

REF: BIL/ST.EX/BM/2018-19/05
October 30, 2018

The Secretary
The Calcutta Stock Exchange Limited,
7, Lyons Range,
Kolkata – 700 001.

General Manager - DCS
Bombay Stock Exchange Limited
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001
Code : 500059

Asst. Vice President
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051
Code: BINANIIND

**REG: Outcome of Board Meeting pursuant to Regulation 30 under SEBI (Listing
Obligation and Disclosure Requirements), Regulations, 2015**

We refer to our letter dated 23rd October, 2018 intimating you about a meeting of the Board of Directors of the Company ('the Board') to be held on Tuesday, 30th October, 2018.

We inform you that the Board, at its meeting held today:

1. Approved the Standalone Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2018.

The Results (Standalone) along with the Limited Review Report, declaration on modified opinion on Auditors' Report is attached for your records.

2. The Company is awaiting consolidated financial statements of Binani Cement Limited (BCL) and its subsidiaries and a joint venture for the period April 01, 2017 till July 24, 2017 (date upto which the company had control) to be incorporated in the consolidated financial statements of the Company for the year ended 31st March, 2018.. The Consolidated financial statements of BCL being material to the consolidated financial statements of the Company, the company is unable to draw its financial statement in accordance with IND AS 110 - Consolidated financial statement for the year ended 31st March, 2018.

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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. Hatiana, Kolkata - 700 157. India

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

: 2 :

3. The 55th Annual General Meeting of the Company for the Financial Year 2017-18 will be held on 24th December, 2018.

The Meeting commenced at 11.45 a.m. and concluded at 3.40 p.m.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Binani Industries Limited**



Visalakshi Sridhar
Managing Director, CFO & Company Secretary

Encl: As above

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Limited Review Report**Review Report to
The Board of Directors of
Binani Industries Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results ('the Statement') of **Binani Industries Limited** ('the Company') for the quarter ended September 30, 2018 and the year to date results for the period April 01, 2018 to September 30, 2018, ('the Statement') being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (Listing Regulations).

This Statement, which is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Basis for Disclaimer:

- a. The Company has not adjusted its Foreign Currency (FC) loan payable in accordance with communication received from its lenders, this communication includes designation of FC loan to INR denominated loan along with a higher coupon rate. Further, the lender has demanded repayment of all outstanding loan amount including interest and penal interest immediately and has also invoked the Corporate Guarantee issued by Binani Cement Limited (BCL). However, the Company has continued to account for the said loan as FC loan with the then coupon rate and recognized exchange fluctuation gain / loss in Statement of Profit and Loss which is ultimately offset against transfer from / to Business Re-organisation Reserve (BRR). The said accounting treatment by the Company is not in accordance with the revised terms of the loan and also not in compliance with Ind AS 37 - *Provision, Contingent Liability and Contingent Assets* and Ind AS 1 - *Presentation of Financial Statement*. Had the Company followed the provisions of Ind AS 37 and Ind AS -1, Current liability, Business Reorganisation Reserve and Foreign Currency Monetary Item Translation (FCMIT) would have been higher/ (lower) by Rs. 2,003 lakhs Rs. (7,749) lakhs and Rs. 5,746 lakhs, respectively as on September 30, 2018. Further, 'other expenses (exchange gain/loss)', 'finance cost' and 'Transfer from Business Reorganisation Reserve' would have been higher/(lower) by Rs. (3,469) lakhs, Rs. 11,218 lakhs and Rs. 7,749 lakhs respectively for the period ended September 30, 2018 and Rs. (1,956) lakhs, Rs. 808 lakhs and Rs. (1,148) lakhs respectively for the quarter ended September 30, 2018. (Refer Note 3 to the Statement).



- b. The Company has not determined fair value of its investments in Binani Cement Limited (BCL) and impairment of loans and advances, security deposits and trade receivable due from BCL, Edayar Zinc Limited (EZL) and Global Composite Holding Inc. as required by Ind AS 109 - *Financial Instruments* on account of ongoing corporate insolvency resolution process at BCL and pending outcome thereof and financial instability of EZL and Global Composite Holding Inc. In this regard, we are unable to comment on the carrying value of these investments amounting to Rs. 341,425 lakhs, recoverability of loans and advances of Rs. 6,523 lakhs, Security Deposits of Rs.100 lakhs and trade receivable of Rs. 1,372 lakhs as at September 30, 2018 and its consequential impact, if any, on the financial Statement of the Company (Refer Note 4a ,5 and 6 to the Statement)
- c. The Company has given corporate guarantees aggregating to Rs. 613,841 lakhs as at September 30, 2018 to banks and financial institutions on behalf of various subsidiaries. This includes corporate guarantee of Rs. 379,792 lakhs on behalf of Binani Cements Ltd which is undergoing corporate insolvency resolution process under Insolvency and Bankruptcy Code, 2016 (the Code). The Company has not determined the loss allowances, if any in respect of these corporate guarantees as required by Ind AS 109 - *Financial Instruments* on account of ongoing corporate insolvency resolution process at BCL and pending outcome thereof. In this regard, we are unable to comment on the consequential impact, if any, on the financial statement of the Company (Refer note 7 to the Statement).
- d. Having regard to the on-going Corporate Insolvency Resolution Process (CIRP) in BCL, there is an application filed with NCLT alleging that BCL was involved in suspected fraudulent transaction with the Company, Promoter and the other Group Companies. Management has represented to us, that there is no merit in these allegations. As the matter being sub-judice, we are unable to comment on the consequential impact, if any, on the Statement.
- e. The Company has not prepared and presented the Consolidated Ind AS financial statements and financial results for the year ended March 31, 2018 as required under section 129 (3) of the Companies Act, 2013 and in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the reasons as stated in note 4b to the statement. In this regard, we are unable to comment on the consequential impact, if any of the non-compliance, on the financial statement of the Company. (Refer note 4b to the statement).
- f. We draw attention to the following matters:
- Note 8 of the statement wherein it is stated that the company has credited the increase in fair value of all equity investments including investments in subsidiaries to the Business Reorganisation Reserve (BRR) in accordance with the scheme of Amalgamation approved by the Hon'ble High Court at Calcutta on March 18, 2014. Further, in accordance with the said scheme, the company offsets certain expense (net) amounting to Rs. 3,110 lakhs and Rs. 5,715 lakhs against BRR during the quarter and period ended September 30, 2018, respectively.
 - Note 9 of the Statement which states that, the Company is seeking recall of the winding up petition filed by one of the creditor. Further, the Company has received notices from few of



its creditors claiming the Company to be insolvent under the Code, however the Company is in the process of settlement of the claims with these parties.

- iii. Note 10 of the Statement, where in the management has explained the reason for reduction in the operations of the Company with Binani Cement Limited.

Our auditor's report on the standalone financial results for the quarter and year ended March 31, 2018 and our limited review report for the quarter ended June 30, 2018 was disclaimed in respect of the matters stated above. These matters have not been addressed by the Management of the Company in the unaudited financial results for the quarter and period ended September 30, 2018.

Our limited review report on the standalone financial results for the quarter ended September 30, 2017 contained Emphasis of matters (EOM) on matters stated in para (a),(c) and (f) above.

4. Disclaimer

Based on our review conducted as above, in view of the effect of matter described in para (a) and possible effects of the matters described in para (b), (c), (d), (e) and (f) in the 'Basis for Disclaimer' paragraph above, we are unable to comment whether the accompanying statement of unaudited standalone financial results are prepared in accordance with Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in the manner in which it is to be disclosed, or that it contains any material misstatement.

5. **Material uncertainty related to Going Concern**

Management has prepared the Standalone Financial Results on going concern basis in spite of the following facts and circumstances:

- 1) The Company has reported losses before taxes of Rs. 160 lakhs and 412 lakhs for the quarter and period ended September 30, 2018 respectively.
- 2) The guarantees issued by the company on behalf of subsidiaries are significant in relation to the net worth of the Company as at September 30, 2018.
- 3) The constant decrease in the operations of the Company.
- 4) Significance of the matters stated in Basis for Disclaimer paragraph above.

This situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. (Refer note 12 to the statement)



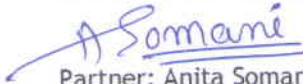
MSKA

& Associates

Chartered Accountants

Our auditor's report on the standalone financial results for the quarter and year ended March 31, 2018 and our limited review report for the quarter ended June 30, 2018 also contained the above material uncertainty related to Going Concern.

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



Partner: Anita Somani
Membership No.: 124118



Place: Mumbai
Date: October 30, 2018

BINANI INDUSTRIES LIMITED

Registered Office: 37/2, Chinar Park, New Town Rajarhat Main Road, PO Hatiara, Kolkata - 700 157, India
Corporate Office: Mercantile Chambers, 12 J.N.heredia Marg, Ballard Estate, Mumbai 400 001.
CIN No. L24117WB1962PLC025584

Statement of Standalone unaudited Financial Results for the Quarter and Half Year ended 30th September, 2018

(Rs. in lakhs)

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|-----------------------------------------------------------------------------|---------------|--------------|--------------|-----------------|--------------|--------------|
| | 30.09.2018 | 30.06.2018 | 30.09.2017 | 30.09.2018 | 30.09.2017 | 31.03.2018 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 Income from Operations | | | | | | |
| Sales / Income from Operations | 64 | 58 | 381 | 122 | 3,289 | 3,697 |
| Other Income | 173 | 113 | 149 | 286 | 369 | 608 |
| Transfer to Business Reorganisation Reserve (Refer Note 8) | (109) | (109) | (101) | (218) | (202) | (404) |
| Total Income from Operations | 128 | 62 | 429 | 190 | 3,456 | 3,901 |
| 2 Expenses | | | | | | |
| (a) Purchase of Traded Goods | - | - | - | - | 1,507 | 1,507 |
| (b) Direct Expenses | 6 | 6 | (3) | 12 | 992 | 1,033 |
| (c) Employee Benefits Expenses | 78 | 118 | 187 | 196 | 375 | 676 |
| (d) Finance Costs | 1,558 | 1,457 | 1,260 | 3,015 | 2,503 | 5,073 |
| Transfer from Business Reorganisation Reserve (Refer Note 8) | (1,558) | (1,457) | (1,260) | (3,015) | (2,503) | (5,073) |
| (e) Depreciation and Amortisation Expenses | 17 | 23 | 20 | 40 | 43 | 85 |
| (f) Other Expenses | 1,848 | 1,424 | 504 | 3,272 | 816 | 1,763 |
| Transfer from Business Reorganisation Reserve (Refer Note 8) | (1,661) | (1,257) | (282) | (2,918) | (289) | (684) |
| Total Expenses | 288 | 314 | 426 | 602 | 3,444 | 4,380 |
| 3 Profit / (Loss) from operations before exceptional items (1-2) | (160) | (252) | 3 | (412) | 12 | (479) |
| 4 Exceptional Items | - | - | - | - | - | - |
| 5 Profit / (Loss) from ordinary activities before tax (3 - 4) | (160) | (252) | 3 | (412) | 12 | (479) |
| 6 Tax Expenses | (7) | - | - | (7) | - | 26 |
| 7 Net Profit / (Loss) from ordinary activities after tax (5-6) | (153) | (252) | 3 | (405) | 12 | (505) |
| 8 Extraordinary Items (net of tax expenses) | - | - | - | - | - | - |
| 9 Net Profit / (Loss) for the period (7-8) | (153) | (252) | 3 | (405) | 12 | (505) |
| 10 Other Comprehensive Income, net of Income Tax | (3) | - | (6) | (3) | (10) | 6 |
| 11 Total Comprehensive Income for the period (9 +10) | (156) | (252) | (3) | (408) | 2 | (499) |
| 12 Paid- up Equity Share Capital (Face Value per share Rs.10 each) | 3,138 | 3,138 | 3,138 | 3,138 | 3,138 | 3,138 |
| 13 Earnings Per Share (EPS) | | | | | | |
| (of Rs. 10/- each) (not annualised) | | | | | | |
| (a) Basic | (0.49) | (0.80) | 0.01 | (1.29) | 0.04 | (1.61) |
| (b) Diluted | (0.49) | (0.80) | 0.01 | (1.29) | 0.04 | (1.61) |

(1)



| Particulars | Standalone | | | | | |
|------------------------------------------------------------------------------------------|---------------|-------------|-------------|-----------------|-------------|------------|
| | Quarter ended | | | Half year ended | | Year ended |
| | 30.09.2018 | 30.06.2018 | 30.09.2017 | 30.09.2018 | 30.09.2017 | 31.03.2018 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| A PARTICULARS OF SHAREHOLDING | | | | | | |
| 1 Public Shareholding | | | | | | |
| - Number of Shares | 14,862,521 | 14,862,521 | 14,862,521 | 14,862,521 | 14,862,521 | 14,862,521 |
| - Percentage of Shareholding | 47.38 | 47.38 | 47.38 | 47.38 | 47.38 | 47.38 |
| 2 Promoters and Promoter Group Shareholding | | | | | | |
| a. Pledged/Encumbered | | | | | | |
| - Number of Shares | - | - | - | - | - | - |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - | - | - |
| - Percentage of shares (as a % of the total share capital of the company) | - | - | - | - | - | - |
| b. Non-encumbered | | | | | | |
| - Number of Shares | 16,503,654 | 16,503,654 | 16,503,654 | 16,503,654 | 16,503,654 | 16,503,654 |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100 | 100 | 100 | 100 | 100 | 100 |
| - Percentage of shares (as a % of the total share capital of the company) | 52.62 | 52.62 | 52.62 | 52.62 | 52.62 | 52.62 |
| B INVESTOR COMPLAINTS | | | | | | |
| Pending at the beginning of the quarter | 0 | | | | | |
| Received during the quarter | 3 | | | | | |
| Disposed of during the quarter | 3 | | | | | |
| Remaining unresolved at the end of the quarter | 0 | | | | | |

Segment wise Revenue, Results and Assets and Liabilities

| Particulars | (Rs. In lakhs) | | | | | |
|-----------------------------------------------------------------------|----------------|-------------|-------------|-----------------|-------------|------------|
| | Quarter ended | | | Half year ended | | Year ended |
| | 30.09.2018 | 30.06.2018 | 30.09.2017 | 30.09.2018 | 30.09.2017 | 31.03.2018 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1) Segment Revenue | | | | | | |
| a) Media | 25 | 19 | 33 | 44 | 86 | 154 |
| b) Logistics | - | - | 6 | - | 969 | 1,067 |
| c) Unallocated | 39 | 39 | 342 | 78 | 2,234 | 2,476 |
| Total (a + b + c) | 64 | 58 | 381 | 122 | 3,289 | 3,697 |
| 2) Segment Results | | | | | | |
| a) Media | 1 | 1 | (1) | 2 | 15 | 10 |
| b) Logistics | (3) | (3) | 17 | (6) | (2) | 73 |
| Total (a + b) | (2) | (2) | 16 | (4) | 13 | 83 |
| Less : Interest expenses | 1,558 | 1,457 | 1,260 | 3,015 | 2,503 | 5,073 |
| Less : Other Unallocable Expenditure net off Unallocable income | (1,400) | (1,207) | (1,247) | (2,607) | (2,502) | (4,511) |
| Total Profit / (Loss) from ordinary activities before tax | (160) | (252) | 3 | (412) | 12 | (479) |
| 3) Segment Assets and Segment Liabilities(Refer Note below *) | | | | | | |

* Segment wise assets and liabilities are not provided due to resources used are common for all segments and not allocable to any segment given in the result.

(2)



STATEMENT OF ASSETS AND LIABILITIES

(Rs. In lakhs)

| Particulars | Standalone | |
|---------------------------------------------------------|------------------------------------|----------------------------------|
| | As at 30.09.2018 (Unaudited) | As at 31.03.2018 (Audited) |
| A ASSETS | | |
| 1 Non-current assets | | |
| (a) Property Plant and Equipment | 4,076 | 4,113 |
| (b) Other Intangibles | 12 | 18 |
| (c) Goodwill | 354 | 354 |
| (d) Intangible assets under development | 47 | 47 |
| (e) Financial Assets | | |
| (i) Investments | 430,487 | 430,269 |
| (ii) Loans | 5,166 | 4,618 |
| (iii) Other Financial Assets | 222 | 222 |
| (f) Income Tax Assets (Net) | 4,536 | 4,982 |
| (g) Other non-current assets | 21 | 21 |
| Sub-total | 444,921 | 444,644 |
| 2 Current assets | | |
| (a) Financial Assets | | |
| (i) Investments | 8 | 8 |
| (ii) Trade Receivables | 2,579 | 2,831 |
| (iii) Cash and Cash Equivalents | 19 | 22 |
| (iv) Bank Balances other than Cash and Cash Equivalents | 118 | 147 |
| (v) Loans | 869 | 842 |
| (vi) Other Financial Assets | 1,914 | 2,099 |
| (b) Other current assets | 140 | 112 |
| Sub-total | 5,647 | 6,061 |
| TOTAL - ASSETS | 450,568 | 450,705 |
| B EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity Share Capital | 3,138 | 3,138 |
| (b) Other Equity | 214,561 | 222,895 |
| Sub-total | 217,699 | 226,033 |
| Liabilities | | |
| 2 Non-Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 42,206 | 41,771 |
| (b) Provisions | 42 | 48 |
| (c) Deferred tax liabilities (net) | 20,310 | 21,777 |
| Sub-total | 62,558 | 63,596 |
| 3 Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 118,373 | 118,262 |
| (ii) Trade payables | 9,469 | 9,942 |
| (iii) Other Financial Liabilities | 42,438 | 32,850 |
| (b) Provisions | 31 | 22 |
| Sub-total | 170,311 | 161,076 |
| TOTAL - EQUITY & LIABILITIES | 450,568 | 450,705 |

(3)



Notes to the above standalone financial results:

- 1 The Standalone Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2018 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on October 30, 2018.
- 2 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and the other recognised accounting practices and principles to the extent applicable.
- 3 The Company was in the process of restructuring its bank borrowings with the lender. However, in the interim, the lender has communicated to the Company about recalling of its borrowings and has also designated the foreign currency debt into INR denominated debt with higher coupon rate and has demanded repayment of all outstanding debt balance alongwith corresponding interest and penal interest, immediately. The Company has requested the lender to defer the recall and has in the interim provided alternative mechanism for repayment of its loans in due course. The lender had filed its claim to BCL (subsidiary till July 24, 2017) which is under the IBC process and has also invoked the Corporate Guarantee issued by BCL. The Resolution Professional (RP) has verified the dues at Rs.61,990 lakhs as at July 25, 2017. Hopeful of a favourable consideration by the lender of its alternative mechanism, the Company continues to denominate such loans in foreign currency and has not classified the outstanding Loan as Current Liabilities. Further, it has also not accounted for differential liability and penal interest amounting to Rs.7,749 Lakhs (Net of FCMIT) till September 30, 2018 (Rs. 9,715 lakhs till March 2018).
- 4 Binani Cement Limited (BCL), a major subsidiary was admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated July 25, 2017 and a Resolution Professional was appointed. Effective from July 25, 2017 the Board of Directors of BCL were suspended and effectively Binani Industries Limited (BIL) lost control over BCL with regards to operational and financial decision-making powers and derive economic benefits from its activities. This has resulted in the following:
 - a) The Company has investment in equity shares of Binani Cements Ltd (BCL) having a carrying amount of Rs. 3,39,739 lakhs as on September 30, 2018 (March 2018: Rs. 3,39,739 lakhs) and in non-cumulative redeemable preference shares of BCL amounting to Rs. 1,686 lakhs as at September 30, 2018 (March 2018: Rs. 1,621 lakhs) (Cost : Rs 6,002 lakhs). Pending the final outcome of the CIRP , the management of the Company has continued to value these Investments in BCL at the fair value as was arrived on March 31, 2017. Also the Company has loans and advances of Rs. 700 lakhs, security deposits of Rs. 100 lakhs and trade receivables of Rs. 1372 lakhs due from BCL and the ultimate recoverable amount of these dues is not known and uncertain until the conclusion of CIRP process. NCLAT has reserved the order in the last hearing held on August 30,2018 and the order is yet to be pronounced.
 - b) The Company is awaiting consolidated financial statements of Binani Cement Limited (BCL) and its subsidiaries and a joint venture for the period April 01, 2017 till July 24, 2017 (date upto which the company had control) to be incorporated in the consolidated financial statements of the Company for the year ended March 31, 2018. The Consolidated financial statements of BCL being material to the consolidated financial statements of the Company, the company is unable to draw its financial statement in accordance with Ind AS 110 - Consolidated Financial Statement for the year ended March 31, 2018.
- 5 As per the Debts Recovery Tribunal (DRT) order on the Securitization Application, Edayar Zinc Limited (EZL), a subsidiary company, were to pay Punjab National Bank (lender to subsidiary) Rs. 25,000 per day till the order being finalised by the DRT on behalf of the Consortium of Banks. Owing to the paucity of funds of the subsidiary, the company is paying this amount on behalf of the subsidiary. The amounts recoverable as on September 30, 2018 (including other expenses paid on behalf of EZL) is Rs 657 lakhs. The Consortium of Banks led by Punjab National Bank (PNB) have taken symbolic possession of the assets situated at Binanipuram, Kerala under SARFESI Act, 2002. The Consortium of Banks led by PNB had e-auctioned the property, which was unsuccessful.
- 6 Global Composite Holding INC a wholly owned foreign subsidiary of the Company is looking for new business opportunities post the sale of its assets in March 2015. The Company is hopeful of recovering the loans extended to Global Composite Holding Inc and has made a provision for write off of advances for only Rs. 3,096 lakhs. The amount outstanding as on September 30, 2018 is (net of the provision for write off) is Rs. 5,166 lakhs and on basis of the Company's discussion with the management of CPI Binani, the Company believe these receivables are good and no provision is considered necessary in respect of this outstanding balance.
- 7 The Company had given guarantees to banks and financial institutions in the earlier years on behalf of various subsidiaries, for the purpose of expansion projects and working capital requirements. The outstanding aggregate balance of these guarantees is Rs. 6,13,841 Lakhs as on September 30, 2018 (March 2018: Rs. 5,90,247 lakhs) [Including Corporate Guarantee issued on behalf of BCL of Rs. 3,79,792 Lakhs]. BCL has also jointly and severally Guaranteed the loans alongwith the Company on behalf of 3B Binani Glass Fibre Sarl, Luxembourg aggregating to Rs. 1,85,290 lakhs as on September 30, 2018 (March 2018: 1,63,061 lakhs) (included in the abovementioned amounts). The Lender of 3B Binani Glass Fibre Sarl, Luxembourg has submitted its claim to BCL resolution professionals. Basis the ongoing CIRP the Company is confident that the BCL will generate sufficient cash/value to repay their borrowings. Further the Company has not received any claims from the lenders of 3B Binani Glass Fibre Sarl, Luxembourg. Accordingly, in the opinion of the management, these corporate guarantees are not expected to result into any financial liability on the Company. The Company has short term loan payable to BCL amounting to Rs. 114,857 lakhs as at September 30, 2018 and March 2018 and interest payable outstanding on the said loan is Rs. 9,298 lakhs as at September 30, 2018 and March 2018 . BCL has decided not to charge interest on these payable since April 01, 2015 onwards, accordingly no interest has been recorded in books of the company since then.
- 8 Pursuant to a separate Scheme of Amalgamation approved by the Hon'ble High Court at Kolkata between Wada Industrial Estate Limited (WIEL) and a step down wholly owned subsidiary of the Company on March 18, 2014, being the Company as a successor to WIEL (the scheme), the Company had applied AS 30, Accounting Standard on Financial Instruments: Recognition and Measurement (AS 30), issued by the Institute of Chartered Accountants of India (ICAI), and pursuant thereto has as on March 31, 2014, being the date of conclusion of the first Accounting Year post the provisions of AS 30 becoming applicable to the Company, classified the investments as "available for sale financial assets" and has accordingly, measured such investments at fair value as on that date. All amount required to be taken as per AS 30 to revenue reserve or to an appropriate equity account shall be aggregated and such aggregate shall be taken to the Business Reorganisation Reserves (BRR). As mentioned in the scheme, In the event of any conflict between the provision of AS 30 and any other Accounting Standards, the provision of AS 30 will be applied in preference to any other Accounting Standard. BRR shall constitute a reserve arising as per this Scheme and shall not for any purpose be considered to be a Reserve created by the Company.
During the year 2016, the Institute of Chartered Accountants of India (ICAI) has withdrawn AS 30. Consequent to this, the Company has applied principles of notified Ind AS 109 related to Financial Instruments being new accounting standards applicable instead of AS 30. All equity investment including Investment in Subsidiaries are fair valued. Accordingly, all amounts required to be taken as per the Financial Instruments Standards under Ind AS to revenue reserve or to an appropriate equity account / Other Comprehensive Income are aggregated and such aggregated amount is taken to Business Reorganisation Reserves (BRR). Hence, in accordance with the scheme, the Company offsets certain expenses (net) amounting to Rs.3,110 lakhs against BRR during the quarter ended September 30, 2018.



- 9 One of a creditor had filed a winding up petition against the Company with the Hon'ble High Court of Calcutta and has been admitted by the Court on September 20, 2017. The Company has paid in entirety the due to the Creditor based on the settlement. The Company is seeking recall of the order. Further few creditors have filed insolvency under IBC however the Company is seeking/is in the process of seeking settlement of the claims and amounts with the said parties.
- 10 The Company was providing Logistics Services to one of its subsidiary i.e. BCL (Till July 25, 2017). The said subsidiary is now taking logistics services from other vendors. The Company is in process of finding alternate opportunities.
- 11 The Statutory auditors have disclaimed their review report in respect of matters in point (3) to (10) above.
- 12 The management is working towards finding a workable solution to resolve the financial position by discussion with the lenders and others and to continue its business as going concern. Accordingly, the management considers it appropriate to prepare these financial statements on a going concern basis.
- 13 Investors can view the Financial Results of the Company at the Company's website www.binaniindustries.com or at the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com) or CSE (www.cse-india.com)
- 14 The figures for the previous periods / year have been regrouped / recasted wherever considered necessary.

For BINANI INDUSTRIES LIMITED



Visalakshi Sridhar
Managing Director

Place : Mumbai

Date : 30th October, 2018

