

Ref: BIL/ST.EX/REG 30/2019-20

26th November, 2019

The Secretary
Calcutta Stock Exchange Ltd.
7, Lyons Range,
Kolkata-700001.
Code No.12026

General Manager – DCS
Bombay Stock Exchange Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street,
Fort, Mumbai-400001
Code: 500059

The Asst. Vice President
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400051
Code : BINANIIND

Dear Sir/Madam,

Sub: Intimation of resignation of Statutory Auditors

Pursuant to Regulation 30 and other application Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we inform you that the Company has received the Resignation letter from M/s. MSKA & Associates Chartered Accountants, the Statutory Auditors (Firm Registration No. 105047W) of the Company on 26th November 2019 after the business hours. The copy is enclosed for your reference.

The Audit Committee in their meeting held on 26th November 2019 have taken on record the resignation of the Statutory Auditors

Pursuant to Section 139(8) of the Companies Act 2013, the Board of Directors of the Company have appointed M/s V P Thacker & Co, Chartered Accountants, (Firm Registration No. 118696W) as Statutory Auditors for the year 2019-20 to fill the casual vacancy as a result of resignation of the Auditor and is being included in the notice for the ensuing Annual General Meeting of the Shareholders scheduled on 27th December 2019 for their approval.

Please take a note of the above at your end.

Thanking You,

Yours faithfully
For **Binani Industries Limited**


Visalakshi Sridhar
Managing Director, CFO & Company Secretary

Encl: a.a.

Binani Industries Limited

CIN: L24117WB1962PLC025584

Corporate Office: Mercantile Chambers, Ground Floor, 12, J. N. Heredia Marg, Ballard, Estate, Mumbai - 400 001, India.

Tel: +91 22 3026 3000 / 01 / 02 | Fax: +91 22 2263 4960 | Email: mumbai@binani.net | www.binaniindustries.com

Registered Office: 37/2, Chinar Park, New Town, Rajarhat Main Road, P.O. Hatiara, Kolkata - 700 157. India

Tel: 08100326795 / 08100126796 | Fax: +91 33 4008 8802

Private and Confidential

To,
The Board of Directors/ Audit Committee Members,
Binani Industries Limited
Mercantile Chambers,
12, JN Heredia Marg,
Ballard Estate, Mumbai – 400001.

Date: November 26, 2019

Dear Sir,

Re: Resignation as Statutory Auditors of Binani Industries Limited ("the Company") for the Financial Year 2019-20

We, MSKA & Associates (ICAI Firm Registration No.105047W) were appointed as the Statutory Auditors of the Company to perform the audit of financial statements of the Company at its 52nd annual general meeting held on December 19, 2015.

We state the following facts in connection with the Company:

- a. As reported in our Auditor's Report dated November 22, 2019 on the standalone and consolidated financial statements for the year ended March 31, 2019 wherein, we have provided an adverse opinion on the Financial statements and Internal Financial Control of the Company:
- Few creditors and a banker of the Company have filed insolvency petition under the Insolvency and bankruptcy Code 2016 (IBC)
 - Non-compliance with applicable Indian Accounting Standards
 - Material uncertainty related to going concern on account of losses incurred by the Company and financial instability of the subsidiaries
 - Financial Statement of the material subsidiary are prepared under Luxembourg legal and regulatory framework are subject to limited review, and not audited, by other auditors in accordance with International Standard on Auditing as adopted by the Luxembourg, which has been used for preparation of Consolidated Ind AS Financial Statement of the Company.



- b. Due to the aforesaid factors, significant amount of efforts are required for conduct and closure of the audit. The engagement is not financially viable for our firm since we are not being compensated for the said increased efforts and our fees remain same from past couple of years. Further, our agreed fees is being paid in arrears.
- c. Further, the criteria for assessment w.r.t continuance as statutory auditors of the Company as per the Firm's policy are not met.
- d. The Company has not published reviewed results for the quarter ended June 30, 2019 and September 30, 2019.

In view of the above, we express our inability to continue as the statutory auditors of the Company for the financial year 2019-20 and accordingly tender our resignation.

Yours Faithfully,

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Anita Somani

Partner

Membership No.: 124118

Place: Mumbai



Annexure A¹

**Format of information to be obtained from
the Statutory auditor upon resignation**

1	Name of the listed entity/ material subsidiary:	Binani Industries Limited (“the Company”)
2	Details of the statutory auditor	
	a. Name	Ms/ MSKA & Associates (formerly knowns as M/s MZSK & Associates Chartered Accountants Firm Registration No. 105047W
	b. Address	Floor 3, Enterprise Centre, Nehru Road, Near Domestic Airport, Vile Parle (East), Mumbai-400099.
	c. Phone number	+91 22 3358 9800
	d. Email	AnitaSomani@bdo.in
3	Details of association with the listed entity/ material subsidiary	
	a. Date on which statutory auditor was appointed	52 nd Annual General Meeting held on : December 19, 2015.
	b. Date on which the term of the Statutory auditor was scheduled to expire	Appointment to audit financial statements for a period of 5 years from the year ended March 31, 2016 to March 31, 2020
	c. Prior to resignation, the latest audit report/ limited review report submitted by the auditor and date of its submission	Audit for the year ended March 31, 2019, vide audit report dated November 22, 2019
4	Detailed reasons for resignation	As reported in our Auditor’s Report dated November 22, 2019 on the standalone and consolidated financial statements for the year ended March 31, 2019 wherein, we have provided an adverse opinion on the Financial statements and Internal Financial Control of the Company: <ul style="list-style-type: none"> • Few creditors and a banker of the Company have filed insolvency petition under the Insolvency and bankruptcy Code 2016 (IBC) • Non-compliance with various applicable Indian Accounting Standards • Material uncertainty related to going concern on account of losses incurred by the Company and financial instability of the subsidiaries • Financial Statement of the material subsidiary are prepared under Luxembourg legal and



1. This Annexure A forms part of the letter of resignation as statutory auditors dated November 26, 2019 from Ms/ MSKA & Associates (FRN No. 105047W) to Binani Industries Limited.

		<p>regulatory framework are limited reviewed, not audit, by other auditors in accordance with International Standard on Auditing as adopted by the Luxembourg, which has been used for preparation of Consolidated Ind AS Financial Statement of the Company.</p> <p>Due to the aforesaid factors, significant amount of efforts are required for conduct and closure of the audit. The engagement is not financially viable for our firm since we are not being compensated for the said increased efforts and our fees remain same from past couple of years.</p> <p>Further, the criteria for assessment w.r.t continuance as statutory auditors of the Company as per the Firm's policy are not met.</p> <p>In view of the above, we express our inability to continue as the statutory auditors of the Company for the financial year 2019-20</p> <p>Reference may also be drawn from the following document:</p> <ol style="list-style-type: none"> 1. Our Resignation Letter attached (Annexure I) 2. Audit Report on Standalone Financial Statements for the year ended March 31, 2019 3. Audit Report on Consolidated Financial Statements for the year ended March 31, 2019
5	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee/ Board of Directors along with the date of communication made to the Audit Committee/ Board of Directors)	The above matters are subject matter of qualification since limited review for the period ended December 2017.
6	In case the information requested by the auditor was not provided, then following shall be disclosed	
	a. Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management.	Not Applicable
	b. Whether the lack of information would have significant impact on the financial statements/results.	Please see below point 6 (c)
	c. Whether the auditor has performed alternative procedures to obtain	Since the nature of adverse opinion is w.r.t non-compliance of Ind AS, IBC proceedings, material



	appropriate evidence for the purposes of audit/limited review as laid down in SA 705 (Revised)	weakness in Internal Financial Controls and material weakness related to Going Concern, performing alternate procedures was not possible
d.	Whether the lack of information was prevalent in the previous reported financial statements/ results. If yes, on what basis the previous audit/ limited review reports were issued.	Yes, our Audit report on Standalone Financial Statements dated May 30, 2018 for the year ended March 31, 2018, Audit report on Consolidated Financial Statements dated November 23, 2018 and limited review report dated January 29, 2018 for the quarter ended December 2017 was qualified w.r.t the above matters
7	Any other facts relevant to the resignation	The Company has not published reviewed results for the quarter ended June 30, 2019 and September 30, 2019.

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for my resignation/ resignation of my firm.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Anita Somani
Partner
Membership No.: 124118



Place: Mumbai
Date: November 26, 2019

Encl:

1. Our Resignation Letter attached (Annexure I)
2. Audit Report on Standalone Financial Statements for the year ended March 31, 2019 dated November 22, 2019 (Annexure II)
3. Audit Report on Consolidated Financial Statements for the year ended March 31, 2019 (Annexure III)