

**Limited Review Report**

To  
**The Board of Directors**  
**Binani Industries Limited**

1. We have reviewed the accompanying statement of unaudited financial results (“the Statement”) of **BINANI INDUSTRIES LIMITED** (“the Company”) for the quarter ended June 30th, 2014 except for the disclosures regarding ‘Public Shareholding’, ‘Promoters and Promoters Group Shareholding’ and investor complaints which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company’s management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, “Engagements to Review Financial Information performed by Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. With respect to Note no 2, the Company has withdrawn an amount of Rs. 5,633.54 lacs from the Business Reorganisation Reserve (“BRR”) and credited the same to the Statement of Profit and loss account so as to offset finance cost, exchange loss and other specified expenses debited to the Statement of Profit & Loss during the quarter. If such withdrawal had not been made, the net profit for the quarter would have been lower by 5,633.54 lacs and Earnings Per Share for the quarter would have been lower by Rs.15.35. Our report is not qualified in this matter.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards notified pursuant to the Companies (Accounting Standard) Rules, 2006 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Kanu Doshi Associates  
Chartered Accountants  
Firm Registration No: 104746W

  
Jayesh Parmar  
Partner

Membership No.: 045375

Place : Mumbai

Date : August 7<sup>th</sup>, 2014



**Statement of Unaudited Financial Results for the quarter ended 30.06.2014**

(Rs. in Lacs)

Particulars	Quarter ended			Year ended
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
	(Unaudited)	(Audited) (Refer Note 4)	(Unaudited)	(Audited)
<b>1 Income from Operations</b>				
(a) Fees for management services rendered	-	1,348	1,319	5,182
(b) Royalty income	1,005	1,133	1,898	6,884
<b>Total income from operations</b>	<b>1,005</b>	<b>2,481</b>	<b>3,217</b>	<b>12,066</b>
<b>2 Expenses</b>				
(a) Employee benefits expenses	512	582	852	2,951
(b) Advertisement and brand building expenses	248	536	947	4,601
(c) Royalty expenses	101	113	190	688
(d) Depreciation and amortisation expenses (Refer Note 3)	46	43	27	127
(e) Other expenses	698	1,550	743	4,970
(f) Transfer from Business Reorganisation Reserve (Refer Note 2)	(418)	(2,034)	-	(2,034)
<b>Total Expenses</b>	<b>1,187</b>	<b>790</b>	<b>2,759</b>	<b>11,304</b>
<b>3 Profit/(Loss) from operations before other income, finance costs, exceptional and extraordinary items (1-2)</b>	<b>(182)</b>	<b>1,691</b>	<b>458</b>	<b>762</b>
4 Other Income	277	311	242	1,198
<b>5 Profit/(Loss) from ordinary activities before finance costs, exceptional and extraordinary items (3+4)</b>	<b>95</b>	<b>2,002</b>	<b>700</b>	<b>1,960</b>
6 Finance costs	5,215	17,314	2,771	26,818
Transfer from Business Reorganisation Reserve (Refer Note 2)	(5,215)	(26,818)	-	(26,818)
<b>7 Profit/(Loss) from ordinary activities before exceptional and extraordinary items (5-6)</b>	<b>95</b>	<b>11,506</b>	<b>(2,071)</b>	<b>1,960</b>
8 Exceptional Items (Net)	-	-	-	-
<b>9 Profit /(Loss) from ordinary activities before tax and extraordinary items (7+8)</b>	<b>95</b>	<b>11,506</b>	<b>(2,071)</b>	<b>1,960</b>
10 Tax Expenses	-	-	-	-
<b>11 Net Profit/(Loss) from ordinary activities after tax but before extraordinary items (9-10)</b>	<b>95</b>	<b>11,506</b>	<b>(2,071)</b>	<b>1,960</b>
12 Extraordinary Items (net of tax expenses)	-	-	-	-
<b>13 Net Profit /(Loss) for the period (11+12)</b>	<b>95</b>	<b>11,506</b>	<b>(2,071)</b>	<b>1,960</b>
14 Paid up equity share capital (Face Value Rs.10 per share)	2,962	2,962	2,962	2,962
15 Reserves excluding Revaluation Reserves as per Balance Sheet at the year ended	-	-	-	2,86,883
16.i Earnings Per Share (of Rs. 10 each) (before extraordinary items) (Not Annualised):				
(a) Basic	0.32	38.88	(7.00)	6.62
(b) Diluted	0.32	38.88	(7.00)	6.62
16.ii Earnings Per Share (of Rs. 10 each) (after extraordinary items) (Not Annualised):				
(a) Basic	0.32	38.88	(7.00)	6.62
(b) Diluted	0.32	38.88	(7.00)	6.62

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Particulars	Quarter ended			Year ended
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
	(Unaudited)	(Audited) (Refer Note 4)	(Unaudited)	(Audited)
<b>A PARTICULARS OF SHAREHOLDING</b>				
1 Public Shareholding				
- Number of Shares	14420621	14420621	14420621	14420621
- Percentage of Shareholding	48.73	48.73	48.73	48.73
2 Promoters and Promoter Group Shareholding				
a. Pledged/Encumbered				
- Number of Shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b. Non-encumbered				
- Number of Shares	15175804	15175804	15175804	15175804
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100
- Percentage of shares (as a % of the total share capital of the company)	51.27	51.27	51.27	51.27
<b>B INVESTOR COMPLAINTS</b>				
Pending at the beginning of the quarter	Nil			
Received during the quarter	21			
Disposed off during the quarter	21			
Remaining unresolved at the end of the quarter	Nil			

## Segment Reporting

Particulars	Quarter ended			Year ended
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
	(Unaudited)	(Audited) (Refer Note 4)	(Unaudited)	(Audited)
1) <b>Segment Revenue</b>				
a) Fees for Management Services rendered	-	1,348	1,319	5,182
b) Royalty	1,005	1,133	1,898	6,884
c) Interest income	272	307	238	1,183
d) Unallocated	5	4	4	16
<b>Total</b>	<b>1,282</b>	<b>2,792</b>	<b>3,459</b>	<b>13,264</b>
Less : Inter Segment Revenue	-	-	-	-
<b>Net Segment Revenue</b>	<b>1,282</b>	<b>2,792</b>	<b>3,459</b>	<b>13,264</b>
2) <b>Profit before tax, extraordinary and exceptional items (Refer Note 1)</b>	<b>95</b>	<b>11,506</b>	<b>(2,071)</b>	<b>1,960</b>
3) <b>Capital Employed (Refer Note 1)</b>	<b>4,63,373</b>	<b>4,63,696</b>	<b>1,67,450</b>	<b>4,63,696</b>

## Notes:

- The Company is a Holding Company, having subsidiaries which are mainly in manufacturing activities. The company has been providing management support services and brand building promotion activities to its subsidiaries, for which the company has been earning management fees and royalty respectively. However, w.e.f 1st April 2014, pursuant to a restructuring exercise, the Company has decided not to charge the management fees from its subsidiaries. Since resources used are common for fees for management services rendered and royalty, the segment wise result & capital employed are not ascertainable.
- During the quarter ended 30th June 2014, the Company has withdrawn an amount of Rs.5,633 Lacs from the Business Reorganisation Reserve (BRR) and credited the same to the Statement of Profit & Loss so as to offset exchange loss and other specified expenses of Rs.418 Lacs and finance cost of Rs.5,215 Lacs debited to the Statement of Profit & Loss. If such withdrawal had not been made, the net profit for the quarter would have been lower by Rs.5,633 Lacs and the Earnings Per Share for the quarter would have been lower by Rs.15.35.

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- 3 Consequent to enactment of the Companies Act, 2013 and its applicability w.e.f. 1st April 2014, the Company has reworked depreciation on the basis of the useful lives of assets as prescribed in part 'C' of schedule II of the Act and the same has been provided for the quarter ended 30th June 2014. Depreciation for the quarter is higher by Rs. 16 Lacs due to change in the useful lives of certain assets.

In case of assets where the remaining useful life as on 1st April 2014 is Nil, the carrying amount of such assets have been adjusted to the opening balance of Retained Earnings after retaining their residual value. Accordingly, a sum of Rs.20 Lacs has been adjusted against Opening Reserves during the quarter ended 30th June 2014.

- 4 The figures for the quarter ended 31st March 2014 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto nine months of that financial year.
- 5 The above results have been reviewed by the Audit Committee at its meeting held on 6th August 2014 and approved by the Board of Directors at its meeting held on 7th August 2014.
- 6 The Statutory Auditors have conducted limited review of the standalone results of the Company for the quarter ended 30th June 2014 as required by clause 41 of the listing agreement.
- 7 Investors can view the Financial Results of the Company at the Company's website [www.binani.com](http://www.binani.com) or at the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nseindia.com](http://www.nseindia.com)) or CSE ([www.cse-india.com](http://www.cse-india.com))
- 8 Figures of the previous period/year have been regrouped / recast as necessary.

By order of the Board  
For BINANI INDUSTRIES LIMITED



**BRAJ BINANI**  
**CHAIRMAN**

Place : Mumbai  
Date : 7th August 2014

