 8.97 |
| 17 | Earnings per share (not annualised) | | | |
| | - Basic & Diluted (Rs.) | 2.49 | 1.85 | 4.71 |

Notes:

- 1 During the quarter, Equity Shares of the company have been listed at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) after completion of public offer for sale of 20,500,000 equity shares of Rs. 10/- each through 100% Book Building Process by JP Morgan Special Situations (Mauritius) Limited (formerly Silver Peak Investments (Mauritius) Limited), a shareholder of the Company.

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- 2 The expansion project of the Company for enhancing the production capacity from 2.25 Million Tonne per annum to 5.30 Million Tonne per annum will commence Clinker production in July 2007 which is 19 months from the date of site mobilisation.
- 3 In order to optimise freight costs and to have increased penetration in the northern markets, the second split grinding mill is now being installed at Neem Ka Thana located in north Rajasthan, to be completed by the last quarter of 2007. The additional investment is being financed from internal accruals.
Consequent to this, the overall cement production capacity of the Company will increase to 6.0 Million Tonne per annum.
- 4 Preliminary steps have been initiated for exploitation of the lignite mine recently allotted to the Company at Nimbri Chandavan in the State of Rajasthan which may start production in early 2009, and would reduce the cost of generation of power from CPP.
- 5 Railway Siding at Binanigram has been commissioned which is under stabilisation. The Company has already initiated all necessary steps to build up strong marketing network by increasing the number of Market Organisers and Dealers and brand building exercise.
- 6 Reduction in interest of Rs.1361 Lakhs for the period 1st October, 2004 to 31st March, 2005, converted to Zero Coupon Loan (ZCL) as sanctioned in the Restructuring Package (RP) of the Industrial Development Bank of India Ltd. (IDBI) has not been accounted by the Company. A decision is awaited from IDBI on the waiver of ZCL as part of their annual review subject to fulfillment of all the terms and conditions of the RP by the Company which has since been complied with. Negotiations are on to settle this matter.
- 7 The Company proposes to consider recognising Minimum Alternate Tax (MAT) credit entitlement in respect of MAT provided/paid up to 30th June, 2007 amounting to Rs.2887 Lakhs as an asset by crediting Profit and Loss Account at the end of the financial year as per the Guidance Note on Accounting for Credit available in respect of MAT under The Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.
Deferred tax also will be provided at the end of the financial year.
- 8 As per the actuarial valuation of liability for Gratuity and Leave Encashment as on 1st April, 2007 done as per Revised Accounting Standard 15, there is no additional liability. Accordingly no adjustment is required to be made from the opening Reserve of the Company.
For interim account, gratuity liability has been taken on estimated basis and leave encashment liability on actual basis.
- 9 There were no investor complaints pending at the beginning of the quarter and during the quarter, the Company received 198 complaints from investors arising out of public offer which were disposed off.
- 10 The above results were reviewed by the Audit Committee at its meeting held on 3rd July, 2007 and were taken on record and approved by the Board of Directors at its meeting held on 3rd July, 2007, which is subject to limited review 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.

Place : Mumbai
Dated : 3rd July, 2007

Braj Binani
Chairman