

REF: BIL/ST.EX/BM/2017-18/04

January 29, 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: UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2017 AS PER REGULATION 33 UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

Enclosed please find herewith copy of the unaudited financial results of the Company along with Limited Review Report as Submitted by M/S MSKA & Associates. Chartered Accountants as per Regulation 33 under SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 for the quarter ended 31st December, 2017.

The Unaudited financial results of the Company along with Limited Review Report as Submitted by M/s MSKA & Associates Chartered Accountants have been taken on record by the Board of Directors of the Company at their meeting held on Monday 29th January, 2018 at Corporate Office of the Company at Mercantile Chambers, 12 J.N. Heredia Marg, Ballard Estate, Mumbai – 400 001. Meeting Commenced at 02:30 p.m. and concluded at 07:10 p.m. The results are being published in the newspapers as per Regulation 47 under SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015.

This is for your information and records.

Thanking you and assuring you of our best co-operation at all times.

Yours Faithfully,
For BINANI INDUSTRIES LIMITED



VISALAKSHI SRIVIDHAR
CFO, MANAGER & COMPANY SECRETARY

ENCL: AS ABOVE

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

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 of **BINANI INDUSTRIES LIMITED** (the "Company") for the quarter ended December 31, 2017 and the year to- date results for the period April 01, 2017 to December 31, 2017, (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 05, 2016 (the 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 financial statements are free of material misstatement.
3. 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.
4. **Basis for Qualified Conclusion:**
 - a. The Company has not adjusted its Foreign Currency (FC) loan payable for matters communicated to it by its lenders which 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 penalty interest immediately and has also invoked the Corporate Guarantee issued by the company's subsidiary i.e. Binani Cement Limited (BCL). However, the Company has continued accounting of 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 with transfer from / to Business Re-organisation Reserve (BRR). The said accounting treatment by the Company is not in accordance with the revised loan terms 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. 8,506.87 lakhs Rs. (9,562.28) lakhs and Rs. (1,055.41) lakhs, as on December 31, 2017 respectively. Further, 'other expenses (exchange gain/loss)', 'finance cost' and 'Transfer from Business Reorganisation Reserve' would have been higher/(lower) by Rs. (190.50) lakhs, Rs. 9,752.78 lakhs and Rs. 9,562.28 lakhs respectively for the nine months ended December 31, 2017 and Rs. 137.26 lakhs, Rs. 9,425.02 lakhs and Rs 9,562.28 lakhs respectively for the quarter ended December 31, 2017. (Refer Note 6 to the Statement).



- b. The Company has not determined fair value of its investment in Binani Cement Limited (BCL) of Rs. 3,41,329 lakhs 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 carrying value of these investments, recoverability of loans and advances of Rs.700 lakhs and trade receivable of Rs. 1,323.56 lakhs as at December 31, 2017. (Refer Note 7 to the Statement)
5. Based on our review conducted as above, subject to the effects of the matters described under paragraph 4a and possible effects of the matters described under 4b above, nothing has come to our attention that causes us to believe that the accompanying statement which 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 terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to:
- a. Note 3 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 has offset certain expenses (net) amounting to Rs. 1,096.53 Lakhs and Rs. 3,686.76 lakhs against BRR during the quarter and nine months ended December 31, 2017 respectively.
- b. Note 5 of the Statement which states that the Company does not expect any financial liability on account of the financial guarantee of Rs. 571,465 Lakhs given to lenders in respect of loans provided to various subsidiaries. This includes corporate guarantee of Rs. 363,631 lakhs on behalf of Binani Cement Limited (BCL) which is undergoing corporate insolvency resolution process under Insolvency and Bankruptcy Code, 2016. Further, the Company has a short term loan payable to BCL amounting to Rs. 114,857 lakhs.
- c. Note 8 of the Statement which states that one of the creditors of the Company had filed a winding up petition on November 19, 2016 against the Company with the Hon'ble High Court of Calcutta which has been admitted by the court on September 20, 2017. The Company is seeking recall of the order.
- d. Note 9 of the Statement where in the management has explained the reason for reduction in the operations of the Company with Binani Cement Limited (one of the subsidiary of the Company).

Our report is not qualified on the above matters.

For MSKA & Associates (Formerly known as 'MZSK & Associates')

Chartered Accountants

ICAI Firm Registration No.105047W



Partner: Anita Somani
Membership No.: 124118
Place: Mumbai
Date: January 29, 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 Nine Months Ended 31st December, 2017

(Rupees In Lakhs)

Particulars	Standalone				
	Quarter ended			Nine months ended	
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1 Income from Operations					
Sales / Income from Operations	345	381	3,856	3,634	14,919
Other Income	145	149	259	515	532
Transfer to Business Reorganisation Reserve (Refer Note 3)	(101)	(101)	(45)	(303)	(186)
Total Income from Operations	389	429	4,070	3,846	15,265
2 Expenses					
(a) Purchase of Traded Goods	-	-	372	1,507	1,082
(b) Direct Expenses	31	(3)	3,000	1,023	12,146
(c) Employee Benefits Expenses	168	187	242	533	654
(d) Finance Costs	1,262	1,260	1,372	3,765	3,981
Transfer from Business Reorganisation Reserve (Refer Note 3)	(1,262)	(1,260)	(1,372)	(3,765)	(3,981)
(e) Depreciation and Amortisation Expenses	21	20	41	64	124
(f) Other Expenses (net)	236	504	725	1,053	2,085
(g) Transfer from Business Reorganisation Reserve (Refer Note 3)	65	(282)	(365)	(224)	(996)
Total Expenses	511	426	4,015	3,956	15,094
3 Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(122)	3	55	(110)	171
4 Tax Expenses	-	-	-	-	-
5 Net Profit from ordinary activities after tax (3-4)	(122)	3	55	(110)	171
6 Exceptional Items (net of tax expenses)	-	-	-	-	-
7 Net Profit for the period (5-6)	(122)	3	55	(110)	171
8 Other Comprehensive Income, net of Income Tax	(5)	(6)	-	(14)	-
9 Total Comprehensive Income for the period (7 +/- 8)	(127)	(3)	55	(124)	171
10 Paid-up Equity Share Capital (Face Value per share Rs.10 each)	3,138	3,138	3,138	3,138	3,138
11 Earnings Per Share (EPS)					
(of Rs. 10/- each) (not annualised)					
(a) Basic	(0.39)	0.01	0.18	(0.35)	0.54
(b) Diluted	(0.39)	0.01	0.18	(0.35)	0.54

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Particulars	Standalone				
	Quarter ended			Nine months ended	
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
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
- Percentage of Shareholding	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
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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
B INVESTOR COMPLAINTS					
Pending at the beginning of the quarter	1				
Received during the quarter	9				
Disposed of during the quarter	10				
Remaining unresolved at the end of the quarter	0				

Segment wise Revenue, Results

(Rupees In Lakhs)

Particulars	Standalone				
	Quarter ended			Nine months ended	
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1) Segment Revenue					
a) Media	45	33	81	131	868
b) Logistic	98	6	2,979	1,067	11,593
c) Unallocated	202	342	796	2,436	2,458
Total	345	381	3,856	3,634	14,919
Less : Inter Segment Revenue	-	-	-	-	-
Net Segment Revenue	345	381	3,856	3,634	14,919
2) Segment Results					
a) Media	-	(1)	22	15	76
b) Logistic	97	17	(13)	95	38
	97	16	9	110	114
Less : Interest expenses	1,262	1,260	1,372	3,765	3,981
Less : Other Unallocable Expenditure net off Unallocable Income	(1,043)	(1,247)	(1,418)	(3,545)	(4,038)
Total Profit from ordinary activities before tax	(122)	3	55	(110)	171
3) Segment Assets and Segment Liabilities(Refer Note below *)					

* Resources used are common for all segments

M. S. K. & Associates



Notes:

- 1 The Standalone Unaudited Financial Results of the Company for the quarter ended December 31, 2017 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on January 29, 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 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 has applied AS 30, *the 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 aggregate is taken to Business Reorganisation Reserves (BRR). Further, in accordance with the scheme, the Company has offset certain expenses (net) amounting to Rs. 1,096.53 Lakhs and Rs. 3,686.76 lakhs against BRR during the quarter and nine months ended December 31, 2017 respectively. The Company has obtained a legal opinion to confirm that the provisions of scheme shall apply even in the event of change in accounting framework (i.e. Ind AS).
- 4 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. Owing to the paucity of funds at the subsidiary, the company is paying this amount on behalf of the subsidiary. The amounts paid till December 31, 2017 is Rs. 224.75 lakhs. DRT vide its order dated January 21, 2017 allowed the amendment application filed by EZL contesting legality of action initiated under SARFESI Act and the matter is subjudice.
- 5 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. 5,71,465 Lakhs as on December 31, 2017. (Including Corporate Guarantee issued on behalf of Binani Cement Limited (BCL), of Rs. 3,63,631 Lakhs). The lender to BCL have appointed Resolution Professional (RP) approved by National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016. The RP has received the bids for purchase of the subsidiary. The said Subsidiary has sufficient assets to meet their borrowings. Considering the same, in the opinion of the management, these are not expected to result into any financial liability to the Company. Further, the Company has a short term loan payable to BCL amounting to Rs. 114,857 lakhs.
- 6 The Company was in the process of restructuring its bank borrowings with the lender. However, in the interim, the said lender has communicated to the Company that it is recalling 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 including 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 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. 62,000 lakhs as at July 25, 2017. On December 2017 the Company has applied for one time settlement with the Bank, which has been rejected by the bank. The Company is in the further communication with bankers. Hopeful of a favourable consideration by the lender, 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, penal interest and release of Foreign Currency Monetary item translation account to profit and loss account aggregating to Rs.9,562.28 Lakhs as on December 31, 2017. The Company has recognised Foreign exchange (gain)/loss of Rs. 190.50 lakhs and Rs. (137.26) Lakhs included under the head 'Other Expenses' for the nine months and quarter ended December 31, 2017 respectively. The statutory auditors have qualified their limited review report in respect of this matter.
- 7 The Company has investment in equity and non-cumulative redeemable preference shares of Binani Cement Limited (BCL), a subsidiary, amounting to Rs. 3,41,329 lakhs as at December 31, 2017. In July 25, 2017, Lender to Binani Cement Limited has approached to National Company Law Tribunal (NCLT) and the corporate insolvency resolution process is initiated in respect of BCL. Following the process, the Interim Resolution Professionals (IRPs) have called for bids and the last date for the bidding was January 15, 2018 with several bidders bidding for the asset. The IRPs are in the process of evaluating these bids and announcing the final acquirer. Pending the evaluation of bids by IRPs and the unpredictability of the expected valuation of the subsidiary entity, the management of the Company is unable to estimate the fair value of the Investment in BCL with reasonable accuracy and the ultimate collectability of the loans and advances and trade receivable of Rs. 700 lakhs and Rs 1,323.56 lakhs respectively due from BCL. The statutory auditors have qualified their limited review report in respect of this matter.
- 8 One of a creditor has filed a winding up petition on November 19, 2016 against the Company with the Hon'ble High Court of Calcutta and has been admitted by the Court on September 20, 2017. The Company is seeking recall of the order.
- 9 The Company was providing Logistics Services to one of its subsidiary i.e. BCL. The said subsidiary is now taking logistics services from other vendors. The Company is in process of finding alternate opportunities.
- 10 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)
- 11 The figures for the previous periods / year have been regrouped / recasted wherever considered necessary.

By order of the Board

For BINANI INDUSTRIES LIMITED

Braj Binani
Chairman

Place : Mumbai

Date : 29th January, 2018



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