

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2007

| Particulars | Rs. Lakhs | | | | | | | |
|---|--|--|--|---------------------------------------|---------------------------------------|---|---------------------------------------|--|
| | Nine Months ended 31.12.2006 (Unaudited) | Quarter ended 31.03.2007 (Unaudited) | Quarter ended 31.03.2006 (Unaudited) | Year ended 31.03.2007 (Audited) | Year ended 31.03.2006 (Audited) | Consolidated Results Year ended 31.03.2007 (Audited) | Year ended 31.03.2006 (Audited) | |
| 1 Gross Sales | 22 | - | 21 | 22 | 47 | 151,968 | 86,072 | |
| Less Excise Duty on sales | 5 | - | 4 | 5 | 5 | 18,634 | 12,878 | |
| Net Sales | 17 | - | 17 | 17 | 42 | 133,334 | 73,194 | |
| 2 Profit on sale of Investment in Equity Shares in Subsidiary | 11,043 | - | - | 11,043 | 3,510 | 11,043 | 3,510 | |
| 3 Profit on sale of Assets | 197 | - | - | 197 | 2 | 198 | 2 | |
| 4 Dividend and Interest Income | 1,015 | 21 | - | 1,036 | 2 | 575 | 79 | |
| 5 Other Income | 9 | - | 94 | 9 | 115 | 1,357 | 733 | |
| 6 Expenditure | | | | | | | | |
| a) (Increase)/decrease in stock in trade | - | - | - | - | 95 | (243) | (146) | |
| b) Consumption of raw materials etc. | - | - | 2 | - | 19 | 55,347 | 20,920 | |
| c) Staff Cost | 52 | 44 | 13 | 96 | 31 | 4,028 | 3,343 | |
| d) Other manufacturing expenses | - | - | 3 | - | 12 | 26,655 | 22,230 | |
| e) Other expenditure | 136 | 54 | 17 | 190 | 136 | 20,926 | 12,689 | |
| Total Expenditure | 188 | 98 | 35 | 286 | 293 | 106,713 | 59,036 | |
| 7 Operating Profit/(Loss) before Interest and Depreciation (1+2+3+4+5-6) | 12,093 | (77) | 76 | 12,016 | 3,378 | 39,794 | 18,482 | |
| 8 Interest & Financial charges | 884 | 167 | 545 | 1,051 | 1,847 | 6,050 | 5,505 | |
| 9 Gross Profit/(Loss) after interest but before Depreciation & Taxation (7-8) | 11,209 | (244) | (469) | 10,965 | 1,531 | 33,744 | 12,977 | |
| 10 Depreciation | 55 | 11 | 26 | 66 | 106 | 5,925 | 5,779 | |
| 11 Profit / (Loss) before extra ordinary items & tax(9-10) | 11,154 | (255) | (495) | 10,899 | 1,425 | 27,819 | 7,198 | |
| 12 Extra Ordinary Items | | | | | | | | |
| a) Loan / Interest for earlier years written back | 1,222 | - | 280 | 1,222 | 1,107 | 2,088 | 1,107 | |
| b) Assets Written off on Impairment | - | - | - | - | (389) | (17) | (1,506) | |
| c) Advances to subsidiary written off | - | (1,000) | (276) | (1,000) | (276) | - | - | |
| d) Investment in Subsidiaries written off | (8,432) | (1,011) | - | (9,443) | (320) | - | - | |
| e) Power charges of earlier years | - | - | - | - | - | (970) | - | |
| 13 Net Profit / (Loss) after extra ordinary items but before tax (11+12) | 3,944 | (2,266) | (491) | 1,678 | 1,547 | 28,920 | 6,799 | |
| 14 Provision for Taxation | | | | | | | | |
| a) Current Tax (MAT) | 442 | (391) | 61 | 51 | 61 | 2,032 | 562 | |
| b) Deferred Tax (net) | - | - | - | - | - | 4,797 | 49 | |
| c) Fringe Benefit Tax | 2 | 1 | - | 3 | 1 | 52 | 44 | |
| 15 Net Profit / (Loss) after tax but before Minority Interest (13-14) | 3,500 | (1,876) | (552) | 1,624 | 1,485 | 22,039 | 6,144 | |
| 16 Minority Interest | - | - | - | - | - | 1,767 | 1,043 | |
| 17 Net Profit / (Loss) (15-16) | 3,500 | (1,876) | (552) | 1,624 | 1,485 | 20,272 | 5,101 | |
| 18 Paid up Equity Share Capital (Face Value per share Rs.10/-) | 2,962 | 2,962 | 2,962 | 2,962 | 2,962 | 2,962 | 2,962 | |
| 19 Reserves (excluding Revaluation Reserves) | - | - | - | 19,660 | 19,660 | 23,185 | 19,685 | |
| 20 Earnings per share | | | | | | | | |
| -Basic (not annualised)(Rs.) | 11.83 | (6.34) | (1.87) | 5.49 | 5.02 | 68.49 | 17.24 | |
| -Diluted (not annualised)(Rs.) | 11.83 | (6.34) | (1.87) | 5.49 | 5.02 | 68.49 | 17.24 | |
| 21 Aggregate of non-promoters shareholding | | | | | | | | |
| Number of shares | | | | 17275585 | 17393546 | | | |
| Percentage of shareholding | | | | 58.37% | 58.77% | | | |

Notes:

- The Board of Directors of the Company have recommended declaration of dividend @ 25%(Rupees 2.50 per Equity Share) subject to requisite approval. The Register of Members will remain closed from Wednesday the 27th June,2007 to Monday the 2nd July,2007 (both days inclusive) for the purpose of payment of dividend.
- The Board of Directors of Binani cement Limited (BCL), a subsidiary of the Company have recommended declaration of dividend @ 20%(Rupees 2.00 per Equity Share) subject to requisite approval.
- The Company is holding company having subsidiaries which are in manufacturing activities. The company's main source of revenue is dividend from its subsidiaries.
- Audited Financial Results of the subsidiaries for the year ended 31st March,2007 are as follows :-

| | <u>Profit before Tax (Rs.Lakhs)</u> | <u>Profit after Tax (Rs.Lakhs)</u> |
|---|-------------------------------------|------------------------------------|
| i) Binani Cement Ltd. (BCL) | 15657 | 9561 |
| ii) Binani Zinc Ltd (BZL) | 1418 | 766 |
| iii) Goa Glass Fibre Ltd. (GGFL) | 56 | 45 |
| iv) B T Composites Ltd. (BTCL) (after extra-ordinary income of Rs 1863 lakhs) | 1671 | 1612 |

v) Ess Vee Alloys Pvt. Ltd.

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- Trial runs for the expansion project of BCL increasing the production capacity from 2.25 Million Tonne per annum to 5.30 Million Tonne per annum is underway. The plant is expected to commence commercial production in May, 07.

6 During the current quarter, BZL has started production of Zinc alloys. RBG Minerals Industries Limited, a wholly owned subsidiary of BZL is in an advanced stage of receiving mining leases.

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- 7 GGFL has achieved more than 100% utilisation of its expanded capacity during the current year and is looking for a strategic partner to widen its product range with new technology.
- 8 As the networth of BTCL becomes positive as on 31st March,2007, steps are being taken for deregistration with BIFR. BTCL is currently exploring possibilities of inducting strategic partner to bring in new technologies to have wider product range and better marketability , so as to ensure future viability.
- 9 As per agreed terms of one time settlement of IDBI Funded Interest Term Loan/Zero Coupon Loan transferred to BZL in the previous year as per CDR package, there was a remission in interest of Rs.1,222 Lakhs which has been credited to Profit & Loss Account during the year.
- 10 During the year, the Company has sold 2,05,00,000 equity shares of BCL. The profit on sale of such shares amounting to Rs. 11,042.63 lakhs was credited to Profit and Loss Account
- 11 Considering the permanent diminution in the investments in subsidiaries and non recoverability of loans given to one of its subsidiaries, the company has written off :
- The whole of Investment in BTCL of Rs. 979 lakhs and loan of Rs. 1,000 lakhs out of the total loan of Rs. 1,416 lakhs given to BTCL upto 31st March,2007 and granted waiver of payment of the same to BTCL and
 - Part of its investments in Wada Industrial estate Limited (WIEL) of Rs. 32 lakhs.
- 12 The Company has written off Rs.8,432 lakhs being the difference between the carrying cost of investment in Equity Shares of BCL and face value of shares held arose out of cancellation of Equity Shares by BCL in terms of scheme of arrangement to cancellation of shares approved by the Hon'ble High Court at Calcutta in earlier year which is debited to Profit & Loss Account as an extra ordinary item in the current year.
- 13 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).
- 14 The debit balance in Profit & Loss Account of Rs.7,069 lakhs (of the company) and Rs.3,099 lakhs (Consolidated) as on 31st March, 2007 have not been considered for adjustment against the Reserves of Rs.19,660 lakhs (of the company) and Rs.23,185 lakhs (Consolidated) as on that date since the same are not free reserves.
- 15 Since the Company is holding company and have insignificant manufacturing operations (upto 17th September, 2006). Segmental disclosure as per AS-17 of the Institute of Chartered Accountants of India is not applicable.
- 16 Draft Red Herring Prospectus was filed by BCL with Securities and Exchange Board of India (SEBI), Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) for the proposed 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 BCL .
In principle approvals of SEBI, BSE and NSE have been received. The Red Herring Prospectus has been filed electronically with Registrar of Companies, West Bengal today. The issue is now slated to open in the first half of May,07.
- 17 The Hon'ble High Court at Calcutta has approved the scheme of arrangement for swap of the equity shares of the company held by its shareholders with the equity shares of BCL and BZL held by the company. Formal order of the Hon'ble High Court is awaited. However , in view of the proposed offer for sale of shares of BCL, the swap scheme would be considered for implementation only after the lock-in period of one year as per SEBI Guidelines.
- 18 Consolidated Financial Results include results of subsidiaries viz., Binani Cement Limited, Binani Zinc Limited, 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.
- 19 There were 4 investor complaints pending at the beginning of the quarter and during the quarter, the Company received 649 complaints from investors, out of which 648 complaints were disposed off, leaving 5 complaints unresolved at the end of the quarter.
- 20 The above results have been reviewed by the Audit Committee at their meeting held on 24th April,2007 and were taken on record and approved by the Board of Directors at its meeting held on 24th April, 2007.
- 21 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 : 24th April, 2007