

## DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS REPORT

Dear Members,

Your Directors present the Fifty- Fifth Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended 31st March, 2018.

### 1. FINANCIAL HIGHLIGHTS ( ₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Yearended 31st March, 2017
Total Income	4,305	18,387
EBIDTA **	(394)	1,600
Finance Costs	5,073	5,249
Depreciation & Amortization	85	170
Transfer from Business Re- organization Reserve (BRR)	(5,353)	(5,854)
<b>Profit before Tax</b>	<b>(479)</b>	<b>1,430</b>
Less: Tax Expense (Current Tax and Tax on Earlier Years)	0	0
Less: Deferred Tax Charged/ ( Credit)	26	362
<b>Profit after Tax</b>	<b>(505)</b>	<b>1,067</b>
<b>Other Comprehensive Income</b>	<b>6<sup>^</sup></b>	<b>(19)</b>
<b>Total Comprehensive Income</b>	<b>(499)</b>	<b>1,049</b>

\*\* After transfer of ₹ 230 Lakhs and ₹ 605 lakhs to BRR respectively in the years 2018 and 2017.

\* Previous year figures have been re-stated as per Indian Accounting Standards (Ind AS).

<sup>^</sup>Rounded off. Actual amount ₹ 5.45 Lakhs

### 2. REVIEW OF OPERATIONS

Your Company is engaged in the business of providing, media, publication services, trading in shares and securities. Your Company has stopped providing management support services to its subsidiaries.

For the year under review, your Company earned a Total Income of ₹4305.24 Lakhs as against ₹ 18387.49 Lakhs in the previous year. Company's earning Profit after Tax of ₹(505) Lakhs (including amount transferred before EBIDTA) as against ₹ 1,067.33 Lakhs in the previous year after transfer of sum of ₹ 5353.17 Lakhs from Business Re-organization Reserve as against ₹ 5,854.02 Lakhs last year. The Company was providing Logistics Services to one of its Subsidiaries i.e Binani Cement Limited (till 24<sup>th</sup> July 2017). BCL is now taking logistics services from other vendors. The company is in the process of finding alternate business opportunities.

### 3. DIVIDEND

In view of loss, the Directors do not recommend any dividend on Preference and Equity Shares of the Company for the Financial Year ended 31st March, 2018. In terms of Section 47(2) of Companies

Act, 2013 Triton Trading Company Private Limited (TTCPL), the preference shareholder of the Company shall have a right to vote on all resolutions placed before the Company on account of non-payment of dividend on 12,298,000 - 0.01% Non -cumulative Redeemable Preference Shares of ₹ 100/- each fully paid-up held by TTCPL in the Company. These shares were allotted on March 31, 2015.

### 4. RESERVES

No amount is proposed to be transferred to Reserves.

### 5. SHARE CAPITAL

During the financial year under review there have been no changes in the Authorised, Issues, subscribed and paid up share capital of the Company.

### 6. CONSOLIDATED FINANCIAL STATEMENTS

A. In accordance with the provisions of sub-section (3) of section 129 of the Companies Act 2013 and the SEBI Listing Obligation and Disclosure Requirements Regulations, 2015, the Consolidated Audited Financial Statements of the Company including the financial details of all the subsidiary companies of the Company forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with applicable Accounting Standards prescribed under Section 133 of the Companies Act 2013, subject to the following :-

1. Binani Cement Limited (BCL), a major subsidiary was admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated July 25, 2017 and a Resolution Professional was appointed. Effective from July 25, 2017 the Board of Directors of BCL were suspended and effectively Binani Industries Limited lost control over BCL with regards to operational and financial decision-making powers and derive economic benefits from its activities. The Company has not received the consolidated management accounts duly signed for the period April 01, 2017 till July 24, 2017 (date up to which the company had control) and accordingly couldn't draw consolidated financial statement of the group for the year ended March 31,2018 within time.
2. Pending receipt of BCL financial statement stated above, the Company made application to SEBI requesting time to declare Consolidated Financial results for the year ended March 31, 2018. SEBI vide letter dated 25<sup>th</sup> June, 2018 declined the Company's request. However, management continue to wait for the BCL financial statement to ensure compliance with the Indian Accounting Standard and also obtained extension for holding Annual General Meeting for adoption of annual accounts vide ROC letter dated 23<sup>rd</sup> August, 2018.

3. As the Company lost control over BCL it couldn't obtain the BCL consolidated financial statement till date and prepared these consolidated financials without consolidating BCL financial results for the period; the assets and liabilities and Non-controlling interest of/ in BCL is not derecognized from the consolidated financial statements; and retained interest as of July 24, 2017 is not accounted at fair value.
  4. The final order was passed by the National Company Law Tribunal on 14th November 2018 approving the resolution plan submitted by Ultratech Cement Limited and post the dismissal of the application by M/s Rajputana Properties Pvt. Ltd. to the Supreme Court on 19th November 2018, the same became effective. However, pending clarity and implementation of the Resolution Plan by Ultratech Cement limited, no impact has been provided of the said resolution plan in these consolidated financial statements for the year ended March 31, 2018.
  5. Accordingly, investment in equity and noncumulative redeemable preference shares of Binani Cement Ltd (BCL) have been carried at the fair value arrived as on March 31, 2017 of ₹ 339,738 lakhs and ₹ 1,621 lakhs for as at March 31, 2018. Also no provision / adjustment have been made toward the outstanding balance of loans and advances of ₹ 700 lakhs, security deposits of ₹100 lakhs and trade receivables of ₹ 1362.10 lakhs due from BCL.
  6. No impact has been considered on the outstanding liabilities (payable to BCL and to lenders) and guarantees given on behalf BCL or guarantees given by BCL on behalf of Company and its subsidiaries.
- B. Having regard to the ongoing Corporate Insolvency and Resolution Process in respect of BCL there are various news being reported / appear in public domain involving/ mentioning about the Company, BCL, Promoters and other group companies however the management of the Company is confident that these allegations are baseless and lacks merit.
- 7. DIRECTORS' RESPONSIBILITY STATEMENT**
- Pursuant to the provisions of clause of sub-section (3) and subsection (5) section 134 of the Companies Act 2013 ('the Act') your Board of Directors state and confirm that:-
- a. In the preparation of the annual financial statements for the year ended March 31, 2018, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and proper explanation relating to material departures, if any, has been furnished;
  - b. We have selected such accounting policies as listed in the Financial Statements and have applied them consistently and prudent judgments & estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profits of the Company for the financial year ended on that date;
  - c. We have taken proper and sufficient care for the 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 fraud and other irregularities;
  - d. We have prepared the annual accounts for the financial year ended on March 31, 2018 on a going concern basis.
  - e. We have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
  - f. We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- 8. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**
- a. Exim Bank of India, the Company's Lender has recalled the loan. Exim Bank of India has also invoked the Corporate Guarantee issued by Binani Cement Limited. Since CIRP of Binani Cement Limited is underway, the Company is expecting a suitable resolution shortly.
  - b. B T Composites Limited a subsidiary of the Company is in the process of voluntary liquidation and has appointed Mrs. Sara Sancheti, a Company Secretary in Whole Time Practice as the liquidator of the Company. The procedure for voluntary liquidation is underway.
  - c. Binani Global Cement Holdings Private Limited, Singapore has received approval in July 2017 from the Accounting and Corporate Regulatory Authority of Singapore for closure of the Company and intimation to Reserve Bank of India through the Authorised Dealer has been made.
- 9. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**
- During the year under review, the loans given, investments made and Guarantees given and securities provided under Section 186 of the Companies Act 2013 are given in the Notes to the Standalone Financial Statements.
- 10. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**
- All transactions entered into by the Company with related parties were in the ordinary course of business and at arm's length. The Audit Committee from time to time reviewed and approved the said transactions. The details of existing Related Party Contracts/ Arrangements, modified during 2017-18 are disclosed in form AOC-2 in terms of Section 134 of the Companies Act 2013 is provided as **Annexure A** and in the notes to the Financial Statements.
- 11. DEPOSIT**
- The Company has not accepted any deposit from the public within the meaning of sub-section (31) of section 2 and Section 73 of the Companies Act, 2013 and Rules framed thereunder.

**12. OUTLOOK**

The year 2017-18 has been a year of mixed bag for the Group.

Edayar Zinc Limited (EZL) operations were shut for the entire year. The Consortium of Banks led by Punjab National Bank have taken symbolic possession of the mortgaged assets on 21st July, 2016 and are conducting / in the process of conducting auctions for sale of the mortgaged properties. Meanwhile, the management of EZL has already entered into settlement agreements with the workers and EZL is hopeful that Creditors and Authorities will take measured stand to safeguard interest of all stakeholders.

The Group's Glass Fibre business, both in India and abroad have shown considerable improvement for the year under review. Improved business conditions in European Markets with several measures undertaken to improve efficiency across different operating areas, resulted in significantly improved top line as well as bottom-line.

BIL Infratech Limited another subsidiary of your Company continued to report fairly good performance.

**13. REPORT ON SUBSIDIARY COMPANIES**

In accordance with Proviso to sub-section (3) of Section 129 of the Companies Act, 2013 ("Act"), the salient features of the Financial Statements of Subsidiary Companies are set out in the prescribed Form AOC – 1 which forms part of this Report. The said Financial Statements shall also be kept for inspection by the Members at the Registered Office of the Company. The Company will provide free of cost, a copy of Financial Statements in respect of its subsidiaries to any Member of the Company, upon receipt of a request for the same.

**FINANCIAL HIGHLIGHTS AND BUSINESS OUTLOOK OF THE COMPANY'S SUBSIDIARY COMPANIES**

Binani Cement Limited (BCL), a major subsidiary was admitted under the Corporate Insolvency and Resolution Process (CIRP) in accordance with the Insolvency and Bankruptcy Code, 2016 (IBC) dated July 25, 2017 and a Resolution Professional was appointed. Effective from July 25, 2017 the Board of Directors of BCL were suspended and effectively Binani Industries Limited lost control over BCL with regards to operational and financial decision-making powers and derive economic benefits from its activities.

**Edayar Zinc Limited (formerly Binani Zinc Limited)****Financial Highlights**

(₹ in Lakhs)

Particulars	2017-18	2016-17
Total Revenue	28	201
Loss before Interest, Depreciation & Tax	(238)	(226)
Interest and finance charges	-	1
Provision for Depreciation	381	389
Loss before Tax	(619)	(616)
Exceptional Items	(2857)	
Provision for Tax	-	-
Loss after Tax	(3476)	(616)

**Review of Operations**

During the Financial Year 2017-18 the Company did not operate its plant and pursuant to the repealing of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), the reference made to Board of Industrial and Financial Reconstruction (BIFR) got abated.

Lenders to the Edayar Zinc Limited ("EZL") a Subsidiary of the Company have initiated action under Section 13(4) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act 2002) for recovery of their dues and has taken symbolic possession in July 2016.

EZL where lenders have initiated Sarfaesi Action and are conducting / in the process of conducting auctions for sale of mortgaged property. EZL is hopeful that Lenders, Creditors and Authorities will take a measured stand to safeguard interest of all stakeholders.

During FY 2018 ("the year under review"), total revenue was ₹ 27.84 lakhs as against ₹ 200.74 lakhs during corresponding previous FY 2017. The Company recorded negative EBITDA of ₹ 237.58 lakhs in FY 2018 vis-à-vis negative EBITDA of ₹ 225.10 lakhs last year.

**3B Binani Results Highlights 2018 (including Goa Glass Fibre Limited)****Financial Highlights**

(Euro in Million)

Particulars	2017-18	2016-17
Total Revenue	213,37	199,70
Profit before, Depreciation, Interest & Taxation and Exceptional Items	45,40	43,40
Provision for Depreciation	20,21	18,89
Interest and Financial Charges	19,36	20,90
Profit / (Loss) before Tax & Except items	16,37	-2,77
Exceptional items	1,88	4,75
Tax & Deferred tax	1,09	0,00
Profit / (Loss) after tax	13,40	-7,53

**Financial Highlights**

3B Binani, on a consolidated basis, reported a further improvement in its operating performance in the year 2017-18. The total revenue increased by 6.8% mainly driven by an increase in sales volume. Profit before Depreciation, Interest and Taxation increased also by 4.6% versus last year (2016-17). The improvement is mainly driven by robust market conditions and continuing commercial efforts which enabled us to increase the sales volume. The ongoing implementation of the profitability improvement plan covering all key financial drivers also strongly contributed to the overall performance improvement. On top of these internal factors, the net profit improvement is also partially driven by the weakening of the dollar and the associated impact on the revaluation of the acquisition loan.

## Industry Overview

The European Market in 2017 was really strong with an average growth estimated at 7.7% versus 2016. CS grew significantly +13.2% together with Mat +13.0%. The growth in CS was supported by a robust automotive market. On the other hand, DR grew a small 1.7% amid some concern on the back of the wind industry expected to slow down due to the shift in the support mechanism in Germany and the UK. In India, the Glass fibre Industry is estimated to have grown by a CAGR of 7% during the period 2011 – 2016. Demand was affected though in 2017, as Indian economy suffered the impact of demonetisation (Oct 16), the GST implementation (July 17) and the temporary slowdown of the Wind Industry. Glass fibre consumption is estimated to have slightly come down, -4.7% from last year. The economy in India is expected to be back on track by 2018. Glass fibre demand will then follow with an expected growth of 7% per year.

## Market outlook

3B Binani will continue to focus on its core markets Automotive, Wind and Performance Composites, supplying these markets with high quality Chopped Strands and Direct Roving products, supported by high performance specialty products like HiPer-tex™ and CFM. 3B Binani still shows a strong focus on innovation to develop value-added products for its customers in order to deliver product differentiation, to improve the profitability and to keep ahead of competition. Looking ahead, the overall demand growth for glass fibre in Europe is expected to continue with the economies remaining robust. In India, the wind market is coming back as expected which is very encouraging for the years to come.

## BIL Infratech Limited (BILIL)

BILIL is a wholly owned subsidiary of Binani Industries Ltd. (BIL). BILIL is engaged in construction works on EPC, Design & Build and BOQ Item rate contracts in following fields in all relevant disciplines like Civil & Structure, Interior works, Electrical, Building Automation, Mechanical, PHE Plumbing & Sanitary, Firefighting, HVAC, STP/ETP/WTP, Alternative Energy etc.

- i. **Industrial Units:** Material Handling in Mines & Minerals and some processing units.
- ii. **Infrastructure:** Bridges, Hospitals, Institutions, Disaster Management facility, Industrial Park, Tram track, Border out posts etc.
- iii. **Real Estate :** Both Commercial & Residential

## Financial Highlights

(₹ in Lakhs)

Particulars	2017-18	2016-17
Total Revenue	25127	24574
Profit before Depreciation, Interest and Tax and Exceptional Items	1781	1156
Provision for Depreciation	138	141
Interest and Financial Charges	727	332
Profit / (Loss) before Tax	916	859
Provision for Tax	332	305
Profit / (Loss) after Tax	584	553

## Operations Review

BILIL reported the total income of ₹ 25,126.92 lacs for the year under review as against ₹ 24,574.40 lacs in the previous year. It reported a Profit after Tax of ₹ 583.88 lacs as compared to ₹ 553.22 lacs in the previous year.

## Industry Overview

The Year 2017-18 continued to be challenging for BILIL whereas India achieved 7.36% GDP growth as compared to 6.74% in previous year and was globally acknowledged as the world's fastest growing economy. Plethora of opportunities predominantly in Infrastructure, Rail, Road and Power & Renewable Energy had been visible. The Smart City Mission with assured budgetary support to create 100 Smart Cities across India had also bolstered the optimism significantly.

Strong signs of economic revival visible with higher consumer confidence, Industry and Infrastructure sector from the beginning of FY2017-18 with lot of construction tenders floating in infrastructure field. BILIL bagged lot of jobs during 2017-18 aggregating to a total value of ₹440.00 Cr. However due to restrictions in BG limit with Bankers, current financial year i.e. 2018-19 could be a challenging year to bid for further new tenders.

## Business Outlook

Stable and visionary Government, policy reforms, strong possibility of simplified Tax regime and continued efforts to improve Ease-of-doing-business have made India a bright spot in global investment map. Higher Govt. spending in key sectors such as Infrastructure, Rail, Road, Port, Power, robust FDI in Manufacturing and defence production will push up growth prospect tremendously.

On-going Policy reforms, divestment of PSU stakes, relaxed FDI norms to allow foreign players in Indian Infrastructure Sector and thrust towards clean Energy and Make-in-India initiative will create investment friendly environment and fuel growth momentum further. This will significantly drive demand in key Industry sectors like Cement, Steel, Mining and other Metals. Overall there will be high growth scenario in a wide spectrum of industries.

However, there is possibility of Govt. funding target not being met. At the same time high debt levels of private Infrastructure players, cautious approach of Banks for new investment proposals and RBI's dictate to banks to be decisive and apply the newly enacted Insolvency and Bankruptcy Code, 2016 (IBC) framework against the erring defaulters with NPA accounts in addition to the traditional land acquisition issues may hold back the pace of private investments and could be potential growth decelerators.

## Opportunity and Threats

Higher Govt. spending to build robust infrastructure, single goods and services tax (GST), favorable Govt. approach towards PPP Model, lower fiscal deficit and low interest regime are expected to boost long-term inbound investment actively.

However, rising inflation and high debt levels of large scale Private infrastructure developers may constrain investment in this sector. Inability of Govt. funding through divestment of PSUs may dampen investment scenario further.

#### Way forward of the Company

In order to ensure growth, we have to book more and more orders and in order to book orders in this competitive market we have no other way but to accept minimum margin. Hence we are looking for more volume and minimum margin in conventional item rate construction contracts.

The only available way of earning more margins is to focus on EPC or Design & Built contracts where there is less competition but it calls for strong credential in respective fields which we are lacking but we have to gradually build it by engaging as JV partner or associate or back to back sub contract.

#### Company's Growth Plan for next three years

FY 2018-19 → ₹300 Cr from target Order book position of ₹800 Cr

FY 2019-20 → ₹325 Cr from target Order book position of ₹800 Cr

FY 2020-21 → ₹350 Cr from target Order book position of ₹850 Cr

#### Global Composite Holdings Inc. formerly known as CPI Binani Inc. (CPI Binani)

#### Financial Highlights

(In mn USD)

Particulars	2017 - 18	2016 - 17
Total Revenue	-	0.001
Profit before Depreciation, Interest and Tax and Exceptional Items	-	0.001
Provision for Depreciation	-	-
Interest and Financial Charges	-	-
Profit / (Loss) before Tax	0.004	0.038
Provision for Tax	-	-
Profit / (Loss) after Tax	0.004	0.038

CPI has been incurring losses and in March 2015, it sold its assets to Core Moulding Technologies Inc USA. The Company is looking out for new business opportunities.

#### B T Composites Limited (BTCL)

BTCL is wholly owned subsidiary of the Company and is under the process of Voluntary winding-up.

#### OTHER SUBSIDIARIES

a. Royalvision Projects Private Limited wholly owned Subsidiary which was incorporated 3-4 years back, is yet to commence any business activities. The Company made marginal profit for the financial year ended 31st March, 2018. This was on account of certain routine administrative expenses incurred by the Company.

#### 14. AUDIT OBSERVATIONS

The Auditors, in their Report, have made observations in connection with creation of Business Re-organization Reserve (BRR) and transfer of sums to offset certain expenses/write-offs, fair valuation of the Company's investments done by the Company, and outstanding guarantees issued by the Company to banks and financial institutions on behalf of subsidiaries including one step down subsidiary which are significant in relation to the networth of the Company,

#### The Board wishes to state as follows:

- Pursuant to a separate Scheme of Amalgamation approved by the Hon'ble High Court at Calcutta between WIEL and a step down wholly owned subsidiary of the Company on 18<sup>th</sup> March 2014, being the Company as a successor to WIEL, the Company has applied AS 30, the Accounting Standard on Financial Instruments: Recognition and Measurement, issued by the Institute of Chartered Accountants of India (ICAI), and pursuant thereto has as on March 31, 2014, being the date of conclusion of the first Accounting Year post the provisions of AS 30 becoming applicable to the Company, classified the investments as "available for sale financial assets" and has accordingly, measured such investments at fair value as on that date. All amount required to be taken as per AS 30 to revenue reserve or to an appropriate equity account shall be aggregated and such aggregate shall be taken to the Business Reorganisation Reserve (BRR). In the event of any conflict between the provision of AS 30 and any other Accounting Standards, the provision of AS 30 will be applied in preference to any other Accounting standard. BRR shall constitute a reserve arising as per this Scheme and shall not for any purpose be considered to be a Reserve created by the Company. During the year, the Institute of Chartered Accountants of India (ICAI) has withdrawn Accounting Standard 30 (Accounting Standard on Financial Instruments: Recognition and Measurement). Consequent to this, the Company, backed by legal opinion, has applied principles of notified Ind AS related to Financial Instruments being new accounting standards applicable instead of AS 30. All equity investment including Investment in Subsidiaries are designated as fair value through profit & loss. Accordingly, all amounts required to be taken as per the Financial Instruments Standards under Ind AS to revenue reserve or to an appropriate equity account / Other Comprehensive Income are aggregated and such aggregate is taken to Business Re-organization Reserve (BRR) in line with the afore-cited court order. This matter has been referred to by the auditors.
- As per the DRT order on the Securitization Application Edayar Zinc Limited (EZL) has paid ₹ 247.25 Lacs by March 31, 2018 and continues to pay ₹ 25000 per day. EZL has not provided interest on banks loans for the year amounting to ₹ 4992.18 Lacs.

- c. The Company had given guarantees to banks and financial institutions in the earlier years on behalf of various subsidiaries, for the purpose of expansion projects and working capital requirements. The outstanding aggregate balance of these guarantees is ₹ 590,247 Lacs as on March 31, 2018. The Subsidiaries have sufficient assets to meet their borrowings. Considering the same, in the opinion of the management, these are not expected to result into any financial liability to the Company.
- d. The Company was in the process of restructuring its bank borrowings with the Lender. However, in the interim, the said Lender has communicated to the Company that it is recalling its borrowings and has also designated the foreign currency debt into INR denominated debt with higher coupon rate and has demanded repayment of all out standings including corresponding interest and penal interest immediately. The Company has requested the Lender to defer the recall and has in the interim provided alternative mechanism for repayment of its loans in due course. The Company is awaiting response from the Lender in this behalf. Hopeful of a favourable consideration by the Lender of its alternative mechanism, the Company continues to denominate such loans in Foreign currency and has not classified the outstanding Loan as Current Liabilities. Further, it has also not accrued differential and penal interest.
- e. The final order was passed by the National Company Law Appellate Tribunal on 14th November 2018 approving the resolution plan submitted by Ultratech Cement Limited and post the dismissal of the application by M/s Rajputana Properties Pvt. Ltd. to the Supreme Court on 19th November 2018, the same became effective. However, pending clarity and implementation of the Resolution Plan by Ultratech Cement Limited, no impact has been provided of the said resolution plan in these consolidated financial statements for the year ended March 31, 2018.

The Group had given corporate guarantees on behalf of BCL of ₹ 3,79,792 Lakhs as on March 31, 2018. BCL has also jointly and severally Guaranteed the loans along with the Company on behalf of 3B Binani Glass Fibre Sarl, Luxembourg aggregating to ₹1,63,061 lakhs as on March 31, 2018. The Lender to 3B Binani Glass Fibre Sarl, Luxembourg had submitted its claim to BCL resolution professionals.

The Company was in the process of restructuring its bank borrowings with the lender. However, in the interim, the said lender has communicated to the Company that it is recalling its borrowings and has also designated the foreign currency debt into INR denominated debt with higher coupon rate and has demanded repayment of all outstanding debt balance alongwith corresponding interest and penal interest, immediately. The Company has requested the lender to defer the recall and has in the interim provided alternative

mechanism for repayment of its loans in due course. The lender had filed its claim to BCL (subsidiary till July, 24, 2017) which is under the IBC process and has also invoked the Corporate Guarantee issued by BCL which forms part of Resolution plan alongwith interest payable. As per Resolution plan approved by NCLAT, the Financial Liabilities of Binani Cement Limited and those liabilities which are guaranteed by Binani Cement Limited will be paid with interest up to the date of payment by Ultratech Cement Limited.

## 15. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### Directors:

Mr. Braj Binani retires by rotation and being eligible, has offered himself for re-appointment.

The Board of Directors appointed Mr. Rajesh Kumar Bagri as an Additional Director (Non Independent) of the Company with effect from 26th April, 2018 in terms of provision of Section 161 of the Companies Act 2013 ('the Act')

Mr. Rajesh Kumar Bagri, aged about 60 years, is a B.com (Hons) from St. Xavier's College and has 38 years of Experience as Consultant and Advisor. His areas of expertise as consultant and as Faculty in varied subjects ranging Information Technology and its use in Human Productivity. He has developed specialised techniques in restoration /rejuvenation of engineering drawings including conversion of raster images to vector and digital formats and reducing imaging errors.

Mr. Bagri was also involved in handling various documentation and legal work and has conducted workshops and specialised studies for Ordnance Factories Steel Plants and other Public and Private Sector Industries.

Mr. Rajesh Kumar Bagri shall hold the office as Director of the Company upto the ensuing Annual General Meeting of the Company. The Company has received a notice along with requisite deposit from a Member signifying its intention to propose the candidature of Mr. Rajesh Kumar Bagri as Director.

Pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendments, modifications or re-enactments thereof for the time being in force), Mrs. Visalakshi Sridhar (DIN-07325198) was appointed as an Additional Director designated as Managing Director of the Company w.e.f 13<sup>th</sup> August, 2018 for a period of 3 years effective from 13<sup>th</sup> August, 2018 till 31<sup>st</sup> July, 2021 at ₹ 6,24,435 /- p.m.

Mrs. Visalakshi Sridhar aged about 52 years is B.com, AICWA and ACS; She has experience of over 28 years in diversified business in the domain of Finance, Strategy, Accounts and Company Secretary. She has been associated with the Group for over 20 years in various capacities. During her association with the Group, the Group has completed organic and inorganic expansion in Cement and Glass Fibre.

In addition to the above she is also a Chief Financial Officer and Company Secretary of the Company.

The term of office of Mrs Sridhar as an Additional Director would expire at the forthcoming Annual General Meeting. Accordingly the approval of the members is sought for appointment and payment of remuneration to Mrs Sridhar as the Managing Director of the Company for a period of three years effective from 13<sup>th</sup> August, 2018 to 31<sup>st</sup> July, 2021.

The Board recommends the aforesaid appointment/re-appointment of the Directors. Brief profile of the Directors proposed to be appointed /re-appointed is annexed to the Notice convening ensuing Annual General Meeting.

Mrs. Nidhi Binani Singhania and Mrs. Shradha Binani had tendered their resignation on 26<sup>th</sup> April, 2018. The Board of Directors wishes to place on record their sincere appreciation for the contribution made by them during their tenure with the Company as Directors.

### Key Managerial Personnel (KMP)

The details of the Key Managerial Personnel of the Company appointed pursuant to Section 203 of the Companies Act, 2013, are as follows:

Sr. No.	Name	Designation	With effect from	To
1	Mrs. Visalakshi Sridhar	Chief Financial Officer	1 <sup>st</sup> April, 2015	-
		Manager	28 <sup>th</sup> July, 2015	13 <sup>th</sup> August 2018
		Company Secretary	24 <sup>th</sup> October, 2015	-
		Managing Director	13 <sup>th</sup> August 2018	31 <sup>st</sup> July 2021

Board of Directors has formulated a Nomination and Remuneration Policy, annexed hereto as **Annexure B**, stating the criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

### 16. AUDITORS

M/s. MSKA & Associates, Chartered Accountants, Mumbai (Firm Registration No.105047W) were appointed as Statutory Auditors of the Company at the 52nd AGM held on 19th December, 2015 for a term from the conclusion of the 52nd Annual General Meeting upto the conclusion of 57th Annual General Meeting, subject to the ratification by the Members at each of the Annual General Meetings. M/s. MSKA & Associates have provided a declaration to the effect that they continue to be eligible and independent in terms of Section 141 of the Companies Act, 2013 read with Rule 10 Companies (Audit & Auditors) Rules, 2014.

Your Board recommends the ratification of appointment of M/s. MSKA & Associates as the Statutory Auditors of the Company at the 55<sup>th</sup> AGM.

(In terms the Companies Amendment Act 2017, notified on 7<sup>th</sup> May 2018, ratification of appointment of statutory auditors at every AGM is no more a legal requirement. However, as the resolution passed for appointment of the auditors states that ratification of their appointment in every Annual General Meeting, your Company has recommended their appointment.

### 17. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annexure forming part of the Annual Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report.

With regard to the provisions of Section 136(1), read with its relevant proviso, of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office and Corporate Office of the Company during working hours on all working days upto the date of AGM and any Member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee.

### 18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE

#### Earning and Outgo.

The Company is not being engaged in manufacturing activities; hence, the particulars in respect of Conservation of Energy, Technology Absorption are not applicable to the Company.

The details of Foreign Exchange Earnings and Outgo for the Financial Year 2017-18 are as follows:

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Expenditure		
Foreign Travelling Expenses	0.78	2.24
Interest & Finance Charges on Foreign Currency Loan	4,667.96	4,813.82
Total	4,668.74	4,816.06
Earnings		
Advertisement and Media Services	12.05	-
Total	12.05	-

## 19. TRANSFER OF UNCLAIMED DIVIDENDS AND SHARES TO INVESTORS EDUCATION AND PROTECTION FUNDS (IEPF).

During the year under review, your Company has transferred a sum of ₹ 29,56,455/- to the Investors Education and Protection Fund of Central Government, in compliance with Section 125 of the Companies Act, 2013. This amount represents dividends for the financial year 2010-11 which had been lying unclaimed with the Company for a period of 7 years from the due date of the payment, despite reminders sent to concerned shareholders for claiming the amount.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules 2016, which have come into effect from 7th September 2016, which stipulates that shares on which dividend has not been paid or claimed for seven consecutive years or more, then such shares are to be transferred to the IEPF a fund constituted by the Government of India under Section 125 of the Companies Act 2013. The Company has intimated to all such shareholders vide letter dated 15<sup>th</sup> June 2016 about the non-encashment of dividend and transfer of the shares to IEPF at the appropriate date and has transferred 487635 shares to IEPF on 28th December, 2017. Details of shares transferred to IEPF have been uploaded on to the Company's website.

The Company has intimated to all such shareholders vide letter dated 31st July 2018 about the non-encashment of dividend warrants for last seven years commencing from 2010-2011 and eventual transfer of the shares to IEPF after 24th August 2018 in the event of non-encashment of dividend. Details of shareholders who have not encashed dividend has been uploaded on to the Company's website.

After the shares have been transferred to IEPF the shareholders can claim the said shares from IEPF authorities by filing e-form No. IEPF-5, as prescribed under the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules 2016.

## 20. MEETINGS OF THE BOARD

During the year under review 5 meetings of the Board of Directors were held. The details such as the dates of meetings, attendance of the Directors thereat etc. are provided in Report on Corporate Governance, which forms part of this Report.

## 21. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, Independent Directors at their meeting without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors. The Board have undergone a formal review which comprised Board effectiveness survey, 360 degree and review of materials. This resulted in a full Board effectiveness report and Directors' feedback. This is further supported by the Chairman's Annual Director

Performance Review. The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship Committee) and Independent Directors (without participation of the relevant Director). The criteria for performance evaluation have been detailed in the Corporate Governance Report.

## 22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower and the same was hosted on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The said policy has been disclosed on the website of the Company and can be accessed at <http://binaniindustries.com/investor-relations/binani-industriesltd/company-policies-codes/>

## 23. AUDIT COMMITTEE

The Audit Committee constituted by the Board complies with the requirements under the Act as well as LODR Regulations. The details with respect of the composition of the Audit Committee are included in the Corporate Governance Report, which forms part of this Report.

There was no recommendation of the Audit Committee which were not accepted by the Board.

## 24. SECRETARIAL AUDITORS

Pursuant to the provision of Section 204 of the Companies Act, 2013 and Rules made there under, the Company had appointed M/s Uma Lodha & Co., Company Secretaries (CP No.2593) to carry out Secretarial Audit of the Company for the Financial Year 2017- 18. The Secretarial Auditor Report which does not contain any observations or qualifications is annexed to this Report as **Annexure C** and forms part of the Board's Report.

## 25. EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in the prescribed format MGT-9 as required under Section 92 of the Companies Act, 2013 is appended as **Annexure D** to this Report.

## 26. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

Given the nature of business and size of operations, your company's internal control system has been designed to provide for

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

The Internal Control Systems provides for well documented policies / guidelines, authorisation and approval procedures. Your Company through a firm of Chartered Accountants carried out periodic audits on all functions based on the plan and brought out any deviation to the Internal Control Procedures. The observations arising out of the audit are periodically reviewed and compliance ensured. The summary of Internal Audit observations and status of implementation are submitted to the Audit Committee. The status of implementation of the recommendations is reviewed by the Audit Committee on a regular basis and concerns, if any, are reported to the Board.

## 27. RISK MANAGEMENT

The Company had identified certain risk areas with regard to the operations of the Company which was facilitated by a renowned firm of consultants in Mumbai. The Internal Auditors review the steps taken for risk mitigation / minimization wherever ever possible and the status of the same is reviewed by the Audit Committee periodically. The Company's Board is conscious of the need to periodically review the risks mitigation process.

## 28. POLICY FOR PREVENTION OF SEXUAL HARASSMENT

The Company has adopted a policy for prevention, prohibition and redressal of Sexual harassment. Pursuant to the provisions of sexual Harassment of Women at Work Place (Preventions, Prohibition & Redressal) Act, 2013. The Policy has been placed on the website of the Company [www.binaniindustries.com](http://www.binaniindustries.com).

During the year under review, no complaints were received by the Company, pursuant to the aforesaid Act / Policy.

## 29. CORPORATE GOVERNANCE

Your Company is fully compliant with the Corporate Governance guidelines, as laid out in applicable regulations of LODR Regulations. All the Directors (and also the members of the Senior Management) have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company. The Corporate Governance Report is attached as **Annexure E** to this Report.

The Chief Financial Officer has given a certificate of compliance with the Code of Conduct, which forms part of Corporate Governance Report as **Annexure F** required under SEBI LODR Regulations.

M/s Uma Lodha & Co., Practising Company Secretary have certified compliance with Corporate Governance clauses of erstwhile Listing Agreement and LODR Regulations and the Certificate in this regard is attached as **Annexure G** to this Report.

The Chief Financial Officer (CFO) certification as required under erstwhile Clause 41 of the Listing Agreement and Regulation 8(17)

of LODR Regulations is attached and forms part of this Report **Annexure H**. Related Party disclosures/transactions are detailed in Notes to the financial statements

## 30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Braj Binani Group, through its operating Indian Subsidiaries, undertake the activities on an ongoing basis for upliftment of the weaker sections and welfare of the society.

Your Board has constituted a Corporate Social Responsibility Committee (CSR Committee) pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Rules made there under. However, your Company is not obliged to spend any amount on CSR activities under the aforesaid provisions of the Act based on the criteria laid down therein.

1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.	The Company by its CSR Activities has committed to participate in Social cause, be it uplifting the weaker section of the society or communal developments. The key focus area of the Company's CSR activities are one or more from amongst the activities specified under schedule VII of the Companies Act, 2013 and Rules made thereunder. The Company's CSR initiatives shall be integrated with its business practices with an overall objective of the growth and development of the society and the Country The CSR Policy of the Company is available at the company's website
2	The Composition of the CSR Committee.	Mr. Nilesh R Doshi - Chairman Mr. Shardul D. Shah - Member Mr. Rajesh Kumar Bagri - Member Mrs. Visalakshi Sridhar - Member
3	Average net profit of the Company for last three financial years	-ve (refer notes to the Audited Accounts)
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above).	-ve

5	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	Not applicable in view of point 3 above
6	Reason for shortfall in spend	Not applicable
7	Responsibility statement of the CSR Committee	We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and CSR policy of the Company

### Goa Glass Fibre Limited (GGFL)

The provisions of Section 135 of the Companies Act, 2013 and Rules there under with respect to CSR are presently applicable to the Company. In the year 2017-18 the CSR expenditure required by the Company was ₹ 27.94 Lakhs, being 2% of the average net profits of the Company for the preceding three financial years. However due to paucity of time; the Company could spend ₹ 26.56 Lakhs on CSR activities by undertaking operations and surgeries for the poor, conducting blood donation camps, promoting education and providing infrastructural support to local schools besides contributing to PM's National Relief Fund, Clean Ganga Fund and Swach Bharat Kosh. The shortfall of ₹1.38 Lakhs in CSR spending was however spent by the Company in the month of April 2018. (2018-19).

### BIL Infratech Limited

BIL Infratech Ltd., the wholly owned subsidiary of Binani Industries Limited had taken an important steps in the year 2017-18 to strengthen and enhance its footprint in the adjoining areas where the Company is currently executing its flagship projects at:

1. Budge Budge (WBIDC's Garment Park project) and
2. New Town, Rajarhat (NBCC-NICL Project).

At the same time Company wishes to explore opportunities and further expand to new focus areas aiming at community development around its areas of operation.

The initiatives adopted by the company were sustainable development in the areas of Health Care & safe and clean Drinking Water. The Company identified the beneficiaries on the basis of extensive survey made by the CSR initiatives Executing Partner NIRVANA FOUNDATION and accordingly finalised its social outreach while complying with its CSR mandate as per Companies Act, 2013.

The Company had taken up numerous CSR initiatives in collaboration with an NGO, Nirvana Foundation, in the vicinity of Budge Budge and Pujali Municipal area. The Company had adopted a focused and structured approach towards implementing its CSR initiatives and were addressing the need of Children studying in Govt. Schools of Rajibpur High School, Kalipur Girls High School and Pujali Shikshayatan. Most of the children studying in those schools were coming from BPL families and they were the first generation learners. The Company had recently installed RO Filtration plant for safe and clean drinking water and Sanitary Napkin Vending Machines in those schools. Inauguration ceremony of RO Plants and Vending Machines were held by Chairperson of Pujali Municipality, in the presence of Managing Director of BIL Infratech Ltd., Members of Nirvana Foundation and School Authorities. Besides, numerous free health check-up camps and distribution of spectacles after eye check-up were organized by the Company in Budge Budge and Rajarhat area.

As per provisions of section 135 and other applicable provisions of the Companies Act, 2013 the Company is required to spend ₹ 19.93 lakhs during the financial year 2017-18, but the Company had spent ₹ 21.86 Lakhs on above CSR activities under the head 1) Promoting health care including preventive health care under clause I of Schedule VII of the Companies Act, 2013 ('Act').

### 31. OTHER DISCLOSURES

Your Directors state that no disclosures or reporting is required in respect of the following items, as the same is either not applicable to the Company or relevant transactions / event have not taken place during the year under review.

- a. Issue of Equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- c. Except for the one stated above no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### 32. HUMAN RESOURCES

Across the Companies in the Group, Employee Relation continues to remain cordial. The Group's emphasis on safe work practices and productivity improvement is unrelenting.

As per Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the median remuneration of our employees as at March 31, 2018 is ₹ 5,90,769.

The Company had 31 permanent employees on its rolls as on March 31, 2018. The Board places on record its sincere appreciation for the valuable contribution made by the employees across all levels in the organization.

### 33. CAUTIONARY STATEMENT

Statements made in this Report, describing the company's objectives, projections, expectations and estimates regarding future performance may be "forward looking statements" within the meaning of applicable laws and regulations and are based on currently available information. The Management believes them to be true to the best of its knowledge at the time of preparation of this Report. However, these statements are subject to future events and uncertainties which inter-alia include regulatory changes, tax laws, economic developments within the Country and other incidental factors, that could cause actual results to differ materially from those as may be indicated under such statements.

### 34. ACKNOWLEDGEMENTS

The Directors wish to express their appreciation for the continued co-operation of the Central and State Governments, bankers,

financial institutions, customers, dealers and suppliers and also the valuable assistance and advice received from the joint venture partners, and all the shareholders. The Directors also wish to thank all the employees for their contribution, support and continued cooperation throughout the year.

For and on behalf of Board of Directors of  
**Binani Industries Ltd.**

**Visalakshi Sridhar**  
Managing Director, CFO & Company Secretary  
DIN: 07325198  
Membership No. ICSI-A13849  
AICWA-M2113

Date: 23rd November, 2018  
Place: Mumbai