

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 AND NINE MONTHS ENDED 31ST DECEMBER, 2005

Particulars	Rs. Lakhs					Segment Reporting	Rs. Lakhs				
	Quarter ended 31.12.2005	Quarter ended 31.12.2004	Nine Months ended 31.12.2005	Nine Months ended 31.12.2004	Year ended 31.03.2005 (Audited)		Quarter ended 31.12.2005	Quarter ended 31.12.2004	Nine Months ended 31.12.2005	Nine Months ended 31.12.2004	Year ended 31.03.2005 (Audited)
1 Gross Sales	5	15	26	1,244	1,251	1) Segment Revenue					
Less Excise Duty on sales	-	1	1	3	3	a) Merchant Export of Glass Fibre	-	-	-	1,188	1,188
Net Sales	5	14	25	1,241	1,248	b) Others	5	14	25	53	60
2 Other Income	17	3	25	5	25	Net Sales	5	14	25	1,241	1,248
3 Expenditure						2) Segment Result					
a) (Increase)/decrease in stock in trade	92	5	95	38	4	(Profit/(Loss) before interest and tax)					
b) Consumption of raw materials etc.	-	8	17	1,058	1,061	a) Merchant Export of Glass Fibre	-	(1)	-	54	35
c) Staff Cost	6	15	18	50	33	b) Others	(98)	(14)	(126)	(73)	(45)
d) Other manufacturing expenses	1	4	9	15	14	Total	(98)	(15)	(126)	(19)	(10)
e) Other expenditure	33	82	119	307	363	Less : (i) Interest	377	1,141	1,302	3,418	3,305
Total Expenditure	132	114	258	1468	1475	(ii) Other un-allocable expenditure net off unallocable income	38	111	162	290	308
4 Operating (Loss)/Profit before Interest and Depreciation (1+2-3)	(110)	(97)	(208)	(222)	(202)	Profit / (Loss) before extra ordinary items & Tax	(513)	(1,267)	(1,590)	(3,727)	(3,623)
5 Interest & Financial charges (Net)	(377)	(1,141)	(1,302)	(3,418)	(3305)	3) Capital Employed					
6 Gross Profit/(Loss) after interest but before Depreciation & Taxation (4+5)	(487)	(1238)	(1510)	(3640)	(3507)	a) Merchant Export of Glass Fibre	-	-	-	-	-
7 Depreciation	(26)	(29)	(80)	(87)	(116)	b) Others	131	633	131	633	657
8 Profit / (Loss) before extra ordinary items & Tax (6+7)	(513)	(1267)	(1590)	(3727)	(3623)	Total	131	633	131	633	657
9 Advances to subsidiary written off	-	-	-	-	(866)	Add : Unallocated corporate assets (net) (mainly relate to investments)	17,705	39103	17,705	39103	18911
10 Interest for earlier years written back on one time settlement of NCD	-	-	827	-	-	Total Capital Employed in the company	17,836	39,736	17,836	39,736	19,568
11 Impairment in the value of Plant and Machinery of Moulding Division	(389)	-	(389)	-	-						
12 Diminution in the value of investment in subsidiary	(320)	-	(320)	-	-						
13 Profit on sale of investment in Equity shares in BCL	3,510	-	3,510	-	-						
14 Provision for Taxation											
a) Current Tax	-	-	-	-	-						
b) Deferred Tax	-	-	-	-	-						
c) Fringe Benefit Tax	-	-	(1)	-	-						
d) Tax of earlier year written back	-	-	-	-	2						
15 Net Profit / (Loss) after extra ordinary items & tax (8+9+10)	2288	(1267)	2037	(3727)	(4487)						
16 Paid up Equity Share Capital (Face Value per share Rs.10/-)	2962	2962	2962	2962	2,962						
17 Reserves (excluding Revaluation)					20535						
18 Earnings per share											
-Basic (not annualised)(Rs)	7.73	(4.28)	6.88	(12.59)	(15.16)						
-Diluted (not annualised)(Rs)	7.73	(4.28)	6.88	(12.59)	(15.16)						

Notes:

- In October 2005, the company has divested 25% of its holding in the equity shares of Binani Cement Limited (BCL), resulting into an extraordinary gain of Rs. 3510 lakhs.
- Interest for the previous period is not comparable due to transfer of loans to subsidiaries and repayment of loans.
- During the period, the company has:-
 - written off old and unsaleable finished goods stock of glass fibre moulded products of Rs. 86 lakhs.
 - accounted for the impairment in the value of Plant and Machinery of its' Moulding Division to the tune of Rs. 389 lakhs.
 - accounted for the diminution in the value of investment in Binani Lead Limited (BLL), a wholly owned subsidiary, for Rs. 320 lakhs.
- As per the unaudited financial results (provisional) for nine months ended 31st December 2005, BCL, Binani Zinc Limited (BZL), Goa Glass Fibre Limited (GGFL), BT Composites Limited (BTCL), and Ess Vee Alloys Pvt. Ltd., subsidiaries of the Company, have posted profit / (loss) before tax of Rs. 3486 lakhs, (Rs. 521 lakhs), (Rs. 163 lakhs), (Rs. 153 lakhs), & Rs. 1 lakh respectively.
 - The implementation of the expansion project of BCL for doubling its existing capacity with Captive Power Plant is in progress as per schedule.
 - Due to non availability of raw material i.e. Zinc Concentrate, BZL had to suspend operations from 1st December 2005 to 15th January 2006.
 - In GGFL, production of Glass Fibre on enhanced capacity has since been stabilized. However, results were affected by lower realisations and higher input costs.
- The Board of Directors have approved a proposal for swap of upto 50% Equity Shares in the Share Capital of the company held by its members for existing shares in BCL and BZL held by the company. Consequent to such swap, shareholders of the company will receive shares of BCL and BZL while their shareholding in the company will stand cancelled and they will cease to be shareholders of the company. The swap ratio has been fixed as 25 (Twenty Five) existing equity share(s) of BCL of Rs.10/- each fully paid and existing 25 (Twenty Five) equity share(s) of BZL of Rs.10/- each fully paid for every 20 (Twenty) existing equity share(s) of Rs.10/- each fully paid of the company based on the Valuation Report and Fairness Report of firms of Chartered Accountants. The relevant draft Scheme of Arrangement U/s 391 and other applicable provisions of the Companies Act, 1956 has been filed with the Stock Exchanges for approval. Certain points with regard to the Scheme raised by the Bombay Stock Exchange have duly been clarified. The Scheme will be filed with the Hon'ble High Court at Calcutta for its approval on receipt of clearance from the Stock Exchange.