

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

Rs. Lakhs

Particulars	Quarter ended	Quarter ended	half year ended	half year ended	Year ended
	30.09.2007	30.09.2006	30.09.2007	30.09.2006	31.03.2007 (Audited)
1 Gross Sales	41,443	37,226	81,458	74,042	151,968
Less Excise Duty	5,933	4,491	11,363	9,326	18,634
Net Sales	35510	32735	70,095	64,716	133,334
2 Profit on Sale of Investment in Equity Shares in Subsidiary	-	11,043	-	11,043	11,043
3 Other Income	3,451	550	6,934	807	2,130
4 Expenditure					
a) (Increase)/Decrease in Stock in Trade and Work in Progress	374	1,453	(828)	(416)	(306)
b) Consumption of Raw Materials etc.	14,433	12,052	28,866	25,390	55,410
c) Employees Cost	1,200	916	2,345	1,960	4,028
d) Power and Fuel	5,841	5,531	11,588	10,788	21,418
e) Other Manufacturing Expenses	1,964	992	3,151	2,011	5,237
f) Freight and Transport	4,941	3,595	9,607	7,935	15,226
g) Other Expenditure	1,669	995	2,971	2,355	5,700
Total Expenditure	30,422	25,534	57,700	50,023	106,713
5 Operating Profit before Interest and Depreciation (1+2+3-4)	8539	18794	19329	26543	39794
6 Interest	1,556	1,554	2,834	2,940	6,050
7 Gross Profit before Depreciation and Tax (5-6)	6,983	17,240	16,495	23,603	33,744
8 Depreciation	1,532	1,466	3,032	2,946	5,925
9 Profit From Ordinary Activities Before Tax (7-8)	5451	15774	13463	20657	27819
10 Tax Expenses					
a) Current Tax (MAT)	637	1,702	1,287	2,306	3,118
b) Deferred Tax (Net)	-	1,363	-	2,116	4,797
c) Fringe Benefit Tax	18	11	33	22	52
11 Profit From Ordinary Activities After Tax (9-10)	4796	12698	12143	16213	19852
12 Extra Ordinary Items (net of tax expenses)					
a) Loan / Interest for earlier years written back	-	866	-	2,088	2,088
b) Assets Written off on Impairment	-	-	-	-	(17)
c) Advances to Subsidiary written off	-	-	-	-	-
d) Investment in Subsidiaries written off	-	-	-	-	-
e) Power Charges of earlier years	-	(970)	-	(970)	(970)
f) Tax Impact of extraordinary items	-	982	-	918	1,086
13 Net Profit before Minority Interest (11+12)	4,796	13,576	12,143	18,249	22,039
14 Minority Interest	1,705	1,032	3,467	1,935	1,767
15 Net Profit for the period (13-14)	3,091	12,544	8,676	16,314	20,272
16 Paid up Equity Share Capital (Face Value per share Rs.10/-)	2,962	2,962	2,962	2,962	2,962
17 Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	23,185
18 Earnings Per Share (EPS)					
-Basic and Diluted EPS before extraordinary items (not annualised) (Rs.)	10.44	39.20	29.31	48.03	60.81
-Basic and Diluted EPS after extraordinary items (not annualised) (Rs.)	10.44	42.38	29.31	55.12	68.49
19 Public Shareholding					
Number of Shares	17275585	17393546	17275585	17393546	17275585
Percentage of Shareholding	58.37%	58.77%	58.37%	58.77%	58.37%

Cont...2...

Report on Consolidated Segment revenue, Results and Capital Employed

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	Year ended 31.03.2007 (Audited)
1) <u>Segment Revenue (net of Excise Duty)</u>					
a) Cement	21,969	15,480	41,710	32,978	68,332
b) Zinc and By Products	15,124	15,425	28,543	28,305	58,018
c) Glass Fibre	1,845	2,234	3,997	4,008	8,322
d) Unallocated	23	11,189	2,779	11,275	11,834
Net Segment Revenue	38,961	44,328	77,029	76,566	146,506
2) <u>Segment Result (Profit before interest and tax)</u>					
a) Cement	6,394	4,310	12,874	9,340	18,810
b) Zinc and By Products	640	921	775	2,238	2,854
c) Glass Fibre	88	926	136	942	859
d) Unallocated	(115)	11,100	2,512	12,317	12,568
Total	7,007	17,257	16,297	24,837	35,092
Less : (i) Interest	1,556	1,554	2,834	2,940	6,050
(ii) Other un-allocable expenditure net of unallocable income	-	33		122	122
Total Profit Before Tax	5,451	15,670	13,463	21,775	28,920
3) <u>Capital Employed (Segment Assets - Segment Liabilities)</u>					
a) Cement	118,911	92,597	118,911	92,597	110,879
b) Zinc and By Products	11,477	10,458	11,477	10,458	12,030
c) Glass Fibre	12,383	13,436	12,383	13,436	11,224
d) Unallocated	(96,216)	(79,186)	(96,216)	(79,186)	(99,720)
Total	46,555	37,305	46,555	37,305	34,412

Notes:

- Pursuant to the recent amendments to the Clause 41 of the Listing Agreement, the Company opted to publish only the consolidated results of the Company. Investors can view the standalone results of the Company on the Company's website www.binani.com or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com)
Consolidated Financial Results include results of subsidiaries viz., Binani Cement Limited (BCL), Binani Zinc Limited (BZL), Goa Glass Fibre Limited, B T Composites Limited, Wada Industrial Estate Limited, and wholly owned subsidiaries of Binani Zinc Limited. viz., ESS VEE Alloys Private Limited, R.B.G. Minerals Industries Limited and Binani Mazak Private Limited.
- The cement expansion project of BCL 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.
- Preliminary steps have been initiated for exploitation of the lignite mine allotted to BCL at Nimbri-Chandavan in the State of Rajasthan. Production from the mines is expected to start in early 2009.
- Braj Binani group acquired 70% of the paid up equity share capital of Shandong Binani Rongan Cement Company (SBRCC) in China. Out of the above, BCL holds 49% of the total paid-up share capital of SBRCC. This investment has been made through Krishna Holdings Pte Ltd., Singapore, an SPV, by investing US\$ 10.96 Million out of internal accruals of BCL.
- The financial results of BZL have been affected due to wide fluctuations in LME prices of Zinc and stronger rupee.
- In view of the Company's appeals pending before the Hon'ble High Court at Calcutta against interest charged on Minimum Alternate Tax under section 234B and 234C of the Income-tax Act' 1961 in the assessment for certain assessment years, no provision has been made in the books of accounts for an amount of Rs.139 lakhs (including interest of Rs.4 lakhs charged u/s 220(2) of the Income-tax Act' 1961).
- 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 by BCL as negotiations were going on with IDBI for waiver of the same. As decided by IDBI, BCL 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.

Cont...3...

- 8 Minimum Alternate Tax (MAT) credit entitlement in respect of MAT provided/ paid upto September, 2007 will be recognised and accounted at the end of the year alongwith provision for deferred tax.
- 9 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.
- 10 The debit balance in Profit & Loss Account of Rs.3,099 lakhs as on 31st March' 07 as per Audited Accounts have not been considered for adjustment against the Reserves of Rs.23,185 lakhs as on that date since the same are not free reserves
- 11 The above results have been reviewed by the Audit Committee at their 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.
- 12 The statutory auditors have conducted limited review of standalone results of the Company and BCL as required by clause 41 of the listing agreement
- 13 Figures of the previous period have been regrouped/recast as necessary.

By order of the Board
For **BINANI INDUSTRIES LIMITED**

BRAJ BINANI
CHAIRMAN

Place : Mumbai
Date : 23rd October' 2007.