

## Binani

**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 FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 30TH JUNE, 2006**

Rs. Lakhs

Particulars	Quarter ended 30.06.2006	Quarter ended 30.06.2005	Year ended 31.03.2006 ( Audited )
1 Gross Sales	4	19	47
Less Excise Duty on sales	1	-	5
Net Sales	3	19	42
2 Other Income	83	4	119
3 Expenditure			
a) (Increase)/decrease in stock in trade	-	1	95
b) Consumption of raw materials etc.	-	18	19
c) Staff Cost	14	5	31
d) Other manufacturing expenses	2	2	12
e) Other expenditure	51	33	136
Total Expenditure	67	59	293
4 Operating Profit/(Loss) before Interest and Depreciation (1+2-3)	19	(36)	(132)
5 Interest & Financial charges	428	613	1847
6 Gross Profit/(Loss) after interest but before Depreciation & Taxation (4-5)	(409)	(649)	(1979)
7 Depreciation	23	27	106
8 Profit / (Loss) before extra ordinary items & tax(6-7)	(432)	(676)	(2085)
9 Extra Ordinary Items			
a) Advances to subsidiary written off	-	-	(276)
b) FITL/ Interest for earlier years written back	1,222	-	1,107
c) Assets Written off on Impairment	-	-	(389)
d) Investment in subsidiary written off	-	-	(320)
e) Profit on sale of investment in Equity shares in BCL	-	-	3,510
10 Net Profit / (Loss) after extra ordinary items but before tax (8+9)	790	(676)	1,547
11 Provision for Taxation			
a) Current Tax (MAT)	-	-	61
b) Fringe Benefit Tax	-	-	1
12 Net Profit / (Loss) after tax (10-11)	790	(676)	1485
13 Paid up Equity Share Capital (Face Value per share Rs.10/-)	2962	2962	2,962
14 Reserves (excluding Revaluation Reserves)			19660
15 <u>Earnings per share</u>			
-Basic (not annualised)(Rs)	2.67	(2.28)	5.02
-Diluted (not annualised)(Rs)	2.67	(2.28)	5.02

**Notes:**

- 1 Unaudited Financial Results of the subsidiaries for the quarter ended 30th June 2006 are as follows :-

	Rs. Lakhs
	<u>Profit/(Loss) before Tax</u>
Binani Cement Ltd. (BCL)	4239
Binani Zinc Ltd (BZL)	1079
Goa Glass Fibre Ltd. (GGFL)	33
BT Composites Ltd. (BTCL)	(49)
Ess Vee Alloys Pvt. Ltd.	14

The implementation of the expansion project of BCL with Captive Power Plant is in progress.

BZL has entered into a joint venture agreement with Mazak International Ltd. for production and marketing of Zinc Alloys.

GGFL is exploring possibilities of associating with a strategic partner to further its business interests.

R.B.G. Minerals Industries Ltd. , a wholly owned subsidiary of BZL, is in an advanced stage of receiving requisite mining leases.

- 2 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 reduction in interest of Rs.1222 Lakhs which has been credited to Profit & Loss Account during the quarter.
- 3 Out of its present holding of 75% of the existing paid up share capital of BCL, the company has decided to divest 2,05,00,000 equity shares representing 10.09% of the paid-up capital of BCL to Ganesha Prime Holdings (Mauritius) Limited, a subsidiary of Credit Suisse Private Equity Partners Asia LP at a price of Rs.73/- per share.
- 4 The Company has an investment of Rs. 979 lakhs in the Equity Shares and Preference Shares in and has given advances of Rs. 652 lakhs (net of waiver of Rs. 276 lakhs during the previous year) to BTCL, a wholly owned subsidiary of the Company, which has accumulated losses of Rs. 2322 lakhs as on 31.03.2006. BTCL is registered with BIFR as a sick company and the proposal for the rehabilitation scheme is under preparation for submission with BIFR. BTCL has approached the lender for substantial waiver of loans through one time settlement . The performance of the company is expected to improve due to anticipated increase in demand for its products in domestic and international markets for which appropriate marketing strategy is adopted.
- In view of the above factors and having regard to the long term nature of the investment, management is of the view that there is no diminution in value of investments, which is other than temporary. Hence the Investment is stated at cost.
- 5 For the Assessment years 1999-2000 and 2000-2001, the Income Tax tribunal (ITAT) at Kolkata have allowed the Income tax Department's appeal and confirmed the chargeability of interest under section 234B and 234C of the Income Tax Act, 1961, on Minimum Alternative Tax (MAT) under section 115 JA of the Income Tax Act 1961, which was earlier allowed by the Commissioner of Income tax (Appeal) in favour of the company. Against the order of ITAT , company has filed appeal before the Hon'ble High Court at Calcutta. For Assessment year 2001-2002 also company has filed appeal before the Hon'ble High Court at Calcutta against the order of ITAT confirming chargeability of interest u/s 234B & 234C on MAT under section 115 JB of the said Act. Under the circumstances, the disputed demand of Rs. 135 Lakhs has not been provided.
- 6 Provision for Tax and deferred tax liability, if any, will be made at the year end.
- 7 The debit balance of Profit & Loss Account of Rs. 7828 lakhs as on 31.03.2006 has not been considered for adjustment against the Reserves of Rs. 19660 lakhs as on that date since the same are not free reserves.
- 8 For interim account, gratuity liability has been taken on estimated basis and leave encashment liability on actual basis. Actuarial valuation as per revised AS-15 both for gratuity and leave encashment liability will be done at the end of the year.
- 9 Since the Company is holding company and have other operations which are insignificant, Segmental disclosure as per AS-17 of the Institute of Chartered Accountants of India is not applicable.

- 10 There were 4 investor complaints pending at the beginning of the quarter and during the quarter, the Company received 50 complaints from investors, out of which 32 complaints were disposed off, leaving 22 complaints unresolved at the end of the quarter.
- 11 The above results have been reviewed by the Audit Committee at their meeting held on 27th July, 2006 and were taken on record and approved by the Board of Directors at its meeting held on 27th July, 2006.
- 12 The statutory auditors have conducted limited review of the above results 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 : 27th July, 2006