



BINNY LIMITED

Estd 1799

CIN No. : L 17111TN1969PLC005736

SEC/2020-21/SE/0021

October 06, 2020

BSE Ltd.
Department of Corporate Services
Phiroze Jee Jee Bhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir,

Sub: Notice Calling 51st Annual General Meeting
Scrip Code No. 514215

This is in continuation of our letter dated September 14, 2020, intimating about the ensuing 51st Annual General Meeting of the Company which is scheduled on Friday, October 30, 2020 at 11:00 a.m. IST through Video Conferencing (VC) or other audio visual means (OAVM).

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Notice of the 51st Annual General Meeting and the Annual Report for the financial year 2019-20 of the Company, which are being sent through electronic mode today i.e., Tuesday, October 06, 2020 to the shareholders whose email addresses are registered with the Company / Depository Participants. The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide relevant MCA Circular/s and SEBI Circular

Please note that Members holding shares in physical form, whose email ID is not registered with the Company, may register their email ID by sending scanned copy of a signed request letter mentioning folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) in support of the address of the Member as registered with the Company, by email to investors@cameoindia.com



Regd. Office :

No. 1, Cooks Road, Perambur, Chennai - 600 012.

Tel No. : 044-2662 1053, Fax : 044-2662 1056 e-mail : binnyho@binnyltd.in

GSTIN: 33AAACB2529G1Z6 Website: www.binnyltd.in

Alternatively, Members can register their email ids by entering the required details & OTP Number on the web portal created by the Registrar to an Issue & Share Transfer Agent of the Company at <https://investors.cameoindia.com/>. Members holding shares in demat form can update their email address with their Depository Participant

Kindly take this on your records.

Thanking you,
For Binny Limited



(T. Krishnamurthy)
CFO & Company Secretary



BINNY



ANNUAL REPORT AND ACCOUNTS

MARCH 2020

CONTENTS

Page

| | |
|--|----|
| 1. Board of Directors | 1 |
| 2. Notice to Members | 2 |
| 3. Directors' Report | 8 |
| 4. Management Discussion and Analysis | 15 |
| 5. Corporate Governance | 17 |
| 6. Form No. MGT 9 (Extract of Annual Return) | 32 |
| 7. Auditors' Report | 47 |
| 8. Balance Sheet | 54 |
| 9. Statement of Profit & Loss | 55 |
| 10. Statement of Changes in Equity | 56 |
| 11. Cashflow Statement | 57 |
| 12. Note 1-38 | 58 |

BINNY LIMITED
ANNUAL REPORT
MARCH 2020

| | |
|------------------------------------|---|
| DIRECTORS | M.Nandagopal – Executive Chairman Justice S.Jagadeesan S.Natarajan Arvind Nandagopal – Managing Director R.Arunkumar Nilima Sathya |
| CFO & COMPANY SECRETARY | T.Krishnamurthy |
| BANKERS | Axis Bank State Bank of India HDFC Bank |
| AUDITORS | Sagar & Associates, H.No. 6-3-244/5, Sarada Devi Street, Prem Nagar, Hyderabad - 500004 |
| REGISTERED OFFICE | No: 1, Cooks Road Perambur Chennai 600 012 Tamilnadu |

BINNY LIMITED

NOTICE

Notice is hereby given that the Fifty first Annual General Meeting of Binny Limited will be held on Friday, 30th October, 2020, at 11.00 a.m. I.S.T by way of Video Conferencing ("VC") or other Audio Visual Means("OAVM"), to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. M Nandagopal (DIN: 00058710), who retires by rotation and, being eligible, offers himself for reappointment.
3. To re-appoint Statutory Auditors of the Company and fix their remuneration

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) for the time being in force and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. Sagar & Associates, Chartered Accountants, Hyderabad (Firm Registration No: 003510S), be and are hereby re-appointed as Statutory Auditors of the Company for second term of 5(five) consecutive years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 56th Annual General Meeting to be held in the year 2025, on a remuneration of Rs.5,90,000/- (Rupees Five Lakhs and Ninety Thousand only), exclusive of applicable taxes thereon and out of pocket expenses

Registered Office:

No: 1, Cooks Road
Perambur,
Chennai 600 012
Date: September 14, 2020

ON BEHALF OF THE BOARD

M Nandagopal
Executive Chairman

NOTES:

General Instructions for accessing and participating in the 51st Annual General Meeting of the Company through VC/OAVM and voting through electronic means including remote e-Voting:

1. **In view of the present situation arising due to outbreak of COVID-19 pandemic and continuing Government guidelines to maintain social distancing, the Ministry of Corporate Affairs (MCA) vide its Circular No. 20/2020 dated 5th May 2020 read with Circular Nos. 14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020, has permitted companies to hold their Annual General Meetings (AGM) through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') not requiring the physical presence of the Members at a common venue. Considering the health and safety of all stakeholders including the shareholders, the 51st AGM of the Company is being conducted through VC/OAVM in compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable circulars issued in this regard.**

Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum for the meeting under Section 103 of the Act.

2. **Since the AGM is being held over video conferencing where physical attendance of members in any case has been dispensed with, a member entitled to attend and vote at the meeting will not be eligible to appoint proxies to attend the meeting instead of him/her. Accordingly, the proxy form and attendance slip is not attached to this notice.**
3. In pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting
4. Members who have not registered or who wish to update their e-mail ID, postal address, telephone/mobile numbers, Permanent Account Numbers, bank account details are requested to register/intimate the same with their Depository Participant, if the shares are held by them in electronic form and in case of members holding shares in physical form, all intimations are to be sent to M/s. Cameo Corporate Services Limited, Registrar and Transfer Agent, at investor@cameoindia.com.

BINNY LIMITED

5. Corporate members intending to send their Authorized representatives to attend the Meeting are requested to send to the Company a certified scanned copy of the Board Resolution authorizing their representatives to attend the AGM through VC or OAVM on its behalf and vote through remote e-voting. The said resolution/ authorization shall be sent to the following e-mail address vsureshpcs@gmail.com with a copy marked to investor@cameoindia.com
6. In terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief particulars of the Directors who are proposed to be appointed/re-appointed at this meeting forms part of the notice.
7. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, October 24, 2020 to Friday, October 30, 2020 (both days inclusive) for the purpose of Annual General Meeting.
8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the financial year 2019-20 will also be available on the Company's website www.binnyltd.in and website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. For any communication, the shareholders may also send requests to the Company's Registrars Cameo Corporate Services Limited at investor@cameoindia.com. **OTHER THAN THE ABOVE, NO PHYSICAL/HARD COPIES OF THE NOTICE AND THE ANNUAL REPORT WILL BE SENT TO THE SHAREHOLDERS.** Please note that the above is in accordance with the various exemptions provided by the MCA and SEBI in connection with conduct of Shareholders' meetings during 2020.
9. Members may note that the VC/OAVM Facility provided by CDSL allows participation of up to 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 51st AGM without any restriction on account of first-come first-served principle, in accordance with the circulars issued by MCA in this regard. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice
10. The Member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
12. The Registrar and Transfer Agent ('RTA') of the Company is M/s. Cameo Corporate Services Limited, No. 1, Subramanian Building, Club House Road, Anna Salai, Chennai-600002, Tamil Nadu. Please send all correspondence including requests for transmission of shares, change of address etc. to RTA of the Company.
13. Members are requested to intimate changes, if any, in their registered address to the RTA. Members holding shares in dematerialized form are requested to intimate/update their e-mail address and PAN with their respective Depository Participants.
14. Members are requested to furnish a copy of the PAN Card to the RTA for registration of transfer / transmission of shares.
15. Members, who are individuals may avail the facility of nomination as provided in Section 72 of the Companies Act, 2013 wherein a member may nominate in the prescribed manner with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/DEMAT form, the nomination form may be filed with the respective Depository Participant.
16. In terms of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and amendments made there under and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has engaged the services of Central Depository Services Limited (CDSL) to provide the facility of remote electronic voting ('Remote E-Voting') in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed Mr. V. Suresh, Practicing Company Secretary, as the Scrutinizer for this purpose.
17. The Scrutinizer will scrutinize the votes cast at the Meeting and votes cast through remote e-voting and make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company: www.binnyltd.in and on the website of CDSL at: <https://evotingindia.com>. The result will simultaneously be communicated to the stock exchange.

18. The register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members can send an email for this purpose to binny@binnyltd.in.
19. Registration of e-mail address: On account of the continuing threat posed by COVID-19 pandemic and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their e-mail addresses registered by following the procedure given below:
- Those shareholders who have registered/not registered their mail address and mobile no. including address and bank details may please contact and validate/update their details with their Depository Participant in case of shares held in electronic form and with the Company's Registrar and Transfer Agent, M/s. Cameo Corporate Services Limited in case the shares are held in physical form.
 - Shareholders who have not registered their email address and in consequence thereof, the Annual Report, Notice of e-AGM and e-voting Notice could not be served, may temporarily get their e-mail address and mobile number provided with the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, by writing an email to investor@cameoindia.com providing their email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and password. In case of any queries, shareholders may write to investor@cameoindia.com
 - Shareholders may also visit the website of the Company www.binnyltd.in or the website of the Registrar and Transfer Agent www.cameoindia.com for downloading the Annual Report and Notice of the e-AGM.
 - Alternatively Shareholders may send an e-mail request at the email id investor@cameoindia.com along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending electronically the Annual report, Notice of e-AGM and the e-voting instructions.

The instructions for shareholders voting electronically are as under:

- The voting period begins on **Tuesday, October 27, 2020 at 9:00 AM and ends on Thursday, October 29, 2020 at 5:00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., **Friday, October 23, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The members who have cast their vote through Remote e-voting, will not be allowed to change it subsequently.
- The members attending the Meeting by way of VC/OAVM Facility and who have not cast their vote by remote e-voting and are otherwise not barred from doing so shall be eligible to vote through e-voting system at the Meeting.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders / Members
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

BINNY LIMITED

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p> |

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xxi) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

BINNY LIMITED

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vsureshpcs@gmail.com , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- xii) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. **It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.**
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to the meeting** mentioning their name, demat account number/folio number, email id, mobile number at (binny@binnyltd.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (binny@binnyltd.in). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

BINNY LIMITED

(A) Details Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Directors seeking re-appointment and appointment.

Director Seeking Re-appointment

Name of the Director: M. Nandagopal

DIN: 00058710

| Resume of the Director | Expertise in Specific functional areas | Disclosure of relationships between directors inter-se | Names of Listed entities in which the person also holds the Directorship and Membership of Committee of the Board |
|--|---|--|---|
| Shri. M. Nandagopal DOB: 09-06-1939 Qualification: Bachelor's degree in Agriculture Initial date of appointment: 23-03-1996 | Shri. M. Nandagopal holds a Bachelor's degree in Agriculture. He possesses an extensive 40-years working experience in managing a group of companies dealing in Breweries, Distilleries, Sugar Mills, Power and provides strategic direction and vision to the Company. He is the Chairman of M/s. Mohan Breweries and Distilleries Limited, which is one of the leading manufacturers of Indian Made Foreign Liquor (IMFL) and Beer products in the South. | Father of Shri. Arvind Nandagopal | 1. Mohan Meakin Limited |

Registered Office:
No: 1, Cooks Road
Perambur,
Chennai 600 012
Date: September 14, 2020

ON BEHALF OF THE BOARD

M Nandagopal
Executive Chairman
DIN:00058710

DIRECTORS REPORT

Your Directors hereby submit the report on Business and Operations, along with the Audited Financial Results of the Company for the year ended 31st March 2020.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2020:

(Rs. in Lakhs)

| Particulars | For the Year | |
|---|--------------|-----------|
| | 2019-20 | 2018-19 |
| Revenue | 8303.74 | 4252.43 |
| Expenditure | 4519.56 | 5103.01 |
| Profit / (Loss) before Depreciation & Tax | 3784.18 | (850.58) |
| Depreciation | 19.06 | 19.25 |
| Profit / (Loss) before Exceptional item and tax | 3765.12 | (869.83) |
| Exceptional item | - | - |
| Profit / (Loss) before Tax | 3765.12 | (869.83) |
| Tax | 5546.59 | 633.91 |
| Profit / (Loss) after Tax | (1781.48) | (1503.74) |
| Other comprehensive income/ (loss) | 120.33 | (0.20) |
| Total comprehensive income | (1661.15) | (1503.94) |

REVIEW OF OPERATIONS

Interest charged to the tune of Rs.4211.83 lakhs on the advances to a Related Party for purchase of Land and Wind Mill, which has been called back constitutes the major revenue for the year.

The revenue from operations consist of the revenue from sale of land to the tune Rs.3645.25 lakhs, revenue recognized from Joint Development Project (JDA) to the tune of Rs.398.47 lakhs and a marginal amount of Rs.33.36 lakhs received as Lease Rent.

After adjusting the provision for tax to the tune of Rs.5546.59 lakhs, the net loss for the year is Rs.1661.15 lakhs.

Joint Development Agreement (JDA) With M/s.SPR Construction Pvt. Ltd.

The Company has commenced the development of the world-class integrated township on a Joint Development Model. The Joint Development Agreement (JDA) has been signed with leading Chennai-based real estate developers, SPR Group, for development on its mainland area of 63.89 acres at Perambur, Chennai.

The mixed use development is the first-of-its-kind township located in a prime location and is based on the concept of building a destination “Where Business Meets Life”. Planned around combining professional workspaces and living spaces into one gated arena, it includes a separate residential development, an organized wholesale center, along with a Retail Mall, School, Convention Center and Entertainment Area. The joint venture between Binny Ltd. and SPR Group believes it can utilize the opportunity presented by the current physical and social infrastructure bottlenecks faced in Sowcarpet (South India’s largest wholesale market) located at just 3 kms from the Project Site. The Site has easy road access on all four sides, and is the only private land of this scale in close proximity to the city’s wholesale markets. The development of the wholesale center on the site will prove to be an extension/ alternative to the Sowcarpet market and is expected to become a trading hub not only for the Chennai city, but also for the entire South India, given its proximity to Chennai Port.

The Project has already received great levels of expression of interest from all quarters. Its residential phase and wholesale market development has already received all the requisite approvals and RERA registration, with other developments expected to obtain the same in the next few months. The Project shall be developed over a period of 7-9 years in a phased manner. Work on the first phase has already begun and is proceeding at a steady pace. The project's residential towers (Tower A, Tower B and H) has met with overwhelming response from the Chennai community and was successful in selling a record number of units in a short span.

Current Status of Project:

- 1. Residential Towers Development** – Phase 1 towers - (Tower A, Tower B and H) is already 70% sold out. The Civil Structure are nearing 85% completion and finishing work has started. The Company has been receiving enquiries / EOIs regarding the launch of its next tower. The approval for next residential tower is expected to be obtained during FY 2020-21 upon which the sales would be commenced
- 2. School Development** –The School is 95% Complete in terms of Civil work & Structural work. The School is named as “The Shriram Universal School (TSUS), Chennai” and has commenced operations for the Academic Year 2020-21 in collaboration with Shri Educare Group from Delhi who are known to setup distinguished educational institutes like Lady Shriram College, Shriram College of Commerce and a string of Schools with the TSUS brand name. The School has adopted CBSE curriculum and has classes from Nursery to Grade VI for its inaugural year. The School has garnered an incredible response from the micro market with more than 350 admissions for its first academic year. The School stands as testimony to the Company's promise of improving the overall quality of life. We foresee higher customer confidence on the vision of project which will reflect in form of higher and faster sales.
- 3. Villa Development** – Civil Structure are nearing 70% completion and finishing work is underway. Aiming to deliver Villa's by next calendar year
- 4. Market of India, Wholesale Market** – We have started the construction work on the Ground floor after completing the excavation and work for 2 basement floors and lower ground floor.
- 5. Experience Centre** – The Company has inaugurated a one-of-its-kind life size sample zone of MOI for Customers to come and witness how the life transforms at MOI. The Experience Center is built to aid in the Sales of MOI. The Experience center will also accommodate a Model Apartment of the future residential tower and the same is now in its finishing stage.

Impact of Covid-19 on the Company

During the Phase 1 and Phase 2 of the nationwide lockdown, Covid-19 had impacted the ability to do business since there were severe restrictions on the movement of construction material, employees, labour and interested customers. This compounded the pre-existing challenging market and macro economic environment

The Company is backed by a strong Joint Development Partner, committed employees and a resilient business model based on which the impact may not be as significant as it has been on other local players. However, the revival of consumer sentiment could take longer than what was initially anticipated considering depletion of personal savings of most individuals and aspiring businesses. The reverse migration of Labour also posed some hardships in the ability to scale back construction activity. The local State and Central Government has been responding to the needs of the Industry from time to time. The Central Government has permitted a delay in project deliveries upto 6 months by permitting the Developers to invoke the “Force Majeure Clause”. The company foresees that the impact of Covid-19 could be on the financial performance for the next 2 quarters atleast.

Safety of Labours, Customers and employees was of paramount importance during the period of lockdown and will always be so. With this in mind, the Company has put in place abundant safety measures including sanitization, fumigation procedures and entry-checks through Aarogya Setu App.

The Company has always been futuristic in its approach and had already made significant investment in marketing through virtual world even before COVID-19 was rampant in India. The Company has been capable of conducting walk through, brochures, floor plans etc in digital form. Further, the Company has moved to video conferencing platforms and started addressing enquiries virtually. Given these physical challenges, the Company has been able to achieve 60% of Sales noted during the pre-covid period, which is quite encouraging.

However, Covid-19 has also presented an opportunity for the integrated township project in a unique way. Greater family bonding during lockdown has increased the desire for providing an improved quality of life for their loved ones. We have observed that customer preference is likely to drift significantly towards environments that are controllable, safe and secure,

while providing amenities that reduce need to venture out. Hence, once the consumer sentiment revives, townships like the one which is developed by the Company, which are adjacent to schools, office spaces, will be the first to benefit.

We are also noticing that customers are more risk averse than before and are inclined towards project which are nearing completion since there is a clear road map for delivery / possession. Prospective customers are deriving confidence from the fact that the Company has been able to complete the School Project and the super structure for the residential project is already in place.

DIVIDEND

The Company does not recommend any dividend for the year ended March 31, 2020.

DEPOSIT

The Company did not invite or accept any deposit during the year under review.

DIRECTORS

RE-APPOINTMENT OF RETIRING DIRECTOR

Shri. M Nandagopal (DIN: 00058710), Executive Chairman, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) pursuant to the provision of Section 152 (6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible has offered himself for reappointment.

Appropriate resolution for his re-appointment is being placed for approval of the members at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening the 51st Annual General Meeting of the Company.

APPOINTMENT OF DIRECTOR

At the 50th Annual General Meeting held on 26th September 2019, Justice Shri. S. Jagadeesan, Independent Director, (DIN:01799607) was re-appointed as an Independent Director of the Company for a another term of 5 consecutive years with effect from September 29, 2019 to September 28, 2024, not liable to retire by rotation.

PARTICULARS OF EMPLOYEES

No employee of the Company was in receipt of Remuneration during the Financial Year 2019-20 in excess of the sum prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

NUMBER OF MEETINGS OF THE BOARD

The Board Meetings were conducted to review the Company's business and to discuss its strategies and plans. During the Year, 5 Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

COMMITTEES OF THE BOARD

The Board has the following Committees:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee;
- 3) Stakeholders Relationship Committee and
- 4) Corporate Social Responsibility Committee

The details on the number of Audit Committee Meetings, Stakeholders Relationship Committee meetings and Nomination and Remuneration Committee of the Company held during the year along with their constitution and other details are provided in the report on Corporate Governance.

During the year, all the recommendations of the Audit Committee were accepted by the Board.

BOARD EVALUATION

As per provision of Section 134(3) (p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out a performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various Committees for the financial year 2019-20.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the independent directors under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provision of Companies Act, 2013 read with Rules made there under, they have registered themselves in the databank earmarked for Independent Director and maintained by the Indian Institute of Corporate Affairs. In the opinion of the Board, all the independent directors are persons of integrity and possesses the relevant expertise and experience in their respective fields

FAMILIARISATION PROGRAMMES:

The Company has a familiarization programme for Independent Directors pursuant to Listing Regulations, 2015. The same is dealt with in the Annual Report. The Familiarization Programme is available in the website of the Company. The link for the same is given as http://www.binnyltd.in/images/policies/FAMILIARIZATION_DIRECTORS.pdf

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT - 9 form part of this Annual Report as **ANNEXURE – I** and annual return in form MGT-9 is available in company's website www.binnyltd.in

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Policy provides for appropriate composition of Executive, Non-Executive and Independent Directors on the Board of Directors of your Company along with criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013.

The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy and as per the recommendations of Nomination and Remuneration Committee of the Company.

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **ANNEXURE – II**

The Nomination and Remuneration policy is posted on the Company's website on the below link. http://www.binnyltd.in/images/policies/Nomination_Policy.pdf

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(3)(c) of the Companies Act, 2013, the Board to the best of its knowledge and belief and according to the information and explanations obtained by it confirms that:

- (a) in the preparation of the annual financial statements for the financial year ended 31st March, 2020, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the loss of the Company for the financial year ended 31st March, 2020;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a 'going concern' basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY:

The Company has formulated and adopted a vigil mechanism for employees to report genuine concerns to the Chairman of the Audit Committee. The policy provides opportunity for employees to access in good faith, the Audit Committee, if they observe unethical and improper practices. The Whistle Blower Policy of the Company is available in the website of the Company. The link for the same is http://www.binnyltd.in/images/policies/Whistle_Blower_Policy_Vigil_Mechanism.pdf

AUDITORS AND AUDITORS REPORT:

A. Statutory Auditors:

M/s. Sagar & Associates, Chartered Accountants, Hyderabad bearing Firm Registration No. 003510S, were appointed as Statutory Auditors of the Company at the 48th Annual General Meeting to hold office upto the conclusion of 51st Annual General Meeting of the Company. The first term of their appointment as Statutory Auditors will expire at the conclusion of the ensuing Annual General Meeting. In terms of Section 139 of the Companies Act, 2013, the Statutory Auditor can hold office for two terms of five consecutive years. They have expressed their willingness to be re-appointed as Statutory Auditors of the Company for another term of 5 consecutive years.

Based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 30th July, 2020 have recommended the re-appointment of M/s. Sagar & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from conclusion of 51st Annual General Meeting until the conclusion of 56th Annual General Meeting of the company to be held in the year 2025 on such remuneration of Rs.5,90,000 (Rupees Five lakhs Ninety Thousand only), exclusive of applicable taxes thereon and out of pocket expenses.

The Statutory Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for re-appointment of Statutory Auditors. Further, as required under Regulation 33 of the Listing Regulations, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

A resolution seeking the approval of the shareholders for the re-appointment of Statutory Auditors is included in the Notice convening the ensuing Annual General Meeting.

Statutory Auditors' Report

The Auditors' Report to the shareholders on the Audited Financial Statements for the year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark.

B. Cost Auditors:

As the Company is not covered under the ambit of Section 148 of the Companies Act, 2013 read with the Companies (Cost records and Audit) Rules, 2014, the requirement for maintenance of cost records and appointment of Cost Auditor does not arise

C. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Shri. V.Suresh, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company to undertake the Secretarial Audit of the Company for the Financial Year 2019-20. The report of the Secretarial Auditor is enclosed as **ANNEXURE III** to this report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditor in the Report.

Reporting of fraud

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act, 2013.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Company has complied with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on the Corporate Governance practices, the Auditors' Certificate on compliance of mandatory requirements thereof is given as an annexure to the Report.

Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in this Annual Report.

RISK MANAGEMENT:

The company has formulated and laid down procedures about the risk assessment and risk management procedures. These procedures are periodically reviewed to ensure that risks are managed / mitigated through a well-defined framework.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes or commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company, to which the financial statements relate and the date of the report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions with related parties were reviewed and approved by the Audit Committee. The details of the related party transactions as per Accounting Standard 18 are set out in Notes to the Financial Statements forming part of this report.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is disclosed in Form No. AOC- 2 as **ANNEXURE – IV**

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company is maintaining adequate and effective Internal Financial Control (IFC) over Financial Reporting (FR) based on Guidance notes on Audit for Internal financial Control over financial reporting, for ensuring the orderly and efficient conduct of its business, including adherence to its policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Apart from Internal Auditors, who review all the financial transactions and operating systems, the Company has also in place adequate Internal Financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as follows:

Conservation of Energy

| | | |
|----|--|---------------------|
| 1. | The steps taken or impact on conservation of energy | During the year NIL |
| 2. | The steps taken by the Company for utilizing alternate sources of energy | |
| 3. | The capital investment on energy conservation equipment | |

Technology Absorption

| | | |
|----|---|---------------------|
| 1. | The efforts made towards technology absorption | During the year NIL |
| 2. | The benefits derived like product improvement, cost reduction, product development or import substitution | |
| 3. | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported, (b) the year of import, (c) whether the technology been fully absorbed, (d) if not fully absorbed, areas where absorption hasn't taken place, and the reasons thereof | |
| 4. | The expenditure incurred on Research and Development | |

Foreign Exchange Earnings and Outgo :

Foreign Exchange earned: Nil

Foreign Exchange used : Nil

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has constituted the Corporate Social Responsibility Committee during the year. The composition of Corporate Social Responsibility Committee is;

Shri. M Nandagopal - Chairman

Shri. Arvind Nandagopal - Member

Shri. R Arunkumar - Member

The Committee has conducted the CSR Committee Meeting on 14.02.2020 during the year and all the members of the Committee were present at the Meeting.

SCOPE OF CSR POLICY

This policy will apply to all projects/ programmes undertaken as part of the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in Corporate Governance, statutory requirements and sustainable and innovative practices. The policy will maintain compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act, 2013 and the rules framed thereunder

CSR POLICY IMPLEMENTATION

The Company shall undertake CSR Project/ programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR policy.

The CSR Policy of the Company is uploaded in the website of the Company, <http://www.binnyltd.in/images/policies/CSR Policy.pdf>

REASON FOR NOT SPENDING ON CSR ACTIVITIES

The Company is in the process of identifying the suitable projects for CSR expenditure

CHANGE IN NATURE OF BUSINESS

There has been no change of business during the financial year under review

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant and material orders passed by the regulators or courts or tribunals that may have an impact for the Company as a going concern and/or company's operations.

DISCLOSURE IN TERMS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has Internal Complaints Committees as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

ACKNOWLEDGEMENT

The Directors acknowledge the cooperation and assistance extended by the Government of India and Government of Tamil Nadu and place on record their appreciation and gratitude to them.

The Directors also thank the shareholders, employees and all other stakeholders of the Company for their continued support and cooperation.

ON BEHALF OF THE BOARD

Chennai

Date: September 14, 2020

M Nandagopal
Executive Chairman
DIN:00058710

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**i) Industry structure and developments:**

With the decision to exploit its vast urban land bank, the Company has entered the real estate sector. This transformation is being undertaken because the Company understood the growth potential of the sector, and is in a position best-leverage the opportunities. While over 75% of the real estate market in India is related to residential housing, The Company is determined to largely focus on this segment while also developing a mixed portfolio that includes commercial property, retail, entertainment and hospitality.

The primary focus is on best utilising the land asset in Perambur area given the location's demand and land usage regulations.

ii) Opportunities and threats:

The residential real estate segment in India has witnessed significant growth in the first decade of this millennium. Thereafter the impact of the global economic crisis was felt by the sector, there was a slowdown and decline in demand, subsequently the demand has started picking up gradually and the industry is in a phase of consolidation. Growth in commercial real estate has been driven largely by the flourishing service sector in the Country, especially the IT and IT enabled services (ITeS). While the real estate sector has strong fundamentals, it continues to be highly dependent on economic cycles. For the residential sector, the prevailing economic condition has a major impact on individuals buying power and the level of income related uncertainties that determine investment risk taking capabilities.

For the commercial segment, the relationship is even more direct, as improved economic activity requires more people to be employed that leads to demand for more office space.

iii) Segment-wise or product-wise performance:

Not Applicable

iv) Outlook:

By all indications, the Real estate sector will have turnaround in the next year or so. Indian economy is finally turning the corner though GDP growth is pegged at 4.2% this fiscal year which was beset with muted sentiments owing to general economic downturn over the last couple of years. The turnaround in sentiment actually began after a series of incremental reforms and announcements, which benefits Indian industry as well as the real estate sector.

Some of these measures include the incentives announced by RBI for infrastructure financing, the reduction in interest rates on home loans, incentives for affordable housing, announcement of a framework for REITs (Real Estate Investment Trusts) and relaxation of norms for foreign direct investment in construction. The Government's initiative in relaxing complex FDI norms will lead to higher foreign inflows and more liquidity for the sector.

Covid -19 impact on Residential Real Estate

Amidst, the current COVID-19 outbreak, the Real Estate Sector is likely to witness major disruptions due to construction delays and financing issues. However, the Company is backed by a strong Joint Development Partner, committed employees and a resilient business model based on which the impact may not be as significant as it has been on other local players. The revival of consumer sentiment could take longer than what was initially anticipated considering depletion of personal savings of most individuals and aspiring businesses. However, Covid-19 has also presented an opportunity for the integrated township project in a unique way. Greater family bonding during lockdown has increased the desire for providing an improved quality of life for their loved ones.

v) Risk and concerns:

While the management of The Company is confident of creating and exploiting the opportunities, it also finds the following challenges:

- Macro-Economic Risks: Interest rates, inflation and exchange rate risks are amongst the important macroeconomic indicators.

- **Liquidity Risk:** The time required for liquidity of project can vary depending on the quality and location of the property.
- **Other Risks:** Unanticipated delays in project approvals, Availability of accomplished and Trained labour force, increased cost of manpower, rising cost of construction, etc.,

Market instability and uncertainty may create a slight flutter for the sector. The Current economic outlook, though not dim, seems bleak and can hamper the industry growth. Continuous change in policies will tend to affect investment as well.

vi) Internal Control system and their adequacy

The Company has adequate internal control systems commensurate with its size and nature of business and complexity of operations. Internal Auditors conduct regular audits and report to the Audit Committee, thus ensuring the adequacy and effectiveness of Internal Control. The observations of the Internal Auditors are reviewed periodically on a quarterly basis and due compliances ensured. The exceptional items are reported to the Board.

vii) Discussion on financial performance with respect to operational performance.

Financial performance with respect to operational performance is discussed in the main part of the Report.

viii) Material Developments in Human Resources / Industrial Relations front, including number of people employed.

The Company's streamlined reporting system ensures efficiency. The Company continues with the job appraisal system ensuring overall growth of the employees of the Company. The Company still invests in training and development of its employees. The thrust of the Company has been on talent improvement through training programmes. Industrial relations have continued to be cordial throughout the year.

CORPORATE GOVERNANCE

The Directors present Company's report on Corporate Governance in compliance with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the practices followed by the Company.

The Company is committed and consistently practised good corporate governance. The Company's philosophy on Corporate Governance is compliance of matters by maintaining disclosure, transparency, accountability and aiming at enhancing the long term value of all stakeholders and the Company endeavours to ensure that highest standards of ethics and code of conduct are met throughout the organization.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations is given below:

1. BOARD OF DIRECTORS

The Board of Directors of the Company has a combination of Executive, Non-Executive Directors & Independent Directors to ensure proper governance and management. The composition of the Board and category of Directors are as follows.

1.1. Composition/Category of Directors/Attendance at Meetings/Directorships & Committee Memberships in other Companies as on March 31, 2020:

| Name | Directorship | Attendance particulars | | No. of Directorship, Committee Membership/ Chairmanship in other Companies | | | Date of appointment | Directorship in other Listed Entities |
|-------------------------|---------------------------------|------------------------|----------------------|--|-----------------------|--------------------------|---------------------|---|
| | | Board Meeting | 50 th AGM | Other Directorship in Public Limited Company* | Committee Membership* | Committee Chairman Ship* | | |
| Shri. M. Nandagopal | Promoter and Executive Chairman | 5 | Yes | 7 | 1 | - | 03-10-2013 | Independent Director in Mohan Meakin Limited |
| Justice S. Jagadeesan | Non-executive & Independent | 5 | Yes | 1 | - | - | 05-09-2007 | NA |
| Shri. S. Natarajan | Non-executive Promoter | 1 | No | 2 | - | 1 | 11-01-1988 | Non Executive Non Independent Director in Binny Mills Limited & Non Executive Independent Director in Ucal Fuel Systems Limited |
| Shri. Arvind Nandagopal | Promoter and Managing Director | 4 | Yes | 4 | - | - | 03-10-2013 | NA |
| Shri. R Arunkumar | Non-executive & Independent | 5 | Yes | 1 | - | - | 06-09-2017 | NA |
| Smt. Nilima Sathya | Non-executive & Independent | 4 | No | 1 | - | - | 12-02-2018 | NA |

* Excludes directorship, Committee Memberships and Chairmanships in Binny Limited. Also excludes directorship in Private Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

* Shri. Arvind Nandagopal, Managing Director is the Son of Shri. M. Nandagopal, Executive Chairman.

* Non-executive directors did not hold any number of shares and convertible instruments in the Company.

None of the Independent/Non-Executive Directors have any material pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independence of the director except receiving sitting fee for attending the meetings.

The Company has received the requisite declarations from its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the Listing Regulations. The Board at its meeting held on 30th July 2020 has taken on record the declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the Management.

1.2 Board Meetings

During the year, 5 Board Meetings of the Company were held on the following dates:

| | | | | |
|------------|------------|------------|------------|------------|
| 29-05-2019 | 10-08-2019 | 14-11-2019 | 02-01-2020 | 14.02.2020 |
|------------|------------|------------|------------|------------|

1.3 FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS

Brief details of the familiarization programme for Independent Directors of the Company are uploaded on the website of your Company and can be accessed through the following link: http://binnyltd.in/images/policies/FAMILIARIZATION_DIRECTORS.pdf

1.4 SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

The Board of Directors have identified the skills/ expertise/ competencies fundamental for the effective functioning of the Company namely knowledge on Company’s business, policies and culture, major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates; technical/ professional skills and specialized knowledge in relation to Company’s business and General Management, Business Strategy, Corporate Strategy, Governance practices, Financial Management.

All the Directors possess skills/ expertise and competencies as stated above. Shri. M Nandagopal, Executive Chairman and Shri. Arvind Nandagopal, Managing Director have an indepth technical knowledge on the industry in which the company operates.

2. BOARD COMMITTEES

The Board has constituted various Committees for support in discharging its responsibilities. There are four Committees constituted by the Board namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Company Secretary acts as the Secretary of the Committees of the Board

AUDIT COMMITTEE

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations 2015. The Committee consists of Two Independent Directors and One Non-Executive Director. The members of the Audit Committee are financially literate and have experience in financial management.

The Statutory Auditors and Internal Auditors are invited to attend the Audit Committee meetings as and when necessary and the Company Secretary acts as the Secretary of the Committee.

During the year, 4 Audit Committee Meetings of the Company were held on the following dates:

| | | | |
|------------|------------|------------|------------|
| 29-05-2019 | 10-08-2019 | 14-11-2019 | 14-02-2020 |
|------------|------------|------------|------------|

2.1 Composition, name of members & Chairman, meetings held during the year and attendance at meetings:

| Name of the Member | Directorship in the Board | Committee Membership | Number of Meeting’s Attended |
|-----------------------------|---------------------------|----------------------|------------------------------|
| Justice Shri. S. Jagadeesan | Independent Director | Chairman | 4 |
| Shri. S. Natarajan | Non-executive Director | Member | 0 |
| Shri. R Arunkumar | Independent Director | Member | 4 |

2.2 The terms of reference of the Audit Committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) Qualifications if any, in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

3. NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is governed by its Policy and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations 2015. The policy is available in the web link: http://www.binnyltd.in/policies_codes.html. One meeting was held during the year on 10.08.2019. The Committee is composited as follows;

| Name of the Member | Directorship in the Board | Committee Membership | Number of meeting attended |
|----------------------------|---------------------------|----------------------|----------------------------|
| Justice Shri. S Jagadeesan | Independent Director | Chairman | 1 |
| Shri. R Arunkumar | Independent Director | Member | 1 |
| Smt. Nilima Sathya | Independent Director | Member | 1 |

3.1 Brief description of terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

3.2 Performance evaluation criteria

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and Part D of Schedule II of the Listing Regulations, 2015 and as per the Nomination and Remuneration policy, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2019-20.

4. REMUNERATION OF DIRECTORS

The ability to attract and retain talented and quality resources is a significant characteristic of any successful organisation. The Company's Remuneration policy formulated by the Nomination and Remuneration Committee provides the framework for remuneration of the Board members as well as all employees including the Key Managerial Personnel. This policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Listing Regulations, 2015 to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

The Non-Executive Independent Directors are also paid sitting fees within the limits prescribed under the Companies Act, 2013 for every Board/Committee meetings attended by them

a. Non-Executive Independent Directors:

Sitting Fees Paid 2019-20

| Name | Rs. |
|----------------------------|--------|
| Justice Shri.S. Jagadeesan | 50,000 |
| Shri. R Arunkumar | 50,000 |
| Smt. Nilima Sathya | 40,000 |

BINNY LIMITED

During the year 2019-20 there is no pecuniary relationship or transactions made or entered between the Company and Non-Executive/Independent Directors.

b. Executive Chairman and Managing Director: (In Lakhs)

| Name of Director | Salary | Benefits | Bonus | Stock Options |
|--|--------|----------|-------|---------------|
| Shri. M. Nandagopal, Executive Chairman | Nil | Nil | Nil | Nil |
| Shri. Arvind Nandagopal, Managing Director | 60 | Nil | Nil | Nil |

The Company does not have any Employee Stock Option Scheme.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Composition of the Stakeholder Relationship Committee is in Compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, 2015.

5.1 Terms of Reference:

The Committee oversees, reviews and monitors all matters connected with transfer/transmission/transposition of shares/non-receipt of Annual Report, issue of duplicate Share certificate, Consolidation and split of share certificates, re-materialization and dematerialization of shares, reviewing the performance of Registrar and Transfer Agents and looking into the redressal and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

Further all the investors' / shareholders' grievances and the action taken by the Company to the satisfaction of the shareholders are brought to the attention of the Committee. The Committee had Twenty three meetings on the following dates during the year 2019-20 viz., 12.04.2019, 22.04.2019, 06.05.2019, 20.05.2019, 30.05.2019, 07.06.2019, 17.06.2019, 26.06.2019, 03.07.2019, 10.07.2019, 19.08.2019, 28.08.2019, 09.09.2019, 03.10.2019, 14.10.2019, 21.10.2019, 20.11.2019, 04.12.2019, 30.12.2019, 27.01.2020, 03.02.2020, 10.02.2020, 17.02.2020.

| Name of the Member | Directorship in the Board | Committee Chairmanship/Membership |
|-----------------------------|---------------------------|-----------------------------------|
| Justice Shri. S. Jagadeesan | Independent Director | Chairman |
| Shri. M. Nandagopal | Executive Chairman | Member |
| Shri. Arvind Nandagopal | Managing Director | Member |

Shri. T. Krishnamurthy, Company Secretary has been designated as the Compliance Officer of the Company.

Cameo Corporate Services Limited, Chennai, is the Company's Registrar and Share Transfer Agent (RTA). The contact details are available in the General Shareholder Information section of the Report

5.2 Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2019-20 are given below:

| | |
|---|-----|
| Number of Complaints received | 0 |
| Number not solved to the satisfaction of Shareholders | Nil |
| Number of Pending Complaints | Nil |

6. DETAILS OF GENERAL BODY MEETINGS:

6.1 Annual General Meeting

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

| Financial Year | Date | Venue of AGM | Time | No. of special resolution(s) set out at the AGM |
|---------------------------------|-------------|---|-------------|--|
| 48 th AGM 2016-17 | 29-11-2017 | Kasturi Srinivasan Hall (Mini Hall), The Music Academy, New No. 168, T.T.K. Road, Royapettah, Chennai – 600014. | 11:00 a.m. | NIL |
| 49 th AGM 2017-18 | 28-09-2018 | Vani Mahal (Obul Reddy Hall), 103, G N Chetty Road, T Nagar, Chennai - 600017 | 10:00 a.m. | 1 |
| 50 th AGM 2018-19 | 26-09-2019 | Kasturi Srinivasan Hall (Mini Hall), The Music Academy, New No. 168, T.T.K. Road, Royapettah, Chennai – 600014. | 11.00 a.m. | 2 |

6.2 Postal Ballot

During the year, there were no resolutions passed through postal ballot and as at the year end, there are no proposals to pass special resolutions through postal ballot except those requiring to be passed pursuant to the Companies Act, 2013/Listing Regulations which will be done after providing adequate notice to the shareholders.

7. MEANS OF COMMUNICATION:

Your Company recognizes the significance of timely dissemination of information to shareholders. Accordingly, the quarterly, half-yearly and annual financial of the Company results were published in the leading English and Vernacular language newspaper, “Business Standard” (English) and “Makkal Kural” (Tamil) periodically.

In compliance with Regulation 46 of the Listing Regulations, 2015, all vital information, announcements and policies of the Company have been posted on the Company’s website: <http://www.binnyltd.in>.

All material information in terms of the Listing Regulations, 2015 and other rules and Regulations issued by the SEBI about the Company is promptly communicated to BSE Ltd (BSE) where the Company’s shares are listed, through the prescribed mode of communication.

8. GENERAL SHAREHOLER INFOMRATION:

8.1 51st Annual General Meeting:

Date: Friday, October 30, 2020, **Time:** 11.00 a.m.

The AGM shall be conducted through Video Conferencing or Other Audio-Visual Means in compliance with applicable provisions of the Companies Act, 2013, Rules and the framework issued by the Ministry of Corporate affairs issued in this regard.

Venue: No.01, Cooks Road, Perambur, Chennai - 600012

8.2 Financial Year:

The financial year covers the period from 1st April to 31st March every year.

8.3 Date of Book Closure

October 24, 2020 to October 30 , 2020 (both days inclusive)

8.4 Dividend payment date:

No dividend has been recommended by the Board of Directors of the Company.

8.5 Listing of Stock Exchange:

The Stock Exchange at which the equity shares of the Company are listed and the stock code is:

| Name of Stock Exchange | Address | Security ID / Scrip Code |
|------------------------|--|--------------------------|
| BSE Limited | P.J. Tower, Dalal Street, Fort Mumbai – 400 001. | Binny / 514215 |

ISIN of Company’s equity shares having face value of Rs. 5 each is INE118K01011. The Company has paid till date, appropriate listing fees to the stock exchange where the Company’s Equity Shares are listed.

8.6 Market Price:

The closing market price of equity shares on March 31, 2020 (last trading day of the year) was Rs.62.40 on BSE.

Monthly High/Low price of the Equity Shares traded during the year 2019-20 in BSE Limited is given as below;

| 2019-20 | April | May | June | July | Aug | Sep | Oct | Nov | Dec | Jan | Feb | March | |
|---------|-------|--------|--------|--------|--------|--------|--------|--------|-------|-------|--------|--------|-------|
| BSE | High | 142.40 | 158.00 | 134.50 | 119.95 | 104.70 | 120.00 | 103.00 | 87.00 | 84.75 | 115.00 | 102.00 | 76.00 |
| | Low | 116.10 | 95.05 | 103.40 | 95.00 | 75.00 | 88.60 | 72.40 | 75.45 | 72.70 | 70.00 | 71.25 | 54.50 |

8.7 Registrar and Share Transfer Agent:

M/s. Cameo Corporate Services Limited, Chennai, is Registrar and Transfer Agent for the company providing connectivity with the NSDL / CDSL for demat services, also undertake share transfer in physical format and other related services. Members are requested to send all their communications and documents pertaining to both shares in physical form and dematerialised form to the Registrar at the following address:

| | |
|---|---|
| M/s CAMEO CORPORATE SERVICES LIMITED UNIT: BINNY 5 th Floor, Subramanian Building No. 1, Club House Road, Chennai 600 002 Phone: 044-28460390 (5 lines); Fax: 044-28460129 Email: investor@cameoindia.com | Contact person: Shri. R D Ramaswamy Designation: Director Mr. D Narasimhan Designation: Joint Manager |
|---|---|

8.8 Share Transfer System

The share transfer and other requests are processed within 15 days from the date of lodgement, provided the documents are complete in all respects.

The Stakeholders Relationship Committee meets as and when required to consider and approve the transfer, transmission of shares of the Company. The dematerialized shares are transferred directly to the beneficiaries through the depositories. As of March 31, 2020, there are no pending share transfers pertaining to the year under review.

BINNY LIMITED

8.9 Shareholding as on March 31, 2020

(a) Distribution of equity Shareholding as at March 31, 2020.

| Shareholding | Shareholders | | Total Shares | % on equity Capital |
|--------------------|--------------|---------------|-----------------|---------------------|
| 1-5000 | 9799 | 95.48 | 1339950 | 6.01 |
| 5001-10000 | 217 | 2.11 | 318379 | 1.43 |
| 10001-20000 | 118 | 1.15 | 335224 | 1.50 |
| 20001-30000 | 48 | 0.47 | 244315 | 1.09 |
| 30001-40000 | 17 | 0.17 | 123240 | 0.55 |
| 40001-50000 | 8 | 0.08 | 75904 | 0.34 |
| 50001-100000 | 26 | 0.25 | 378759 | 1.70 |
| 100001 - and above | 30 | 0.29 | 19503639 | 87.38 |
| Total | 10263 | 100.00 | 22319410 | 100.00 |

Total Holders: 9920 after merging of first holder PAN

(b) Distribution of Preference Shareholding as at March 31, 2020.

| Shareholding | Shareholders | | Total Shares | % on Preference Capital |
|--------------------|--------------|----------|------------------|-------------------------|
| 5-5000 | - | - | - | - |
| 5001-10000 | - | - | - | - |
| 10001-20000 | - | - | - | - |
| 20001-30000 | - | - | - | - |
| 30001-40000 | - | - | - | - |
| 40001-50000 | - | - | - | - |
| 50001-100000 | - | - | - | - |
| 100001 - and above | 1 | 1 | 234432855 | 100.00 |
| Total | 1 | 1 | 234432855 | 100.00 |

(c) Shareholding pattern as at March 31, 2020.

| Category | No. of Holders | % to Equity Capital | % to Preference Capital |
|---|----------------|---------------------|-------------------------|
| Promoters | 10 | 74.69 | 100.00 |
| Corporate Body | 116 | 0.85 | - |
| Bank/Financial Institutions | 15 | 0.05 | - |
| Resident | 9549 | 17.65 | - |
| HUF | 152 | 0.96 | - |
| Central Government/State Government/ President of India | 5 | 1.66 | - |

BINNY LIMITED

| Category | No. of Holders | % to Equity Capital | % to Preference Capital |
|-------------------------------------|----------------|---------------------|-------------------------|
| Insurance Companies | 2 | 1.93 | - |
| Foreign National/Portfolio Investor | 1 | 0.08 | - |
| NRI | 61 | 2.13 | - |
| Clearing Member | 8 | 0.00 | - |
| Trusts | 1 | 0.00 | - |
| Total | 9920 | 100.00 | 100.00 |

8.10 Dematerialization of Shares and Liquidity:

The detail of shares dematerialized and those held in physical form, as on March 31, 2020.

| Particulars | No. of Shares | Percentage to the equity Capital |
|--------------|---------------|----------------------------------|
| PHYSICAL | 14,86,745 | 6.66 |
| DEMAT | 71,76,000 | 32.15 |
| NSDL | 1,36,56,665 | 61.19 |
| CDSL | | |

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic/ dematerialized form. For any clarification, assistance or information, please contact M/s. Cameo Corporate Services Limited.

8.11 Outstanding GDR / ADRs / Warrants or any Convertible Instrument, as on 31st March 2020:

As on date, the Company has not issued GDRs, ADRs, or any other Convertible Instruments which are pending for conversion.

8.12 Address for Communication:

Shri. T.Krishnamurthy, Compliance Officer
Address: Binny Limited, 1 Cooks Road, Perambur, Chennai 600 012
E-mail: binny@binnyltd.in
Phone: 044-26621053.

9. Disclosures:

i. Materially Significant Related Party Transactions:

Related parties transactions are disclosed in the Notes on Accounts and there are no other materially significant related parties' transactions made by the Company with the Promoters, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on related party transactions has been placed on the Company's website and can be accessed through the following link:

http://www.binnyltd.in/policies/RELATED_TRANSACTIONS_POLICY.pdf

ii. Penalties / Strictures during last three years

During the Financial year 2017-18, due to resignation of Shri. T Radhakrishnan and Dr. D.V.R. Prakash Rao, Independent Directors on 20.05.2017 and non availability of the other Independent Director Smt. T Manisriram,

the Audit Committee Meeting could not be held for consideration and approval of Audited Financial Statements for the year ended 31.03.2017 within the stipulated time as prescribed in Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Further Smt. T Manisriram had resigned from the Board on 05.10.2017 and Statutory Auditors had tendered their resignation on 01.09.2017. As a result, the Audit Committee could not be held on the subsequent quarter ended 30.06.2017.

The Board then reconstituted the Audit Committee and the Audited Financial Results for the year ended 31.03.2017 and the Unaudited Financial Results for the quarter ended 30.06.2017 were considered and approved by the Board after the recommendations of Audit Committee on 23.10.2017.

Since, the Audited Financial Results for the year ended 31.03.2017 and the Unaudited Financial Results for the quarter ended 30.06.2017 have not been approved within the permitted time limit prescribed under SEBI Listing Regulations, 2015 a penalty of Rs.9,65,715 /- was levied by the M/s.BSE Limited.

Other than penalty mentioned above no other strictures/penalties were imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years. The Company has been complying with SEBI Rules and Regulations.

iii. Whistle Blower Policy

During the Financial Year, there was no such incident that necessitated the Audit Committee to investigate according to the Whistle Blower Policy.

In line with Section 177 (9) of the Act read with relevant rule 7 of the Companies (Meetings of Board and its powers) rules, 2014 and Listing Regulations, 2015, the Company has established a Vigil Mechanism overseen by the Audit Committee. This has been uploaded in the Company's website. The link for the same is http://www.binnyltd.in/images/policies/Whistle_Blower_Policy_Vigil_Mechanism.pdf

No personnel were denied access to the Audit Committee of the Company.

iv. Compliance with the discretionary requirements under Listing Regulations, 2015

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

Separate posts of Chairman and Managing Director:

The Positions of the Chairman and Managing Director are separate. Shri. M. Nandagopal was appointed as Executive Chairman and Shri. Arvind Nandagopal was appointed as Managing Director.

v. Subsidiary Companies/Associate Companies

The Company does not have any Subsidiary Companies/Associate Companies.

vi. Disclosure of commodity price risks and commodity hedging activities

As the Company is not engaged in commodity business, commodity risk is not applicable. The foreign exchange risk is being managed/hedged to the extent considered necessary. The Company had not entered into any forward contracts for any foreign exchange risks during the year under review.

The Company has complied with the requirements of sub-paras (2) to (10) of Schedule V of the Regulations.

vii. Utilization of funds raised through preferential allotment or qualified institutions placement

The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2020.

viii. Certificate from a company secretary in practice with regard to disqualification of directors

A certificate from Shri V Suresh, practicing company secretary certifying that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed and forms part of this report

BINNY LIMITED

ix. Details of recommendation of any committee of the Board which are not accepted by the Board

The Board of directors accepted all the recommendation(s) of the Committees of the Board during financial year ended March 31, 2020.

x. Details of fees paid to the statutory auditor(s) and all entities in the network firm/network entity of which the each of the statutory auditor is a part for the financial year ended March 31, 2020

Rs in Lakhs

| Type of service | Fiscal 2020 | Fiscal 2019 |
|-----------------|-------------|-------------|
| Statutory Audit | 5.40 | 5.00 |
| Other matters | 5.77 | 5.00 |
| Total | 11.17 | 10.00 |

xi. Disclosure of complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

| Particulars | FY 2019-20 |
|--|------------|
| No. of complaints on sexual harassments received during the year | Nil |
| No. of complaint disposed off during the year | Nil |
| No. of cases pending as on at end of the financial year | Nil |

xii. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

| Regulation | Particulars of Regulation | Compliance Status (Yes/No/NA) |
|-------------------|---|-------------------------------|
| 17 | Board of Directors | Yes |
| 18 | Audit Committee | Yes |
| 19 | Nomination and Remuneration Committee | Yes |
| 20 | Stakeholders Relationship Committee | Yes |
| 21 | Risk Management Committee | NA |
| 22 | Vigil Mechanism | Yes |
| 23 | Related Party Transactions | NA |
| 24 | Corporate Governance Requirements with respect to subsidiaries of listed entity | NA |
| 25 | Obligations with respect to Independent Directors | Yes |
| 26 | Obligations with respect to Directors and Senior Management Personnel | Yes |
| 27 | Other Corporate Governance Requirements | Yes |
| 46 (2) (b) to (i) | Disclosures on website | Yes |

10. CODE OF CONDUCT

The Company's Board of Directors laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of the Company. The said Code of Conduct has also been posted on the Company's website in the below link: <http://www.binnyltd.in/images/policies/CODE%20OF%20CONDUCT.pdf>

The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for 2019-20 in the Board meeting held on July 30, 2020. A declaration signed by the Company's Managing Director to this effect is enclosed at the end of this report.

11. CERTIFICATION ON CORPORATE GOVERNANCE

As required under the Listing Regulations, 2015, Shri. V. Suresh, Practicing Company Secretary has verified the compliances of the Corporate Governance. A Certificate affirming the compliance is annexed to this Report.

12. CEO/CFO CERTIFICATION

As required under Regulation 17 (8) of the Listing Regulations, 2015, the CEO/CFO certificate for the financial year 2019 – 20 signed by Shri Arvind Nandagopal, Managing Director and Shri T. Krishnamurthy, CFO & Company Secretary, was placed before the Board of Directors of your Company at their meeting held on July 30, 2020 and the same is provided as Annexure to this Report.

13. DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Regulation 26 read with Schedule V (D) of the Listing Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel have affirmed compliance with their respective code of conduct and ethics as applicable to them, for the year ended on 31st March 2020.

Chennai
September 14, 2020

On behalf of the Board

Arvind Nandagopal
Managing Director
DIN:00059009

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE
UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To the Members of Binny Limited

I have examined the compliance of Corporate Governance by Binny Limited, for the year ended 31stMarch 2020, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me,

I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by it.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 12.09.2020

V Suresh
Practising Company Secretary
FCS No. 2969
C.P.No. 6032
UDIN: F002969B000774135

CEO / CFO Certification

To,
The Board of Directors,
Binny Limited, Chennai.

We, Arvind Nandagopal, Managing Director and T. Krishnamurthy, Chief Financial Officer and Company Secretary (CFO & CS) of Binny Limited to the best of our knowledge and belief hereby certify that:

- A. We have reviewed the financial statements for the year ended on March 31, 2020 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year ended on March 31, 2020 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) There has not been any significant changes in internal control over financial reporting during the year;
 - (2) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Arvind Nandagopal
Managing Director

T. Krishnamurthy
Chief Financial Officer and Company Secretary

Place: Chennai
Date: July 30, 2020

BINNY LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of Binny Limited
No: 1, Cooks Road,
Perambur Chennai 600012

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Binny Limited having CIN:L17111TN1969PLC005736 and having registered office at No: 1, Cooks Road, Otteri, Perambur Chennai 600012 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|---------------------------------|----------|--------------------------------|
| 1 | Mr.Masilamani Nandagopal | 00058710 | 23.03.1996 |
| 2 | Mr. Sankara Mudaliar Jagadeesan | 01799607 | 05.09.2007 |
| 3 | Mr. Srinivasan Natarajan | 00155988 | 11.01.1988 |
| 4 | Mr. Nandagopal Arvind | 00059009 | 25.03.2005 |
| 5 | Mr. Ranganathan Arunkumar | 00018588 | 06.09.2017 |
| 6 | Mrs. Nilima Sathya | 08066913 | 12.02.2018 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date : 25.06.2020

V Suresh
Practicing Company Secretary
FCS No. 2969
C.P.No. 6032
UDIN: F002969B000380357

Form No. MGT-9

EXTRACT OF ANNUAL RETURN ON THE FINANCIAL YEAR ENDED ON 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|--|
| i. | CIN | L17111TN1969PLC005736 |
| ii. | Registration Date | 30/06/1969 |
| iii. | Name of the Company | BINNY LIMITED |
| iv. | Category/Sub-Category of the Company | Public Company / Company having Share Capital |
| v. | Address of the Registered office and contact details | No: 1, Cooks Road, Otteri, Perambur Chennai TN 600012, Phone: 044-26621053, Mail ID: binny@binnyltd.in , website: www.binnyltd.in |
| vi. | Whether listed company | Yes Listed in BSE Ltd Scrip No. 514215 |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Cameo Corporate Services Limited, Subramanian Building, V Floor 1 Club House Road, Chennai 600 002. Tel.: 28460390 Fax: 28460129 E-mail: cameo@cameoindia.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1 | Real estate activities with own or leased property | 6810 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address of the Company | CIN/GLN | Holding/ Subsidiary /Associate | % of shares held | Applicable Section |
|---------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1 | NIL | NA | NA | NA | NA |

BINNY LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Name of the Company : **BINNY LIMITED**
 Face Value : 5 /-
 Paidup Shares as on 01-Apr-2019 : 22319410
 Paidup Shares as on 31-Mar-2020 : 22319410
 For the Period From : 01-Apr-2019 To : 31-Mar-2020

| Category code | Category of Shareholder | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year |
|---------------|---|---|-------------|-----------------|-------------------|---|-------------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | SHAREHOLDING OF PROMOTER AND PROMOTER GROUP | | | | | | | | | |
| 1. | INDIAN | | | | | | | | | |
| a. | INDIVIDUALS/HINDU UNDIVIDED FAMILY | 11390110 | 0 | 11390110 | 51.0323 | 11390110 | 0 | 11390110 | 51.0323 | 0.0000 |
| b. | CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | BODIES CORPORATE | 5273457 | 5750 | 5279207 | 23.6529 | 5273457 | 5750 | 5279207 | 23.6529 | 0.0000 |
| d. | FINANCIAL INSTITUTIONS/ BANKS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | ANY OTHER | | | | | | | | | |
| | SUB - TOTAL (A)(1) | 16663567 | 5750 | 16669317 | 74.6852 | 16663567 | 5750 | 16669317 | 74.6852 | 0.0000 |
| 2. | FOREIGN | | | | | | | | | |
| a. | INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| b. | BODIES CORPORATE | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | INSTITUTIONS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | ANY OTHER | | | | | | | | | |
| | SUB - TOTAL (A)(2) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2) | 16663567 | 5750 | 16669317 | 74.6852 | 16663567 | 5750 | 16669317 | 74.6852 | 0.0000 |
| B. | PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. | INSTITUTIONS | | | | | | | | | |
| a. | MUTUAL FUNDS/UTI | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| b. | FINANCIAL INSTITUTIONS/ BANKS | 0 | 11260 | 11260 | 0.0504 | 59 | 11260 | 11319 | 0.0507 | 0.0002 |
| c. | CENTRAL GOVERNMENT/ STATE GOVERNMENT(S) | 18250 | 351340 | 369590 | 1.6559 | 18250 | 351340 | 369590 | 1.6559 | 0.0000 |
| e. | INSURANCE COMPANIES | 452747 | 0 | 452747 | 2.0284 | 430844 | 0 | 430844 | 1.9303 | -0.0981 |
| f. | FOREIGN INSTITUTIONAL INVESTORS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |

BINNY LIMITED

| Category code | Category of Shareholder | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year |
|---------------|--|---|----------------|-----------------|-------------------|---|----------------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| g. | FOREIGN VENTURE CAPITAL INVESTORS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| h. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| i. | ANY OTHER | | | | | | | | | |
| | Foreign Portfolio Investor (Corporate) Category II | 18287 | 0 | 18287 | 0.0819 | 18287 | 0 | 18287 | 0.0819 | 0.0000 |
| | | 18287 | 0 | 18287 | 0.0819 | 18287 | 0 | 18287 | 0.0819 | 0.0000 |
| | SUB - TOTAL (B)(1) | 489284 | 362600 | 851884 | 3.8167 | 467440 | 362600 | 830040 | 3.7189 | -0.0978 |
| 2. | NON-INSTITUTIONS | | | | | | | | | |
| a. | BODIES CORPORATE | 122493 | 88550 | 211043 | 0.9455 | 101365 | 88550 | 189915 | 0.8508 | -0.0946 |
| b. | INDIVIDUALS - | | | | | | | | | |
| | I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH | 1434794 | 1035631 | 2470425 | 11.0685 | 1469151 | 1016305 | 2485456 | 11.1358 | 0.0673 |
| | II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH | 1438823 | 0 | 1438823 | 6.4465 | 1455561 | 0 | 1455561 | 6.5215 | 0.0749 |
| c. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | ANY OTHER | | | | | | | | | |
| | CLEARING MEMBERS | 422 | 0 | 422 | 0.0018 | 870 | 0 | 870 | 0.0038 | 0.0020 |
| | HINDU UNDIVIDED FAMILIES | 204689 | 100 | 204789 | 0.9175 | 213648 | 0 | 213648 | 0.9572 | 0.0396 |
| | NON RESIDENT INDIANS | 459127 | 13540 | 472667 | 2.1177 | 461023 | 13540 | 474563 | 2.1262 | 0.0084 |
| | TRUSTS | 40 | 0 | 40 | 0.0001 | 40 | 0 | 40 | 0.0001 | 0.0000 |
| | | 664278 | 13640 | 677918 | 3.0373 | 675581 | 13540 | 689121 | 3.0875 | 0.0501 |
| | SUB - TOTAL (B)(2) | 3660388 | 1137821 | 4798209 | 21.4979 | 3701658 | 1118395 | 4820053 | 21.5957 | 0.0978 |
| | TOTAL PUBLIC SHAREHOLDING (B) - (B) (1)+(B)(2) | 4149672 | 1500421 | 5650093 | 25.3147 | 4169098 | 1480995 | 5650093 | 25.3147 | 0.0000 |
| | TOTAL (A)+(B) | 20813239 | 1506171 | 22319410 | 100.0000 | 20832665 | 1486745 | 22319410 | 100.0000 | 0.0000 |
| C. | SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED | | | | | | | | | |
| | Promoter and Promoter Group | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | Public | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | TOTAL CUSTODIAN (C) | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| | GRAND TOTAL (A)+(B)+(C) | 20813239 | 1506171 | 22319410 | 100.0000 | 20832665 | 1486745 | 22319410 | 100.0000 | 0.0000 |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

ii) Shareholding of promoters

Name of the Company : **BINNY LIMITED**

| Sl No | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year | FOLIO/DP_CL_ID | PAN | Pledged Shares at beginning of the Year | Pledged Shares at end of the Year |
|-------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|------------------|-------------|---|-----------------------------------|
| | | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | | | | | |
| 1 | NANDAGOPAL MASILAMANI | 8974310 | 40.2085 | 40.1797 | 10012110 | 44.8583 | 44.8583 | 4.6497 | 1203230001367143 | AADPN2678L | 8967883 | 10012110 |
| | HAVING SAME PAN | | | | | | | | | | | |
| 1 | NANDAGOPAL M | 1037800 | 4.6497 | 0.0000 | 0 | 0.0000 | 0.0000 | -4.6497 | IN30160411294983 | AADPN2678L | 0 | 0 |
| 2 | ARTHOS BREWERIES LIMITED | 1615017 | 7.2359 | 7.2359 | 1615017 | 7.2359 | 2.5573 | 0.0000 | 1203230001373535 | AABCA4799E | 1615017 | 570790 |
| 3 | SHEETALA CREDIT AND HOLDINGS PRIVATE LIMITED | 850000 | 3.8083 | 0.0000 | 850000 | 3.8083 | 0.0000 | 0.0000 | IN30131321578644 | AAICS7668F | 0 | 0 |
| 4 | SATLUJ CREDIT AND HOLDINGS PRIVATE LIMITED | 840000 | 3.7635 | 0.0000 | 840000 | 3.7635 | 0.0000 | 0.0000 | IN30131321578652 | AAICS7786G | 0 | 0 |
| 5 | RAJAT CHAKRA CREDIT AND HOLDINGS PRIVATE LIMITED | 840000 | 3.7635 | 0.0000 | 840000 | 3.7635 | 0.0000 | 0.0000 | IN30131321578677 | AAACCR9242A | 0 | 0 |
| 6 | CALCOM CREDIT AND HOLDINGS PRIVATE LIMITED | 840000 | 3.7635 | 0.0000 | 840000 | 3.7635 | 0.0000 | 0.0000 | IN30131321578804 | AACCCS3554N | 0 | 0 |
| 7 | ARVIND NANDAGOPAL | 800000 | 3.5843 | 3.5843 | 800000 | 3.5843 | 3.5843 | 0.0000 | 1203230001363928 | AAFP6259G | 800000 | 800000 |
| 8 | RAJALAKSHMI N | 578000 | 2.5896 | 0.0000 | 578000 | 2.5896 | 0.0000 | 0.0000 | IN30131321578263 | AAJPR3025P | 0 | 0 |
| 9 | TWENTIETH CENTURY-APCO LEASING PRIVATE LIMITED | 288440 | 1.2923 | 0.0000 | 288440 | 1.2923 | 0.0000 | 0.0000 | IN30131321578669 | AACCT1854G | 0 | 0 |
| 10 | TIGERS FARMS PVT LTD | 5750 | 0.0257 | 0.0000 | 5750 | 0.0257 | 0.0000 | 0.0000 | 00010447 | AACCT9108R | 0 | 0 |

BINNY LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the Company : **BINNY LIMITED**

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | FOLIO/DP_CL_ID | PAN |
|------------------------------------|--|---|----------------------------------|---|----------------------------------|------------------|------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company | | |
| 1 | NANDAGOPAL MASILAMANI | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 8974310 | 40.2085 | 8974310 | 40.2085 | 1203230001367143 | AADPN2678L |
| | Purchase 24-May-2019 | 1037800 | 4.6497 | 10012110 | 44.8583 | | |
| | At the end of the Year 31-Mar-2020 | 10012110 | 44.8583 | 10012110 | 44.8583 | | |
| | HAVING SAME PAN | | | | | | |
| | NANDAGOPAL M | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 1037800 | 4.6497 | 1037800 | 4.6497 | IN30160411294983 | AADPN2678L |
| | Sale 24-May-2019 | -1037800 | 4.6497 | 0 | 0.0000 | | |
| At the end of the Year 31-Mar-2020 | 0 | 0.0000 | 0 | 0.0000 | | | |
| 2 | ARTHOS BREWERIES LIMITED | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 1615017 | 7.2359 | 1615017 | 7.2359 | 1203230001373535 | AABCA4799E |
| | At the end of the Year 31-Mar-2020 | 1615017 | 7.2359 | 1615017 | 7.2359 | | |
| 3 | SHEETALA CREDIT AND HOLDINGS PRIVATE LIMITED | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 850000 | 3.8083 | 850000 | 3.8083 | IN30131321578644 | AAICS7668F |
| | At the end of the Year 31-Mar-2020 | 850000 | 3.8083 | 850000 | 3.8083 | | |
| 4 | SATLUJ CREDIT AND HOLDINGS PRIVATE LIMITED | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 840000 | 3.7635 | 840000 | 3.7635 | IN30131321578652 | AAICS7786G |
| | At the end of the Year 31-Mar-2020 | 840000 | 3.7635 | 840000 | 3.7635 | | |
| 5 | RAJAT CHAKRA CREDIT AND HOLDINGS PRIVATE LIMITED | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 840000 | 3.7635 | 840000 | 3.7635 | IN30131321578677 | AACCR9242A |
| | At the end of the Year 31-Mar-2020 | 840000 | 3.7635 | 840000 | 3.7635 | | |

BINNY LIMITED

| | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | | |
|-------|--|---|----------------------------------|---|----------------------------------|------------------|------------|
| Sl No | Name of the Share holder | No of shares | % of total shares of the company | No of shares | % of total shares of the company | FOLIO/DP_CL_ID | PAN |
| 6 | CALCOM CREDIT AND HOLDINGS PRIVATE LIMITED | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 840000 | 3.7635 | 840000 | 3.7635 | IN30131321578804 | AACCC5354N |
| | At the end of the Year 31-Mar-2020 | 840000 | 3.7635 | 840000 | 3.7635 | | |
| 7 | ARVIND NANDAGOPAL | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 800000 | 3.5843 | 800000 | 3.5843 | 1203230001363928 | AAFPA6259G |
| | At the end of the Year 31-Mar-2020 | 800000 | 3.5843 | 800000 | 3.5843 | | |
| 8 | RAJALAKSHMI N | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 578000 | 2.5896 | 578000 | 2.5896 | IN30131321578263 | AAJPR3025P |
| | At the end of the Year 31-Mar-2020 | 578000 | 2.5896 | 578000 | 2.5896 | | |
| 9 | TWENTIETH CENTURY-APCO LEASING PRIVATE LIMITED | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 288440 | 1.2923 | 288440 | 1.2923 | IN30131321578669 | AACCT1854G |
| | At the end of the Year 31-Mar-2020 | 288440 | 1.2923 | 288440 | 1.2923 | | |
| 10 | TIGERS FARMS PVT LTD | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 5750 | 0.0257 | 5750 | 0.0257 | 00010447 | AACCT9108R |
| | At the end of the Year 31-Mar-2020 | 5750 | 0.0257 | 5750 | 0.0257 | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Company : BINNY LIMITED

| | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | | |
|-------|--|---|----------------------------------|---|----------------------------------|------------------|------------|
| Sl No | Name of the Share holder | No of shares | % of total shares of the company | No of shares | % of total shares of the company | FOLIO/DP_CL_ID | PAN |
| 1 | LIFE INSURANCE CORPORATION OF INDIA | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 452347 | 2.0266 | 452347 | 2.0266 | IN30081210000012 | AAACL0582H |
| | Sale 16-Aug-2019 | -200 | 0.0008 | 452147 | 2.0258 | | |

BINNY LIMITED

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | FOLIO/DP_CL_ID | PAN |
|-------|--|---|----------------------------------|---|----------------------------------|------------------|------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company | | |
| | Sale 23-Aug-2019 | -668 | 0.0029 | 451479 | 2.0228 | | |
| | Sale 06-Sep-2019 | -185 | 0.0008 | 451294 | 2.0219 | | |
| | Sale 13-Sep-2019 | -1528 | 0.0068 | 449766 | 2.0151 | | |
| | Sale 18-Sep-2019 | -200 | 0.0008 | 449566 | 2.0142 | | |
| | Sale 20-Sep-2019 | -135 | 0.0006 | 449431 | 2.0136 | | |
| | Sale 27-Sep-2019 | -7209 | 0.0322 | 442222 | 1.9813 | | |
| | Sale 11-Oct-2019 | -836 | 0.0037 | 441386 | 1.9775 | | |
| | Sale 18-Oct-2019 | -2600 | 0.0116 | 438786 | 1.9659 | | |
| | Sale 25-Oct-2019 | -3342 | 0.0149 | 435444 | 1.9509 | | |
| | Sale 07-Feb-2020 | -5000 | 0.0224 | 430444 | 1.9285 | | |
| | At the end of the Year 31-Mar-2020 | 430444 | 1.9285 | 430444 | 1.9285 | | |
| 2 | RAMANATHAN SRINIVASAN | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 442400 | 1.9821 | 442400 | 1.9821 | IN30014210602692 | ABTPS6467P |
| | At the end of the Year 31-Mar-2020 | 442400 | 1.9821 | 442400 | 1.9821 | | |
| 3 | SADAYAVEL KAILASAM | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 436000 | 1.9534 | 436000 | 1.9534 | IN30160411305537 | AADPK5408K |
| | At the end of the Year 31-Mar-2020 | 436000 | 1.9534 | 436000 | 1.9534 | | |
| 4 | GOVERNOR OF TAMIL NADU JT1 : REPRESENTING GOVT OF TAMIL NADU | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 340940 | 1.5275 | 340940 | 1.5275 | G0000311 | |
| | At the end of the Year 31-Mar-2020 | 340940 | 1.5275 | 340940 | 1.5275 | | |
| 5 | SAKTHIVEL J | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 286000 | 1.2813 | 286000 | 1.2813 | IN30160411297406 | AABPS8764N |
| | At the end of the Year 31-Mar-2020 | 286000 | 1.2813 | 286000 | 1.2813 | | |
| 6 | KETAN J KARANI JT1 : TRUPTI K KARANI | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 252994 | 1.1335 | 252994 | 1.1335 | 1204510000007054 | AMAPK8243M |
| | Purchase 27-Sep-2019 | 5000 | 0.0224 | 257994 | 1.1559 | | |
| | Sale 18-Oct-2019 | -3000 | 0.0134 | 254994 | 1.1424 | | |
| | Sale 25-Oct-2019 | -4314 | 0.0193 | 250680 | 1.1231 | | |

BINNY LIMITED

| | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | | |
|-------|---|---|----------------------------------|---|----------------------------------|------------------|------------|
| Sl No | Name of the Share holder | No of shares | % of total shares of the company | No of shares | % of total shares of the company | FOLIO/DP_CL_ID | PAN |
| | Sale 01-Nov-2019 | -3299 | 0.0147 | 247381 | 1.1083 | | |
| | Sale 08-Nov-2019 | -7860 | 0.0352 | 239521 | 1.0731 | | |
| | Sale 13-Dec-2019 | -2700 | 0.0120 | 236821 | 1.0610 | | |
| | Sale 20-Dec-2019 | -13500 | 0.0604 | 223321 | 1.0005 | | |
| | Sale 31-Dec-2019 | -3175 | 0.0142 | 220146 | 0.9863 | | |
| | Sale 03-Jan-2020 | -2545 | 0.0114 | 217601 | 0.9749 | | |
| | Sale 10-Jan-2020 | -10000 | 0.0448 | 207601 | 0.9301 | | |
| | Purchase 17-Jan-2020 | 3079 | 0.0137 | 210680 | 0.9439 | | |
| | Sale 07-Feb-2020 | -795 | 0.0035 | 209885 | 0.9403 | | |
| | Sale 14-Feb-2020 | -4665 | 0.0209 | 205220 | 0.9194 | | |
| | Sale 21-Feb-2020 | -2250 | 0.0100 | 202970 | 0.9093 | | |
| | Sale 28-Feb-2020 | -3107 | 0.0139 | 199863 | 0.8954 | | |
| | Sale 06-Mar-2020 | -2000 | 0.0089 | 197863 | 0.8865 | | |
| | Sale 13-Mar-2020 | -2169 | 0.0097 | 195694 | 0.8767 | | |
| | Purchase 20-Mar-2020 | 34 | 0.0001 | 195728 | 0.8769 | | |
| | At the end of the Year 31-Mar-2020 | 195728 | 0.8769 | 195728 | 0.8769 | | |
| 7 | V N MUNISAMY | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 100000 | 0.4480 | 100000 | 0.4480 | IN30160411297334 | AAIPM5194K |
| | At the end of the Year 31-Mar-2020 | 100000 | 0.4480 | 100000 | 0.4480 | | |
| 8 | R APPAJI | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 100000 | 0.4480 | 100000 | 0.4480 | IN30160411297391 | ANZPA7132M |
| | At the end of the Year 31-Mar-2020 | 100000 | 0.4480 | 100000 | 0.4480 | | |
| 9 | ASHISH JAIN | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 81241 | 0.3639 | 81241 | 0.3639 | IN30160420017710 | ABFPJ6898P |
| | Sale 13-Mar-2020 | -81241 | 0.3639 | 0 | 0.0000 | | |
| | Purchase 27-Mar-2020 | 80571 | 0.3609 | 80571 | 0.3609 | | |
| | At the end of the Year 31-Mar-2020 | 80571 | 0.3609 | 80571 | 0.3609 | | |
| 10 | TRUPTI K KARANI JT1 : KETAN J KARANI | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 72941 | 0.3268 | 72941 | 0.3268 | 1204510000007069 | AOAPK2535E |
| | Purchase 19-Apr-2019 | 230 | 0.0010 | 73171 | 0.3278 | | |
| | Purchase 10-May-2019 | 371 | 0.0016 | 73542 | 0.3294 | | |
| | Purchase 24-May-2019 | 5449 | 0.0244 | 78991 | 0.3539 | | |

BINNY LIMITED

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | FOLIO/DP_CL_ID | PAN |
|-------|---|---|----------------------------------|---|----------------------------------|------------------|------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company | | |
| | Purchase 31-May-2019 | 17327 | 0.0776 | 96318 | 0.4315 | | |
| | Purchase 07-Jun-2019 | 50 | 0.0002 | 96368 | 0.4317 | | |
| | Sale 23-Aug-2019 | -1000 | 0.0044 | 95368 | 0.4272 | | |
| | Purchase 13-Sep-2019 | 5196 | 0.0232 | 100564 | 0.4505 | | |
| | Purchase 18-Sep-2019 | 480 | 0.0021 | 101044 | 0.4527 | | |
| | Purchase 27-Mar-2020 | 400 | 0.0017 | 101444 | 0.4545 | | |
| | At the end of the Year 31-Mar-2020 | 101444 | 0.4545 | 101444 | 0.4545 | | |
| | HAVING SAME PAN | | | | | | |
| 10 | TRUPTI KETAN KARANI JT1 : KETAN JAYANTILAL KARANI | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 71 | 0.0003 | 71 | 0.0003 | IN30027110093659 | AOAPK2535E |
| | At the end of the Year 31-Mar-2020 | 71 | 0.0003 | 71 | 0.0003 | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | FOLIO/DP_CL_ID | PAN |
|-------|--|---|----------------------------------|---|----------------------------------|------------------|------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company | | |
| 1 | NANDAGOPAL M | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 10012110 | 44.8583 | 10012110 | 44.8583 | IN30160411294983 | AADPN2678L |
| | At the end of the Year 31-Mar-2020 | 10012110 | 44.8583 | 10012110 | 44.8583 | | |
| 2 | ARVIND NANDAGOPAL | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 800000 | 3.5843 | 800000 | 3.5843 | 1203230001363928 | AAFPK6259G |
| | At the end of the Year 31-Mar-2020 | 800000 | 3.5843 | 800000 | 3.5843 | | |
| 3 | T KRISHNAMURTHY | | | | | | |
| | At the beginning of the year 01-Apr-2019 | 1550 | 0.007 | 1550 | 0.007 | IN30044110901241 | AAAPK7442G |
| | At the end of the Year 31-Mar-2020 | 1550 | 0.007 | 1550 | 0.007 | | |

BINNY LIMITED

V. INDEBTEDNESS OF THE COMPANY

(Rs. In lacs)

| Particulars | Secured Loan | Unsecured Loan | Deposits | Total Indebtedness |
|--|-----------------|----------------|----------|-----------------------|
| Indebtedness at the beginning of the Financial Year | | | | |
| (i) Principle Amount | 9982.06 | - | - | 9,982.06 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total | 9982.06 | - | - | 9,982.06 |
| Change in Indebtedness during the Financial Year | | | | |
| Addition | | - | - | - |
| Reduction | 1,470.96 | - | - | 1,470.96 |
| Net Change | -1470.96 | - | - | -1470.96 |
| Indebtedness at the end of the Financial Year | | | | |
| (i) Principal Amount | 8511.10 | - | - | 8,511.10 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total | 8,511.10 | | | 8,511.10 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. In lacs)

| Sl. No. | Particulars of Remuneration | Mr. Arvind Nandagopal, Managing Director | Total |
|---------|---|---|--------|
| | | | Amount |
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 60.00 | 60.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | |
| 2. | Stock Option | | |
| 3. | Sweat Equity | | |
| 4. | Commission - as % of profit - others, specify... | | |
| 5. | Others, please specify | | |
| 6. | Total (A) | 60.00 | 60.00 |
| | Ceiling as per the Act | 60.00 | 60.00 |

BINNY LIMITED

B. Remuneration to other directors:

(Rs. In lacs)

| Sl. No. | Particulars of Remuneration | Mr. S. Jagadeesan | Mr. Arunkumar | Ms. Nilima Sathya | Mr. S. Natarajan | Total Amount |
|---------|--|-------------------|---------------|-------------------|------------------|--------------|
| 1. | <u>Independent Directors</u> | | | | | |
| | · Fee for attending board committee meetings | 0.50 | 0.50 | 0.40 | - | 1.40 |
| | · Commission | - | - | - | - | - |
| | · Others, please specify | - | - | - | - | - |
| | Total (1) | - | - | - | - | - |
| 2. | <u>Other Non-Executive Directors</u> | | | | | |
| | · Fee for attending board committee meetings | - | - | - | - | - |
| | · Commission | - | - | - | - | - |
| | · Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (1+2) | 0.50 | 0.50 | 0.40 | - | 1.40 |
| | Total Managerial Remuneration | 0.50 | 0.50 | 0.40 | - | 1.40 |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rs. In lacs)

| Sl. No. | Particulars of Remuneration | T. Krishnamurthy CFO & Company Secretary | Total |
|---------|---|---|--------------|
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 31.00 | 31.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | |
| 2. | Stock Option | | |
| 3. | Sweat Equity | | |
| 4. | Commission - as % of profit - others, specify... | | |
| 5. | Others, please specify | | |
| | Total | 31.00 | 31.00 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

No penalties/punishment/compounding of offences were levied during the year 2019-20 under the Companies Act, 2013.

**DETAILS PERTAINING TO COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

| | Name of the Director / KMP | Designation | Ratio to Median Remuneration | % Increase in Remuneration |
|---|--|-------------------------|--|-------------------------------------|
| 1 | Mr. Arvind Nandagopal | Managing Director | 28.83:1 | N.A. |
| | Mr. T. Krishnamurthy | CFO & Company Secretary | 16.10:1 | No increase |
| 2 | The percentage increase in the median remuneration of employees in the financial year | | | 7.41% |
| 3 | The number of permanent employees on the rolls of the company | | | 17 |
| 4 | The explanation on the relationship between average increase in remuneration and company performance | | Company Performance (Sales increase %) | 111.13% |
| | | | Average increase in Remuneration | Nil |
| 5 | Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company | Designation | % of increase in remuneration | Company performance (Sales in lacs) |
| | Mr. Arvind Nandagopal | Managing Director | No increase | 4077.08 |
| | Mr. T. Krishnamurthy | CFO & Company Secretary | No increase | |
| | Total | | N.A. | |
| Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case listed companies | Details as on 31 st March | 2019 | 2020 | increase / decrease % |
| | No. of Shares | 223,19,410 | 223,19,410 | NIL |
| | Share price in BSE (Rs.) | 134.70 | 62.40 | (53.67%) |
| | EPS | (6.74) | (7.44) | N.A. |
| | PE Ratio (based on audited results) | N.A. | N.A. | N.A. |
| | Company's market cap (Rs.in lacs) | 30,064.25 | 13,927.31 | (53.67%) |
| | | | Details | Increase |
| 6 | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | | average percentile increase already made in the salaries of Employees | Nil |
| | | | Percentile increase in the remuneration to Managing Director and CFO & Company Secretary | Nil |
| 7 | The key parameters for any variable components of remuneration availed by the CFO & CS | | There is no variable component of remuneration payable to the Managing Director and CFO & Company Secretary. | |
| 8 | The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year; and pay | | N.A. | |
| 9 | Affirmation that the remuneration is as per the remuneration policy of the Company | | Remuneration paid during the year 2019-20 is as per the remuneration policy of the company | |

Note: The calculation for median remuneration and average increase in remuneration is arrived at based on permanent employees of the Company in the regular rolls.

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2019-20

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

M/s.BINNY LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. BINNY LIMITED (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. BINNY LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. BINNY LIMITED** ("the Company") for the financial year ended on 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not Applicable to the Company during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the audit period)**

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the audit period)**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

My observations/remarks are as under:

1. The advances to related party for purchase of land for which the members of the company have not approved the resolution. The company has called back the advances and these advances for purchase of land are pending for recovery. However, interest has been charged on the advance.
2. The advances to related party for purchase of wind mill. The company has cancelled the contract and recalled the advance paid and this amount is pending for recovery. However, Interest has been charged on the advance.
3. The outstanding loan amount of Rs.31.33 lakhs due from one of the party covered in the register maintained under section 189 of the Act.
4. The advances to related party for purchase of land for which the members of the Company have also approved the resolution. The Company is in the process of completion of registration formalities.

We also observed that the Company is required to spend an amount of Rs. 297.76 lakhs towards Corporate Social Responsibility (CSR) for the financial year 2019-20.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Chennai
Date :12.09.2020

V Suresh
Practising Company Secretary
FCS No. 2969
C.P.No. 6032
UDIN:F002969B000706265

FORM NO. AOC-2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of Companies (Accounts)Rules, 2015

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties during the financial year 2019-20 as referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of Contracts or arrangements or transactions not at Arm's length basis.

| S.No | Particulars | Details |
|-------------|--|---------------------|
| a) | Name of the related party & nature of relationship | During the year Nil |
| b) | Nature of Contract / agreements / transaction | |
| c) | Duration of the contracts / arrangements/transactions | |
| d) | Salient terms of the Contract or agreements or transactions including the value, if any | |
| e) | Justification for entering into such contracts or arrangements or transactions | |
| f) | Date of Approval by the Board | |
| g) | Amount paid as advance, if any | |
| h) | Date on which the resolution in general meeting as required under first proviso to section 188 | |

2. Details of material contracts or arrangement or transactions at arm's length basis

| S.No | Particulars | Details |
|-------------|--|---------------------|
| a) | Name of the related party & nature of relationship | During the year Nil |
| b) | Nature of Contract / agreements / transaction | |
| c) | Duration of the contracts / arrangements / transactions | |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| e) | Date(s) of approval by the Board, if any | |
| f) | Amount paid as advances, if any | |

INDEPENDENT AUDITORS' REPORT

To

The Members of Binny Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of BINNY Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March, 2020, and its profit(financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone financial statements:

- a) Note No. 37.4 to the Standalone financial statements with regard to the Income Tax, Wealth Tax and Service Tax demands disputed before respective authorities, which describes the uncertainty related to the outcome of the appeals filed against the Orders of the Authorities
- b) Note No. 37.8 to the Standalone financial statements with regard to the advance to related party for purchase of land for which the members of the Company have not approved the resolution. The Company has called back the advance and the advance for purchase of land is pending for recovery. However, interest has been charged on the advance.
- c) Note no.37.9 to the Standalone financial statements with regard to the advance to related party for purchase of Wind Mill. The company has cancelled the contract and recalled the advance paid and this amount is pending for recovery. However, interest has been charged on the advance.
- d) Note no.37.10 to the Standalone financial statements with regard to the advances to related party for purchase of land for which the members of the Company have also approved the resolution. The Company is in the process of completion of registration formalities.
- e) Note No. 6 to the Standalone Financial Statements regarding the trade advances for purchase of land, textile goods and other items, the Company is in the process of negotiation with the parties and if the supplies are not received, the advance amount will be recovered.
- f) Note No. 35 to the Standalone Financial Statements regarding the Management's assessment of the impact of covid-19 pandemic and the resultant lockdown, on the significant uncertainties involved in making estimates involved in the preparation of financial results. However, in view of the highly uncertain economic environment, the actual results may differ from those estimated as at the date of approval of these financial results.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | How our audit addressed the Key Audit Matter |
|---------|--|---|
| 1. | <p>Revenue recognition:</p> <p>Revenue from real estate projects is recognized upon transfer of control and ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements/ other legally enforceable documents. Pending recognition of revenue, the advance amounting to Rs 21721.11 Lakhs is kept under Project advance - Revenue received in advance.</p> <p>We identified this as a key audit matter because though the sale considerations are being received from the customers based on the Payment Schedule annexed to the Construction Agreement entered with the Customers, these amounts will be shown under Project Advance until registration of sale deeds.</p> <p>(Refer Note No. 2.5 to the Standalone Financial Statements, on Revenue Recognition)</p> | <p>Our audit procedures included, among others:</p> <ol style="list-style-type: none"> a. Review of Joint Development Agreement between the Company (Owner) and M/s SPR Construction Private Limited (Developer) b. Review of Special Audit Report in respect of collection of sale proceeds from SPR Construction Private Limited. c. Disclosures made in the Notes to accounts. d. Management representation on the Accounting Policy on Revenue recognition and the accounting of the project advances received from the Developer. <p>Based on the above procedures performed, we observed that the Company's Policy on Revenue recognition and accounting of Project advances received is adequate and reasonable.</p> |

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Corporate Governance Report (but does not include the Standalone Financial Statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report (hereinafter referred to as 'CG report'), and the information included in the Director's Report including Annexures, Management Discussion and Analysis, Business Responsibility Report and other company related information (hereinafter referred to as 'Other reports'). The Other reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information included in the CG report that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the 'Other reports', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Standalone) prescribed

under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate Internal Financial Controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2".
 - (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to explanation given to us, remuneration paid or payable by the company to the directors during the year is in accordance with the section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note No. 37.1 to the Standalone Financial Statements;
 - II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Sagar & Associates,
Chartered Accountants
Firm's Registration No. 003510S

D. MANOHAR

Partner

Membership No.: 029644

Place: Chennai

Date : July 30, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of BINNY LIMITED on the Standalone Financial Statements for the year ended 31 March 2020

- (i) In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that
- (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant & Equipment).
- (b) The Company is having a regular program of physical verification of all fixed assets (Property, Plant & Equipment) on an yearly basis. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The Company holds inventory of lands as "Stock in trade". This inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
- (iii) During the year, the Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act.
- Outstanding loan amount of Rs 31.33 Lakhs is due from one of the party covered in the register maintained under Section 189 of the Act. As there are no loan agreements or mutually agreed letter of arrangement, we have been informed that the loan is repayable on demand and there is no stipulation on payment of interest. .
- (iv) The Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans advanced, securities and guarantees given.
- (v) The Company has not accepted deposits from the public during this year. As such, the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under sub section (1) of Section 148 of the Act and hence the provision of clause 3 (vi) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company for the year under audit.
- (vii) (a) The Company is depositing, with delays in few instances, undisputed statutory dues including provident fund, Employee state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess, wherever applicable. The statutory dues outstanding as on 31st March 2020 for a period of more than six months from the date they become payable is given below:

| Nature of Dues | Amount in (Rs in Lakhs) | Period to which the amount relates |
|----------------|-------------------------|------------------------------------|
| TN VAT | 5.35 | July 2015 |

- (b) According to information and explanations given to us, the gross disputed statutory dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of dispute are as under:

| Nature of Statute | Nature of Dues | Amount (Rs in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|-------------------|----------------|----------------------|---|--------------------------------|
| Income tax act | Income tax | 19.21 | AY-2008-09 | AO & High court, Chennai |
| Income tax Act | Income Tax | 0.59 | AY 2010-11 | ITAT, chennai |
| Wealth Tax Act | Wealth Tax | 1823.66 | AY 1993-94 to AY 2000-01 and AY 2005-06 to AT 2010-11 | CWT-A, Chennai |
| Wealth Tax Act | Wealth Tax | 717.68 | AY 2001-02 to AY 2004-05 | ITAT, chennai |
| Income Tax Act | Income Tax | 82.53 | AY- 2014-2015 | CIT (A) chennai |
| Income Tax Act | Income Tax | 710.36 | AY- 2015-2016 | CIT (A) Chennai |
| Income Tax Act | Income Tax | 11464.23 | AY 2010-11 | CIT (A) Chennai |
| Wealth Tax Act | Wealth Tax | 574.73 | AY 2011-12 to AY 2014-15 | CWT-A, Chennai |
| Income Tax Act | Income Tax | 82.53 | AY 2014-15 | CIT (A) Chennai |

BINNY LIMITED

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purposes for which they were obtained.
- (x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The company has provided managerial remuneration in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.
- (xiii) The Company has complied with the provisions of Section 177 and 188 of the Act w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Act.
- (xvi) According to information and explanation given to us, the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

For Sagar & Associates,
Chartered Accountants
Firm's Registration No. 003510S

D. MANOHAR

Partner

Membership No.: 029644

Place: Chennai

Date : July 30, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of BINNY LIMITED on the Standalone Financial Statements for the year ended 31 March 2020

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to Standalone Financial Statements of BINNY Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial control with reference to Standalone Financial Statements included obtaining an understanding of internal financial control with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements in place and such internal financial controls with respect to Standalone Financial Statements were operating effectively as at 31 March 2020, based on the internal controls over financial reporting criteria established by the Company considering the components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For Sagar & Associates,
Chartered Accountants
Firm's Registration No. 003510S

D. MANOHAR

Partner

Membership No.: 029644

Place: Chennai
Date: July 30, 2020

BINNY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2020

(Amount in INR lakhs, unless otherwise stated)

| | Notes | As at 31 March 2020 | As at 31 March 2019 |
|--|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 4 | 157.17 | 174.68 |
| Financial assets | | | |
| Investments | 5 | 0.01 | 0.01 |
| Other non-current assets | 6 | 45,802.46 | 41,918.57 |
| Total non-current assets | | <u>45,959.64</u> | <u>42,093.25</u> |
| Current Assets | | | |
| Inventories | 7 | 29,756.75 | 29,879.76 |
| Financial assets | | | |
| Investments | 5 | 30.92 | 18.92 |
| Others | 8 | 34,090.10 | 29,378.86 |
| Trade receivables | 9 | 177.49 | 109.63 |
| Cash and cash equivalents | 10 | 80.40 | 265.23 |
| Bank balances other than cash and cash equivalent | 11 | 654.71 | 274.22 |
| Current tax Assets (net) | 12 | 616.48 | |
| Other current assets | 13 | 3,622.56 | 5,946.78 |
| Total current assets | | <u>68,412.94</u> | <u>66,489.88</u> |
| Total assets | | <u>1,14,372.58</u> | <u>1,08,583.13</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 14 | 1,115.97 | 1,115.97 |
| Other equity | 15 | 30,130.33 | 31,911.80 |
| Total equity | | <u>31,246.30</u> | <u>33,027.77</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 16 | 33,835.73 | 33,105.87 |
| Provisions | 17 | 21.97 | 19.70 |
| Deferred tax liabilities (Net) | 29 | 233.23 | 211.88 |
| Other non-current liabilities | 18 | 44,559.99 | 40,686.89 |
| Total non-current liabilities | | <u>78,650.92</u> | <u>74,024.34</u> |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | | | |
| Trade payables | 19 | 665.80 | 86.37 |
| Other financial liabilities | 20 | 1,230.58 | 1,205.39 |
| Other current liabilities | 21 | 176.16 | 225.87 |
| Provisions | 17 | 14.05 | 13.39 |
| Current tax liabilities (net) | 22 | 2,388.76 | - |
| Total current liabilities | | <u>4,475.35</u> | <u>1,531.02</u> |
| Total liabilities | | <u>83,126.27</u> | <u>75,555.36</u> |
| Total equity and liabilities | | <u>1,14,372.58</u> | <u>1,08,583.13</u> |
| Significant Accounting Policies | 2 | | |
| The accompanying notes are an integral part of the financial statements. | | | |

For and on behalf of the Board of Directors

As per our Report of even date
for M/s SAGAR & ASSOCIATES
Chartered Accountants
Firm Regn No 003510S

M. NANDAGOPAL
Executive Chairman
DIN: 00058710
Place: Chennai
Date : 30th July 2020

ARVIND NANDAGOPAL
Managing Director
DIN: 00059009

T. KRISHNAMURTHY
Chief Financial Officer &
Company Secretary

D. MANOHAR
Partner
Membership No.029644

BINNY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in INR lakhs, unless otherwise stated)

| | Notes | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 23 | 4,077.08 | 36.36 |
| Other Income | 24 | 4,226.66 | 4,216.07 |
| Total income | | 8,303.74 | 4,252.43 |
| Expenses | | | |
| Changes in inventories of stock-in-trade | 25 | 123.01 | - |
| Employee benefits expense | 26 | 178.17 | 174.06 |
| Finance costs | 27 | 3,841.77 | 4,639.38 |
| Depreciation and amortization expense | 4 | 19.06 | 19.25 |
| Other expenses | 28 | 376.61 | 289.57 |
| Total expenses | | 4,538.62 | 5,122.26 |
| Profit /(Loss) before exceptional items and tax | | 3,765.12 | -869.83 |
| Exceptional items | | - | - |
| Profit /(Loss) before tax | | 3,765.12 | -869.83 |
| Income tax expense/(Benefit) | | | |
| Current tax | | 1,577.09 | 560.00 |
| Current tax pertaining to prior periods | | 3,948.15 | |
| Deferred tax | 29 | 21.36 | 73.91 |
| Total income tax expense/(Benefit) | | 5,546.60 | 633.91 |
| Profit/(Loss) for the year | | -1,781.48 | -1,503.74 |
| Other comprehensive income for the year | | | |
| Re-measurement gains / (loss) on post employment benefit obligations | | -2.93 | -0.20 |
| Reversal of revaluation reserve | | 123.26 | |
| Total Other Comprehensive Income for the year | | 120.33 | -0.20 |
| Total comprehensive income for the year | | -1,661.15 | -1,503.94 |
| Earnings / (Loss) per share | | | |
| Basic earnings /(loss) per share (INR) | | -7.44 | -6.74 |
| Diluted earnings /(loss) per share (INR) | | -7.44 | -6.74 |

Significant Accounting Policies 2

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our Report of even date
for M/s SAGAR & ASSOCIATES
Chartered Accountants
Firm Regn No 0035105

M. NANDAGOPAL
Executive Chairman
DIN: 00058710
Place: Chennai
Date : 30th July 2020

ARVIND NANDAGOPAL
Managing Director
DIN: 00059009

T. KRISHNAMURTHY
Chief Financial Officer &
Company Secretary

D. MANOHAR
Partner
Membership No.029644

BINNY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

(A) Equity share capital

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | No. of shares | Amount | No. of shares | Amount |
| | (in lakhs) | (in INR lakhs) | (in lakhs) | (in INR lakhs) |
| Equity shares of Rs.5 each issued, subscribed and fully paid | | | | |
| Opening | 223.19 | 1,115.97 | 223.19 | 1,115.97 |
| Add: issue during the year | - | - | - | - |
| Closing | 223.19 | 1,115.97 | 223.19 | 1,115.97 |

(B) Other equity

(Amount in INR lakhs, unless otherwise stated)

| Particulars | Reserve and surplus | | | | | Items of OCI | Total |
|--|---------------------|----------------------------|---------------------|-------------------|-----------------|--|------------------|
| | Capital Reserve | Securities premium reserve | Revaluation Reserve | Retained earnings | Others | Remeasurement gains on post employment benefit obligations | |
| Balance as at 1 April 2018 (A) | 10,287.54 | 1,077.66 | 4,906.62 | 8,294.45 | 7,343.64 | 1.89 | 31,911.59 |
| Adjustments: | | | | | | | |
| Net Loss for the year | - | - | | -1,661.15 | - | - | -1,661.15 |
| Transactions with owners in their capacity as owners | | | | | | | - |
| Other comprehensive income | - | - | -123.26 | - | - | 2.93 | -123.06 |
| Adjustments Total (B) | - | - | -123.26 | -1,661.15 | - | 2.93 | -1,784.21 |
| Balance as at 31 March 2020 (A) + (B) | 10,287.54 | 1,077.66 | 4,783.36 | 6,633.30 | 7,343.64 | 4.82 | 30,130.33 |

For and on behalf of the Board of Directors

As per our Report of even date
for M/s **SAGAR & ASSOCIATES**
Chartered Accountants
Firm Regn No 0035105

M. NANDAGOPAL
Executive Chairman
DIN: 00058710
Place: Chennai
Date : 30th July 2020

ARVIND NANDAGOPAL
Managing Director
DIN: 00059009

T. KRISHNAMURTHY
Chief Financial Officer &
Company Secretary

D. MANOHAR
Partner
Membership No.029644

BINNY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in INR Lakhs, unless otherwise stated)

| | Year Ended 31 March 2020 | Year Ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 3,765.12 | -869.83 |
| Depreciation and amortization expenses | 19.06 | 20.22 |
| Dividend Income | - | -1.59 |
| Finance cost | 3,841.77 | 2,569.02 |
| Interest income | -4,226.66 | -1,466.75 |
| Provision for Income tax | 0.00 | 0.00 |
| (Gain)/ loss on sale of fixed assets | 0.00 | 14.07 |
| Profit on sale of Investments | 0.00 | -21.58 |
| Net (Gain)/ loss arising on FVTPL Transaction | - | 0.00 |
| Reversal of Processing fees | - | -475.50 |
| Operating loss before working capital changes | <u>3,399.29</u> | <u>-231.94</u> |
| Changes in working capital | | |
| (Decrease)/increase in trade payables | 579.43 | 52.80 |
| Decrease/ (increase) in inventories | 123.01 | 45.21 |
| Decrease/ (increase) in trade receivables | -67.86 | -38.72 |
| Decrease/ (increase) in Bank balances considered as other than cash and cash equivalents | -380.49 | -214.94 |
| (Decrease)/ increase in other current liabilities | -49.71 | -61.76 |
| (Decrease)/ increase in non-current liabilities | 3,790.14 | 3,825.51 |
| (Decrease)/Increase in provisions | 2.93 | 5.77 |
| (Decrease)/ increase in other financial liabilities | 25.19 | 55.16 |
| Decrease/ (increase) in other financial assets | -920.58 | -211.61 |
| Decrease/(increase) in other current assets | 2,324.22 | -2,300.40 |
| Decrease/(Increase) in non-current assets | -3,883.90 | -4,807.57 |
| Cash generated used in operations | <u>4,941.65</u> | <u>-3,882.49</u> |
| Income tax paid | 2,075.00 | 13,242.10 |
| Net cash flows used in operating activities (A) | <u>2,866.64</u> | <u>-17,124.59</u> |
| Cash flow from Investing activities | | |
| Payment for property, plant and equipment and intangible assets | -1.56 | -1.26 |
| Payment for Investment property | 0.00 | - |
| Intangible asset under development | 0.00 | - |
| Purchase of Investments (Including Fair Value Changes) | -12.00 | - |
| Proceeds from sales of investments | - | - |
| Proceeds from sale/ disposal of fixed assets | - | 1.30 |
| Proceeds from disposal of Investments | - | 177.21 |
| Interest received | 14.83 | 79.75 |
| Dividend received | - | 1.59 |
| Net cash flow from investing activities (B) | <u>1.26</u> | <u>258.59</u> |
| Cash flow from Financing activities | | |
| Proceeds from issuance of equity share capital | - | - |
| Proceeds from exercise of share options | - | - |
| Proceeds from issuance of convertible preference shares | - | 12,875.00 |
| Proceeds from Borrowings | - | -17.17 |
| Repayment of borrowings | -1,464.24 | -136.31 |
| Interest paid | -1,588.50 | - |
| Net cash flow from financing activities (C) | <u>-3,052.74</u> | <u>12,721.52</u> |
| Net increase in cash and cash equivalents (A+B+C) | <u>-184.84</u> | <u>-4,144.49</u> |
| Cash and cash equivalents at the beginning of the year | 265.23 | 32.09 |
| Cash and cash equivalents at the end of the year | <u>80.40</u> | <u>265.23</u> |
| Cash and cash equivalents comprise (Refer note 11 & 12) | | |
| Balances with banks | | |
| On current accounts | 57.00 | 96.10 |
| Fixed deposits with maturity of less than 3 months | - | - |
| Cash on hand | 23.40 | 169.13 |
| Other Bank Balances | - | - |
| Total cash and bank balances at end of the year | <u>80.40</u> | <u>265.23</u> |
| Significant accounting policies | Note 2 | |
| The accompanying notes are an integral part of the financial statements | | |

For and on behalf of the Board of Directors

As per our Report of even date
for M/s SAGAR & ASSOCIATES
Chartered Accountants
Firm Regn No 0035105

M. NANDAGOPAL
Executive Chairman
DIN: 00058710
Place: Chennai
Date : 30th July 2020

ARVIND NANDAGOPAL
Managing Director
DIN: 00059009

T. KRISHNAMURTHY
Chief Financial Officer &
Company Secretary

D. MANOHAR
Partner
Membership No.029644

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(Amount in INR lakhs, unless otherwise stated)

1. General Information

Binny Limited (the "Company") is a public limited company domiciled in India and was incorporated on June 30, 1969 under the provisions of the Companies Act, 1956. Its registered and principal office of business is located at No. 1, Cooks Road, Perambur Chennai - 600012. The Company is primarily engaged in the business of real estate development. The shares of the Company are listed in the Bombay Stock Exchange (BSE).

2. Significant accounting policies

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements.

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(b) Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Recognition and Initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on a straight-line basis, computed on the basis of useful lives prescribed in Schedule II to the Act:

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale from property plant and equipment is provided up to the date preceding the date of sale. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss. All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.4 Fair value measurement

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Recognition of revenue from real estate development

Revenue from real estate projects is recognized upon transfer of control and ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements/ other legally enforceable documents

Projects are executed through joint development arrangements not being jointly controlled operations, wherein the Company provides land to possessor and the possessor undertakes to develop properties on such land, the possessor has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/ land is being accounted on hand over the property to the customer.

Other Income

Interest Income is recognised on accrual basis using effective interest method (EIR) as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.6 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

As a lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.8 Inventories

Inventories primarily constitute land and related development activities, which is valued at lower of cost or Net Realizable Value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

As regards assets transferred from Property, plant & equipment (PPE), the carrying cost as per the PPE block has been considered as cost which is much less than the Net realizable value.

Cost comprises of all expenses incurred for the purpose of acquisition of land, development of the land and other related direct expenses.

2.9 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

2.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

2.11 Cash and cash equivalents including Statement of Cash Flows

Cash and cash equivalent in the balance sheet comprise cash at banks and cash on hand which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and balances with banks, as defined above as they are considered an integral part of the company's cash management process.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. The Company has currently exercised the irrevocable option to classify its investment in Mutual Funds as Fair Value through Profit and Loss (FVTPL).

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument.

ECL impairment loss allowance/reversal recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet.

(iv) Derecognition of financial assets

A financial asset is derecognized only when a) the rights to receive cash flows from the financial asset is transferred or b) the company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

2.13 Redeemable preference shares

The terms of the contract relating to preference share issue suggest that the preference share capital is entirely in the nature of a liability. On issuance of redeemable preference shares, the fair value of the liability portion of the same is determined using the market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis (including transaction costs, if any) until extinguished on conversion or redemption of the bonds.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

2.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise. Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

2.15 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting interest on preference shares and any

attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit or loss as incurred

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

BINNY LIMITED

(Amount in INR lakhs, unless otherwise stated)

4 Property, plant and equipment - Current Year

| | Gross block | | | | Depreciation | | | | Net block | |
|--|--------------------|------------------------|-------------------------|---------------------|--------------------|--------------|-------------------------|---------------------|---------------------|--------------------|
| | As at 1 April 2019 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2020 | As at 1 April 2019 | For the year | Deductions/ Adjustments | As at 31 March 2020 | As at 31 March 2020 | As at 1 April 2019 |
| Owned assets | | | | | | | | | | |
| Buildings | 116.68 | - | - | 116.68 | 28.92 | 4.20 | - | 33.12 | 83.56 | 87.76 |
| Furniture & Fixtures and Office Equipments | 34.23 | 0.93 | - | 35.16 | 21.24 | 1.87 | - | 23.11 | 12.05 | 12.99 |
| Vehicles # | 117.68 | 0.62 | - | 118.30 | 43.76 | 12.99 | - | 56.75 | 61.55 | 73.92 |
| Total | 268.59 | 1.56 | - | 270.14 | 93.91 | 19.06 | - | 112.97 | 157.17 | 174.68 |

Property, plant and equipment - Previous Year

| | Gross block | | | | Depreciation | | | | Net block | |
|--|--------------------|------------------------|-------------------------|---------------------|--------------------|--------------|-------------------------|---------------------|---------------------|---------------------|
| | As at 1 April 2018 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2019 | As at 1 April 2018 | For the year | Deductions/ Adjustments | As at 31 March 2019 | As at 31 March 2019 | As at 31 March 2018 |
| Owned assets | | | | | | | | | | |
| Buildings | 116.68 | - | - | 116.68 | 24.73 | 4.21 | - | 28.94 | 87.74 | 91.95 |
| Furniture & Fixtures and Office Equipments | 32.11 | 2.11 | - | 34.22 | 19.16 | 2.06 | - | 21.22 | 13.00 | 12.95 |
| Vehicles # | 106.21 | 11.69 | 0.25 | 117.65 | 30.81 | 12.98 | 0.07 | 43.72 | 73.93 | 75.40 |
| Total | 255.00 | 13.80 | 0.25 | 268.55 | 74.70 | 19.25 | 0.07 | 93.88 | 174.67 | 180.30 |

Property, Plant and Equipment does not include any Intangible Assets

Vehicles have been hypothecated as security for borrowing. Refer Note 16

BINNY LIMITED

(Amount in INR lakhs, unless otherwise stated)

| 5 Financial Assets- Investments | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Investment in equity instrument designated as at fair value through Profit and Loss | | |
| Unquoted equity shares | | |
| 30,000 equity shares of Tamilnadu Chromates & Chemicals Limited | 0.01 | 0.01 |
| Investment in Mutual Funds | 30.92 | 18.92 |
| | <u>30.93</u> | <u>18.93</u> |
| Current | 30.92 | 18.92 |
| Non- Current | 0.01 | |
| Aggregate Cost of: | | |
| Quoted investments | 30.92 | 18.00 |
| Unquoted investments | 0.01 | 0.01 |
| Aggregate market value of: | | |
| Quoted investments | 30.92 | 18.92 |
| Unquoted investments | 0.01 | 0.01 |
| 6 Other non-current assets | | |
| Advances to related party for Purchase of 7.07 Acres of Land | 14,000.00 | 14,000.00 |
| Advances to related parties - Others | 31.33 | 31.33 |
| Trade Advances to others | | |
| (Comprises advance for purchase of textile materials, steel, Building Materials, land etc.) | | |
| Considered Good | 31,771.13 | 27,887.23 |
| Considered Doubtful | 359.29 | 359.29 |
| Less - Provision for doubtful advances | -359.29 | -359.29 |
| Total other non-current other assets | <u>45,802.46</u> | <u>41,918.57</u> |
| <p>Non current Trade advances represent advances given to various parties for purchase of land, textiles goods and other items. As there were some dispute on terms and conditions with the parties, the negotiations with them are under process and if the supplies are not received, the advance amount will be recovered.</p> | | |
| 7 Inventories | | |
| Stock-in-Trade (Land)* | 29,756.75 | 29,879.76 |
| | <u>29,756.75</u> | <u>29,879.76</u> |

* The portion of land held in Fixed Assets as on March 31, 2016 was converted in to Stock-in-trade with effect from 01-12-14. The Fixed Asset value of land include addition on account of revaluation made during the previous years. Some portion of revaluation reserve was utilized for write off losses as per the sanctioned scheme of Demerger sanctioned by the High Court. Hence, the value of Inventory for the year ended March 31, 2017 was taken as of the value of Fixed Asset standing as on the date of conversion to stock-in-trade which was much less than net realizable value.

The company has hypothecated Land measuring 24.29 Acres i.e part of the land developed under Joint Venture(JV), Movable Asset and Receivables for the financial assistance received by the JV Partner. In turn the company has received financial assistance from the JV Partner.

| 8 Other financial assets - Current | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Due from Related Party for Purchase of Windmill | 7,691.01 | 6,878.79 |
| Advance to related party for Purchase of 12.43 Acres of Land (Refer note below) | 25,391.14 | 22,412.71 |
| Due from Others | 1,007.94 | 87.36 |
| Total | <u>34,090.10</u> | <u>29,378.86</u> |

Note:

The company has given Mohan Breweries & Distilleries Ltd (MBDL) an advance of Rs. 18,335.13 lakhs for purchase of land. Later the company cancelled the proposed purchase of land and recalled the advance amount paid. MBDL has mentioned that they require 2 years time for Repayment of advance amount on a condition that the property which MBDL propose to sell to company should not be sold or encumbered till the advance is fully settled. The same is considered as current financial asset carried at amortised cost.

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 9 Trade receivable | | |
| Unsecured | | |
| -Considered good | 177.49 | 109.63 |
| -Considered doubtful | - | - |
| Less : Allowance for bad and doubtful debts | - | - |
| | 177.49 | 109.63 |
| Further classified as: | | |
| Receivable from related parties | 17.46 | 17.46 |
| Receivable from others | 160.03 | 92.17 |
| Total | 177.49 | 109.63 |
| 10 Cash and Cash Equivalents | | |
| Balances with banks | | |
| In current accounts with Scheduled Banks | 57.00 | 96.10 |
| Cash on hand | 23.40 | 169.13 |
| Total cash and cash equivalents | 80.40 | 265.23 |
| 11 Bank Balances Other than Cash and Cash Equivalents | | |
| Fixed deposit with banks with maturity more than 3 months but less than 12 months | | |
| - Pledged | 52.31 | 49.22 |
| - Others | 602.40 | 225.00 |
| Total | 654.71 | 274.22 |
| 12 Current tax assets (net) | | |
| Advance income tax [net of provisions Rs. Nil (31 March 2019: Rs. 616.48)] | - | 616.48 |
| | - | 616.48 |
| 13 Other current assets | | |
| Advance for Windmill | 2,943.05 | 2,943.05 |
| Interest accrued on deposits | 22.41 | 11.36 |
| Wealth tax paid under protest | 404.92 | 404.92 |
| Prepaid expenses | 3.19 | 11.66 |
| Balance with Government Authorities | 183.86 | 140.33 |
| Deposits | 4.02 | 4.02 |
| Other Advances | 61.11 | 2,431.44 |
| Total | 3,622.56 | 5,946.78 |

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

14 Equity share capital

The Company has only one class of equity share capital having a par value of INR 5 per share, referred to herein as equity shares..

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Authorized | | |
| 2,28,20,000 (31 March 2018 - 2,28,20,000) Equity Shares of Rs. 5 each | 1,141.00 | 1,141.00 |
| | <u>1,141.00</u> | <u>1,141.00</u> |
| Issued, subscribed and paid up | | |
| 2,23,19,410 (31 March 2018 - 2,23,19,410) equity shares of Rs. 5 each fully paid | 1,115.97 | 1,115.97 |
| Total | <u>1,115.97</u> | <u>1,115.97</u> |

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

| | As at 31 March 2020 | | As at 31 March 2019 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| Outstanding at the beginning of the year | 223.19 | 1,115.97 | 223.19 | 1,115.97 |
| Add: Issued during the year | - | - | - | - |
| Outstanding at the end of the year | <u>223.19</u> | <u>1,115.97</u> | <u>223.19</u> | <u>1,115.97</u> |

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs.5/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of the shareholder | (No. of Shares in Lakhs) | | | |
|--------------------------|--------------------------|------------------------------|------------------------|------------------------------|
| | As at 31 March 2020 | | As at 31 March 2019 | |
| | Number of shares | % of holding in the class | Number of shares | % of holding in the class |
| Mr. Nandagopal M | 100.12 | 44.85% | 100.12 | 44.85% |
| Arthos Breweries Limited | 16.15 | 7.23% | 16.15 | 7.23% |

15 Other equity

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Capital Reserve on Demerger | 10,287.54 | 10,287.54 |
| Securities premium reserve (SPR) | 1,077.66 | 1,077.66 |
| Revaluation Reserve | 4,783.36 | 4,906.62 |
| Surplus/(deficit) in the Statement of Profit and Loss | 6,633.30 | 8,294.45 |
| Accumulated Other Comprehensive Income | 4.82 | 1.89 |
| Others | 7,343.64 | 7,343.64 |
| Total other equity | <u>30,130.33</u> | <u>31,911.80</u> |
| (A) Capital Reserve on Demerger | <u>10,287.54</u> | <u>10,287.54</u> |
| (B) Securities premium reserve (SPR) | | |
| Opening balance | -1,077.66 | 1,077.66 |
| Closing balance | <u>-1,077.66</u> | <u>1,077.66</u> |

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| (C) Revaluation Reserve | | |
| Opening balance | 4,906.62 | 4,906.62 |
| Deletion | -123.26 | |
| Closing balance | <u>4,783.36</u> | <u>4,906.62</u> |
| (D) Surplus/(deficit) in the Statement of Profit and Loss | | |
| Opening balance | 8,294.45 | 9,798.39 |
| Add: Net Profit / (loss) for the current year | -1,661.15 | -1,503.94 |
| Closing balance | <u>6,633.30</u> | <u>8,294.45</u> |
| (E) Accumulated Other Comprehensive Income | | |
| Opening balance | 1.89 | 1.69 |
| Additions / (Deletion) | 2.93 | 0.20 |
| Closing balance | <u>4.82</u> | <u>1.89</u> |
| (F) Others (Refer Note below)* | | |
| Opening balance | 7,343.64 | 5,099.31 |
| Additions | 2,244.33 | 3,600.18 |
| Closing balance | <u>7,343.64</u> | <u>7,343.64</u> |

* Represents net gain on initial recognition of financial assets and financial liabilities from Promoter

Nature and Purpose of Reserves

Capital reserve

As per sanctioned scheme of arrangement, certain assets and liabilities have been transferred to resulting companies. The reserve denotes the excess of liabilities over assets transferred to the resulting companies. Capital reserve is not available for the distribution to the shareholders.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

Revaluation Reserve

It has arisen out of revaluation of Land Parcel of the Company. From the Revaluation Reserve, during the demerger, Miscellaneous and P&L Debit balances, in terms of Clause 8.2 of the sanctioned scheme, has been adjusted. Revaluation reserve is not available for distribution to the share holders.

Retained Earnings [Surplus/(deficit) in the Statement of Profit and Loss]

This represents accumulation of Profit/ (loss) of all preceding financial year's

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 16 Non-current borrowings | | |
| Financial Liabilities | | |
| Cumulative Redeemable Preference Shares (Also refer note 16.1) | | |
| Authorized | | |
| 11,80,000 (31 March 2019- 11,80,000) 9.75% Cumulative Redeemable Preference Shares of Rs.5 each | 59.00 | 59.00 |
| 54,20,00,000 (31 March 2019 - 54,20,00,000) 9% Cumulative Redeemable Preference Shares of Rs.5 each | 27,100.00 | 27,100.00 |
| | <u>27,159.00</u> | <u>27,159.00</u> |

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

| | As at 31 March 2020 | As at 31 March 2019 |
|---|--------------------------------|--------------------------------|
| Issued, Subscribed and fully paid up | | |
| 5,48,800 (31 March 2019 - 5,48,800) 9.75% Cumulative Redeemable Preference Shares of Rs.5 each | 27.44 | 27.44 |
| 23,38,84,055 (31 March 2019 - 23,38,84,055) 9% Cumulative Redeemable Preference Shares of Rs.5 each | 11,694.20 | 11,694.21 |
| Interest accrued on preference shares at Effective Interest Rate | 13,852.95 | 11,649.04 |
| Total (A) | <u>25,574.59</u> | <u>23,370.69</u> |
| Term Loans | | |
| From Others (Secured) (Refer Note 16.2) | 8,283.89 | 9,755.93 |
| Less: Current maturities of Long Term Debt | -22.75 | -20.75 |
| Total (B) | <u>8,261.14</u> | <u>9,735.18</u> |
| Total Non-Current Borrowings (A) + (B) | <u><u>33,835.73</u></u> | <u><u>33,105.87</u></u> |

16.1 Terms of Issue and redemptions of Cumulative Redeemable Preference Shares (CRPS):

Subsequent to the reduction as per the Scheme of Arrangement, the remaining issued CRPS and their respective redemption details are under:

| | | |
|--|------------------|------------|
| 13,01,76,000 (9%) CRPS of Rs. 5 each issued on 30.9.2005 | 6,508.80 | 30.09.2020 |
| 5,48,800 (9.75%) CRPS of Rs.5 each issued on 30.6.2006 | 27.44 | 30.06.2021 |
| 1,73,56,800 (9%) CRPS of Rs.5 each issued on 31.1.2007 | 867.84 | 31.01.2022 |
| 43,39,200 (9%) CRPS of Rs.5 each issued on 30.1.2008 | 216.96 | 30.01.2023 |
| *5,10,72,384 (9%) CRPS of Rs.5 each issued on 29.9.2008 | 2,553.62 | 29.09.2023 |
| 3,09,39,671 (9%) CRPS of Rs.5 each issued on 12.5.2010 | 1,546.99 | 12.05.2020 |
| | 11,721.65 | |

^ Redemption due on 29.09.2018 has been extended to 29.09.2023

^ Redemption due on 12.05.2020 has been extended to 12.05.2025

Note: The Company has initiated the process of converting the above CRPS in to 18% Non-Convertible Debentures as per the Scheme of Arrangement which are subject to the approval of Shareholders, NCLT and Other Authorities. Upon the Scheme becoming effective, this CRPS would be converted in to 18% NCDs effective from 01-10-2014. If the Scheme of Conversion is not approved by the Shareholders, the Preference dividend payable at Coupon Rate till March 31, 2020 amounts to Rs. 13,852.95 Lakhs.

16.2 Repayment Terms and security disclosures for outstanding long term borrowings

- (a) Facility of Rs. 18.19 lakhs from Sundaram finance Ltd; balance amount is repayable in 17 equal monthly installments starting from April 2018
- (b) Facility of Rs. 7.97 lakhs from Sundaram finance Ltd; balance amount is repayable in 33 equal monthly installments starting from April 2018

The above loans are secured by way of Vehicles purchased under the HP

- (c) Facility of Rs. 4999.73 lakhs from Altico Capital India Ltd through SPR Constructions Pvt Ltd; repayable in 12 quarterly installments from June 2021.
- (d) Facility of Rs. 1922.20 lakhs from Piramal Finance Ltd. through SPR Constructions Pvt Ltd; repayable in 16 quarterly installments from Sep 2020.
- (e) Facility of Rs. 3100.00 lakhs from SPR Management Services Pvt Ltd; repayable in 18 Monthly installments from Oct 2020.

^ Facilities mentioned in (c), (d) and (e) are secured by exclusive charge by way of registered mortgage on the land of the Joint Venture project and the same has been classified in the books as " Loan from SPR Construction Pvt. Ltd." and grouped under 'Secured Loan'.

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

| 17 Provisions | Long term | | Short term | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
| Provision for gratuity (unfunded) | 16.29 | 13.94 | 8.04 | 7.61 |
| Provision for leave encashment (unfunded) | 5.67 | 5.76 | 6.01 | 5.78 |
| Total Provisions | 21.97 | 19.70 | 14.05 | 13.39 |
| 18 Other non-current liabilities | | | As at | As at |
| | | | 31 March 2020 | 31 March 2019 |
| Revenue received in advance (Refer Note 37.5) | | | 44,559.99 | 40,686.89 |
| Total other long term liabilities | | | 44,559.99 | 40,686.89 |
| 19 Trade payables | | | | |
| Total outstanding dues of micro enterprises and small enterprises | | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | | | 665.80 | 86.37 |
| Total trade payables | | | 665.80 | 86.37 |
| * Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act. | | | | |
| 20 Other financial liabilities | | | | |
| Current Maturity of Long-term Debt | | | 22.75 | 20.75 |
| Interest Accrued but not due | | | 6.98 | 27.80 |
| Other payables | | | 227.47 | 183.46 |
| Dues to Related Party | | | 973.38 | 973.38 |
| Total other financial liabilities | | | 1,230.58 | 1,205.39 |
| 21 Other current liabilities | | | | |
| Statutory dues payable | | | 176.16 | 225.87 |
| Total other current liabilities | | | 176.16 | 225.87 |
| 22 Current Tax liabilities (net) | | | | |
| Current tax payable [net of tax paid (31.03.2019 : Nil)] | | | 2,388.76 | - |
| Total Current Tax Liabilities | | | 2,388.76 | - |
| 23 Revenue from operations | | | 31 March 2020 | 31 March 2019 |
| Lease rent | | | 33.36 | 36.36 |
| Sale of land | | | 3,645.25 | - |
| Sale of flats | | | 398.47 | - |
| Total revenue from operations | | | 4,077.08 | 36.36 |
| 24 Other income | | | | |
| Dividend income | | | - | - |
| Interest income | | | 14.83 | 2.97 |
| Profit on Valuation of Investments | | | - | 0.92 |
| Interest income on other financial assets carried at amortised cost | | | 4,211.83 | 4,212.17 |
| Total other income | | | 4,226.66 | 4,216.06 |

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

| | 31 March 2020 | 31 March 2019 |
|---|-----------------|-----------------|
| 25 Changes in inventories of stock-in-trade | | |
| Inventories at the beginning of the year | | |
| -Stock-in-Trade (Land) | 29,879.76 | 29,879.76 |
| Add: Cost of Improvement | - | - |
| Less, Sale of land and UDS proportionate to Flats sold | 123.01 | |
| | 29,756.75 | 29,879.76 |
| Less: Inventories at the end of the year | | |
| -Stock-in-Trade (Land) | 29,756.75 | 29,879.76 |
| Net decrease / (increase) | 123.01 | - |
| 26 Employee benefits expense | | |
| Salaries, wages, bonus and other allowances | 158.35 | 157.99 |
| Contribution to Provident Fund and ESI | 11.90 | 12.63 |
| Staff welfare expenses | 7.91 | 3.44 |
| Total employee benefits expense | 178.17 | 174.06 |
| 27 Finance costs | | |
| Interest on Secured Loan | 1,613.01 | 2,458.14 |
| Interest on Preference Shares | 2,203.91 | 2,181.24 |
| Interest - Others | 24.85 | - |
| Total finance costs | 3,841.77 | 4,639.38 |
| 28 Other expenses | | |
| Insurance | 3.51 | 3.33 |
| Power and Fuel | 10.63 | 157.43 |
| Repairs and Maintenance- Building | 13.20 | 7.75 |
| Repairs and Maintenance - Office Equipments | 9.44 | 9.32 |
| Rates and taxes | 4.92 | 6.36 |
| Payment to statutory auditors | 13.65 | 10.00 |
| Legal, Professional and consultancy | 243.36 | 57.40 |
| Travelling Expenses | 42.41 | 17.89 |
| Postage, Printing & Stationery | 6.27 | 8.76 |
| Loss on Sale of Fixed Asset | - | 0.09 |
| General and Administration Expenses | 0.01 | |
| Miscellaneous expenses | 29.22 | 11.24 |
| Total other expenses | 376.61 | 289.57 |
| *Note : The following is the break-up of Auditors remuneration (exclusive of service tax / GST) | | |
| As auditor: | | |
| Statutory audit | 5.90 | 5.00 |
| In other capacity: | | |
| Taxation matters | - | - |
| Other matters | 7.75 | 5.00 |
| Total | 13.65 | 10.00 |

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

29 Income Tax

| | 31 March 2020 | 31 March 2019 |
|--|-----------------|----------------|
| (A) Deferred tax relates to the following: | | |
| Deferred tax assets | | |
| On property, plant and equipment | 11.31 | - |
| On Advances to related parties | - | - |
| On others | 23.88 | - |
| | 23.88 | 11.31 |
| Deferred tax liabilities | | |
| On property, plant and equipment | -2.53 | - |
| On Advances to related parties | - | - |
| On others | 227.98 | - |
| | -2.53 | 227.98 |
| Deferred tax asset, net | 21.36 | -211.88 |
| (B) Reconciliation of deferred tax assets/ (liabilities) (net): | | |
| Opening balance as of 1 April | -211.88 | -137.97 |
| Tax liability recognized in Statement of Profit and Loss | -21.36 | -73.91 |
| Closing balance as at 31 March | -233.24 | -211.88 |
| (C) Income tax expense | | |
| - Current tax taxes | 1,577.09 | 560.00 |
| - Current tax - prior periods | 3,948.15 | - |
| - Deferred tax charge / (income) | 21.36 | 73.91 |
| Total | 5,546.60 | 633.91 |
| (D) Reconciliation of tax charge | | |
| Profit / (Loss) before tax | 3,765.12 | -869.83 |
| | 1,096.40 | -303.92 |
| Income tax expense at tax rates applicable | | |
| Tax effects of: | | |
| - On account of differential tax rates | 12.22 | 24.82 |
| - Permanent Differences | 1,564.87 | 1,663.19 |
| Income tax expense | 1,577.09 | 1,384.09 |

30 Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Profit/(loss) attributable to equity holders | -1,661.15 | -1,503.94 |
| Less: preference dividend after-tax | - | - |
| Profit/(loss) attributable to equity holders after preference dividend | -1,661.15 | -1,503.94 |
| Add: Interest on convertible preference shares | - | - |
| Profit / (loss) attributable to equity holders adjusted for the effect of dilution | -1,661.15 | -1,503.94 |
| Weighted average number of equity shares for basic EPS (in lakhs) | 223.19 | 223.19 |
| Basic earnings per share (INR) | -7.44 | -6.74 |
| Diluted earnings per share (INR) | -7.44 | -6.74 |

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

31 Employee benefits

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 26) | 11.90 | 12.63 |

(B) Defined benefit plans

| | | |
|--|-------|-------|
| a) Gratuity payable to employees - unfunded | 24.33 | 21.55 |
| b) Compensated absences for Employees - unfunded | 11.69 | 11.54 |

| | Compensated Absence | | Employee's gratuity fund | |
|---------------------------------|---------------------|---------------|--------------------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| i) Actuarial assumptions | | | | |
| Discount rate (per annum) | 6.21% | 7.26% | 6.21% | 7.26% |
| Rate of increase in Salary | 5.00% | 5.00% | 5.00% | 5.00% |
| Attrition rate | 5.00% | 5.00% | 5.00% | 5.00% |

ii) Changes in the present value of defined benefit obligation

| | Compensated Absence | | Employee's gratuity fund | |
|--|---------------------|---------------|--------------------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Present value of obligation at the beginning of the year | 11.54 | 7.63 | 21.55 | 16.76 |
| Interest cost | 0.79 | 0.56 | 1.37 | 1.25 |
| Past service cost | - | - | | |
| Current service cost | 0.70 | 2.88 | 3.64 | 3.80 |
| Curtailments | - | - | | |
| Settlements | | | | |
| Benefits paid | (1.28) | (0.37) | (5.17) | (0.46) |
| Actuarial (gain)/ loss on obligations | -0.06 | 0.84 | 2.94 | 0.20 |
| Present value of obligation at the end of the year* | 11.69 | 11.54 | 24.33 | 21.55 |
| Non Current | 5.67 | 5.76 | 16.29 | 13.94 |
| Current | 6.02 | 5.78 | 8.04 | 7.61 |

*Included in provision for employee benefits (Refer note 17)

iii) Expense recognized in the Statement of Profit and Loss

| | Compensated Absence | | Employee's gratuity fund | |
|--|---------------------|---------------|--------------------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Current service cost | 0.70 | 2.88 | 3.64 | 3.80 |
| Past service cost | - | - | - | - |
| Interest cost | 0.79 | 0.56 | 1.38 | 1.25 |
| Expected return on plan assets | - | - | - | - |
| Actuarial (gain) / loss on obligations | - | - | - | - |
| Settlements | - | - | - | - |
| Curtailments | - | - | - | - |
| Total expenses recognized in the Statement Profit and Loss* | 1.49 | 3.44 | 5.02 | 5.05 |

*Included in Employee benefits expense (Refer Note 26).

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

iv) Assets and liabilities recognized in the Balance Sheet:

| | Compensated Absence | | Employee's gratuity fund | |
|--|---------------------|---------------|--------------------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Present value of unfunded obligation as at the end of the year | 11.69 | 11.54 | 24.33 | 21.55 |
| Unrecognized actuarial (gains)/losses | - | - | - | - |
| Unfunded net asset / (liability) recognized in Balance Sheet* | 11.69 | 11.54 | 24.33 | 21.55 |

*Included in provision for employee benefits (Refer note 17)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

| | Compensated Absence | | Employee's gratuity fund | |
|---|---------------------|---------------|--------------------------|---------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Impact on defined benefit obligation | | | | |
| Discount rate | | | | |
| Present Value obligation at the end of the year | 11.69 | 11.54 | 24.33 | 21.55 |
| 1% increase | (0.62) | (0.47) | (3.64) | (0.86) |
| 1% decrease | 0.37 | 0.52 | -1.83 | 0.95 |
| Rate of increase in salary | | | | |
| Present Value obligation at the end of the year | 11.69 | 11.54 | 24.33 | 21.55 |
| 1% increase | 0.35 | 0.50 | -1.89 | 0.89 |
| 1% decrease | (0.61) | (0.46) | (3.60) | (0.82) |
| Withdrawal rate | | | | |
| Present Value obligation at the end of the year | 11.69 | 11.54 | 24.33 | 21.55 |
| 25% increase | -0.06 | 0.09 | -2.62 | 0.16 |
| 25% decrease | (0.26) | (0.11) | (2.97) | (0.19) |
| Mortality rate | | | | |
| Present Value obligation at the end of the year | 11.69 | 11.54 | 24.33 | 21.55 |
| 10% increase | -0.15 | 0.00 | 0.00 | 0.00 |
| 10% decrease | (0.16) | (0.01) | (2.79) | (0.01) |

vi) Maturity profile of defined benefit obligation Year

| | Employee's gratuity fund | |
|--------------------|--------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Less than 5 Years | 7.73 | 10.40 |
| 5 - 10 years | 6.30 | 8.64 |
| 10 - 15 years | 25.16 | 32.75 |
| 15 - 20 years | 0.00 | 23.06 |
| More than 20 years | 0.00 | 9.67 |

32 Related Party Disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

- i) Entity under common control (Companies in which one or more Directors of the company / their relatives are also Directors)**
 - Mohan Breweries & Distilleries Ltd
 - Binny Mills Ltd.
 - Mother Mira Industries Limited
 - Mira Textiles & Industries Limited
- ii) Key Management Personnel (KMP)**
 - Mr. M. Nandagopal
 - Mr. Arvind Nandagopal

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

(B) Details of transactions with related party in the ordinary course of business for the year ended:

| (i) Entity under common control | Nature of Transaction | As at 31 March 2020 | As at 31 March 2019 |
|---|-------------------------------|---------------------|---------------------|
| Binny Mills Ltd. | Expense Reimbursement | Cr | 158.00 Cr |
| Mohan Breweries & Distilleries Ltd (for Purchase of 12.43 Acres of Land) | Interest Income (Net of TDS) | 2,978.42 Cr | 2,970.29 Cr |
| Mohan Breweries & Distilleries Ltd (for Purchase of Windmill) | Interest Income (Net of TDS) | 812.22 Cr | 810 Cr |
| Interest expense on liability component of convertible preference shares | Interest on Preference shares | 2,203.91 Dr | 2,181.24 Dr |
| (ii) Key Management Personnel (KMP) | | | |
| Compensation of key management personnel | | | |
| Short term employee benefit | | | |
| Mr. Arvind Nandagopal (Managing Director) | Managerial remuneration | 60.00 Dr | 60.00 Dr |

(C) Amount due to/from related party as on:

| | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| (i) Entity under common control | | |
| Other financial liabilities | | |
| Binny Mills Ltd. | 973.38 | 973.38 |
| Current Financial assets - Others | | |
| Mohan Breweries & Distilleries Ltd (for Purchase of 12.43 Acres of Land) | 25,391.14 | 22,412.71 |
| Other Non-Current assets | | |
| Mohan Breweries & Distilleries Ltd (for Purchase of 7.07 Acres of Land) | 14,000.00 | 14,000.00 |
| Mother Mira Industries Limited | 31.33 | 31.33 |
| Other current assets | | |
| Mohan Breweries & Distilleries Ltd (for Purchase of Windmill) | 7,691.01 | 6,878.79 |
| Trade receivables | | |
| Mira Textiles & Industries Limited | 17.46 | 17.46 |
| (ii) Key Management Personnel (KMP) | | |
| Employee related payables | | |
| Mr. Arvind Nandagopal (Managing Director) | 14.64 | 9.30 |

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

33 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Non-current borrowing comprises liability portion on liability component of Convertible Preference Shares. The impact of fair value on such portion is not material and therefore not considered for above disclosure. Similarly, carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

(Amount in INR Lakhs, unless otherwise stated)

34 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

| | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Level 1 (Quoted price in active markets) | | |
| Investments in Equity instruments FVTPL | 0.01 | 0.01 |
| Investments in mutual funds FVTPL | 30.93 | 18.92 |
| Financial assets measured at amortized cost | | |
| Current Financial assets - Others | 25,391.14 | 22,412.71 |
| Financial liabilities measured at amortized cost | | |
| Liability component of convertible preference shares | 25,574.59 | 23,370.69 |
| Term Loans | 8,261.14 | 9,735.18 |

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables, other payables and short-term borrowings are considered to be the same as their fair values.

35 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no exposure to the risk of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's fixed deposits, interest bearing security deposits and loans are carried at fixed rate. Therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Impact of Covid-19 Pandemic

As the major part of the Financial instruments held by the Company are bearing fixed coupon and are amortised at cost. Accordingly, material volatility is not expected due to Covid-19 Pandemic.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The company has no exposure to the risk of changes in foreign exchange rates.

Impact of Covid-19 Pandemic

As the Company do not have foreign currency exposure, we do not foresee foreign currency risk for Financial statements as at 31 March 2020.

(Amount in INR Lakhs, unless otherwise stated)

(B) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts as mentioned in Note 6 to 10 excluding Note 7 - Inventories.

Impact of Covid-19 Pandemic

The company has not witnessed any instances where in it indicates that the counter parties may default in discharging their liability. The Company is not in position to measure and access prospective default based on current scenario.

(C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

The table below summarizes the maturity profile of the Company's financial liabilities:

| | Less than 3 months | 3 to 12 months | 1 to 5 years | More than 5 years | Total |
|----------------------------|-----------------------|-------------------|--------------|----------------------|-----------|
| As at 31 March 2020 | | | | | |
| Short term borrowings | - | - | - | - | - |
| Long-term borrowings | - | - | 33,835.73 | - | 33,835.73 |
| Trade payables | 201.62 | 464.18 | - | - | 665.80 |
| Other financial liability | 29.73 | 1,200.85 | - | - | 1,230.58 |
| | 231.35 | 1,665.03 | 33,835.73 | - | 35,732.10 |
| As at 31 March 2019 | | | | | |
| Short term borrowings | - | - | - | - | - |
| Long-term borrowings | 127.16 | - | 34,469.49 | 1,388.41 | 35,985.06 |
| Trade payables | 84.59 | - | - | - | 84.59 |
| Other financial liability | 4.56 | 1,200.70 | - | - | 1,205.26 |
| | 216.31 | 1,200.70 | 34,469.49 | 1,388.41 | 37,274.91 |

Impact of Covid-19 Pandemic

We witnessed higher risk averseness of customers than before in bookings. However, Customers have shown huge inclination towards projects which are nearing completion. As a result of proactive measures and well put strategies, the Company was able to achieve 60% of pre-Covid sales. We consider the Covid-19 impact do have impact on our business and to certain level on liquidity but we do not foresee any material impact on liquidity position. The company has put measures in palce to tackly liquidity issues if any and are in process of accessing and putting proactive measures in pace to tackly liquidity problem if any.

36 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and Secured borrowings. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

BINNY LIMITED

(Amount in INR Lakhs, unless otherwise stated)

| | | As at 31 March 2020 | As at 31 March 2019 |
|-------------------|--------------------|------------------------|------------------------|
| Total equity | (i) | 31,246.30 | 33,027.77 |
| Total debt | (ii) | 33,835.73 | 33,105.87 |
| Overall financing | (iii) = (i) + (ii) | 65,082.03 | 66,133.64 |
| Gearing ratio | (ii)/ (iii) | 0.52 | 0.50 |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019. However, the company has initiated the process of converting preference share capital in to 18% Non-convertible Debentures as per the Scheme of Arrangement which are subject to the approval of Shareholders, NCLT and other Authorities. Upon the Scheme become effective, this CRPS would be converted in to 18% NCDs effective from 01-Apr-14.

37.1 Contingent Liabilities

No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief / succeeding in the appeals:

| Particulars | | As at 31 March 2020 | As at 31 March 2019 |
|--|--|------------------------|------------------------|
| (A) Estimated surcharge on belated payment of Electricity Charges on revision of Tariff rates for the period from 01-12-82 to 31-12-87 | | 168.46 | 168.46 |
| (B) Claim for back wages in respects of various disputes Liability, if any, not ascertainable. | | | |
| (C) Income Tax demand for Asst. Year 2008-09 (pending before Hon'ble High Court, Chennai) | | 19.21 | 19.21 |
| (D) Wealth-tax Demand from Asst. Year 2011-12 to 2014-15 (pending before AO to give 'Giving Effect Order to CWT (A) Order) | | 574.73 | 574.73 |
| (E) Wealth-tax (Re-assessment) Demand from Asst. Year 1993-94 to AY 2000-01 and 2005-06 to 2010-11 (pending before CWT (A), Chennai) | | 1,823.66 | 1,823.66 |
| (F) Wealth-tax Demand from Asst. Year 2001-02 to AY 2004-05 (pending before ITAT, Chennai) | | 717.68 | 717.68 |
| (G) Income-tax demand for Asst. year 2010-11 (pending before ITAT, Chennai) | | 0.59 | 0.59 |
| (H) Income-tax demand for Asst. Year 2014-15 (pending before CIT(A), Chennai) | | 82.53 | 82.53 |
| (I) Income-tax demand for Asst. Year 2015-16 (pending before AO to give 'Giving Effect Order to CIT (A) Order) | | 710.35 | 710.35 |
| (J) Claims against the company not acknowledged as Debts | | 183.81 | 183.81 |
| (K) If Scheme of converting Preference Shares in to Non-Convertible Debentures is approved: | | | |
| Arrears of 9.75% Cumulative Preference Dividend till 30-Sep-2014 | | 22.00 | 22.00 |
| Arrears of 9.00% Cumulative Preference Dividend till 30-Sep-2014 | | 7,995.00 | 7,995.00 |
| Debenture Interest from 1-Oct-2014 till year end | | 21,535.89 | 19,331.98 |
| 37.2 Foreign Exchange inflow | | Nil | Nil |
| Foreign Exchange outflow | | Nil | Nil |

37.3 Re-assessment of Wealth tax for the AYs 1993-94 to 2000-01 and 2005-06 to 2010-11 was done by the Assessing Officer by re-instating the same demand of Rs. 1823.66 lakhs as was done previously with the mention that the demand is modifiable subject to the outcome of Valuation Report. Appeal against Wealth-tax demand of Rs. 717.68 lakhs pertaining to AY 2001-02 to 2004-05 is pending before ITAT, Chennai. The entire Wealth tax demands were provided for in the books and the entire wealth tax demands were paid by the company. The Company has paid a sum of Rs.404.92 lakhs in excess of demands raised by the Department which was shown as 'Wealth tax paid under Protest' under Note 14 – Other Current Assets.

BINNY LIMITED

- 37.4 Provision was not made in the books of accounts of the company for the following disputes pending before authorities considering that the cases shall favour the company.
- (A) The Income-tax demand of Rs. 19.21 lakhs for AY 2008-09 raised by AO was disputed before ITAT and ITAT partly allowed the appeal of the company. However, the Income-tax Department has preferred an appeal before Hon'ble High Court of Madras.
 - (B) The Income-tax demand of Rs. 11464.23 lakhs for AY 2010-11, raised by AO was disputed before CIT(A). CIT(A) allowed the appeal in favour of the company and AO has passed the 'Giving effect Order' to the CIT(A) Order. As per the order passed by CIT(A), the tax payable is Rs. 0.59 lakhs. However, the Income-tax department has preferred appeal against the CIT (A) Order.
 - (C) The Wealth-tax Assessment for AY 2011-12 to 2014-15 was completed by AO demanding a sum of Rs. 574.73 lakhs. On Appeal to the CWT (A), Chennai, he has partially allowed the appeal. The company is yet to receive 'Giving Effect Order' from the AO for the same.
 - (D) The Income-tax demand of Rs.82.53 lakhs for AY 2014-15 raised by AO was received during the financial year 2016-17. Against the demand, the company has appealed before CIT (A), Chennai.
 - (E) The AO has raised a demand of Rs. 710.35 lakhs for the AY 2015-16.. On Appeal to CIT(A), Chennai, he has partly allowed the appeal. "Giving Effect Order" is yet to be received.
- 37.5 The company has entered in to 'Joint Development Agreement' (JDA) for development of land area of 63.89 acres into a Township. As per JDA the company has received Rs. 25,000 lakhs, as interest free Security Deposit and a sum of Rs. 21721.11 lakhs has been received from JDA escrow account which are shown under 'Revenue Received in Advance'. Further the company is in the process of reconciliation of this account for any amounts adjustable against the permissible deduction like Marketing fees etc as per the JDA. 'Revenue Received in Advance' also includes the advance received against sale of land of Rs.2564.17 lakhs. The JDA Partner has obtained RERA Registration in the previous financial year.
- 37.6 The remaining land held in Fixed Assets has been converted in to Stock-in-trade with effect from 01-12-14. The Fixed Asset value of land includes revaluation addition made during previous years. Some portion of revaluation reserve utilized for write off losses as per the sanctioned scheme of Demerger by the High Court. Hence, the value of Inventory is taken as of the value of Fixed Asset standing as on the date of conversion in to stock-in-trade which is much less than net realizable value.
- 37.7 Managerial remuneration has been paid as per section 197 of Companies Act, 2013 read with Schedule V of Companies Act, 2013.
- 37.8 For the amount of Rs. 18335.13 lakhs advanced, which was called back by the company since the shareholders have not approved the same, to a related party, the company has charged interest of Rs.3309.36 lakhs during the financial year.
- 37.9 The company has charged interest of Rs.902.46 lakhs on the amount of Rs. 6000.00 lakhs advanced to a related party towards windmill purchase which was cancelled later and the amount was called back.
- 37.10' The company has advanced Rs. 14000 lakhs towards purchase of 7.07 acres of land to a Related Party. The company is in the process of completion of registration formalities.
- 37.11 The Company has not entered into any long term contracts including derivatives and there are no outstanding obligations, and there are no foreseeable losses on these as at the year end.
- 37.12 The company is liable to spend a sum of Rs.297.76 lakhs as per Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility for the year ended 31-Mar-20. The company has constituted Corporate Social Responsibility (CSR) Committee in the previous financial year. The company is in the process of identifying the projects to be undertaken in this regard.
- 37.13 Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of Provident Fund. However, the Company believes that there will be no impact and hence has not provided for any additional liability as on March 31, 2020 in the books of accounts.
- 37.14 There are no amounts to be transferred to Investor Education and Protection Fund as at the year ended March 31, 2020
- 37.15 Since the company operates under one segment, i.e. real estate, no segment report is applicable to the company.
- 37.16 Previous year figures have been regrouped/ reclassified to confirm to the figures of the current year.
- 38 Previous year figures have been regrouped/reclassified to confirm to the figures of current Year.

For and on behalf of the Board of Directors

As per our Report of even date
for **M/s SAGAR & ASSOCIATES**
Chartered Accountants
Firm Regn No 003510S

M. NANDAGOPAL
Executive Chairman
DIN: 00058710
Place: Chennai
Date : 30th July 2020

ARVIND NANDAGOPAL
Managing Director
DIN: 00059009

T. KRISHNAMURTHY
Chief Financial Officer &
Company Secretary

D. MANOHAR
Partner
Membership No.029644

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