



BINNY LIMITED
CIN:L17111TN1969PLC005736
REGD OFFICE: NO.1, Cooks Road, Perambur, Chennai -600 012
Tel No:044-26621053 email:binny@binnyltd.in
Website:www.binnyltd.in

Notice of Extra-ordinary General Meeting

Notice is hereby given that an Extra-ordinary General Meeting ("EGM") of the members of the Company will be held on Saturday, 09th October, 2021 at 11.00 A.M. through Video Conference to transact the following **Special Business**:

- 1. Approval, by way of ordinary resolution under Section 188, Section 55, Section 123, Section 127 (d) of Companies Act, 2013 read with under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for 'material related party transaction' for the transfer of third-party receivables of the company to Mohan Breweries and Distilleries Limited("MBDL") and set off consideration receivable from such transfer towards redemption of preference shares and cumulative preference dividend payable to MBDL:**

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 of Companies Act, 2013 read with Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") if any, as may be amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company and with the approval of the Board, consent and approval of the shareholders of the Company, who are eligible to vote in terms of the Listing Regulations, be and is hereby accorded to the Board to effect transfer of receivables of the Company from third parties amounting to Rs.285.30 Crores to MBDL for a consideration of Rs.285.30 Crores.

RESOLVED THAT pursuant to the provisions of Section 188, Section 55, Section 123, Section 127 (d) of Companies Act, 2013 read with Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") if any, as may be amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company and with the approval of the Board, consent and approval of the shareholders of the Company, who are eligible to vote, in terms of the Listing Regulations and Companies Act, 2013, be and is hereby accorded to the Board to effect set off of cumulative preference dividend amounting to Rs.151.41 Crores payable as at 30th June 2021 and redemption of preference shares capital amounting to Rs.117.22 Crores, aggregating to Rs.268.63 against the consideration receivable for the transfer of receivables.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolutions, with further powers to delegate all or any of the above authorities conferred to it to any officer(s)/authority(ies)/person(s) of the Company, including filing of necessary forms with the

Registrar of Companies as may be required in relation to such amendments and to comply with all other requirements in this regard.

RESOLVED FURTHER THAT any Director of the Company be and are hereby severally authorized to issue certified copy of these resolutions.”

2. Approval, by way of ordinary resolution under Section 188 of Companies Act, 2013 read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for ‘material related party transaction’ for acquisition of certain business and immovable properties of MBDL and adjustment of purchase consideration against land and other advances and the balance consideration receivable from MBDL towards transfer of receivables of the Company:

To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions Section 188 of Companies Act, 2013 read with Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) if any, as may be amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company and with the approval of the Board, consent and approval of the shareholders of the Company, who are eligible to vote in terms of the Listing Regulations and Companies Act, 2013, be and is hereby accorded to the Board to effect for acquiring the following business and immovable properties from Mohan Breweries and Distilleries Limited.

S No	Particulars	Offer price (Rs in Crores)
1	12.43 acres of Factory land located in Selva Street, MM Nagar, Valasaravakkam	265.00
2	<u>62 KLPD Distillery Unit at Chengelpet on an On-going concern basis:</u>	100.00
	- Land, Building and Plant & Machinery	
	- Current assets & other liabilities	
3	<u>Adjacent lands to Distillery Unit, Chengelpet:</u>	
	- 62.386 acres of lands located at Irukundrampalli Village In Chengelpet Taluk of Kancheepuram District	109.00
	- 42.46 acres of lands located at Ozhalur Village in Chengelpet Taluk of Kancheepuram District	53.00
4	850 acres of Windmill Lands at Tirunelveli District (net of liability)	27.00
	Total amount	554.00

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") if any, as may be amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company and with the approval of the Board, consent and approval of the shareholders of the Company, who are eligible to vote in terms of the Listing Regulations and Companies Act, 2013, be and is hereby accorded to the Board to effect the adjustment of purchase consideration payable to MBDL amounting to Rs.554.00 Crores against land and other advance (including interest) receivable from MBDL amounting to Rs.528.77 Crores and the balance amount payable to MBDL of Rs.25.23 Crores be adjusted against balance amount of Rs.16.67 Crores receivable from MBDL for transfer of receivables and the net amount payable to MBDL amounting to Rs.8.56 Crores being agreed to waived off by MBDL.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolutions, with further powers to delegate all or any of the above authorities conferred to it to any officer(s)/authority(ies)/person(s) of the Company, including filing of necessary forms with the Registrar of Companies as may be required in relation to such amendments and to comply with all other requirements in this regard.

RESOLVED FURTHER THAT any Director of the Company be and are hereby severally authorized to issue certified copy of these resolutions."

3. Approval of alteration of the Object Clause in the Memorandum of Association of the Company

To consider if thought fit, to pass with or without modification the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any amendment thereto or re-enactment thereof) and subject to necessary approval(s) if any, from the competent authorities, the approval of the Company be and is hereby given for effecting the following amendments in the existing Clause (III) of the Main Objects Clause of the Memorandum of Association of the Company, dealing with the objects of the Company:

a) Inserting the following new Clause (ix) to Clause (xi) under Clause III(A) after existing Clause (xv) of the Memorandum of Association:

"To produce, manufacture, purchase, refine, prepare, import, export, sell and generally deal in alcohol based chemicals, rectified spirits, denatured spirits and ethyl alcohol (ENA) from Sugarcane Molasses and Grains, yeast and other bio mass derivatives and all alcohol derivatives like acetaldehyde, acetic acid, acetic anhydride, ethylene, ethylene based products like polyvinyl chloride, polyvinyl acetate and alpha olefins

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolutions, with further powers to delegate all or any of the above authorities conferred to it to any officer(s)/ authority (ies)/ person(s) of the Company, including filing of necessary forms with



the Registrar of Companies as may be required in relation to such amendments and to comply with all other requirements in this regard

**On behalf of the Board
For Binny Limited**

**M Nandagopal
Executive Chairman
DIN:00058710**

Place: Chennai
Date: 30.08.2021

Notes:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and Circular No.02/2021 dated 13th January,2021, The forthcoming Extra Ordinary General Meeting (EGM) will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM will be provided by CDSL.
3. The Members can join the EGM 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. The facility of participation at the EGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (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. who are allowed to attend the EGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM. However, 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 EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM has been uploaded on the website of the Company at www.binnyltd.in. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the EGM) i.e. www.evotingindia.com.
7. The EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No 02/2021 dated January 13, 2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on **Wednesday, October 06, 2021 at 9:00 a.m. and ends on Friday, October 08, 2021 at 5:00 p.m.** 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., Wednesday, October 01, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meeting **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method



Individual Shareholders holding securities in Demat mode with **CDSL**

- 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
- 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
- 3) If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with **NSDL**

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS "Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>



	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.



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- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none">• 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 (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.



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- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - 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.
 - 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; binny@binnyltd.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the EGM same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requisition advance atleast **7 days prior to 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 EGM 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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the EGM 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 EGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card) by email to **Company(binny@binnyltd.in)/RTA email id (investor@cameoindia.com)**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)



3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending EGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, MarathonFuturex, 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.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102
OF THE COMPANIES ACT, 2013**

Item 1&Item 2:

1. Background

- **Mohan Breweries and Distilleries Limited ('MBDL')** is an unlisted public company incorporated under the Companies Act, 1956 and is engaged in the business of manufacture of liquor, glass, distilleries, generation of power through windmills, business of real estate, etc. MBDL is a related party of **Binny Limited ('Binny' or 'the Company')** by virtue of common control.
- There are a few financial transactions that have taken place between MBDL and Binny in the last few years.
- Binny has extended certain advances in the normal course of its operations to certain third parties. In view of challenging business scenario in the last few years, which got compounded and aggravated with the Covid pandemic, which has a deep global impact has delayed the recovery of such dues by the Company.
- This note is forming part of the Board Agenda and deals with action plan to recover and settle the various receivables and payables by Binny to MBDL and vice versa.
- The note also deals with recovery of receivables/advances by Binny from a few third parties.

2. Amounts payable by Binny:

- MBDL had invested in unlisted Redeemable Preference Shares ('RPS') carrying cumulative dividend of 9 to 9.75 % in Binny as tabulated below.

S No	Particulars	Ref	Preference Capital (Rs. In Crs)	Arrears of Dividend (30.6.2021) (Rs. In Crs)
1	9% RPS on 30.09.2005	Tranche 1	65.08	92.30
2	9.75% RPS on 30.06.2006	Tranche 2	0.27	0.40
3	9% RPS on 31.01.2007	Tranche 3	8.68	11.26
4	9% RPS on 30.01.2008	Tranche 4	2.17	2.62
5	9% RPS on 29.09.2008	Tranche 5	25.54	29.32
6	9% RPS on 12.05.2010	Tranche 6	15.47	15.51
	Total		117.22	151.41

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The Company obtained an opinion from SPNP & Associates, Practising Company Secretaries dated 07.03.2021 regarding the permissibility of set off of cumulative preference dividend payable to MBDL and redemption of preference share capital against the dues from MBDL and as per the opinion, the same shall be in accordance with the provisions of Section 55, Section 123 read with Section 127(d) of the Companies Act, 2013.

3. **Amount receivables by Binny:**

- Binny has given MBDL an advance for purchase of lands and windmill.
- The amount outstanding as on 30th June 2021 (excluding interest) is as follows:

S No	Particulars	Outstanding (in Rs. Crs)
1	Purchase of Windmill	60.00
2	Purchase of 7.07 Acres of Land	140.00
3	Purchase of 12.43 Acres of Land	173.35
	Total	373.35

- With respect to the advance given for purchase of windmill, the Board of directors of Binny itself had cancelled its in-principal approval and recalled the money. Consequently, MBDL has agreed to repay the advance with interest at 15% p.a. within a period of 2 years.
- With respect to advance given for purchase of 7.07 Acres, though the same was approved by the shareholders, due to certain unexpected litigations and consequent difficulty in conveying the land to the Company with clear approach to the property, the Company called off the transaction and MBDL agreed to return the advance.
- With respect to purchase of 12.43 acres of land, as the transaction was not approved to by the shareholders, the advance paid was called back by the Company and MBDL agreed to return the same with interest @ 18% p.a. within a period of 2 years.
- Accordingly, interest receivable on such advances given to MBDL as on 30.6.2021 is as under :

S No	Particulars	Interest Amount (in Rs. Crs)
A	On Wind Mill advance of Rs.60 Crores	30.03
B	On Land Advance of Rs.183.35 Crores	125.39
	Total	155.42



Thus the total outstanding amount including interest as on 30.6.2021 is Rs.528.77 Crores.

- Since MBDL is expressing serious difficulty and cashflow problem for repayment of the dues on the insistence of the Company, MBDL is agreeable to offer some of the valuable properties and assets owned by MBDL towards discharging the dues to the Company, which not only help in immediate recovery of the amount, but also increases the land bank of the Company and the potential of substantial return in the form of income on real estate development activity in the years to come. It is also pertinent to note that the lands offered by MBDL are not only prime lands, but also large contiguous piece of lands, which are very difficult to aggregate and which have huge potential for development. The renowned developers look for such large projects and therefore, the Company will be able to attract reputed developers and be benefited out of such developmental income.
- In addition to MBDL offering prime lands as stated above for real estate development, MBDL is also offering Renewable Energy Assets in the form of Windmill (along with land fit for generating wind power) and Distillery facility to manufacture Potable Alcohol. It is very pertinent to note that each one of the above business opportunities i.e. Renewable Energy and Distillery facility are running businesses and have substantial potential to generate operating cash flows and profitability to the Company immediately.
- The object clause of the Company for Wind Power Generation is already included in the Memorandum, but for the business of Distillery to manufacture Potable Alcohol, Memorandum will be suitably amended in the ensuing EGM.
- Further MBDL is also offering a running 62 KLPD Distillery Unit at Chingleput with Land, Building, Plant and Machinery, etc. valued at Rs.100 Crores. The Distillery is capable of producing 2 crore litres of Potable Alcohol per annum.

4. Details of assets offered by MBDL:

S No	Particulars	Offer price (Rs in Crores)
1	12.43 acres of Factory land located in Selva Street, MM Nagar, Valasaravakkam (Note 1 (a) and 1 (b))	265.00

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S No	Particulars	Offer price (Rs in Crores)
2	<u>62 KLPD Distillery Unit at Chengelpet on an On-going concern basis</u> (Note 2) Land, Building and Plant & Machinery Current assets & other liabilities	100.00
3	<u>Adjacent lands to Distillery Unit, Chengelpet</u>	
	62.386 acres of lands located at Irukundrampalli Village in Chengelpet Taluk of Kancheepuram District (Note 3)	109.00
	42.46 acres of lands located at Ozhalur Village in Chengelpet Taluk of Kancheepuram District (Note 4)	53.00
4	850 acres of Windmill Lands at Tirunelveli District along with liability (Note 5 (a) and (b))	27.00
	Total amount	554.00

The estimated market value of the asset in February 2016 was Rs.300 Crores and the same was not approved by the shareholders. In this land, presently IMFL and Beer Bottling activities are being carried out. After the proposed transfer of the land by MBDL to Binny, the land will be on lease to MBDL for a maximum period of 2 years and the Company will be paid lease rent as per market rates. Accordingly, MBDL has reduced the consideration amount to Rs.265 Crores in the interest of finding a closure of the Related Party Transaction (RPT) at the earliest.

Note:

- 1 (a) MBDL had secured a loan from State Bank of India amounting to Rs. 92.75 Crores by creating a first charge on factory land, which shall be settled or released by MBDL before the said property is transferred to the Company.
- (b) The Market Value on the basis of the latest Valuation Report obtained in August '21 is Rs.367.06 Crores and the "Offer Price" by MBDL is Rs.265 Crores
2. The Market Value on the basis of the latest Valuation Report obtained in August '21 for 62 KLPD Distillery is Rs.127.16 Crores and the "Offer Price" by MBDL is Rs.100 Crores.

3. As per the latest Valuation Report obtained in August '21, the market value of the total land area 72.386 acres in Irungundrampalli Village is Rs.173.73 Crores, of which, 10 acres of land is a buffer zone between the Distillery and this land and hence the same is not being bought by the Company and if the corresponding price for 10 acres is reduced, the Market Value for the remaining 62.386 acres works out to Rs.149.73 Crores and the "Offer price" by MBDL for the same is Rs.109 Crores.
 4. As per the latest Valuation Report obtained in August '21, the market value of the Ozhalur land is Rs.75.60 Crores and the "Offer Price" by MBDL is Rs.53 Crores.
 - 5 (a) MBDL had secured a loan from India Bulls Housing Finance Limited amounting to Rs.25 Crores by securing the Wind Mill Land. The land is proposed to be transferred along with the liability and only the net value is considered above.
 - (b) As per the latest Valuation Report obtained in August '21, the Market Value of 850 acres of Wind Mill lands at Tirunelveli District is Rs.62.89 Crores and the "Offer Price" by MBDL is Rs.52 Crores and after reducing the loan liability of Rs.25 Crores with India Bulls Housing Finance Ltd, the net amount payable is Rs.27 Crores.
 - Further, it is pertinent to note that the Company has charged interest @ 18% on the advance of Rs.183.35 Crores paid to MBDL and the interest earned by Binny on the said amount works out to Rs.125.39 Crores and the Company has charged interest @15% on the advance of Rs. 60 Crores paid to MBDL and the interest earned by Binny on the said amount works out to Rs.30.03 Crores.
 - Considering the fact that the Company is realising the advance with at an attractive rate of interest against a prime property in the city of Chennai at a discounted value and acquiring the Wind Energy and Distillery business as stated above, the offer of MBDL be considered favourably.
 - The Company has carried out a detailed valuation of the said properties by a reputed firm and the same was considered by the Board for determining the acquisition of the above business and assets.
- 5. Realisation of certain advances/receivables:**
- Binny has outstanding advances/receivables from various parties (not related parties) aggregating to Rs 285.30 Crores as on 30th June 2021.
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- Due to the ongoing COVID-19 pandemic, Binny is finding it challenging to realize the outstanding receivable from the aforesaid parties. At the request of Binny, MBDL is agreeable to take over these receivables and to set off the same against the Redemption of Preference shares along with Cumulative Dividend up to 30th June 2021 aggregating to Rs.268.63 Crores and to set-off the balance amount of Rs.16.67 Crores against the consideration payable to MBDL for transfer of the assets by them, stated in Para No.4 above.

6. Transaction proposed:

- The Board may recall that for the last 15 years i.e. from the year 2005 onwards and as late as 2010, MBDL has been financially supporting substantially by infusion of money from time to time as required by Binny, when Binny was a Sick Industrial Company and hence any funding from any bank or financial institutions or even third parties was not available to it. During such period, the Promoters of the Company through the associate company, i.e. MBDL advanced close to Rs. 120 Crores in 6 tranches to Binny, which alone helped Binny to meet its financial obligations, but for the timely infusion of funds by MBDL, Binny would have been wound up by BIFR. It is equally important to note that MBDL has charged a meagre dividend of around 9% on the Preference shares so invested by MBDL and it is further pertinent to state that even such marginal return has not been paid by Binny to MBDL till date, which without any compounding effect is itself another Rs.151.41 Crores. On the contrary, Binny has charged MBDL interest at the rate of 15% on Advance given to MBDL for purchase of Wind Mill and 18% on another Advance given to MBDL for purchase of lands, which is significantly higher than return offered to MBDL on the Preference Shares. These important and crucial factors have to be kept in mind evaluating the proposal of MBDL for settling the outstanding dues.
- In this background, the total amounts payable to MBDL and the total amounts receivable from MBDL are tabulated as under:

Particulars	Amount (Rs. In Crores)
A. Amount payable to MBDL:	
For redemption of preference shares along with accumulated dividend up to 30 th June '21	268.63



For purchase of various assets from MBDL	554.00
Total of the amounts payable to MBDL	822.63
B. Amount receivable from MBDL:	
For advances given to MBDL for purchase of property along with interest on such advances up to 30 th June '21	528.77
For transfer of advances/receivables of various parties to MBDL	285.30
Total of the amounts receivables from MBDL	814.07
Net amount payable to MBDL	8.56
MBDL agreed to waive this amount of Rs.8.56 Crores in the long term interest of settling the related party transactions.	

- This settlement approach will also help the Company a challenging legal issue of inability to redeem the redeemable preference shares which are due for redemption for many years carrying the obligation of cumulative dividend.
- Considering the market and financial scenario and considering the fact that the Company is realising all its outstanding dues from MBDL and other parties substantially in the form of real estates assets, which is the core business of the Company, the Board may consider and approve the same.
- The Company stands to make significant inroads in new and renewable energy business with the acquisition of the Wind business and the Distillery business of MBDL. The Wind farms are situated in areas where there is an established wind corridor to generate adequate renewable power. The Distillery business is currently manufacturing Potable alcohol to the tune of 2 Crore liter per annum, but the manufacturing plant can be extended to manufacture and supply Ethanol to Oil Marketing Companies for blending into fuel, which is a thrust area of the Government of India in the years to come.



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- The developmental value of the real estate assets of MBDL offered to Binny under this proposal is significantly attractive, considering the fact that MBDL has offered large contiguous land parcels in and around the City of Chennai, which have shown huge uptake from Real estate township developers. Therefore, considering the totality of the circumstances and on merits of the proposal, Binny stands to gain substantially in the long term.
- The above transaction is put up before the members for seeking their approval.

Pursuant to Regulation 23 of Listing Regulations, all material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolution whether the entity is related party to the particular transaction or not.

The Board is of the opinion that the aforesaid proposal is in the best interest of the Company and hence, the Board recommends passing of the **ordinary resolution** for approval of the members.

Item 3:

The Board of Directors at their meeting held on 30th August, 2021 has approved the proposal to purchase certain business and immovable properties of MBDL and to set off the land and other advances and the balance consideration receivable from MBDL as per the proposed scheme. One of the proposed transactions as per the Scheme is to acquire/takeover 62 KLPD Distillery Unit at Chengelpet on an On-going concern basis from MBDL. At present, the Distillery Unit is manufacturing Extra Neutral alcohol (ENA) which is the raw material for manufacture of Indian Made Foreign Liquor (IMFL) Products and other by products for industrial use. As a part of diversified programme, Binny gets into the manufacture of the above said potable alcohol which has got sustained and ever growing demand.

It is to be noted that the existing Memorandum of Association (MOA) of our Company does not have the object clause for manufacture of ENA. As the Company wishes to enter into new business of manufacture of ENA, the MOA has to be amended to include more specifically the clause for the distillery business

Consent of the shareholders by passing a Special Resolution is required in this regard.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for approval by the members as Special Resolution.

**On behalf of the Board
For Binny Limited**

**M Nandagopal
Executive Chairman
DIN – 00058710**

Place: Chennai
Date: 30.08.2021