BINNY LIMITED
Estd 1799
CIN No. : L 17111TN1969PLC005736

Addendum to Board Meeting Outcome filed on 29.11.2023

SEC/2023-24/SE/003 30.11.2023

To
Department of Corporate services
BSE Limited
Phirozee Jee Jee Bhoy towers,
Dalar street,
Mumbai 400001

Dear Sir,

Sub: Declaration pursuant to regulation 33(3) (d) of SEBI (LODR) Regulations 2015

We hereby declare that the Statutory auditors of the Company M/s Sagar & Associates, Chartered accountants, Hyderabad (FRN:003510S) have issued the Independent auditors report on Audited Financial results of the Company for the quarter and year ended 31.03.2023 which have been approved at the Board meeting held today.

This declaration is issued pursuant to Regulation 33(3) (d) of SEBI (LODR) Regulations, 2015. Inadvertently the enclosure is omitted to be attached.

Kindly take the same on records.

Thanking You.

For **Binny Limited**

for

(M.Nandagopal)
Managing Director and Executive Chairman

Encl: Independent auditors report on Audited Financial results of the Company for the quarter and year ended 31.03.2023 which have been approved at the Board meeting held on 29.11.2023

SAGAR & ASSOCIATES
CHARTERED ACCOUNTANTS

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AP - 37AAJFS7295N2Z5

Independent Auditor's Report

To,
Board of Directors of BINNY Limited
Report on the Audit of Consolidated Financial Results

Qualified Opinion

1. We have audited the accompanying Consolidated Financial Results of **BINNY Limited** (the 'Holding Company') and its subsidiary (the holding company and its subsidiary together referred to as the "Group") for the year ended March 31, 2023 being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiary, the aforesaid consolidated financial results:

   i. Include the consolidated financial results of the following entities;
      a. Holding company - BINNY Limited and
      b. Subsidiary Company – Binny New Re energy Private Limited

   ii. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations 2015 except for the possible effects of the matter described in Paragraph 3 below; and

   iii. give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the profit, total comprehensive income and other financial information of the Group, its subsidiary for the year ended March 31, 2023 and the consolidated balance sheet and the consolidated cash flow statement as at and for the year ended on that date except for the possible effects of the matter described in Paragraph 3 below.

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Basis for Qualified Opinion

3.

i. The 62 KLPD Distillery Unit has to be taken over by the holding Company with effect from 09.10.2021 as an on-going concern basis, in pursuance to the Scheme approved by the Shareholders in their EGM dated 09.10.2021. The Operational results of the Distillery Division for the period from 09.10.2021 to 31.03.2023 was arrived at Rs 603.96 Lakhs. The assets and liabilities of the Distillery Unit was transferred to the Company as on 15.02.2023. The profit for the period from 09.10.2021 to 15.02.2023 was provisionally arrived at Rs 765.00 Lakhs and transferred from the Related Party to the holding Company which is Provisional and the relevant accounting entries are not verified by us. The consequential impact on account of the above is not ascertained.

ii. As approved by the Share holders in the EGM dated 09.10.2021, for settlement of the advances recoverable from MBDL, the holding Company has to acquire / take over certain business and immovable properties of MBDL. The holding Company has entered into Registered Sale agreements along with Registered General Power of Attorney with right to sell, receive entire sale consideration and appropriate for its own, with MBDL for transfer of certain assets in pursuance of the Scheme approved by the Shareholders. On enquiry with the management, it was clarified that it is the industry practice of transferring land prevailing in Tamil Nadu and legal opinion has been obtained in this regard, however We are of the opinion that including the said land under inventory is not correct as per Generally Accepted Accounting Principles.

iii. The holding company did not obtain/receive balance confirmation from many vendors/parties including loans and advances other than related parties for the balances as on 31st March, 2023. We could not obtain external confirmations as required in SA-505 Standards on Auditing and are unable to comment on adjustments or disclosures if any that may arise.

iv. Transfer of properties at Ozhalur & Irukkandrampally is yet to be implemented as per the scheme approved by Share holders of holding company on 09.10.2021. The Management clarified that the process of the transfer of the properties is possible only after

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the transfer of License since the said land is adjacent to the Distillery. Hence the respective sale consideration of Rs. 16200 Lakhs are being shown as "Outstanding" from Mohan Breweries & Distilleries Limited (MBDL) as on 31.03.2023.

v. Rs. 4539.05 lacs is the amount of outstanding in Trade/project advances to various parties for a period exceeding five years for which no provision has been made in the holding company, since the Management is confident about the recovery. We are unable to comment on the recoverability of these Advances.

vi. A difference of Rs. 290.73 Lakhs between Cash balance as per Books Rs.290.77 Lakhs and Physical cash of Rs. 0.04 Lakhs as on 31.03.2023 as reported by the Internal Auditors of the holding Company was observed. On enquiry, Management expressed that the differential amount was given as advances, but for which details like parties to advances, nature of advances, terms and conditions were not provided. The consequential impact on account of the above is not ascertained.

vii. Noncompliance of Ind AS 118 with regards to accounting of receipts from sale under the head Revenue received in advance Rs. 2258.65 Lakhs for the Sales booked through sale agreement between the Company and M/s Sanklecha Infra Projects Private Ltd which is not taken as revenue since the title to the property (Land) has not been transferred from the Company. On enquiry, it was noted that though the title to the land is not transferred, Sankhlecha Infra Projects Private Ltd has taken possession of the land and completed the construction activities thereon without payment of the balance amount of Rs 1912.00 Lakhs as per the Sale Agreement between the holding Company and Sankhlecha Infra Projects Private Ltd. However, the management clarified that the land will be registered on receipt of balance payment.

viii. We are unable to obtain sufficient appropriate audit evidence regarding revenue from the Shriram Universal school against which 40% share has to be received by the Company as part of the JDA with SPR Constructions Private Limited, school being operational whereas no revenue is booked in the financials of holding company.

The possible effects of the inability to obtain sufficient appropriate audit evidence are deemed to be material but not pervasive.

ix. While the Outstanding Borrowings from SPR Management Services Pvt Ltd (JMFL) as on 31.03.2023 is Rs 248.04 Lakhs, as per the balance confirmation received from SPR Constructions Pvt Ltd, the Outstanding amount is Rs 927.80 Lakhs (Rs 903.28 Lakhs towards Principal and Rs 24.52 Lakhs towards Interest). The repayment of principal and interest has been accounted as per loan sanction letters.

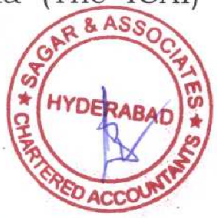
In the absence of correct statement of accounts as on 31.03.2023 from SPR Management Services Pvt Ltd, the consequential effect on the Financials of the holding Company is not ascertained.

Whereas, in case of SPR Constructions Pvt Ltd (Altico Capital India Ltd/SSG Advisors), the Outstanding Borrowings as on 31.03.2023 is Rs 1666.73 Lakhs which is not confirmed by SPR Constructions Pvt Ltd. The repayment of principal and interest has been accounted as per loan sanction letters.

In the absence of correct statement of accounts and confirmation of outstanding borrowings as on 31.03.2023 from SPR Construction Pvt Ltd, the consequential effect on the Financials of the Company is not ascertained.

x. Vide clause No.12 of the Joint Development Agreement with SPR Construction Pvt Ltd., the minimum sale price is fixed periodically. However, we have observed that in some cases, sale deeds have been registered without adhering to the sale price strategy. Consequential impact on the revenue from operation is not ascertained.

4. We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Statement section of our report. We are independent of the Group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (The ICAI)



together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained by us and is sufficient and appropriate to provide the basis for our opinion.

Emphasis Of matter:

5. We draw your attention to the following matters:

   i. Wealth Tax paid under protest Rs. 4.05 crores is Outstanding in holding company under Other Current Assets from 2015, the details of the respective cases and their current status are not provided.

   ii. As per the information and explanation provided by holding company, an amount of Rs. 2162.59 lacs have been incurred by M/s. SPR Infrastructure Pvt Ltd towards Govt infra & Shelter fund charges, Govt. water and TNEB charges and Documentation charges for the registered units upto 31-3-2023. Out of which 40% of amount i.e. 865.06 lacs has been taken into books of the holding company as the company's share of common expenses vide JDA Clause No. 4.2.

Our opinion is not modified in respect of these matters.

Board of Directors' Responsibilities for the Consolidated Financial Results

6. These quarterly consolidated financial results as well as for the year ended 31st March 2023 results have been prepared on the basis of the reviewed consolidated financial results for the nine-month period ended 31st December 2022 and the audited consolidated financial statements as at and for the year ended 31st March 2023. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associates and Jointly controlled entities and the consolidated balance sheet and consolidated cash flow statement in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the

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Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with regulation 33 of the Listing Regulations. The respective Board of directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of consolidated financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the holding company, as aforesaid.

7. In preparing the consolidated financial results, the Board of directors of the companies included in the Group and of its subsidiary are responsible for assessing the ability of the Group and its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group and of its subsidiary are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial results

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 Standards on Auditing (SA) 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 consolidated financial results

10. 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 consolidated financial results, 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 financial controls 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 system 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 consolidated financial results 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 consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint ventures to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company 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.

    We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other matters

12. We did not audit the financial statements and other financial information of one subsidiary included in the consolidated financial results, whose financial statements and other financial information reflect total assets of Rs 260.94lakhsas at 31st March 2023 and total profit/(loss) of Rs Nillakhs for the year ended on that date, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the

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management. Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors subject to Basis of Qualification and the procedures performed by us as stated in paragraph above.

Our Opinion is not modified in respect of this matter.

13. The consolidated financial results include the results for the quarter ended March 31, 2023 being the balancing figures between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited review by us.

14. The consolidated financial results dealt with by this report has been prepared for the express purpose of filling with Stock Exchanges. These results are based on consolidated financial statements and should be read with the audited consolidated financial statements of the company for the year ended March 31, 2023 on which we issued a Qualified opinion vide our report dated 29th November 2023.

For Sagar & Associates,
Chartered Accountants
FRN: 003510S

CA. D Manohar
Partner
Membership No.029644
UDIN: 23029644BGUDNJ2694

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Place: Hyderabad
Date: 29.11.2023.