

Courier

DCS/COMP/NM/112/2014-15

October 29, 2014

The Company Secretary / Compliance Officer
Binny Ltd
No.1, Cooks Road
Perambur
Chennai - 600012
Tamil Nadu

Dear Sir/Madam,

Sub: Audit Reports filed by listed companies

This has reference to the provisions of Clause 31(a) of the Listing Agreement and SEBI Circulars pertaining to the "Manner of Dealing with Audit Reports filed by Listed Companies" dated August 13, 2012 and June 05, 2013 which inter-alia mandated listed companies to submit either Form A (Unqualified / Matter of Emphasis Report) or Form B (Qualified / Subject to / Except for Audit Report) along with the company's Annual Report to the Stock Exchange.

As per the provisions of the said circulars, the qualifications raised by the Statutory Auditors in their Audit Report, would be scrutinized by the Qualified Audit Review Committee (QARC) constituted by SEBI.

Accordingly, after scrutiny and discussion by QARC and thereafter by FRRB and as directed by SEBI, you are advised to:

Restate the Financial Statements pertaining to Financial Year 2012-13 giving effect to the qualifications*, in terms of Clause 31A of the Listing Agreement and in terms of SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013.

(* Refer Annexure-I for details)

You are requested to take note of the same and comply accordingly, under information to the Exchange.

In case you need any clarifications on the above, you may please contact Mr. Nitesh Mhatre on 02222728880 / Ms. Dhara Barot on 22728559 / Mr. Rakesh Parekh on 22728307 (email rakesh.parekh@bseindia.com, dhara.barot@bseindia.com) for assistance.

Yours truly,



Netra Sahani
D.G.M - Listing Compliance



Abhijit Pai
A.G.M - Listing Compliance

ANNEXURE I:

Binny Ltd

Auditor Qualification:

The company holds Investments Rs.2874.81 lakhs in the Equity Shares of a Subsidiary Company and Loans and Advances made to the same Company Rs.1148.52 lakhs. The management considers the investment as a long term investment and has not provided for the diminution in value of these investments and carrying value of loans and advances at cost. However it is seen that the Net worth of the Subsidiary Company has eroded, no operational activities carried on for few years, and other related factors indicates the material uncertainty about the going concern of the Subsidiary and possible permanent diminution in carrying these investments and loans and advances at cost.