



BINNY LIMITED

Estd 1799

To,
The General Manager
Department of Corporate Services
Bombay Stock Exchange Limited
PJ Towers, Dalal Street,
Mumbai – 400 001

May 11, 2015

Dear Sir

Sub: ADDITIONAL SET for Application under clause 24(f) of the listing agreement for the proposed Scheme of Arrangement (“Scheme”) between Binny Limited and its Preference Shareholders and Equity Shareholders and Secured and Unsecured Creditors.

With reference to the captioned subject, we are submitting herewith an ADDITIONAL SET of the following documents for obtaining in-principle approval under clause 24(f) of the Listing Agreement:

Sr. No.	Documents to be submitted along with application under Clause 24(f) of the Listing Agreement	Annexure
1.	Certified copy of the draft Scheme of Arrangement of Binny Limited	Refer Annexure 2.
2.	Certified copy of Valuation report from Independent Chartered Accountant as applicable as per Para 4 of SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013.	Refer Annexure 3.
3.	Report from the Audit Committee recommending the draft scheme taking into consideration, inter alia, the valuation report at sr. no. 2 above	Refer Annexure 4.
4.	Certified copy of Fairness opinion issued by Merchant Banker	Refer Annexure 5.
5.	Shareholding pattern of the Company as per Clause 35 of the Listing Agreement.	Refer Annexure 6.
6.	Audited financials of the company for the last 3 financial years	Refer Annexure 7.



7.	Compliance Report as per clause 49 of the listing agreement	Refer Annexure 8.
8.	Complaint report as per Annexure III. (To be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme).	Will be submitted in due course as per SEBI circular CIR/CFD/DIL/5/2013 dated February 4, 2013
9.	Compliance report with the requirements specified in Part-A of the circular CIR/CFD/DIL/5/2013 dated February 4, 2013 as per Annexure IV	Refer Annexure 9.
10.	<p>If as per the company, approval from the shareholders through postal ballot and e-voting, as required under Para 5.16(a) is not applicable, then as required under Para 5.16 (b), submit the following:</p> <p>a) An undertaking certified by the auditor clearly stating the reasons for non-applicability of Para 5.16(a).</p> <p>b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.</p>	Approval from the shareholders through postal ballot and e-voting is applicable.

Further, we would like to inform you that we have emailed the soft copy of the above mentioned documents to bse.schemes@bseindia.com.

We would be glad to provide any additional information/ documents/ clarifications as may be required.

Thanking You,

Yours faithfully,
For Binny Limited



T. Krishnamurthy
Company Secretary



SCHEME OF ARRANGEMENT
BETWEEN
BINNY LIMITED
AND
ITS PREFERENCE SHAREHOLDERS
AND
EQUITY SHARE HOLDERS AND SECURED AND UNSECURED CREDITORS
UNDER SECTION 391 TO 394 READ WITH SECTIONS 100 TO 103
AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956

This Scheme is presented pursuant to Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 for the cancellation of Cumulative Redeemable Preference Shares of Binny Limited and issue of Non-Convertible Debentures at discount in lieu thereof. Upon the relevant sections of the Companies Act 2013 pertaining to schemes of arrangement, compromise or reconstruction and reduction of capital of companies being notified by the Ministry of Corporate Affairs ("MCA"), the Scheme of Arrangement shall be deemed to have been formulated and presented under sections 230 to 240 read with applicable sections of the Companies Act, 2013.

The Scheme is divided into following parts:

- (i) **Part A** – dealing with introduction and benefits of the Scheme;
- (ii) **Part B** – dealing with definitions;
- (iii) **Part C** – dealing with cancellation of preference shares and issue of debentures;
- (iv) **Part D** – dealing with general terms and conditions


For BINNY LIMITED
T. KRISHNAMURTHY
Chief Financial Officer & Company Secretary

PART A – INTRODUCTION AND BENEFITS OF THE SCHEME

INTRODUCTION

Binny Limited (hereinafter referred to as “**the Company**”), has been incorporated under the Companies Act, 1956 on June 30, 1969 and having the registered office in Chennai. The Company is primarily engaged in the business of warehousing. It provides solutions such as warehouse management systems, modern setups for storage and handling points where raw material, intermediate and manufactured goods are collected, assorted and stored.

BENEFITS OF THE SCHEME

- A. The Scheme will enable the Company to overcome its financial difficulties and improve its working in the future.
- B. It would enhance the relationships with the stakeholders by timely discharging of the debts and provision of avenues to exit their investment after the agreed maturity date.

PART B - DEFINITIONS

1. DEFINITIONS

In this Scheme, unless repugnant to the **context**, the following expressions shall have the following meaning:

- 1.1 “**Act**” means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force and shall also include the applicable provisions of the Companies Act, 2013 as and when such corresponding sections are notified in the Official Gazette by the Central Government.
- 1.2 “**Appointed Date**” means 1st October 2014, or such other date as the High Court may direct or fix;
- 1.3 “**Board**” means Board of Directors of the Company.
- 1.4 “**Company**” means Binny Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at No: 1, Cooks Road, Otteri, Perambur Chennai, Tamil Nadu-600012.
- 1.5 “**Court**” means the Hon'ble High Court of Judicature at Madras under the Companies Act, 1956 and includes the National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013



for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 to 240 of the Companies Act, 2013.

- 1.6 **"Debentures"** means 18% Unsecured Non-Convertible debentures of Rs.100/- each, to be issued at a discount of 50.89% as per the terms and conditions set out in this Scheme.
- 1.7 **"Effective Date"** means date on which the certified copies of the Order of the High Court of Judicature at Madras sanctioning the Scheme is filed with the Registrar of Companies at Chennai, Tamil Nadu.
- 1.8 **"High Court"** means the Hon'ble High Court of Judicature at Madras.
- 1.9 **"Record Date"** means the date, after the Effective Date, to be fixed by the Board of Directors of the Company for the purpose of determining the entitlement of the Preference Shareholders of the company to whom the Debentures will be allotted pursuant to this Scheme.
- 1.10 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) as approved or directed by the High Court of Judicature at Madras or any other appropriate authority.
- 1.11 **"Subject Shares I"** means 9.75% Cumulative Redeemable Preference Shares of Rs.5/- each of the Company which are fully paid up.
- 1.12 **"Subject Shares II"** means 9% Cumulative Redeemable Preference Shares of Rs.5/- each of the Company which are fully paid-up.
- 1.13 **"Subject Shares"** means a collective reference to the Subject Share I and Subject Shares II.

2 SHARE CAPITAL

- 2.1 The Share Capital of the Company as on 31st March, 2014 is given below:

Particulars	Amount (INR) (in lakhs.)
Authorized Capital	
2,28,20,000 Equity shares of Rs.5/- each	1141.00
11,80,000 (9.75%) Cumulative Redeemable Preference Shares of Rs.5/- each	59.00
54,20,00,000 (9%) Cumulative Redeemable Preference Shares of Rs.5/- each	27100.00
TOTAL	28300.00
Issued, Subscribed and Paid Up Capital	



2,23,19,410 Equity Shares of Rs.5/- each fully paid up	1115.97
5,48,800 (9.75%) Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up	27.44
23,38,84,055 (9%) Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up	11694.21
TOTAL	12837.62

PART C – CANCELLATION OF PREFERENCE SHARES AND ISSUE OF DEBENTURES IN LIEU THEREOF

3 CANCELLATION OF CUMULATIVE PREFERENCE SHARES AND ISSUE OF DEBENTURES IN LIEU THEREOF

3.1 Upon this Scheme becoming effective and with effect from the Appointed Date:

3.1.1 The issued, subscribed and paid-up share capital of the Company shall stand reduced by Rs.117,21,64,275/- (Rupees One Hundred and Seventeen Crores Twenty One Lakhs Sixty Four Thousand Two Hundred and Seventy Five) being the aggregate of 5,48,800 (Five Lakh Forty Eight Thousand Eight Hundred) Subject Shares I of Rs.5/- each, fully paid-up and 23,38,84,055 (Twenty Three Crore Thirty Eight Lakh Eighty Four Thousand and Fifty Five) Subject Shares II of Rs.5/- each, fully paid-up. The cancellation of the shares is restricted to the shareholders of Subject shares I and Subject shares II of the Company and simultaneous upon such cancellation, the amount reduced shall be utilized to issue 2,38,66,643 (Two Crore Thirty Eight Lakhs Sixty Six Thousand Six hundred and Forty Three) 18% Unsecured Non-Convertible Debentures of Rs.100/- each, issued at 50.89% discount to the holders of the Subject Shares I and the Subject Shares II as on the Record Date.

3.1.2 As a result, upon the Scheme becoming effective, without any further act or deed, the Preference Shareholders of the Company holding 5,48,800 (Five Lakh Forty Eight Thousand Eight Hundred) Subject Shares I of Rs.5/- each as on the Record Date, will be allotted 55,871 (Fifty Five Thousand Eight Hundred and Seventy One) 18% Unsecured Non-Convertible Debentures of Rs.100/- each and the Preference Shareholders of the Company holding 23,38,84,055 (Twenty Three Crores Thirty Eight Lakhs Eighty Four Thousand and Fifty Five) Subject Shares II of Rs.5/- each as on the Record Date, will be allotted 2,38,10,772 (Two Crore Thirty Eight Lakh Ten Thousand Seven Hundred and Seventy Two) 18% Unsecured Non-Convertible Debentures of Rs.100/- each. The debentures will be deemed to be allotted from the Appointed Date.

3.1.3 The Debentures may be redeemed after a period of 10 (ten) years from the date of allotment. However, the same can be redeemed earlier at the option



of the Debenture holders subject to availability of cash. Under no circumstances will the tenure of the Debentures be extended beyond a period of 10 (ten) years unless mutually agreed by the Company and the debenture holders.

- 3.1.4 The Preference Shareholders of the Company shall not be entitled to any fractional entitlements on the issue of the Debentures. In respect of the fractional entitlements, if any, caused by the issue of Debentures, the same shall be rounded off to the nearest integer.
- 3.2 Upon the Scheme becoming effective and consequent to the reduction of share capital of the Company, the issued and paid up capital of the Company shall be Rs. 11,41,00,000/- (Rupees Eleven Crore Forty One Lakhs) consisting of 2,28,20,000 equity shares of Rs.5/- each.
- 3.3 The cancellation of the Subject Shares by the Company as mentioned herein above shall be effected as an integral part of this Scheme without having to follow the process contained in the provisions of Sections 100 to 104 of the Act separately and the Order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The cancellation of the Subject Shares would not involve either a diminution of liability in respect of unpaid share capital and the provisions of Section 101 of the Act will not be applicable.
- 3.4 The provisions of this section shall operate notwithstanding anything to the contrary in the Scheme.
- 3.5 Notwithstanding the reduction as mentioned above, the Company shall not be required to add "and reduced" as a suffix to its name and the Company shall continue in its existing name.
- 3.6 The aforementioned cancellation of Subject Shares and issue of Debentures in lieu thereof shall be construed to be in compliance with the procedures and provisions stipulated in the Companies Act, 1956 and Companies Act, 2013 in relation to the reduction of the share capital and issue of unsecured non-convertible debentures.
- 3.7 The reduction of capital of the Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form to the shareholders of the Company, except the unpaid dividend on the Subject Shares I and the Subject Shares II as provided in Clause 3.1.1 above. Further, the proposed reduction of share capital would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.



- 3.8 The issue of debentures pursuant to this Scheme shall be deemed to be in compliance of Sections 185, 188 and other related sections of the Companies Act, 2013 and no further action would be necessary under these provisions.

4 CONSIDERATION

The Scheme involves cancellation of Preference shares and issue of 18% Unsecured Non- Convertible Debentures in lieu thereof as consideration with effect from the Appointed Date.

5 ACCOUNTING TREATMENT

The Company shall, upon the Scheme coming into effect, account for the arrangement in its books as under:

- 5.1. Upon the Scheme becoming effective, the Company shall record the cancellation of Preference shares and issue Unsecured Non-Convertible Debentures at a discount to Preference shareholders. .
- 5.2. Upon coming to effect of the Scheme, the Company shall write-off the discount on issue of debentures over the period between issue and redemption of debentures.
- 5.3. The accounting treatment that is being prescribed herein would be in compliance with the financial statements prepared as per Indian Generally Accepted Accounting Principles.

6 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other appropriate authority shall be effective from the Appointed Date, but shall become operative on the Effective Date.

PART D – GENERAL TERMS AND CONDITIONS APPLICABLE TO THE ENTIRE SCHEME

7 EFFECT OF THE SCHEME

- 7.1 It is clarified that this Scheme, which is only for cancellation of Preference Shares and issue of Debentures and it does not envisage transfer or vesting of any properties and / or liabilities to or in favour of the Company.
- 7.2 The Scheme does not involve any conveyance of transfer of any property and consequently, the order of the High Court of Madras approving the Scheme will not attract any stamp duty under the applicable Stamp Act, in this regard.



The Company shall make all applications / petitions as may be required under Section 100 to 103 of the Companies Act, 1956 read with Section 61 of the Companies Act 2013 and other applicable provisions of the Act to the High Court of Judicature at Madras, for obtaining the sanction of the Court for this Scheme, under section 100 to 103 of the Companies Act 1956 and other applicable sections of the Act and for such orders for carrying this Scheme into effect.

8 SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

The Scheme is conditional upon and subject to:

- 8.1 The Company to provide for voting by public shareholders through postal ballot and e-voting, in accordance with the provisions of the Act and as required under the Securities and Exchange Board of India Circular CIR / CFD/DIL/5/2013 dated February 4, 2013, and subsequent modifications thereof ('SEBI Circular'), while seeking their approval for the Scheme.
- 8.2 The Scheme being agreed with by the requisite number of public shareholders of the Company as provided in the SEBI Circular in this regard.
- 8.3 Approval by requisite majority of the members / creditors of the Company as may be directed by the High Court or any other appropriate authority.
- 8.4 Certified / authenticated copies of the orders of the High Court, sanctioning the Scheme being filed with the Registrar of Companies, Tamil Nadu at Chennai by the Company.
- 8.5 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

9 APPLICATION TO THE HIGH COURT OR SUCH OTHER APPROPRIATE AUTHORITY

The Company shall, with all reasonable dispatch, make applications / petitions to the High Court or any other appropriate authority, for sanction of the Scheme under Sections 391 to 394 of the Companies Act and other applicable provisions of the Act.

10 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 10.1 The Company through the Board may make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors / authorised officers of the Company).



- 10.2 The Company by its Board shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

11 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the aforesaid sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect.

12 IMPACT OF THE SCHEME ON EMPLOYEES/ WORKERS

The Scheme will not have any impact on any of the employees/workers of the Company.

13 LEGAL PROCEEDINGS

The Scheme will not affect any legal or other proceedings by or against the Company.

14 COSTS

The Company shall bear and pay all costs, charges, expenses, taxes including duties, levies, etc in connection with the Scheme.



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**OPINION ON ISSUE OF
UNSECURED NON-CONVERTIBLE DEBENTURES IN LIEU OF
CANCELLATION OF CUMULATIVE REDEEMABLE PREFERENCE SHARES
OF BINNY LIMITED**

1. BACKGROUND**1.1 BINNYLIMITED**

1.1.1 Binny Limited (hereinafter referred to as "Binny" or the "Company") was incorporated on June 30, 1969 by amalgamation of The Buckingham & Carnatic Company Limited, The Bangalore Wollen, Cotton & Silk Mills Company Limited, Madura Company Private Limited, The Ganges Transport & Trading Company Limited, Binny & Company Limited, and Binny's Engineering Works Limited.

1.1.2 At the behest of SBI and IDBI, 3 group of Promoters comprising Shri M. Nandagopal (MN Group), Shri M. Ethiraj (ME Group), and Late Shri NPV Ramaswamy Udayar (VRV Group) took over the management in May 1987.

1.1.3 Binny was incurring losses since its inception and was declared as a sick unit by the Board for Industrial & Financial Reconstruction (BIFR) in 1993.

1.1.4 Binny came out of the purview of the BIFR by the order of Hon'ble High Court of Madras in August 2008.

1.1.5 The Company went for financial restructuring in 2009 by demerging its businesses into separate companies. Details of demerger are as follows:

- In 2009, Binny demerged its two businesses namely; development of properties (Properties Undertaking) and trading of textiles & engineering products, agencies, cold storage plants in Cochin and warehousing (Agencies & Services Undertaking) into Binny Mills Limited (BML) and SV Global Mills Limited (SVG) respectively. The Scheme of Arrangement was approved by Hon'ble High Court of Madras and shareholders of Binny in April 2010. However SEBI gave its approval only in May 2013, which paved way for listing of BML and SVG.

**For BINNY LIMITED**
T. KRISHNAMURTHY

Chief Financial Officer & Company Secretary

- Post listing of the shares of SVG & BML in BSE, in August 2013, the promoter shareholders exchanged the equity & preference shares in the 3 entities as per the Scheme of Arrangement and the transactions were put through the stock exchange. Subsequent to the completion of inter se transfer of shares, members of the ME & VRV Group resigned from the board of Binny & MN Group started managing Binny.

1.2 MOHAN BREWERIES AND DISTILLERIES LIMITED

- 1.2.1 Mohan Breweries and Distilleries Limited (hereinafter referred to as "MBDL") is one of the leaders in South India in Indian Made Foreign Liquor (IMFL) and Beer. MBDL was established in the year 1982 by Shri. M. Nandagopal. MBDL has technical collaboration with Mohan Meakin Limited, Ghaziabad, one of the pioneers in Indian Liquor Industry with an experience of over 125 years.
- 1.2.2 The Company has interests in various businesses namely; Brewery, Distillery, Liquor, Glass and Wind Power.
- 1.2.3 Entire Preference share capital of the Company is held by MBDL.

2. PURPOSE

- 2.1 We have been informed by the management of Binny Limited (hereinafter referred to as the "Management") that they propose to issue Unsecured Non-Convertible Debentures (NCD) to the existing preference shareholders against the outstanding Cumulative Redeemable Preference Shares (CRPS) and accumulated preference dividend.
- 2.2 In this connection SSPA & CO, Chartered Accountants, ('SSPA'), has been appointed to provide an opinion on the price at which the NCD can be issued to the existing shareholders of CRPS.

3. PROPOSED SCHEME OF ARRANGEMENT

Under the Scheme of arrangement it is proposed:

- 3.1 The issued, subscribed and paid-up share capital of the Company shall stand reduced by INR 117,21,64,275/- (Rupees One Hundred and Seventeen Crores Twenty One Lakhs Sixty Four Thousand Two Hundred and Seventy Five) being the aggregate of 5,48,800 (Five Lakh Forty Eight Thousand Eight Hundred) 9.75% Cumulative Redeemable Preference shares ("Subject Shares I") of INR 5/- each, fully paid-up and 23,38,84,055 (Twenty Three Crore Thirty Eight Lakh Eighty Four Thousand and Fifty Five) 9% Cumulative Redeemable Preference shares ("Subject Shares II") of INR 5/- each, fully paid-up.



- 3.2 The reduction of capital of the Company, as mentioned above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form to the shareholders of the Company, except the unpaid (accumulated) dividend on Subject Shares I and Subject Shares II.
- 3.3 Upon such cancellation, the amount reduced shall be utilized to issue 18% Unsecured Non-Convertible Debentures of INR 100/- each.

4. SOURCES OF INFORMATION

Our valuation exercise is based on:

- Information in respect of Unsecured NCD's such as issue price, face value, coupon rate, terms of redemption, etc. provided by the management of Binny.
- Draft Scheme of Arrangement between Binny and its Preference Shareholders under section 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and relevant sections of the Companies Act, 2013 to the extent applicable.
- Details of credit rating issued by Credit Analysis & Research Limited (Care Ratings) to Binny for the proposed NCD's.
- Such other information and explanations as we have required and which have been provided by the Management.
- Information and data available in the public domain.

5. TERMS OF NON CONVERTIBLE DEBENTURES

- 5.1 The Company has received a rating of "B" from Care Ratings, which is based on the financial profile of the Company.
- 5.2 The NCDs will be redeemed within 10 years of issue and will carry an interest rate of 18%. We have been informed that the return of 18% has been agreed by the investors.
- 5.3 The outstanding CRPS shall stand cancelled upon issue of NCDs.

6. OPINION

- 6.1 The Company is proposing to issue NCDs in lieu of outstanding CRPS and unpaid accumulated preference dividend.
- 6.2 As per information provided to us, details of outstanding preference share capital and unpaid accumulated preference dividend as on September 30, 2014 are given in the table



below:

(INR lacs)

Sr No.	Date of allotment	Rate of Dividend	No. of Shares	Preference Share Capital	No. of months	Cumulative Dividend
1	30-Sep-05	9.00%	130,176,000	6,508.80	108	5,272.00
2	30-Jun-06	9.75%	548,800	27.44	99	22.00
3	31-Jan-07	9.00%	17,356,800	867.84	92	599.00
4	30-Jan-08	9.00%	4,339,200	216.96	80	130.00
5	29-Sep-08	9.00%	51,072,384	2,553.62	72	1,379.00
6	12-May-10	9.00%	30,939,671	1,546.98	53	615.00
Total				11,721.64		8,017.00

- 6.3 Payment of dividend on preference shares is subject to Dividend Distribution Tax, but is tax-free in the hands of preference shareholders. However the interest income on NCDs will be taxable in the hands of MBDL at maximum marginal rate of 33.99%, assuming that MBDL is profit making entity and does not enjoy any tax breaks or tax holidays. Thus, in order to keep interest on debentures at par with preference dividend in the hands of debenture shareholders, the Management has grossed up the accumulated preference dividend with maximum marginal rate of 33.99% to work out the NCDs to be issued. As shown in the table below, the same works out to INR 12,145 lacs.

Particulars	(INR lacs)
Total Upaid Cumulative Preference Dividend (a)	8,017.00
Maximum Marginal Rate of Tax (b)	33.99%
Grossed up Debenture Interest (c) [a/(1-b)]	12,145.00

- 6.4 The Management has thus recommended issuing NCDs carrying nominal value of INR 23,866.64 lacs (INR 11,721.64 lacs plus INR 12,145.00 lacs) at a discount of 50.89%. The discount of 50.89% is worked out considering entire grossed up debenture interest of INR 12,145.00 lacs as a percentage of total NCDs (INR 23,866.64 lacs) to be issued.
- 6.5 In our opinion, the discount of 50.89% is fair and reasonable considering the fact that, the debenture holders (currently preference shareholders) shall receive amount equal to outstanding preference share capital and unpaid accumulated preference dividend as on September 30, 2014 i.e. INR 23,866.64 lacs upon maturity of debentures.

7. EXCLUSIONS AND LIMITATIONS

- 7.1 Our opinion is dependent upon the information furnished to us being complete in all material respects.
- 7.2 This report has been prepared for the management of Binny, solely for the purpose of



providing our opinion for issue of NCDs to the preference shareholders of the Company in lieu of the outstanding preference shares and accumulated dividend and should not be used for any other purpose.

- 7.3 The draft of the present report was circulated to the Management for confirming the facts stated in the report and to confirm that information or facts stated are not erroneous and the assumptions used are reasonable.
- 7.4 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed transfer.
- 7.5 The decision to carry out the transaction (including consideration thereof) lies entirely with the parties concerned. Our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the transaction.
- 7.6 Any person/party intending to provide finance/invest in the shares/business of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 7.7 SSPA & CO., nor its partners, managers, employees makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.
- 7.8 The information contained herein and our report is absolutely confidential. It is intended only for the sole use and information of Binny and only in connection with the proposed issue of NCDs as aforesaid including for the purpose of obtaining requisite approvals. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed merger as aforesaid, can be done only with our prior permission in writing.



SSPA & Co.

SSPA & CO.
Chartered Accountants

Place: Mumbai
Date: March 27, 2015




Report on recommendations of the Audit Committee on the Draft Scheme Of Arrangement of Binny Limited ('Binny' or 'the Company') with its Preference Shareholders and Equity Shareholders and Secured and Unsecured Creditors

The Company has placed before the Audit Committee, the Draft Scheme of Arrangement between Binny Limited ('Binny' or 'the Company') and its Preference Shareholders and Equity Shareholders and Secured and Unsecured Creditors for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/DIL/05/2013 dated February 4, 2013 ('Circular').

In view to comply with the said Circular, members of the Audit Committee discussed and recommended the Draft Scheme after considering the following documents:

- a. Draft Scheme of Arrangement;
- b. Valuation Report; and
- c. Fairness Opinion

Below are the Recommendations of the Audit Committee on the Draft Scheme of Arrangement:

1	Date	March 27, 2015								
2	Name of the Company	Binny Limited ("Binny")								
3	Salient Features of the Scheme	<p>The Scheme provides for Cancellation of Preference Shares and issue of Unsecured Non-Convertible Debentures, Appointed Date being 01st October, 2014.</p> <p>Subscribed and Paid-up share capital of the Company shall stand reduced by Rs.117,21,64,275/- divided into 5,48,800, 9.75% Cumulative Redeemable Preference Shares("Subject Shares I") of Rs.5/- each, fully paid-up and 23,38,84,055, 9% Cumulative Redeemable Preference Shares("Subject Shares II") of Rs.5/- each, fully paid-up. The cancellation of the shares is restricted to the shareholders of Subject shares I and Subject shares II of the Company and the same amount shall be utilized for the issue of 2,38,66,643 18% Unsecured Non-Convertible Debentures of Rs.100/- each, issued at a discount of 50.89%.</p>								
4	Name of the Independent Chartered Accountant	SSPA & CO., Chartered Accountant, Mumbai								
5	Details of Audit Committee	<p>The composition of the Audit Committee, is as follows:</p> <table><tr><th>Name of Director</th><th>Status in Committee</th></tr><tr><td>Justice S. Jagadeesan</td><td>Chairman</td></tr><tr><td>Mr. S.Natarajan</td><td>Member</td></tr><tr><td>Smt. T. Mani Sriram</td><td>Member</td></tr></table>	Name of Director	Status in Committee	Justice S. Jagadeesan	Chairman	Mr. S.Natarajan	Member	Smt. T. Mani Sriram	Member
Name of Director	Status in Committee									
Justice S. Jagadeesan	Chairman									
Mr. S.Natarajan	Member									
Smt. T. Mani Sriram	Member									
6	Recommendation on the Draft Scheme of Arrangement and Exchange Ratio taking into consideration the Valuation Report	<p>After considering the Valuation Report issued by Independent Valuer, the committee hereby recommends the Draft Scheme of Arrangement to the Board of Directors</p> <p style="text-align: right;"> T. KRISHNAMURTHY</p>								

7	Summary of reasons for recommendations	The discount of 50.89% (as confirmed by the independent valuers, SSPA & CO. – Chartered Accountants) is fair and reasonable considering the fact that, the debenture holders shall receive amount equal to outstanding preference share capital and unpaid accumulated preference dividend as on September 30, 2014. Hence, the Audit Committee recommends the same.
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To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise.

For BINNY LIMITED



**(JUSTICE S. JAGADEESAN)
CHAIRMAN OF THE AUDIT COMMITTEE**

Date: March 27, 2015
Place: Chennai

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For BINNY LIMITED



T. KRISHNAMURTHY
Chief Financial Officer & Company Secretary

SAFFRON

energising ideas

Annexure - 5

Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point, Andheri Kurla Road,

J. B. Nagar, Andheri (East), Mumbai - 400 059.

Tel.: +91 4082 0910 / Fax: +91 4082 0999

Email : info@saffronadvisor.com

Website: www.saffronadvisor.com

CIN No. U67120MH2007PTC166711

Date: 27th March 2015

To,
The Board of Directors
Binny Limited
No. 1, Cooks Road
Otteri
Perambur
Chennai - 600 012
Tamil Nadu

Subject: Fairness Opinion on the discount to face value offered on issue of Unsecured Non-Convertible Debentures ("Unsecured NCD's") in lieu of cancellation of Cumulative Redeemable Preference Shares ("CRPS") of Binny Limited ("the Company") as provided in the Opinion on Issue of Unsecured Non-Convertible Debentures in lieu of Cancellation of Cumulative Redeemable Preference Shares of Binny Limited ("Report") issued by M/s. SSPA & Co, Chartered Accountants dated 27th March 2015.

We refer to the discussion wherein the management of the Company requested Saffron Capital Advisors Private Limited ("We", "Our" or "Us") to give a Fairness Opinion on the discount to face value offered on issue of Unsecured NCD's in lieu of cancellation of CRPS, as provided in the Report issued by M/s. SSPA & Co, Chartered Accountants dated 27th March 2015, under the proposed Scheme of Arrangement between the Company and its Preference Shareholders, Equity Shareholders and Secured & Unsecured Creditors ("the Scheme").

1 Background

- 1.1 The Company was incorporated on 30th June 1969 by the amalgamation of The Buckingham & Carnatic Company Limited, The Bangalore Woolen, Cotton & Silk Mills Company Limited, Madura Company Private Limited, The Ganges Transport & Trading Company Limited, Binny & Company Limited, and Binny's Engineering Works Limited.
- 1.2 The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited ("BSE").
- 1.3 We understand that the Board of Directors of the Company, under the Scheme, have proposed:
 - 1.3.1 Cancellation of CRPS.
 - 1.3.2 Waiver of unpaid accumulated dividend on CRPS outstanding on 30th September 2014.
 - 1.3.3 Issue of 18% Unsecured NCD's redeemable after a period of 10 years from the date of allotment at a discount of 50.89% to the face value. In lieu of cancellation of CRPS and waiver of unpaid accumulated dividend on CRPS.



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For BINNY LIMITED


T. KRISHNAMURTHY
Chief Financial Officer & Company Secretary

- 1.4 Based on the financial profile of the Company, coupon rate and other terms, the Unsecured NCD's, have been rated as CARE B (Is) by Credit Analysis & Research Limited.
- 1.5 The terms and conditions of the issue of Unsecured NCD's in lieu of cancellation of CRPS are more fully described in the Scheme, and the above summary thereof is qualified in its entirety by reference to the terms of the Scheme.
- 1.6 In this regard, SSPA & CO, Chartered Accountants, has been appointed to provide an Opinion on Issue of Unsecured Non-Convertible Debentures in lieu of Cancellation of Cumulative Redeemable Preference Shares of Binny Limited..
- 1.7 The Fairness Opinion requested from Us is to be provided in Our capacity as Category I Merchant Banker (Registration Code: INM000011211) and is required to be submitted to BSE to facilitate the Company's compliance with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4th February 2013 and CIR/CFD/DIL/8/2013 dated 21st May 2013.

2. Sources of information

For the said examination and for arriving at the Fairness Opinion set forth below, We have reviewed the following documents provided to Us by the Company:

- Draft Scheme of Arrangement between the Company and its Preference Shareholders, Equity Shareholders and Secured and Unsecured Creditors.
- Report issued by M/s SSPA & Co, Chartered Accountants dated 27th March 2015.
- Credit rating report of Unsecured NCD's issued by Credit Analysis & Research Limited.
- Audited Financial Statements of the Company for the year ended 31st March 2013 and 31st March 2014.
- Such other information and explanations as We required and which have been provided by the management of the Company.

3. Limitations

- 3.1 Our conclusion is based on the information furnished to Us being complete and accurate in all material aspects. We have relied upon the financials and the information and representations furnished to Us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- 3.3 Our work does not constitute verification of financials or including the working results of the Companies referred to in this report. Accordingly, We are unable to and do not express any opinion on the fairness or accuracy of any financial information referred to in this report.



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- 3.4 Our Fairness Opinion is not intended to and does not constitute a recommendation to any holder of CRPS as to how it should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our Fairness Opinion is not, nor should it be construed as Our opinion on/ or certification of compliance of the proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.6 We do not assume any responsibility for updating or revising Our Fairness Opinion based on circumstances or events occurring after the date thereof.
- 3.7 We do not express any opinion as to the price at which Equity Shares of the Company may trade at any time, including subsequent to the date of this Fairness Opinion.
- 3.8 This certificate had been issued for the sole purpose to facilitate the Company's compliance with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4th February 2013 and CIR/CFD/DIL/8/2013 dated 21st May 2013 and it shall not be valid for any other purpose.
- 3.9 It is understood that this letter is issued to the Board of Directors of the Company in connection with the Scheme and may not be relied upon by any other person and may not be used or disclosed for any other purpose without Our prior written consent except that a copy of this Fairness Opinion may be included in its entirety in any filing, which the Company is required to make with the Securities Exchange Board of India (SEBI) or with or to any Indian Stock Exchange in connection with this transaction if such inclusion is required by applicable law.
- 3.10 In no event shall We be liable for any loss, damage, cost or expense arising in any way from the fraudulent acts, misrepresentations or willful default on the part of the Company, its Directors, employees or agents.
- 3.11 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering of this Fairness Opinion shall be limited to the amount of fees received for rendering this Fairness Opinion as per Our engagement with the Company.

4. Key extracts of M/s SSPA & Co, Chartered Accountants' Report

- 4.1 The Company proposes to issue NCDs in lieu of outstanding CRPS and waiver unpaid accumulated dividend on CRPS outstanding on 30th September 2014.
- 4.2 While the dividend on CRPS is subject to Dividend Distribution Tax and it is tax-free in the hands of the holders of CRPS, the interest income on Unsecured NCDs is taxable in the hands of the holders of the Unsecured NCD's.



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- 4.3 The Company proposes to issue Unsecured NCD's at 50.89% discount to face value, which will compensate the holders of the CRPS for taxes on interest income on Unsecured NCD's vis-à-vis unpaid cumulative dividend on CRPS outstanding on 30th September 2014 which is otherwise tax free in the hands of holders of the CRPS.
- 4.4 In their Report, M/s. SSPA & Co, Chartered Accountants, have issued an opinion that the discount of 50.89% to face value, offered on issue of Unsecured NCD's in lieu of cancellation of CRPS and unpaid accumulated dividend on CRPS outstanding on 30th September 2014 is fair and reasonable considering the fact that the holders of Unsecured NCD's (currently holders of CRPS) shall receive an amount equal to outstanding CRPS capital and unpaid accumulated preference dividend as on 30th September 2014.

5. Fairness Opinion

On the basis of the foregoing and based on the information and explanation provided to Us, in Our opinion, the discount of 50.89% to face value, offered on issue of Unsecured NCD's in lieu of cancellation of CRPS and unpaid accumulated dividend on CRPS outstanding on 30th September 2014, as provided in the Report issued by M/s. SSPA & Co, Chartered Accountants is fair and reasonable.

For Saffron Capital Advisors Private Limited

K.L. Kalantri
27/03/15



Kunal L. Kalantri
Saffron Capital Advisors Private Limited
Category I Merchant bankers
Registration no.: INM000011211

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CLAUSE 35
Introductory sub-table (I)(a)

NAME OF THE COMPANY : BINNY LIMITED
SCRIP CODE : 514215 , NAME OF THE SCRIP : , CLASS OF SECURITY : EQUITY
QUARTER ENDED :
SHAREHOLDING PATTERN AS ON : 31-Mar-2015

Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group			
Held by public			
Total - D			
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group			
Held by public			
Total - E			
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group			
Held by public			
Total - F			
Total paid-up capital of the company, assuming full Conversion of warrants and convertible securities	22319410		

For BINNY LIMITED
CHENNAI
600 012
T. KRISHNAMURTHY
Chief Financial Officer & Company Secretary

CLAUSE 35
Introductory sub-table (I) (a)

NAME OF THE COMPANY : BINNY LIMITED
SCRIP CODE : 514215 , NAME OF THE SCRIP : BINNY LTD. , CLASS OF SECURITY : EQUITY
QUARTER ENDED :
SHAREHOLDING PATTERN AS ON : 31-Mar-2015

STATEMENT SHOWING SHAREHOLDING PATTERN
TABLE (I) (a)

CATE GORY CODE	CATEGORY OF SHARE HOLDER	NO.OF HOLDERS	TOTAL NO.OF SHARES	SHARES IN DEMAT	TOTAL SHAREHOLDING AS A PERCENTAGE OF TOTAL NUMBER OF SHARES	SHARES PLEDGED OR OTHERWISE ENCUMBERED	
(I)	(II)	(III)	(IV)	(V)	AS A % OF (A+B) (VI)	AS A % OF (A+B+C) (VII)	Number of shares (VIII) As a percentage (IX)= (VIII)/(IV)*100
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP							
1.	INDIAN						
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	4	11390110	11390110	51.0323	51.0323	9774310 85.8140
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	0 0.0000
c.	BODIES CORPORATE	7	5279207	5273457	23.6529	23.6529	1615017 30.5920
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0.0000	0 0.0000
e.	ANY OTHER						
SUB - TOTAL (A) (1)		11	16669317	16663567	74.6852	74.6852	11389327 68.3250
2.	FOREIGN						
a.	INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0.0000	0 0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0.0000	0 0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0.0000	0 0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	0 0.0000
e.	ANY OTHER						
SUB - TOTAL (A) (2)		0	0	0	0.0000	0.0000	0 0.0000
TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A) (1)+(A) (2)		11	16669317	16663567	74.6852	74.6852	11389327 68.3250



CLAUSE 35
Introductory sub-table (I) (a)

NAME OF THE COMPANY : BINNY LIMITED
SCRIP CODE : 514215 , NAME OF THE SCRIP : BINNY LTD. , CLASS OF SECURITY : EQUITY
QUARTER ENDED :
SHAREHOLDING PATTERN AS ON : 31-Mar-2015

STATEMENT SHOWING SHAREHOLDING PATTERN
TABLE (I) (a)

CATE GORY CODE	CATEGORY OF SHARE HOLDER	NO.OF HOLDERS	TOTAL NO.OF SHARES	SHARES IN DEMAT	TOTAL SHAREHOLDING AS A PERCENTAGE OF TOTAL NUMBER OF SHARES	SHARES PLEDGED OR OTHERWISE ENCUMBERED	
(I)	(II)	(III)	(IV)	(V)	AS A % OF (A+B) (VI)	AS A % OF (A+B+C) (VII)	Number of shares (VIII) As a percentage (IX)= (VIII)/(IV)*100
B.	PUBLIC SHAREHOLDING						
1.	INSTITUTIONS						
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0.0000	NA NA
b.	FINANCIAL INSTITUTIONS/ BANKS	15	982260	971000	4.4009	4.4009	NA NA
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	4	368590	0	1.6514	1.6514	NA NA
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0.0000	NA NA
e.	INSURANCE COMPANIES	2	452747	452747	2.0284	2.0284	NA NA
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0.0000	NA NA
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0.0000	NA NA
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	NA NA
i.	ANY OTHER						
SUB - TOTAL (B) (1)		21	1803597	1423747	8.0808	8.0808	NA NA



CLAUSE 35
Introductory sub-table (I) (a)

NAME OF THE COMPANY : BINNY LIMITED
SCRIP CODE : 514215 , NAME OF THE SCRIP : BINNY LTD. , CLASS OF SECURITY : EQUITY
QUARTER ENDED :
SHAREHOLDING PATTERN AS ON : 31-Mar-2015

STATEMENT SHOWING SHAREHOLDING PATTERN
TABLE (I) (a)

CATE GORY CODE	CATEGORY OF SHARE HOLDER	NO.OF HOLDERS	TOTAL NO.OF SHARES	SHARES IN DEMAT	TOTAL SHAREHOLDING AS A PERCENTAGE OF TOTAL NUMBER OF SHARES	SHARES PLEDGED OR OTHERWISE ENCUMBERED	
(I)	(II)	(III)	(IV)	(V)	AS A % OF (A+B) (VI)	AS A % OF (A+B+C) (VII)	Number of shares (VIII) As a percentage (IX)= (VIII)/(IV)*100
2.	NON-INSTITUTIONS						
a.	BODIES CORPORATE	148	183741	91251	0.8232	0.8232	NA NA
b.	INDIVIDUALS -						
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	9130	1741453	570856	7.8024	7.8024	NA NA
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	19	1404180	1383730	6.2912	6.2912	NA NA
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	NA NA
d.	ANY OTHER						
	CLEARING MEMBERS	8	363	363	0.0016	0.0016	NA NA
	HINDU UNDIVIDED FAMILIES	56	51388	51388	0.2302	0.2302	NA NA
	NON RESIDENT INDIANS	53	465331	450691	2.0848	2.0848	NA NA
	TRUSTS	1	40	40	0.0001	0.0001	NA NA
		118	517122	502482	2.3169	2.3169	NA NA
	SUB - TOTAL (B) (2)	9415	3846496	2548319	17.2338	17.2338	NA NA
	TOTAL PUBLIC SHAREHOLDING (B) = (B) (1) + (B) (2)	9436	5650093	3972066	25.3147	25.3147	NA NA
	TOTAL (A) + (B)	9447	22319410	20635633	100.0000	100.0000	11389327 51.0287



CATE GORY CODE	CATEGORY OF SHARE HOLDER	NO.OF HOLDERS	TOTAL NO.OF SHARES	SHARES IN DEMAT	TOTAL SHAREHOLDING AS A PERCENTAGE OF TOTAL NUMBER OF SHARES	SHARES PLEDGED OR OTHERWISE ENCUMBERED	
(I)	(II)	(III)	(IV)	(V)	AS A % OF (A+B) (VI)	AS A % OF (A+B+C) (VII)	Number of shares (VIII) As a percentage (IX) = (VIII)/(IV)*100
C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED							
	Promoter and Promoter Group	0	0	0	0.0000	0.0000	NA NA
	Public	0	0	0	0.0000	0.0000	NA NA
	TOTAL CUSTODIAN (C)	0	0	0	0.0000	0.0000	NA NA
GRAND TOTAL (A) + (B) + (C)							
		9447	22319410	20635633	100.0000	11389327	51.0287



BINNY LIMITED

(I) (b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" - 31-Mar-2015

Sr.No	Name of the shareholder	Details of Shares held		Encumbered shares (*)				Details of warrants		Details of convertible securities		Total shares (including underlying shares)
		No. of Shares held	As a % of grand total (A)+(B)+(C)	No. of Shares held	As a percentage (VI) = (V) / (III)*100	As a % of grand total (A)+(B)+(C) of sub-clause (I) (a)	Number of warrants held	As a % of total number of warrants of the same class	Number of convertible securities held	As a % of total number of convertible securities of the same class		
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	
1	TIGERS FARMS PVT LTD	5750	0.0257	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0257	
2	SHEETALA CREDIT AND HOLDINGS PRIVATE LIMITED	850000	3.8083	0	0.0000	0.0000	0	0.0000	0	0.0000	3.8083	
3	SATLUJ CREDIT AND HOLDINGS PRIVATE LIMITED	840000	3.7635	0	0.0000	0.0000	0	0.0000	0	0.0000	3.7635	
4	TWENTIETH CENTURY-APCO LEASING PRIVATE LIMITED	288440	1.2923	0	0.0000	0.0000	0	0.0000	0	0.0000	1.2923	
5	RAJAT CHAKRA CREDIT AND HOLDINGS PRIVATE LIMITED	840000	3.7635	0	0.0000	0.0000	0	0.0000	0	0.0000	3.7635	
6	CALCOM CREDIT AND HOLDINGS PRIVATE LIMITED	840000	3.7635	0	0.0000	0.0000	0	0.0000	0	0.0000	3.7635	
7	ARTHOS BREWERIES LIMITED	1615017	7.2359	1615017	100.0000	7.2359	0	0.0000	0	0.0000	7.2359	
8	NATE NANDHA	810800	3.6327	0	0.0000	0.0000	0	0.0000	0	0.0000	3.6327	
9	RAJALAKSHMI N	578000	2.5896	0	0.0000	0.0000	0	0.0000	0	0.0000	2.5896	
10	ARVIND NANDAGOPAL	800000	3.5843	800000	100.0000	3.5843	0	0.0000	0	0.0000	3.5843	
11	NANDAGOPAL M	9201310	41.2255	8974310	97.5329	40.2085	0	0.0000	0	0.0000	41.2255	
TOTAL		16669317	74.6852	11389327	68.3250	51.0287	0	0.0000	0	0.0000	74.6852	



BINNY LIMITED

(I) (c) (i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares - 31-Mar-2015

Sr.No	Name of the shareholder	No. of Shares held	Shares as a percentage of total number of shares		Details of warrants		Details of convertible securities		Total shares (including underlying shares)
			of shares	Grand total	Number of warrants held	As a % of total number of warrants	Number of convertible securities held	% w.r.t total number of convertible securities	
			{i.e., Total (A)+(B)+(C) indicated in Statement at para (i) (a) above}						
1	GOVERNOR OF TAMIL NADU	340940	1.5275		0	0.0000	0	0.0000	1.5275
2	SAKTHIVEL J	286000	1.2813		0	0.0000	0	0.0000	1.2813
3	SADAYAVEL KALLASAM	436000	1.9534		0	0.0000	0	0.0000	1.9534
4	LIFE INSURANCE CORPORATION OF INDIA	452347	2.0266		0	0.0000	0	0.0000	2.0266
5	RAMANATHAN SRINIVASAN	436000	1.9534		0	0.0000	0	0.0000	1.9534
6	STATE BANK OF INDIA	971000	4.3504		0	0.0000	0	0.0000	4.3504
TOTAL		2922287	13.0930		0	0.0000	0	0.0000	13.0930



(T) (c) (i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the company - 31-Mar-2015

Sr.No	Name(s) of the shareholder(s) and the Persons Acting in Concert (PAC) with them	No. of Shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para(I) (a) above}	Details of warrants	Details of convertible securities	Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	NIL					



(I) (d) STATEMENT SHOWING DETAILS OF LOCKED-IN SHARES -31-Mar-2015

SL.NO	NAME OF THE SHARE HOLDER	NUMBER OF LOCKED IN SHARES	LOCKED-IN SHARES AS A % OF TOTAL NUMBER OF SHARES { i.e., GRAND TOTAL (A) + (B) + (C) STATEMENT AT PARA (I) (a) ABOVE }	Promoter / Promoter Group / Public
	NIL			



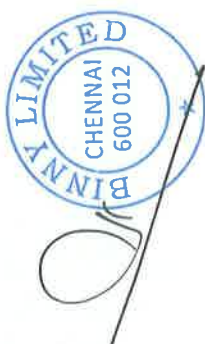
(II) (a) STATEMENT SHOWING DETAILS OF DEPOSITORY RECEIPTS (DRs) - 31-Mar-2015

ISL.NO	TYPE OF OUTSTANDING DR (ADRS, GDRS, SDRS, etc.)	NUMBER OF OUTSTANDING DRs	NUMBER OF SHARES UNDERLYING OUTSTANDING DRs	SHARES UNDERLYING OUTSTANDING DRs AS A % OF TOTAL NUMBER OF SHARES {i.e., GRAND TOTAL (A) + (B) + (C) INDICATED IN STATEMENT AT PARA (I) (a) ABOVE}
				NIL



(ii) (b) STATEMENT SHOWING HOLDING OF DEPOSITORY RECEIPTS (DRs), WHERE UNDERLYING SHARES HELD BY PROMOTER/PROMOTER GROUP ARE IN EXCESS OF 1% OF THE TOTAL NUMBER OF SHARES - 31-Mar-2015

SL.NO	NAME OF THE DR HOLDER	TYPE OF OUTSTANDING DR (ADRS, GDRs, SDRs, etc.)	NUMBER OF SHARES UNDERLYING	SHARES AS A % OF TOTAL NUMBER OF DRS { i.e., GRAND TOTAL (A) + (B) + (C) INDICATED IN STATEMENT AT PARA (I) (a) ABOVE }
	NIL			



BINNY LIMITED

(III) (a) STATEMENT SHOWING THE VOTING PATTERN OF SHAREHOLDERS, IF MORE THAN ONE CLASS OF SHARES / SECURITIES IS ISSUED BY THE ISSUER.

CATEGORY OF SHARE HOLDER	NUMBER OF VOTING RIGHTS HELD IN EACH CLASS OF SECURITIES			TOTAL VOTING RIGHTS (III+IV+V)	TOTAL VOTING RIGHTS i.e. (VI)	
	CLASS X (III)	CLASS Y (IV)	CLASS Z (V)	OF (A+B) (VII)	AS A % OF (A+B+C) (VIII)	
(I) (II)				(VI)		
(A) PROMOTER AND PROMOTER GROUP						
(1) INDIAN						
(a) INDIVIDUALS/HINDU UNDIVIDED FAMILY						
(b) CENTRAL GOVERNMENT / STATE GOVERNMENT(S)						
(c) BODIES CORPORATE						
(d) FINANCIAL INSTITUTIONS / BANKS						
(e) ANY OTHER (SPECIFY)						
SUB-TOTAL (A) (1)						
(2) FOREIGN						
(a) INDIVIDUALS (NON-RESIDENT INDIVIDUALS / FOREIGN INDIVIDUALS)						
(b) BODIES CORPORATE						
(c) INSTITUTIONS						
(d) ANY OTHER						
SUB-TOTAL (A) (2)						
TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A) (1) + (A) (2)						



BINNY LIMITED

(III) (a) STATEMENT SHOWING THE VOTING PATTERN OF SHAREHOLDERS, IF MORE THAN ONE CLASS OF SHARES / SECURITIES IS ISSUED BY THE ISSUER.

	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)
(B) PUBLIC SHAREHOLDING								
(1) INSTITUTIONS								
(a) MUTUAL FUNDS / UTI								
(b) FINANCIAL INSTITUTIONS / BANKS								
(c) CENTRAL GOVERNMENT / STATE GOVERNMENT(S)								
(d) VENTURE CAPITAL FUNDS								
(e) INSURANCE COMPANIES								
(f) FOREIGN INSTITUTIONAL INVESTORS								
(g) FOREIGN VENTURE CAPITAL INVESTORS								
(h) ANY OTHER (SPECIFY)								
SUB-TOTAL (B) (1)								
(2) NON-INSTITUTIONS								
(a) BODIES CORPORATE								
(b) INDIVIDUALS -								
I .INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARECAPITAL UP TO RS. 1 LAKH								
II.INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARECAPITAL IN EXCESS OF RS. 1 LAKH								
(c) ANY OTHER (SPECIFY)								
SUB-TOTAL (B) (2)								
TOTAL PUBLIC SHAREHOLDING (B) = (B) (1) + (B) (2)								
TOTAL (A) + (B)								
(C) SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED								
GRAND TOTAL (A) + (B) + (C)								



BINNY LIMITED

*ANNUAL REPORT
MARCH - 2012*

DIRECTORS	<i>M. Ethurajan – Executive Chairman M. Nandagopal R. Narayanan S. Natarajan E. Shanmugam V.R.Venkataachalam Arvind Nandagopal K. Sundareswaran Justice S. Jagadeesan S. Vijayaraghavan R. Krishnan Dr. Sadayavel Kailasam</i>
COMPANY SECRETARY	<i>G.Venkataraman</i>
BANKERS	<i>State Bank of India Canara Bank</i>
AUDITORS	<i>CNGSN & Associates Flat “C” & “D” 22, Vijayaraghava Road T.Nagar, Chennai 600017</i>
REGISTERED OFFICE	<i>106, Armenian Street Chennai 600 001 Tamilnadu</i>

BINNY LIMITED

NOTICE IS HEREBY GIVEN THAT the FORTY THIRD ANNUAL GENERAL MEETING of the Company will be held

at 106, Armenian Street, Chennai – 600001
on Saturday, 29th September 2012
at 11.15 A.M.

to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. R. Narayanan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S. Natarajan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K. Sundareswaran, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. Sadayavel Kailasam, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint Statutory Auditors and fix their remuneration.
To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:
“RESOLVED that the retiring Auditors M/s. CNGSN & Associates, (Firm Registration No: 0049155) Chartered Accountants, Chennai be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed in this behalf by the Board of Directors of the Company”.

Special Business

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

Resolved that subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the reappointment of Mr. M. Ethurajan as Whole time Director designated as Executive Chairman of the Company for a further period of five years commencing from 9th January 2013 upon such terms and conditions as to remuneration by way of salary and perquisites as detailed in the explanatory statement annexed hereto, be and is hereby approved.

Resolved further that in the event of any relaxation by Central Government in the guidelines or ceiling in remuneration, the Board of Directors / Remuneration Committee be and are hereby authorized to increase / vary the remuneration and / or perquisites of Mr. M. Ethurajan if they in their absolute discretion think fit, within such guidelines or ceiling subject to such approvals from the Central government and or any other authority wherever applicable for which consent of the company is required under various provisions of the Act / Rules be and is hereby granted.

Registered Office:
106, Armenian Street
Chennai 600 001
Date: 1st September 2012

BY ORDER OF THE BOARD

G.Venkataraman
Company Secretary

BINNY LIMITED

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXY FORMS COMPLETE IN ALL RESPECTS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK FORM OF PROXY IS ATTACHED.

The Register of members and the share transfer books of the company will remain closed from 22-09-2012 to 29-09-2012 (both days inclusive)

Members are requested to intimate changes, if any, in their registered address to the company immediately.

Members are requested to furnish a copy of the PAN Card to the Company / RTA for registration of transfer / transmission of shares.

Members, who are individuals may avail the facility of nomination as provided in Section 109A of the Companies Act, 1956 wherein a member may nominate in the prescribed manner, a person to whom his shares in the company shall vest in the event of his demise. Where more than one person holds the shares jointly, the joint holder may together nominate a person to whom all the rights in the shares of the company shall vest in the event of demise of all the joint holders.

Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

In terms of Clause 49 of the Listing Agreement entered with the stock exchanges, brief particulars of the Directors who are proposed to be reappointed at this meeting are given below:

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT: (In pursuance of Clause 49 of the listing agreement)

Name of Director	Date of Birth	Date of Appointment	Qualification	Expertise in functional area
Mr. R. Narayanan	02-07-1929	30-06-1990	B.A.	Former Chairman, LIC
Mr. S. Natarajan	01-11-1947	11-01-1988	A.C.A.	Textile & Finance
Mr. K. Sundareswaran	19-01-1960	25-03-2005	B.A.B.L.	Textile, Garments & Finance
Dr. Sadayavel Kailasam	31-05-1954	29-04-2010	M.B. M.S. (Ortho) D.(Ortho)	Orthopaedic Surgeon

Item No. 2

Mr. R. Narayanan is also on the Board of other companies. The details of his directorship in other companies are as follows:

Name of the Company	Position Held
Shriram Asset Management Co. Limited	Chairman
Viswapriya Gold Hire Purchase Limited	Chairman
Viswapriya Financial Services and Securities Limited	Chairman
Dhanush Lavan Limited	Chairman
S.V. Global Mill Limited	Director

BINNY LIMITED

Mr. R. Narayanan is the Chairman of Share Transfer and Shareholders / Investors Grievance Committee, Chairman of Audit Committee and Member of Remuneration Committee of Binny Limited. He is also the Chairman of Audit Committee, Member of Remuneration Committee and Member of Share Transfer and Shareholders / Investors Grievance Committee of M/s. S V Global Mill Limited and Chairman of Audit Committee of Viswapriya Financial Services and Securities Ltd.

Item No. 3

Mr. S. Natarajan is also on the Board of several other companies. The details of his directorship in other companies are as follows:

Name of the Company	Position Held
Binny Engineering Limited	Director
Binny Lorze Limited	Director
S V Global Mill Limited	Director
Binny Mills Limited	Director
Sheetala Credit & Holdings Pvt. Limited	Director
UCAL Fuel systems Limited	Director
Shriram Entrepreneurial Ventures Limited	Director
Shriram Ventures Limited	Director
Bharath Coal Chemicals Limited	Director
Calcom Credit & Holdings Pvt. Limited	Director
Rajatchakra Credit & Holdings Pvt. Limited	Director
Satluj Credit & Holdings Pvt. Limited	Director
Saranga Investments & Consultancy Pvt. Ltd.	Director
Twentieth Century Apco Leasing (Pvt.) Limited	Director
Sipping Spirits Pvt. Limited	Director
Shriram Properties and Infrastructure Pvt. Ltd.	Director
Shriram Properties Pvt. Limited	Director
S Tel Pvt. Limited	Director
Shriram Properties Holdings Pvt. Limited	Director
Shriram Financial Ventures (Chennai) Pvt. Limited	Director
Shriram Ownership Trust	Trustee
Shriram Enterprises Trust	Trustee

Mr. S. Natarajan is the Chairman of Audit Committee of M/s. Ucal fuel Systems Limited and Member of the Audit Committee of M/s. Shriram Properties Pvt. Limited.

Item No. 4

Mr. K. Sundareswaran is also on the Board of other companies. The details are as follows:

Name of the Company	Position Held
Egmore Benefit Society Limited	Director
Sri Ramachandra Educational and Health Trust	Trustee
Dignity Innovations (Garment Manufactures & Exports)	Managing Partner

Mr. K. Sundareswaran is the Member of Audit Committee of Binny Limited.

Item No. 5

Dr. Sadayavel Kailasam is the Director of Binny Limited and not holding directorship in any of the Public / Private Limited companies:

Dr. Sadayavel Kailasam is a Member of Audit Committee of the Company.

Item No. 7

The members of the company appointed Mr. M. Ethurajan as a Whole - time Director designated as Executive Chairman for a period of five years with effect from 9th January 2003. Subject to the approval of the Company in General Meeting and approval of the Central Government, the Board of Directors / Remuneration Committee in their meetings held on 13.08.2012 have approved the reappointment of Mr. M. Ethurajan as Whole - time Director designated as Executive Chairman of the company for a further period of five years with effect from 09.01.2013 and the terms of appointment and remuneration payable are specified hereunder. Necessary resolutions are being proposed to the shareholders for their approval.

BINNY LIMITED

- | | |
|--|---|
| a. Salary | Rs.15,000 p.m. |
| b. Perquisites | Perquisites will be allowed in addition to salary and shall, however, be restricted to an amount equal to the annual salary or Rs.1,35,000 per annum whichever is less. |
| i. Housing including gas, electricity, water and furnishings | <p>a. The Executive Chairman will be provided accommodation subject to the condition that the expenditure incurred by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60% of the salary over and above 10% payable by the Executive Chairman himself.</p> <p>b. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income tax rules.</p> <p>c. In the event of the company not providing accommodation for the Executive Chairman, House Rent allowance may be paid by the Company to the Executive Chairman in accordance with the clause (a) above. Where accommodation in the company-owned house is provided, 10% of the salary will be deducted by the Company.</p> |
| ii. Medical reimbursement | Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years. |
| iii. Leave Travel Concession | For self and family once a year incurred in accordance with the rules specified by the company. |
| iv. Club fees | Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees. |
| v. Personal Accident | Premium not to exceed Rs1,000 per annum. |
| vi. Provident Fund/ Pension | Contribution to Provident Fund and Pension Fund as per the company's rules. |
| vii. Gratuity | Gratuity payable shall not exceed half a month's salary for every completed year of service subject to a ceiling of Rs.1,00,000. |
| viii.Others | Provision of car for use on company's business and telephone at residence. |

This may be treated as an abstract of the terms and conditions governing the reappointment of and remuneration payable to the Executive Chairman pursuant to Section 302 of the Companies Act 1956.

None of the Directors other than Mr. M. Ethurajan, Mr. M. Nandagopal and Mr. E. Shanmugam is interested or concerned in the said resolutions.

Inspection of Documents:

The documents referred to in the Notice are available for inspection at the Registered Office of the Company on any working day between 10.00 a.m. to 12.00 noon up to the date of 43rd AGM.

Registered Office:
106, Armenian Street
Chennai 600 001

Date: 1st September 2012

BY ORDER OF THE BOARD

G.Venkataraman
Company Secretary

BINNY LIMITED

DIRECTORS' REPORT

Your Directors present the Forty Third Annual Report and Audited Accounts of the Company for the year ended 31st March 2012

FINANCIAL RESULTS

	Rs. In Lakhs	
	As at 2011-2012	As at 2010-2011
Operating Profit / (Loss)	355.40	543.88
Profit before Depreciation & Tax	355.40	543.88
Depreciation	25.37	25.43
Profit / (Loss) for the year	330.03	518.45
Tax	86.00	105.00
	244.03	413.45
Extra-ordinary items	16.70	0.50
Profit / (Loss) for the year	227.33	412.95

REVIEW OF OPERATIONS

Services Division

The performance of the container freight station was continued to be satisfactory during the financial year 2011-12. However, owing to very difficult road traffic constraints prevailing in the location of our operation, the company ceased the operation of container freight station with effect from May 2012. As the company will only continue warehousing operation, higher revenue could not be anticipated during the current year.

Sale Registration of Plots in terms of Memorandum of Understanding (MOU) with Unions

Till date, sale registration has been made to 128 allottees out of 244 allottees of 500 sq.ft. of plot of company's land each, in terms of Memorandum of Understanding (MOU) dated 28.05.2008 with workmen Unions.

Scheme of Arrangement & Demerger

On 5th December 2009, at the meeting of Board of Directors of the Company approved the Scheme of Arrangement prepared by the consultants taking into account all statutory requirements, formalities and compliances of legal and regulatory authorities, to demerge the Company's properties undertaking comprising all assets and liabilities to S.V.Global Mill Limited and the Agencies and Services undertakings comprising all assets and liabilities demerged to Binny Mills Limited. Based on the valuation reports of the values and in terms of the scheme for every Seven equity shares of Rs.5/- each of Binny Limited, the shareholders shall be entitled to receive Seven equity shares of Rs.5/- each fully paid up of S.V.Global Mill Limited and One equity share of Rs.10/- each fully paid up of Binny Mills Limited as on the record date, in consideration of the demerger.

The Hon'ble High Court of Madras, by an order dated 1st February, 2010, convened Extra-ordinary General Meeting of the equity shareholders of the company on 10th March 2010 for approving the Scheme of

BINNY LIMITED

Arrangement. Subsequent upon shareholders' approval of the Scheme of arrangement, a petition to sanction the scheme of arrangement under section 391 to 394 of the Companies Act, 1956 was filed with the Hon'ble High Court of Madras. On 22nd April 2010 the Hon'ble High Court of Madras vide its Order dated 22nd April 2010, sanctioned the Scheme of Arrangement under Sec.391 to 394 of the Companies Act, 1956 amongst Binny Limited and S V Global Mill Limited and Binny Mills Limited. A certified copy of the Scheme was filed with the Registrar of Companies on 8th May 2010. In terms of the court sanctioned Scheme of Arrangement, 8th May 2010 has become the "effective date" and 1st January 2010 the "Appointed Date".

Formalities in respect of Increase in authorized share capital, issue of preference share capital and reduction in preference share capital in terms of the Scheme were complied with at the Board Meeting held on 12.5.2010.

The Share certificates to the equity shareholders were allotted and issued in the respective resulting companies on 2nd June 2010. The respective resulting companies have complied with formalities for listing of the equity shares with Bombay Stock Exchange Limited and Madras Stock Exchange Limited and obtained their in-principle approval for listing subject to the approval of Securities and Exchange Board of India (SEBI) for relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The application is presently pending with SEBI and all the clarifications sought for by SEBI relating to the terms of the Scheme were submitted by the Company. The respective resulting companies are following it up with SEBI for early approval of SEBI for relaxation of Rule 19(2)(b). Soon after the Stock exchanges would permit trading in equity shares of the respective resulting companies and until then the shares credited to the respective shareholders demat account is kept frozen.

Directors

The Company continues to comply with the terms of Clause 49 (C) (iv) of the Listing Agreement with Stock exchanges. Mr. R Narayanan, Mr. S Natarajan, Mr. K Sundareswaran and Dr. Sadayavel Kailasam, Directors, retire by rotation and offer themselves for reappointment.

Binny Engineering Limited

The audited accounts for the year ended 31.3.2012 and other reports of the company as required under section 212 of the Companies Act is attached.

Statutory Requirements

As per the requirements of section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule 1988, the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure to this Report.

The particulars required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 are not applicable as none of the employees is coming under the purview of this section.

Directors' Responsibility Statement

As required under section 217 (2AA) of the Companies Act, 1956, the Directors state as follows:

- i. that in the preparation of annual accounts for the year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the

BINNY LIMITED

state of affairs of the Company at the end of the year ended 31st March, 2012 and of the profit or loss of the Company for the said period under review.

- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors had prepared the accounts for the year ended 31st March 2012 on a “going concern” basis.

Corporate Governance

The report on Corporate Governance forms part of Annexure to Directors Report.

Secretarial Audit

In terms of the provisions of listing agreement necessary secretarial Audit Report with regard to reconciliation of share capital of the Company and compliance certificate under clause 47C are being carried out at the specified period by a practicing company secretary. The findings of the same were satisfactory.

Directors' Clarifications to Auditors' Remarks

In regard to the remarks in the Auditors' Report, your directors wish to clarify as under:

4. (f) i. The Company has received wealth tax demand for the Asst. year 2005 – 06, 2006 – 07, 2007 – 08, 2008-2009, 2009-10 & 2010-2011 for Rs.977.24 lakhs against which the company has filed appeals with CWT(A) and confident of fair chances of success in appeal. Therefore, no provision has been made in the accounts and stay petition has been filed.

Considering the company's fair chance of succeeding the appeal against income-tax demand for the asst. year 2008 – 09 for Rs.19.21 lakhs, which is disputed before CIT(A), no provision has been considered necessary.

- ii. The management of the subsidiary is exploring all possible avenues and taking efforts to obtain necessary permissions of the authorities to resume the business by utilizing the vast leasehold land at the prime location. considering the long term nature of investment no provision for diminution in value is considered necessary.
- iii. Efforts are being made to obtain confirmation of balances.

Auditors

M/s CNGSN & Associates, (Firm Registration No: 0049155) Chartered Accountants, Chennai 600 017 retire at the conclusion of this Annual General Meeting and are eligible for reappointment.

Acknowledgement

Your Directors acknowledge the cooperation and assistance extended by the Government of India, Government of Tamil Nadu and Government of Karnataka, and place on record their appreciation and gratitude to them. The Directors also thank the shareholders, employees, suppliers and dealers for their continued cooperation.

Registered Office:

106, Armenian Street

Chennai 600 001

Date: 1st September 2012

BY ORDER OF THE BOARD

M. ETHURAJAN

EXECUTIVE CHAIRMAN

BINNY LIMITED

ANNEXURE

FORM 'A' Power & Fuel Consumption

B & C Mill – since the Mill is not functioning, this is not applicable.

B W Mill – since the Mill is not functioning, this is not applicable.

FORM "B" Technology Absorption

B & C Mill – since the Mill is not functioning, this is not applicable.

B W Mill – since the Mill is not functioning, this is not applicable.

Conservation Energy – Not applicable

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Company

Name of the Subsidiary Company	Financial Year of the subsidiary ending on	No. of equity shares held by Binny Ltd. and / or its nominees in the subsidiary	Extent of holding	For the financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of Accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of Accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of accounts of the holding company.
				Rs. Lakhs		Rs. Lakhs	
Binny Engineering Ltd.	31.3.12	2,87,48,100 Equity Shares of Rs. 10 each fully paid up	100%	(552.15)	Nil	(19.50) as on 31-03-2011	Nil

I. CORPORATE GOVERNANCE

Your Directors present company's report on Corporate Governance in compliance with Listing Agreement entered into with the Stock Exchanges and the practices followed by the Company.

The Company's philosophy on Corporate Governance is compliance of matters mentioned in Clause 49 of the Listing Agreement by maintaining disclosure and transparency and aiming at enhancing the shareholders value over a period of time.

2. BOARD OF DIRECTORS

The Board consists of twelve directors, of which one whole-time promoter director, five non-executive promoter directors and six non-executive independent directors. The Board has an appropriate mix of executives and independent directors to ensure proper governance and management.

BOARD MEETINGS

During the year ended 31.3.2012, six board meetings of the Company were held on the following dates viz., 27.04.11, 27.06.11, 10.08.11, 26.08.11, 09.11.11 and 08.02.12. The last Annual General Meeting of the Company was held on 28th September 2011.

BINNY LIMITED

Name	Executive Promoter (P) Non-Executive Promoter (NEP) Non-Executive Independent (NEI)	Attendance particulars		No. of Directorship, Committee Membership/ Chairmanship other than Binny Ltd.			Date of appointment	Date of cessation
		Board Meetings	Last AGM	Other Directorship in Public Limited Companies	Committee Membership	Committee Chairmanship		
Mr.M.Ethurajan	P	6	NP	10	2	2	08.07.1987	-
Mr.M.Nandagopal	NEP	3	Yes	13	-	-	23.03.1996	-
Mr.R.Narayanan	NEI	NP	Yes	5	2	2	30.06.1990	-
Mr.S.Natarajan	NEP	5	Yes	4	1	1	11.01.1988	-
Mr.E.Shanmugam	NEP	6	Yes	7	2	-	31.03.1993	-
Mr.V.R.Venkataachalam	NEP	-	Yes	9	-	-	11.01.1988	-
Mr.Arvind Nandagopal	NEP	6	Yes	8	-	-	25.03.2005	-
Mr.K.Sundareswaran	NEI	5	Yes	-	-	-	25.03.2005	-
Mr. Justice S Jagadeesan	NEI	2	NP	-	-	-	05.09.2007	-
Mr.S.Vijayaraghavan	NEI	4	Yes	-	-	-	05.09.2007	-
Mr. R. Krishnan	NEI	4	Yes	-	-	-	05.09.2007	-
Dr. Sadayavel Kailasam	NEI	-	NP	-	-	-	29.04.2010	-

3. AUDIT COMMITTEE

The Committee consists of two Non-executive Independent Directors and two Non-executive promoter directors. Five meetings were held during the year ended 31.3.2012 on 27.04.11, 10.08.11, 26.08.11, 09.11.11 and 08.02.12. The constitution and functioning of the Audit Committee is in accordance with the terms of reference of Clause 49 of the Listing Agreement and provisions of sec.292A of the Companies Act, 1956 which inter alia recommend the appointment of external auditors and to fix their remuneration, reviewing quarterly, half-yearly and annual financial statements and also reviewing the adequacy of internal control systems.

Name of Member	Category of Members	Designation	Attended
Mr. R. Narayanan	Independent	Chairman	1
Mr. E. Shanmugam	Non-Independent	Member	5
Mr. K. Sundareswaran	Independent	Member	5
Dr. Sadayavel Kailasam	Independent	Member	1

The Company Secretary is the Secretary of the Audit Committee.

4. a. REMUNERATION COMMITTEE

The Board constituted Remuneration Committee on 31.10.2002 for making appointment / reappointment, approve remuneration of managerial personnel of the company. In consonance with the provisions of the Companies Act, 1956 and Corporate Governance the Board drew the guidelines to be followed by the Remuneration Committee, their powers, terms and conditions. Though the Committee recommend the remuneration package, ultimately the shareholders approve the same. Mr.M.Ethurajan, Executive Chairman of the Company has waived his remuneration, as in the past.

4. b. SITTING FEES

The non-executive independent directors were paid sitting fees for attending the meeting of the Board / Committee as fixed by the Board of Directors. No sitting fees was paid during the year.

BINNY LIMITED

5. SHARE TRANSFER AND SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Committee consists of 3 directors (of which one is an independent non-executive director) viz., Mr. M. Ethurajan, Mr. R. Narayanan and Mr. E. Shanmugam. This committee would continue to look after and approve the share transfer, transmission, issue of duplicate share certificate etc. Further all the investors' / shareholders' grievances and the action taken by the Company to the satisfaction of the shareholders are brought to the attention of the Committee. The Committee had twenty one meetings during the year ended 31.3.2012 on 15.04.11, 30.04.11, 16.05.11, 30.05.11, 15.06.11, 29.06.11, 15.07.11, 17.08.11, 31.08.11, 16.09.11, 07.10.11, 31.10.11, 25.11.11, 15.12.11, 30.12.11, 18.01.12, 30.01.12, 15.02.12, 29.02.12, 15.03.12 and 30.03.12.

6. DETAILS OF LAST 3 ANNUAL GENERAL MEETINGS

Financial Year	Date	Venue of AGM held	Time
40 th AGM 2008-2009	23.12.2009	Registered Office 106, Armenian Street Chennai 600001	10.15 a.m.
41 st AGM 2009-2010	27.09.2010	Registered Office 106, Armenian Street Chennai 600001	9.30 a.m.
42 nd AGM 2010-2011	28.09.2011	Registered Office 106, Armenian Street Chennai 600001	10.30 a.m.

7. PAID-UP SHARE CAPITAL

Category of Shares	No. of shares (Rs.5/- each fully paid up)	Share Capital (Rs. in Lakhs)
Equity Shares	2,23,19,410	1,115.97
9.75% Preference Shares	5,48,800	27.44
9% Cumulative Redeemable Preference Shares	23,38,84,055	11,694.20

DISTRIBUTION OF EQUITY SHAREHOLDING AS AT 31.03.2012

		SHAREHOLDERS		NO. OF SHARES HELD	
		Nos.	%	Nos.	%
1 -	5000	8,871	92.39	9,87,584	4.43
5001 -	10000	414	4.31	3,22,398	1.44
10001 -	20000	178	1.85	2,62,415	1.18
20001 -	30000	35	0.36	87,551	0.39
30001 -	40000	20	0.21	69,100	0.31
40001 -	50000	16	0.17	74,692	0.33
50001 -	100000	20	0.21	1,36,480	0.61
100001 -	and above	48	0.50	2,03,79,190	91.31
		9,602	100.00	2,23,19,410	100.00

BINNY LIMITED

DISTRIBUTION OF PREFERENCE SHAREHOLDING AS AT 31.03.2012

	SHAREHOLDERS		No. OF SHARES HELD	%
	No	%		
1 - 500	0	0%		0%
501 - 1000	0	0%		0%
1001 - 2000	0	0%		0%
2001 - 3000	0	0%		0%
3001 - 4000	0	0%		0%
4001 - 5000	0	0%		0%
5001 - 10000	0	0%		0%
10001 and above	4	100%	23,44,32,855	100%
	4	100%	23,44,32,855	100%

SHAREHOLDING PATTERN AS AT 31.03.2012

Category	No. of Holders	Equity %	Preference %
Promoters	15	51.04	100.00
Corporate Body - Promoters	9	23.74	—
Nationalised Banks	15	4.40	—
Financial Institutions	5	3.50	—
Corporate Body	146	2.55	—
NRI	52	0.14	—
Clearing Member	4	0.01	—
Trusts	1	0.00	—
Resident Individuals	9355	14.62	—
TOTAL	9602	100.00	100.00

8. DISCLOSURES

Related parties transactions are disclosed in the Notes on Accounts and there are no other materially significant related parties transactions.

The Company has been complying with SEBI Rules and Regulations and the listing agreements with the Stock Exchanges on issues related to capital market. No strictures / penalties have been imposed on the company during the year under review.

9. CEO/CFO Certification

The certificate in compliance with Clause 49V of the Listing Agreement was placed before the Board of Directors.

10. MEANS OF COMMUNICATION

The Quarterly unaudited financial results were published in the dailies "News Today" (English) and "Malaichudar" (Tamil) periodically within the stipulated time as per the listing agreement. Notice u/s 154 of the Companies Act, 1956 for the announcement of date of book closure was published in "News Today" and "Malaichudar".

11. MANAGEMENT DISCUSSION AND ANALYSIS

The Company is primarily engaged in the business warehousing. During the current year, performance of the Container Freight Station continued to face more and more difficulties owing the road and traffic restrictions and hence effective May 2012, the operation of Container Freight Station was ceased to continue.

BINNY LIMITED

However, the business of warehousing continues and more prospects expanding the operation by utilization of more space is explored. However, owing to road traffic constraints prevailing in the location of our operation, higher revenue could not be anticipated during the current year.

Upon filing a petition to sanction the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956, the Court passed order on 22nd April, 2010, sanctioning the Scheme of Arrangement with effect from 1.1.2010 and declared the Scheme to be binding on all the shareholders and creditors of the Companies.

The Share certificates to the equity shareholders were allotted and issued in the respective resulting companies on 2nd June 2010. The respective resulting companies have complied with formalities for listing of the equity shares with Bombay Stock Exchange Limited and Madras Stock Exchange Limited and obtained their in-principal approval for listing subject to the approval of Securities and Exchange Board of India (SEBI) for relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The application is presently pending with SEBI and the necessary clarifications sought for by SEBI as well as the Department of Corporate Affairs on certain terms of the Hon. High Court sanctioned Scheme were duly submitted by the Company. The company as well the respective resulting companies are following it up with SEBI for obtaining early approval for relaxation of Rule 19(2)(b). Upon obtaining such approval the Stock Exchanges would permit trading in equity shares of the respective resulting companies and until then the shares credited to the respective shareholders demat account is kept frozen.

Since in terms of Clause 7 of the sanctioned Scheme of Arrangement, 'inter se' transfer of shares of promoters' group has to be effected through Stock Exchanges where such shares are listed, the clause 7 could be complied with only when trading in the equity shares of respective resulting companies are approved. Therefore, reconstitution of the Board of Directors in terms of clauses 7.8 and 13 is still not given effect.

INVESTMENTS

Investments meant to be held for long term are accounted at cost and at Management valuation. Diminution in value is not recognized unless it is considered permanent.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

	2011-2012
	Rs. In Lakhs
Agencies &	
Warehouse undertaking	853.66

12. GENERAL SHAREHOLDERS INFORMATION

43rd ANNUAL GENERAL MEETING

Date and Time	Saturday, the 29th September 2012 at 11.15 a.m.
Venue	106, Armenian Street, Chennai 600001
Book Closure	22-09-2012 to 29-09-2012 (both days inclusive)
Financial Year ended	31.03.2012
Dividend payment	NIL

BINNY LIMITED

Listing of securities in the stock exchanges:

	Stock Code
Madras Stock Exchange Ltd	BINNY
BSE Ltd (Bombay Stock Exchange)	514215
Demat ISIN No. in NSDL / CDSL	INE118K01011

Financial Calendar

Financial reporting for
the quarter ending

30 th Sep 2012	Nov '12
31 st Dec 2012	Feb '13
31 st Mar 2013	May '13
30 th Jun 2013	Aug' 13

Other Details

M/s Cameo Corporate Services Limited, Chennai are the Registrar and Share Transfer Agents. NSDL and CDSL had permitted the equity shares of the company for dematerialisation vide ISIN No. INE118K01011. The trading in equity shares of the company is permitted only in dematerialised form. As of March 31, 2012, 10.78% of total outstanding shares have been dematerialised. Out of 56,29,990 equity shares held by the shareholders other than the promoters, 24,06,037 shares (42.73% of non-promoters' shareholding) have been dematerialised upto 31.03.2012.

The company has paid annual listing fees for the relevant period to the Stock Exchanges where its equity shares are listed.

Details of shares in Demat and Physical Form as on 31st March 2012

Particulars	No. of Shareholders	No. of Shares	%to Capital
NSDL	995	2249006	10.08
CDSL	375	157031	0.70
Physical Form	8232	19913373	89.22
Total	9602	22319410	100.00

M/s Cameo Corporate Services Limited, Chennai, is Registrar and Transfer Agent for the company providing connectivity with the NSDL / CDSL for demat services, also undertake share transfer in physical format and other related services. The share transfer and other requests are processed within 15 days from the date of receipt provided the documents are complete in all respects.

Members are requested to send all their communications and documents pertaining to both shares in physical form and dematerialised form to the Registrar at the following address:

M/s CAMEO CORPORATE SERVICES LIMITED	Contact person:
UNIT: BINNY	Mr. R D Ramaswamy
5 TH Floor, Subramanian Building	Designation: Director
#1, Club House Road,	Mr. D Narasimhan
Chennai 600 002	Designation: Senior Executive (Shares)
Phone : 044-28460390 (5 lines); Fax No : 044-28460129	
Email : investor@cameoindia.com	

BINNY LIMITED

The Company has paid annual listing fees for the relevant period to the Stock Exchanges where its equity shares are listed.

Market Price Data (Rs.)

MONTH		APL-11	MAY-11	JUN-11	JUL-11	AUG-11	SEP-11	OCT-11	NOV-11	DEC-11	JAN-12	FEB-12	MAR-12
BSE	HIGH	84.40	78.25	86.50	75.00	70.00	69.95	64.00	56.60	39.10	41.25	39.85	37.00
	LOW	73.00	68.00	71.20	64.00	57.05	58.75	52.05	33.55	32.10	34.25	31.25	27.00

ADDRESS FOR COMMUNICATION

Name : G.Venkataraman
Designation : Company Secretary
Address : Binny Limited, 106 Armenian Street, Chennai 600 001
E mail : binny.chennai@vsnl.com; binny_secretarial@yahoo.com

COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS:

All the directors and senior management have affirmed compliance with the Binny Limited Code of Business Conduct and ethics.

Chennai
1st September 2012

By Order of the Board

M. Ethurajan
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

To the Members of Binny Limited

I have examined the compliance of conditions of Corporate Governance by Binny Limited for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company, with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company by ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investor grievances received during the year ended on 31st March 2012 no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Share Transfer and Shareholders' / Investors' Grievance Committee of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Chennai
1st September 2012

G. PORSELVAM
Practicing Company Secretary
CP No. 3187

BINNY LIMITED

AUTIDOR'S REPORT

To

*The Members
Binny Limited
Chennai-600001*

1. We have audited the attached Balance Sheet of Binny Limited as at 31st March 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed there to. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - a) We have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
 - d) In our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt by this report, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that, none of the Directors are disqualified as on 31/03/2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Attention is drawn to the following material matters:
 - i. Non provision of wealth tax liability Rs.977.24 lakhs and Income Tax liability Rs.19.21 lakhs as stated in Note 23.11;
 - ii. Non provision of diminution in value of investment in Subsidiary Company Rs.2874.81 Lakhs and Loans and Advances to Subsidiary Company Rs.435.49 lakhs as stated in Note 23.4;
 - iii. Non-confirmation of balances as on 31st March 2012 from Trade receivables, trade payables, loans & advances, Other long term borrowings and Other Loans and Advances.

BINNY LIMITED

Without considering items mentioned in paragraph 4(f) (iii) the effect of which could not be ascertained and hence we are unable to express any opinion on these matters and had the observation in Para 4 F (i) and (ii) been considered, (a) the net profit for the year would have been Net Loss of Rs. (-)4079.42 lakhs as against reported profit of Rs.227.33 lakhs; (b) Non-Current Investments would have been Rs.4.03 lakhs as against reported amount of Rs.2878.84 lakhs; (c) Long Term Loans & Advances would have been Rs.817.33 lakhs as against reported amount of Rs.1252.82 lakhs; and (d) Short Term Provisions would have been Rs.1082.45 lakhs as against reported amount of Rs. 86.00 lakhs.

- g) *In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the accounting policies and notes thereon, subject to the remarks stated in Para (f) above, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :*
- iv. *In the case of Balance Sheet, of the State of Affairs of the Company as at 31st March 2012,*
- v. *In the case of Statement of Profit and Loss, of the PROFIT of the Company for the year ended on that date; and*
- vi. *In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.*

Place: Chennai
Date: 1st September 2012

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.0049155

R.THIRUMALMARUGAN
PARTNER
Membership No.200102

BINNY LIMITED

ANNEXURE TO AUDITORS REPORT

(Referred to in Paragraph 3 of our Report of even date)

1. (a) *The Company is maintaining schedule of Fixed Assets, showing full particulars, which needs to be updated.*
(b) *The fixed assets have not been verified by the management at reasonable intervals. The discrepancies (between physical verification and book records) and accounting for such discrepancies does not arise.*
(c) *There are no disposals of substantial assets during this year.*
2. (a) *The inventory has been physically verified by the management during this year.*
(b) *The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.*
(c) *The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.*
3. (a) *According to the information and explanations given to us, the company has granted unsecured interest free loans to a Subsidiary Company, which is repayable on demand. The year-end balance of loan granted was Rs.435.49 lakhs. The other clauses are not applicable.*
(b) *According to the information and explanations given to us, the Company has taken unsecured interest free loan group company, repayable on demand, a party covered in the register maintained under section 301 of the Companies Act, 1956. The balance outstanding is Rs.3930.12 lakhs. The other clauses are not applicable.*
4. *In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.*
5. (a) *According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.*
(b) *In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.*
6. *As explained to us, the Company has not accepted deposits from public during this year.*
7. *The Company has an internal audit system, which needs to be strengthened to commensurate with the size of the Company and the nature of its business.*
8. *As per the information and explanations given to us, the company has to update the cost records, for the process activities, as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.*
9. a. *According to the information and explanation given to us, the Company is depositing undisputed statutory dues, like Provident Fund, Employees Pension Fund and Employees State Insurance with some delays.*
b. *There are no undisputed Statutory dues like Investor Education and Protection Fund, Wealth Tax, Service Tax, Customs Duty, and other statutory dues except Excise Duty Rs.0.37 lakhs and Property /Urban Land Tax Rs.239.91 lakhs as at 31 st March, 2012 for a period of more than six months from the date they become payable.*

BINNY LIMITED

- c. According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, services tax, excise duty and cess which have not been deposited on account of any dispute except Income tax demand for AY 2008-2009 Rs.19.21 lakhs disputed before CIT(A) and wealth tax demand for 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, Rs.977.24 lakhs disputed before CWT(A).
10. In our opinion, the accumulated losses of the Company are not more than 50% of its net worth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayments of dues to the financial institutions, bank and debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks / financial institutions.
16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. According to the information given to us, the Company has not made preferential allotment of shares during the year to parties covered in the register maintained under Sec.301 of the Companies Act, 1956.
19. According to the information and explanation given to us, the Company has not issued any debentures during the year and creation of security for issue of debenture does not arise.
20. According to the information and explanation given to us, the Company has not raised money by public issue during the year and disclosure of end use of public issue does not arise.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No:0049155

Place : Chennai
Date : 1st September 2012

R. THIRUMALMARUGAN
Partner
Membership No.200102

BINNY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

				Rs.in lakhs
	Note No.	As at 31-03-2012	As at 31-03-2011	
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds:				
(a) Share Capital	2	12837.62	12837.62	
(b) Reserves and Surplus	3	16045.09	15823.58	
(c) Money Received against Share warrants		-	-	
		28882.71	28661.20	
(2) Share application money pending allotment				
(3) Non-current liabilities:				
(a) Long-term borrowings	4	3930.12	3938.04	
(b) Deferred tax liabilities (Net)				
(c) Other Long-term liabilities	5	1758.10	1532.21	
(d) Long-term provisions	6	431.13	413.35	5883.60
(4) Current liabilities:				
(a) Short-term borrowings				
(b) Trade payables	7	191.23	325.87	
(c) Other current liabilities	8	569.08	645.54	
(d) Short-term provisions	9	86.00	105.00	1076.41
Total		35848.37	35621.21	
II. ASSETS:				
(1) Non-current assets				
(a) Fixed Assets				
(i) Tangible assets	10	30073.78	30103.80	
(ii) Intangible assets				
(iii) Capital work-in-progress				
(iv) Intangible assets under development				
(b) Non-current investments	11	2878.84	2878.84	
(c) Deferred tax assets (Net)				
(d) Long-term loans and advances	12	1252.82	1156.70	
(e) Other non-current assets	13	229.95	154.18	34293.52
(2) Current assets				
(a) Current investments				
(b) Inventories				
(c) Trade receivables	14	133.88	448.81	
(d) Cash and cash equivalents	15	360.30	284.96	
(e) Short-term loans and advances	16	58.91	60.38	
(f) Other current assets	17	859.89	533.54	1327.69
Total		35848.37	35621.21	

See accompanying notes to the financial statements

As per our Report of even date
for **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 0049155

M.Ethurajan
Executive Chairman

M.Nandagopal
Director

G.Venkataraman
Company Secretary

Chennai
1st September 2012

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

Rs.in lakhs

	Note No	For the year ended 31-03-2012	For the year ended 31-03-2011
I Revenue from operations	18	853.66	1233.96
II Other income	19	23.50	32.73
III Total Revenue (I + II)		877.16	1266.69
IV Expenses:			
a Cost of materials consumed			
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
d Employee benefits expenses	20	152.20	161.22
e Finance costs			
f Depreciation and amortization expenses	10	25.37	25.43
g Other expenses	21	369.56	561.59
Total expenses		547.13	748.24
V Profit before exceptional and extraordinary items and tax (III - IV)		330.03	518.45
VI Exceptional items	22	16.42	
VII Profit before extraordinary items and tax (V - VI)		313.61	518.45
VIII Extraordinary items	22	0.28	0.50
IX Profit before tax (VII - VIII)		313.33	517.95
X Tax expenses			
(1) Current tax		86.00	105.00
(2) Deferred tax			
XI Profit / (loss) for the period from continuing operations (IX - X - XIV)		227.33	412.95
XII Profit / (loss) from discontinuing operations			
XIII Tax expenses of discontinuing operations			
XIV Profit / (loss) from discontinuing operations (after tax) (XII - XIII)			
XV Profit / (loss) for the period (XI + XIV)		227.33	412.95
XVI Earnings per share:			
(1) Basic		1.02	1.85
(2) Diluted		1.02	1.85

See accompanying notes to the financial statements

As per our Report of even date
for **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 0049155

M.Ethurajan
Executive Chairman

M.Nandagopal
Director

G.Venkataraman
Company Secretary

Chennai
1st September 2012

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	31-03-2012	31-03-2011
	<i>Rs in Lakhs</i>	
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	227.33	412.95
Adjustments for:		
Depreciation	25.37	25.43
Interest Earned	(4.60)	(15.15)
Dividend Income	(1.67)	(1.27)
Profit on sale of assets	(0.03)	(1.14)
Provision for Income Tax	86.00	105.00
Operating Profit before working Capital changes	<u>332.40</u>	<u>525.82</u>
(Increase) / Decrease in Inventories	-	2.90
(Increase) / Decrease in Trade Receivables	239.16	(168.20)
(Increase) / Decrease Other Current Assets	(326.35)	-
(Increase) / Decrease Loans & Advances	(94.65)	(112.30)
Increase / (Decrease) in Liabilities	32.57	(498.04)
Cash from Operating activities	<u>183.13</u>	<u>(249.82)</u>
Direct Taxes paid	(105.00)	-
Net Cash from Operating activities	<u>78.13</u>	<u>(249.82)</u>
B Cash flow from Investing activities		
Sale of Fixed Assets (including cancellation of lease hold land)	0.03	173.79
Purchase of Fixed Assets	(1.17)	(1.26)
Dividend received	1.67	1.27
Interest received	4.60	15.15
Net Cash from investing activities	<u>5.13</u>	<u>188.95</u>
C Cash flow from financing activities		
Unsecured loans (net of repayment)	(7.92)	115.43
Net Cash from financing activities	<u>(7.92)</u>	<u>115.43</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	75.34	54.56
Cash and cash equivalent as at the beginning of the year	284.96	230.40
Cash and cash equivalent as at the end of the year	<u>360.30</u>	<u>284.96</u>

As per our Report of even date
for **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 0049155

M.Ethurajan
Executive Chairman

M.Nandagopal
Director

G.Venkataraman
Company Secretary

Chennai
1st September 2012

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY LIMITED

Note I: SIGNIFICANT ACCOUNTING POLICIES

(a) Fixed assets

- (i) *Fixed assets are stated at cost of acquisition inclusive of the cost of installation/erection and interest on borrowings for qualifying fixed assets, upto the date the asset is put to use, as applicable.*
- (ii) *Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act 1956.*
- (iii) *Depreciation is provided on pro-rata basis from the day on which the assets have been put to use and up to the day on which assets have been disposed off.*

(b) Inventories

Land and Building are valued at lower of cost and net realizable value. Cost is arrived at weighted average cost.

(c) Revenue Recognition

Financial statements are prepared under the historical cost convention. Revenue is recognized on accrual basis with provision made for known losses and expenses.

Services - Agency commission is recognized on accrual basis. Rental income from properties is recognised on accrual basis as per the agreements entered. Interest income is recognized on time proportion method and dividend income is recognized on right to receive is established.

(d) Investments

Investments meant to be held for long term are accounted at cost. Diminution in value, if any, is recognized in the statement of Profit & Loss account.

(e) Retirement Benefits

- (i) *Contribution to Provident Fund is as per Rules of the own funds.*
- (ii) *Provision for gratuity is based on the calculations made as per the provisions of Payment of Gratuity Act, 1972 and not funded. The company estimates its liability on actuarial valuation basis as of each year-end balance sheet date carried out, and is charged to Profit and Loss Account in accordance with AS-15 (revised).*
- (iii) *Leave encashment benefits is provided on accrual basis and is not funded.*

(f) Segment reporting

The company operates under a single segment viz., services & related leasing activity.

(g) Lease Rentals

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

(h) Foreign Currency Transaction/ Translation

There are no foreign currency transactions.

(i) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets up-to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

(j) Cash Flow Statement

The Cash Flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

BINNY LIMITED

(k) Earnings Per Share

The company reports basic and diluted earnings per share in accordance with the Accounting Standard -20-“Earnings Per Share”.

(l) Provision for Taxation

Provision for Current Income Tax is made in accordance with the provisions of Income Tax Act, 1961. Deferred tax assets and liabilities are measured using substantially enacted tax rates as on the Balance Sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the income statement.

(m) Impairment of Assets

All assets other than inventories and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

(n) Provision and Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

NOTES TO THE FINANCIAL STATEMENTS

		(Rs. in lakhs)	
		As at	As at
		31/03/2012	31/03/2011
Note 2 - Share Capital			
Authorised			
2,28,20,000	Equity shares of Rs.5 each	1141.00	1141.00
11,80,000	(9.75%) Cumulative Redeemable Preference Shares of Rs.5 each	59.00	59.00
54,20,00,000	(9%) Cumulative Redeemable Preference Shares of Rs.5 each	27100.00	27100.00
		<u>28300.00</u>	<u>28300.00</u>
Issued, Subscribed & Paid-up			
2,23,19,410	Equity Shares of Rs. 5 each fully paid up (a)	1115.97	1115.97
5,48,800	(9.75%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	27.44	27.44
23,38,84,055	(9%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	11694.21	11694.21
	(b)	<u>11721.65</u>	<u>11721.65</u>
	(a+b)	<u>12837.62</u>	<u>12837.62</u>

Terms of Issue and redemptions of Cumulative Redeemable Preference Shares (**CRPS**):

Subsequent to the reduction as per the Scheme of Arrangement, the remaining issued CRPS and their respective redemption details are under:

BINNY LIMITED

		Rs. in Lakhs	Redeemable on or before
13,01,76,000 (9%)	CRPS of Rs. 5 each issued on 30.9.2005	* 6508.80	30.09.2015
5,48,800 (9.75%)	CRPS of Rs.5 each issued on 30.6.2006	* 27.44	30.06.2016
1,73,56,800 (9%)	CRPS of Rs.5 each issued on 31.1.2007	* 867.84	31.01.2017
43,39,200 (9%)	CRPS of Rs.5 each issued on 30.1.2008	216.96	30.01.2013
5,10,72,384 (9%)	CRPS of Rs.5 each issued on 29.9.2008	2553.62	29.09.2013
3,09,39,671 (9%)	CRPS of Rs.5 each issued on 12.5.2010	1546.99	12.05.2015
		<u>11721.65</u>	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras

* Redemption due on 30.9.2010, 30.6.2011 & 31.1.2012 have been extended till 30.9.2015, 30.6.2016 & 31.1.2017 respectively Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Mr. M Ethurajan	2,014,920	9.03%	2,014,920	9.03%
Mr. V R Venkataachalam	3,095,040	13.87%	3,095,040	13.87%
Cumulative Redeemable Preference Shares				
9.75% CRPS of Rs.5 each				
TCP Limited	274,400	50.00%	274,400	50.00%
Mohan Breweries and Distilleries Limited	274,400	50.00%	274,400	50.00%
9% CRPS of Rs.5 each				
TCP Limited	113,734,155	48.63%	113,734,155	48.63%
Mohan Breweries and Distilleries Limited	101,472,192	43.39%	101,472,192	43.39%

NOTE 3

RESERVES AND SURPLUS

	As at 31 st March 2012	Rs.lakhs As at 31 st March 2011
CAPITAL RESERVE (on Demerger)		
As per balance sheet	<u>10287.55</u>	<u>10287.55</u>
a)	<u>10287.55</u>	<u>10287.55</u>
Securities Premium Account		
As per balance sheet	<u>1077.66</u>	<u>1077.66</u>
b)	<u>1077.66</u>	<u>1077.66</u>

BINNY LIMITED

Revaluation reserve (as per Court Order)			
	<i>As per balance sheet</i>	4916.32	5154.79
Additions			
	<i>deductions</i>	5.82	238.47
	c)	<u>4910.50</u>	<u>4916.32</u>
Profit and Loss account			
	<i>As per balance sheet</i>	-457.95	-870.90
	<i>Profit for the year</i>	227.33	412.95
	<i>Less: Proposed dividends</i>		
	<i>Tax on distributed profits</i>		
	<i>Balance of Profit / Loss</i>	-230.62	-457.95
	<i>Less: Transfer to General Reserve</i>		
	d)	<u>-230.62</u>	<u>-457.95</u>
	(a+b+c+d)	<u>16045.09</u>	<u>15823.58</u>
		As at	As at
		31-03-2012	31-03-2011
Note-4	LONG-TERM BORROWINGS:		
	<i>Unsecured</i>		
a	<i>Loans and advances from related parties</i>	3829.92	3837.84
b	<i>Others</i>	<u>100.20</u>	<u>100.20</u>
		<u>3930.12</u>	<u>3938.04</u>
Note-5	OTHER LONG TERM LIABILITIES		
	<i>Unsecured</i>		
a	<i>Trade payable</i>	541.62	411.45
b	<i>Due to related parties</i>	1160.95	1065.23
c	<i>Others</i>	<u>55.53</u>	<u>55.53</u>
		<u>1758.10</u>	<u>1532.21</u>
Note-6	LONG TERM PROVISIONS		
a	<i>Employee Benefits</i>	<u>431.13</u>	<u>413.35</u>
		<u>431.13</u>	<u>413.35</u>
Note-7	TRADE PAYABLE		
a	<i>Sundry Creditors for trade</i>	191.23	325.87
b	<i>Dues to Micro, Small, Medium Enterprises Developments</i>	<u>nil</u>	<u>nil</u>
		<u>191.23</u>	<u>325.87</u>
Note-8	OTHER CURRENT LIABILITIES		
a	<i>Rates and taxes payable</i>	239.91	280.59
b	<i>Electricity dues payable</i>	201.23	202.35
c	<i>Other payables</i>	98.08	119.48
d	<i>Service Tax payable</i>	<u>29.86</u>	<u>43.12</u>
		<u>569.08</u>	<u>645.54</u>
Note-9	SHORT TERM PROVISIONS :		
a	<i>Provision for income tax</i>	<u>86.00</u>	<u>105.00</u>
		<u>86.00</u>	<u>105.00</u>

BINNY LIMITED

Note-10 :FIXED ASSETS - TANGIBLE

(Rs. Lakhs)

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2011	Addition	Deletion	As at 31st March, 2012	As at 31st March, 2011	Addition	Deletion	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land	29704.73		* 5.82	29698.91					29698.91	29704.73
Factory Buildings	741.22			741.22	406.90	16.38		423.28	317.94	334.32
Plant & Equipment	41.39			41.39	16.93	1.66		18.59	22.80	24.46
Furniture & Fixtures	72.72	1.17		73.89	37.99	6.47		44.46	29.43	34.73
Vehicles	45.17			45.17	39.61	0.86		40.47	4.70	5.56
	30605.23	1.17	5.82	30600.58	501.43	25.37		526.80	30073.78	30103.80
Previous year	31404.15	1.26	800.18	30605.23	865.06	25.43	389.06	501.43	30103.80	30539.09

* Deletion- represents the sale of land to workers as per the MOU entered into by Management with the workers and approved by Court.

BINNY LIMITED

Note - 11

INVESTMENTS

	No. of shares	Face value per share Rs.	Rs. lakhs As at 31/3/2012	As at 31/3/2011
a) AT COST				
NON-TRADE				
Fully paid equity shares :				
QUOTED				
State Bank of India	1920	10	0.69	0.69
ICICI Bank Ltd	7851	10	3.33	3.33
UNQUOTED				
a) Fully paid equity shares in Binny Engineering Ltd. (Wholly owned subsidiary)	28748100	10	2874.81	2874.81
b) NON-TRADE				
Fully paid Equity shares :				
Tamilnadu Chromates & Chemicals Limited	30000	10	0.01	0.01
			<u>2878.84</u>	<u>2878.84</u>
		Cost	Market value/ Book value	
Quoted		4.02	110.14	
Unquoted		<u>2874.82</u>	-	
		<u>2878.84</u>	<u>110.14</u>	
			As at 31-03-2012	As at 31-03-2011
Note-12 LONG TERM LOANS AND ADVANCES (Unsecured-considered good)				
a Security Deposits			0.81	0.81
b Loans and advances				
i) Dues from subsidiary- BEL			435.49	288.94
ii) others			<u>816.52</u>	<u>866.95</u>
			<u>1252.82</u>	<u>1156.70</u>
Note-13 OTHER NON CURRENT ASSETS				
a Long-term Trade Receivables- (unsecured and considered good)			109.76	33.99
b Stock in trade (Land)			<u>120.19</u>	<u>120.19</u>
			<u>229.95</u>	<u>154.18</u>
Note-14 TRADE RECEIVABLE (Unsecured-considered good)				
a Trade receivables outstanding for more than six months from the date they became due for payment			124.31	40.30
b Trade receivables (others)			<u>9.57</u>	<u>408.51</u>
			<u>133.88</u>	<u>448.81</u>

BINNY LIMITED

Note-15	CASH AND CASH EQUIVALENTS		
a	Balance with banks	5.56	45.22
b	Cash on hand	1.28	3.52
c	Bank balances held as margin money for gurantees	11.46	11.22
d	Bank Deposits with more than 12 months maturity	342.00	225.00
		<u>360.30</u>	<u>284.96</u>
Note-16	SHORT TERM LOANS AND ADVANCES (Unsecured-considered good)		
a	other loans and advances	58.91	60.38
		<u>58.91</u>	<u>60.38</u>
Note-17	OTHER CURRENT ASSETS		
a	Interest accrued and due on investments	0.04	0.30
b	wealth tax paid under protest	535.13	207.86
c	Prepaid expenses	1.54	9.76
d	TDS &Service tax	152.18	145.15
e	Deposits with Govt.Dept	171.00	170.47
		<u>859.89</u>	<u>533.54</u>

NOTES TO THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

		Rs in lakhs	
		For the year ended 31/03/2012	For the year ended 31/03/2011
Note-18	INCOME		
a	Agencies commission	298.15	747.52
b	Lease rental	555.51	486.44
		<u>853.66</u>	<u>1233.96</u>
Note-19	OTHER INCOME		
a	Interest income	4.60	15.15
b	Dividend income	1.67	1.27
c	Net gain on sale of fixed assets	0.03	1.14
d	Other non-operating income	17.20	15.17
		<u>23.50</u>	<u>32.73</u>
Note-20	EMPLOYEE BENEFIT EXPENSES		
a	Salaries and wages	125.68	133.74
b	Contribution to PF and other funds	10.48	12.10
c	Staff welfare expenes	10.57	9.49
d	others	5.47	5.89
		<u>152.20</u>	<u>161.22</u>
Note-21	OTHER EXPENSES		
a	Rent	0.88	0.36
b	Insurance	3.48	10.82
c	Power and Fuel	39.33	40.78
d	Repairs to building	9.70	13.91

BINNY LIMITED

e	Repairs to machinery	4.31	11.32
f	Rates and taxes	12.17	14.34
g	Payment to statutory auditors	13.78	12.24
h	Legal, Professional and consultancy	4.38	15.43
i	Cash discount and sales promotion	6.09	23.79
j	Security charges	37.10	38.37
k	Demerger expenses		108.06
l	Agency services expenses	125.79	154.85
m	Miscellaneous expenses	112.55	117.32
		<u>369.56</u>	<u>561.59</u>

Note-22 OTHER ITEMS

Details of exceptional items

a	Prior period items-tax paid for earlier years	16.42	
b	Details of extraordinary items-VSS	0.28	0.50

NOTE: 23 OTHER NOTES ON ACCOUNTS

- As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. The Listing / Trading of Resulting Companies Shares are under process and the Resulting Companies' applications for relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 are presently pending with SEBI. Upon completion of formalities, the change in Directorship and interse transfer of shares among the Promoters shall be complied with.
- Revaluation Reserve is as per the Scheme of Arrangement Sanctioned by the High Court of Madras. The outstanding Revaluation Reserve Rs.4910.50 lakhs (P.Y. 4916.32 lakhs) represents the adjusted amount of fixed assets (Land) revalued as per the Sanctioned Scheme effective from 01.01.2010.
As per the MOU entered into with workers during the year 1500 sq.ft. of land (P.Y. 61500 sq. ft) has been transferred / sold to the workers as agreed. The revaluation reserve on these sales of land has now been reduced from the Fixed Assets and Revaluation Reserve account.
- Long Term Borrowings: Unsecured**
The company was receiving the loans from the Promoters individually and through their group companies since 1994, to meet the requirements of rehabilitation schemes submitted to BIFR. As per the Sanctioned Scheme of Arrangement the company has recorded a sum of Rs.3892.92 lakhs as unsecured loan due to promoter group. The balance sum of Rs.100.20 lakhs has been received from promoters group are shown separately, for which the confirmation of balance are pending. All the loans are interest free and repayable on demand.
- Binny Engineering Limited (BEL)**
Investment & Advances to subsidiary company - BEL
The investment in subsidiary are considered to be long term in nature. The Management has not provided for diminution in value for the carrying amount as at the balance sheet date.
The company has advanced a sum of Rs.435.49 lakhs (Previous Year Rs.288.94 lakhs) to Binny Engineering Limited for meeting their liabilities such as interest on PF, ESI contribution, Sales Tax etc. Considering the advances are recoverable in the ordinary course of business, the Management decided to carry these amounts at cost and no provision has been made.
- Contingent Liabilities**
No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief / succeeding in the appeals:

BINNY LIMITED

	31.03.2012	31.03.2011
		(Rs. Lacs)
a) Electricity charges on revision of Tariff rates for the period from 1-12-82 to 31-12-87 contested by the company, the recovery of which is stayed by the Hon'ble High Court of Madras	117.50	117.50
b) Estimated surcharge on belated payment above upto 31/03/2012	672.11	643.91
c) Claim for back wages in respects of various disputes		
		Liability, if any, not ascertainable
d) Income Tax demand for Asst. Year 2008-09	19.21	19.21
e) Wealth Tax Demand for Asst. year 2005-06 to 2010-11 (6 years)	977.24	425.99
6. Other Moneys for which the company is contingently liable		
a) Claims against the company not acknowledged as Debts	156.43	149.60
7. Balances in Trade receivable, Trade payable and Loans and Advances are subject to confirmation/ reconciliation. However, in the opinion of the Management, all current assets, debtors and loans/ advances would in the ordinary course of business realize at the value stated.		
		(Rs. Lacs)
	31.3.2012	31.3.2011
8. (a) Arrears of 9.75% Cumulative Preference dividend for the Period 15.6.1998 to 30.06.2006	46.12	46.12
(b) Arrears of 9.75% Cumulative Preference dividend for the period 01-07-2006 to 31-12-2009	9.36	9.36
(c) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009	3030.01	3030.01
9. (a) Arrears of 9.75% Cumulative Preference dividend for the period 01-01-2010 to 31-03-2012	6.02	3.34
(b) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2012	2301.99	1265.15
10. Foreign Exchange inflow and outflow	NIL	NIL
11. a. To comply with the Accounting Standard - 22 - Accounting for Taxes on income, the company reviewed the deferred tax assets and liabilities. The timing differences relates mainly to depreciation and carry forward losses for the period up to 31-03-2012 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.		
b. The company has received wealth tax demand for the Asst. Year 2005-06, 2006-07, 2007-08, 2008 - 09, 2009-10 & 2010 - 2011 for Rs.977.24 lakhs against which the company has filed appeals with CWT (A). Against these demands a sum of Rs.535.13 lakhs has been paid under protest. Considering the company's chance of success in appeal no provision has been made in the accounts.		
c. The company has received Income Tax demand for asst. year 2008 - 09 Rs.19.21 lakhs which is disputed before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.		

BINNY LIMITED

12. Related Party Disclosure

(a) List of Related Parties

(i) Parties where control exists

Subsidiary

Binny Engineering Limited (BEL)

(ii) Other related Parties with whom transactions have taken place during the year

Associates

S.V. Sugar Mills Ltd (SVSM)

The Thirumagal Mills Ltd (TML)

Mohan Breweries & Distilleries Ltd (MBDL)

TCP Ltd

S V Global Mill Ltd. (SVG)

Binny Mills Ltd (BML)

(iii) Key Management Personnel

M. Ethurajan

E. Shanmugam

M. Nandagopal

V.R. Venkataachalam

Arvind Nandagopal

		Current year 31/03/2012	Previous year 31/03/2011
			(Rs. in lakhs)
(b) Transactions with related parties			
Rendering of Services	MBDL	—	4.96
Loans to Subsidiary	BEL	146.55	67.58
Outstanding balances	BML	0.80	2.97
Debtors	MBDL	0.75	37.23
		<u>1.55</u>	<u>40.20</u>
(c) Loans & Advances	BEL	435.49	288.94
Creditors	MBDL	—	6.69
(Advance for Sale of Property)	BML	1160.95	1065.23

13. Earnings per Share:

	Before extra ordinary item		After extra ordinary item	
	2012	2011	2012	2011
Profit available to Equity Share holders used as				
Numerator – (A) (Rs. lakhs)	244.03	413.45	227.33	412.95
Number of Shares outstanding	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Weighted Average Number of shares				
outstanding-(B)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Effect of dilution	NIL	NIL	NIL	NIL
Weighted Average No. of Equity Shares				
Including potential shares –(D)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Basic & diluted A/B				
(A*/1,000/B) in Rs.	1.09	1.85	1.02	1.85

BINNY LIMITED

14. As per actuarial valuation as on 31-03-2012 and recognized in the financial statements in respect of employee benefit schemes as require under AS 15 (R) are as under:

PARTICULARS	Gratuity Unfunded		Long Term Compensated Absence Unfunded	
Unfunded Liabilities				
(i) Assumptions	31.3.2012	31.3.2011	31.3.2012	31.3.2011
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	5.00%	4.00%	5.00%	4.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
		Rs. lakhs		Rs. lakhs
(ii) Table Showing Change in Benefit Obligation				
Liability at the beginning of the Period	48.66	46.08	4.75	4.49
Interest Cost	3.89	3.69	0.38	0.36
Current Service Cost	2.66	16.82	0.94	0.77
Benefit Paid	(5.72)	1.49	(0.74)	(0.06)
Actuarial (gain) / Loss on obligations	5.24	(16.44)	(0.38)	(0.81)
Liability at the end of the Period	54.73	48.66	4.95	4.75
(iii) Amount Recognised in the Income Statement				
Current Service Cost	2.66	16.82	0.94	0.77
Interest Cost	3.89	3.69	0.38	0.36
Expected Return on Plan Assets	0	0	0	0
Net Actuarial (Gain) /Loss to be Recognised	5.24	(16.44)	(0.38)	(0.81)
Expenses Recognised in Profit & Loss A/c	11.79	4.07	0.94	0.32
(iv) Amount Recognised in the Balance Sheet				
Opening Net Liability	48.66	46.08	4.75	4.49
Expenses as above	11.79	4.07	0.94	0.32
Employers Contribution paid / Benefits Paid	(5.72)	(1.49)	(0.74)	(0.06)
Closing net Liability	54.73	48.66	4.95	4.75

15. Previous year figures have been regrouped wherever necessary to conform to current year classifications.

M. ETHURAJAN Executive Chairman	M. Nandagopal Director	G. Venkataraman Company Secretary
As Per our Report of even date for M/s. CNGSN& ASSOCIATES Chartered Accountants Firm Reg. No: 004915S		

Chennai
Date: 1st September 2012

R. THIRUMALMARUGAN
Partner
Membership No. 200102

BINNY LIMITED (CONSOLIDATED)

Auditors' Report to the Board of Directors of Binny Limited on the Consolidated Financial Statements of Binny Limited and its Subsidiary:

1. We have examined the attached Consolidated Balance Sheet of Binny Limited and its subsidiary, Binny Engineering Limited as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that, the Consolidated Financial Statements have been prepared by the Binny Limited in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Binny Limited and its subsidiary included in the consolidated financial statements.
4. Attention is invited to the following material matters relating to the parent and subsidiary company reported in the Notes on Accounts:
 - i. *Preparation of subsidiary company financials on the principals applicable to Going concern*
 - ii. *Non- confirmation of balances as on 31st March, 2012 from Trade receivables, trade payables, loans & advances, Other long term borrowings, Other Loans and Advances;*
 - iii. *Non provision of wealth tax liability Rs.977.24 lakh and Income Tax liability Rs.19.21 lakhs and excise demands under appeal of Rs.2.99 lakhs*
5. On the basis of information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Binny Limited and its subsidiary and subject to our observations in paragraphs 4 above, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - a) In the case of the Consolidated Balance Sheet of the Consolidated State of Affairs of Binny Limited and its subsidiary as at 31st March, 2012;
 - b) In the case of Consolidated Statement of Profit and Loss, of LOSS for the period then ended on that date; and
 - c) In the case of Consolidated Cash Flow Statement, of the Cash Flows for the period then ended.

For M/s. CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg.No:0049155

Place: CHENNAI

Date: 1st September, 2012

R. THIRUMAL MARUGAN
PARTNER
Membership No.: 200102

BINNY LIMITED (CONSOLIDATED)

BALANCE SHEET AS AT 31ST MARCH, 2012

			Rs.in lakhs	
	Note No.	As at 31-03-2012	As at 31-03-2011	
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds:				
(a) Share Capital	2	12837.62	12837.62	
(b) Reserves and Surplus	3	12985.51	13316.15	
(c) Money Received against Share warrants		25823.13	26153.77	
(2) Share application money pending allotment				
(3) Non-current liabilities:				
(a) Long-term borrowings	4	5081.34	5058.15	
(b) Deferred tax liabilities (Net)				
(c) Other Long-term liabilities	5	1784.39	1558.50	
(d) Long-term provisions	6	521.92	504.14	
(4) Current liabilities:		7387.65	7120.79	
(a) Short-term borrowings				
(b) Trade payables	7	191.23	325.87	
(c) Other current liabilities	8	1747.28	1460.55	
(d) Short-term provisions	9	86.00	105.00	
		<u>2024.51</u>	<u>1891.42</u>	
Total		<u>35235.29</u>	<u>35165.98</u>	
II. ASSETS:				
(1) Non-current assets				
(a) Fixed Assets				
(i) Tangible assets	10	30121.32	30158.32	
(ii) Intangible assets				
(iii) Capital work-in-progress				
(iv) Intangible assets under development				
(b) Non-current investments	11	2079.03	2079.03	
(c) Deferred tax assets (Net)				
(d) Long-term loans and advances	12	1391.88	1440.55	
(e) Other non-current assets	13	229.95	154.18	
(2) Current assets		33822.18	33832.08	
(a) Current investments				
(b) Inventories				
(c) Trade receivables	14	133.88	448.81	
(d) Cash and cash equivalents	15	360.43	291.17	
(e) Short-term loans and advances	16	58.91	60.38	
(f) Other current assets	17	859.89	1413.11	
		<u>533.54</u>	<u>1333.90</u>	
Total		<u>35235.29</u>	<u>35165.98</u>	
See accompanying notes to the financial statements				

M. ETHURAJAN
Executive Chairman
Chennai
Date: 1st September, 2012

M. Nandagopal
Director

G. Venkataraman
Company Secretary

As Per our Report of even date
for M/s. CNGSN& ASSOCIATES
Chartered Accountants
Firm Reg. No: 0049155

R. THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED (CONSOLIDATED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

		Rs.in lakhs		
		Note No	For the year ended 31-03-2012	For the year ended 31-03-2011
I	Revenue from operations	18	853.66	1233.96
II	Other income	19	28.17	127.04
III	Total Revenue (I + II)		881.83	1361.00
IV	Expenses:			
a	Cost of materials consumed			
b	Purchases of Stock-in-Trade			
c	Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
d	Employee benefits expenses	20	158.41	167.54
e	Finance costs			
f	Depreciation and amortization expenses	10	32.35	36.20
g	Other expenses	21	913.19	658.31
	Total expenses		1103.95	862.05
V	Profit before exceptional and extraordinary items and tax (III - IV)		-222.12	498.95
VI	Exceptional items	22	16.42	
VII	Profit before extraordinary items and tax (V - VI)		-238.54	498.95
VIII	Extraordinary items	22	0.28	0.50
IX	Profit before tax (VII - VIII)		-238.82	498.45
X	Tax expenses			
	(1) Current tax		86.00	105.00
	(2) Deferred tax			
XI	Profit / (loss) for the period from continuing operations (IX -X - XIV)		-324.82	393.45
XII	Profit / (loss) from discontinuing operations			
XIII	Tax expenses of discontinuing operations			
XIV	Profit / (loss) from discontinuing operations (after tax) (XII - XIII)			
XV	Profit / (loss) for the period (XI + XIV)		-324.82	393.45
XVI	Earnings per share:			
	(1) Basic		-1.46	1.76
	(2) Diluted		-1.46	1.76
See accompanying notes to the financial statements				

M. ETHURAJAN
Executive Chairman
Chennai
Date: 1st September, 2012

M. Nandagopal
Director

G. Venkataraman
Company Secretary

As Per our Report of even date
for M/s. CNGSN& ASSOCIATES
Chartered Accountants
Firm Reg. No: 0049155

R. THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED (CONSOLIDATED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	31-03-2012	31-03-2011
	Rs in Lakhs	
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	(324.82)	393.45
Adjustments for:		
Depreciation	32.35	36.20
Interest Earned	(5.78)	(13.76)
Dividend Income	(1.67)	(3.40)
Profit on sale of assets	(0.47)	(80.64)
Provision for Income Tax	86.00	105.00
Operating Profit before working Capital changes	(214.39)	436.85
(Increase) / Decrease in Inventories	-	2.90
(Increase) / Decrease in Trade Receivables	239.16	(103.18)
(Increase) / Decrease Other Current Assets	(326.35)	-
(Increase) / Decrease Loans & Advances	50.14	(37.01)
Increase / (Decrease) in Liabilities	395.76	(629.16)
Cash from Operating activities	144.32	(329.60)
Direct Taxes paid	(105.00)	-
Net Cash from Operating activities	39.32	(329.60)
B Cash flow from Investing activities		
Sale of Fixed Assets (including cancellation of lease hold land)	0.47	253.29
Purchase of Fixed Assets	(1.17)	(1.26)
Dividend received	1.67	3.40
Interest received	5.78	13.76
Net Cash from investing activities	6.75	269.19
C Cash flow from financing activities		
Unsecured loans (net of repayment)	23.19	115.43
Net Cash from financing activities	23.19	115.43
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	69.26	55.02
Cash and cash equivalent as at the beginning of the year	291.17	236.15
Cash and cash equivalent as at the end of the year	360.43	291.17

M. ETHURAJAN
Executive Chairman

Chennai

Date: 1st September, 2012

M. Nandagopal
Director

G. Venkataraman
Company Secretary

As Per our Report of even date
for M/s. CNGSN& ASSOCIATES
Chartered Accountants
Firm Reg. No: 0049155

R. THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED (CONSOLIDATED)

Note I: SIGNIFICANT ACCOUNTING POLICIES

(a) Fixed assets

- (i) *Fixed assets are stated at cost of acquisition inclusive of the cost of installation/erection and interest on borrowings for qualifying fixed assets, upto the date the asset is put to use, as applicable.*
- (ii) *Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act 1956.*
- (iii) *Depreciation is provided on pro-rata basis from the day on which the assets have been put to use and up to the day on which assets have been disposed off.*

(b) Inventories

Land and Building are valued at lower of cost and net realizable value. Cost is arrived at weighted average cost.

(c) Revenue Recognition

Financial statements are prepared under the historical cost convention. Revenue is recognized on accrual basis with provision made for known losses and expenses.

Services - Agency commission is recognized on accrual basis. Rental income from properties is recognised on accrual basis as per the agreements entered. Interest income is recognized on time proportion method and dividend income is recognized on right to receive is established.

(d) Investments

Investments meant to be held for long term are accounted at cost. Diminution in value, if any, is recognized in the statement of Profit & Loss account.

(e) Retirement Benefits

- (i) *Contribution to Provident Fund is as per Rules of the own funds.*
- (ii) *Provision for gratuity is based on the calculations made as per the provisions of Payment of Gratuity Act, 1972 and not funded. The company estimates its liability on actuarial valuation basis as of each year-end balance sheet date carried out, and is charged to Profit and Loss Account in accordance with AS-15 (revised).*
- (iii) *Leave encashment benefits is provided on accrual basis and is not funded.*

(f) Segment reporting

The company operates under a single segment viz., services & related leasing activity.

(g) Lease Rentals

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

(h) Foreign Currency Transaction/ Translation

There are no foreign currency transactions.

(i) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets up-to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

(j) Cash Flow Statement

The Cash Flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

BINNY LIMITED (CONSOLIDATED)

(k) Earnings Per Share

The company reports basic and diluted earnings per share in accordance with the Accounting Standard -20-“Earnings Per Share”.

(l) Provision for Taxation

Provision for Current Income Tax is made in accordance with the provisions of Income Tax Act, 1961. Deferred tax assets and liabilities are measured using substantially enacted tax rates as on the Balance Sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the income statement.

(m) Impairment of Assets

All assets other than inventories and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

(n) Provision and Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

NOTES TO THE FINANCIAL STATEMENTS

	(Rs. in lakhs)	
	As at 31/03/2012	As at 31/03/2011
Note 2 - Share Capital		
Authorised		
2,28,20,000 Equity shares of Rs.5 each	1141.00	1141.00
11,80,000 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each	59.00	59.00
54,20,00,000 (9%) Cumulative Redeemable Preference Shares of Rs.5 each	<u>27100.00</u>	<u>27100.00</u>
	<u>28300.00</u>	<u>28300.00</u>
Issued, Subscribed & Paid-up		
2,23,19,410 Equity Shares of Rs. 5 each fully paid up (a)	1115.97	1115.97
5,48,800 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	27.44	27.44
23,38,84,055 (9%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	<u>11694.21</u>	<u>11694.21</u>
(b)	<u>11721.65</u>	<u>11721.65</u>
(a+b)	<u>12837.62</u>	<u>12837.62</u>

Terms of Issue and redemptions of Cumulative Redeemable Preference Shares (**CRPS**):

Subsequent to the reduction as per the Scheme of Arrangement, the remaining issued CRPS and their respective redemption details are under:

BINNY LIMITED (CONSOLIDATED)

		Rs. in Lakhs	Redeemable on or before
13,01,76,000	(9%) CRPS of Rs. 5 each issued on 30.9.2005	* 6508.80	30.09.2015
5,48,800	(9.75%) CRPS of Rs.5 each issued on 30.6.2006	* 27.44	30.06.2016
1,73,56,800	(9%) CRPS of Rs.5 each issued on 31.1.2007	* 867.84	31.01.2017
43,39,200	(9%) CRPS of Rs.5 each issued on 30.1.2008	216.96	30.01.2013
5,10,72,384	(9%) CRPS of Rs.5 each issued on 29.9.2008	2553.62	29.09.2013
3,09,39,671	(9%) CRPS of Rs.5 each issued on 12.5.2010	1546.99	12.05.2015
		<u>11721.65</u>	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras

* Redemption due on 30.9.2010, 30.6.2011 & 31.1.2012 have been extended till 30.9.2015, 30.6.2016 & 31.1.2017 respectively. Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Mr. M Ethurajan	2,014,920	9.03%	2,014,920	9.03%
Mr. V R Venkataachalam	3,095,040	13.87%	3,095,040	13.87%
Cumulative Redeemable Preference Shares				
9.75% CRPS of Rs.5 each				
TCP Limited	274,400	50.00%	274,400	50.00%
Mohan Breweries and Distilleries Limited	274,400	50.00%	274,400	50.00%
9% CRPS of Rs.5 each				
TCP Limited	113,734,155	48.63%	113,734,155	48.63%
Mohan Breweries and Distilleries Limited	101,472,192	43.39%	101,472,192	43.39%

NOTE 3

RESERVES AND SURPLUS

	As at 31 st March 2012	Rs.lakhs	As at 31 st March 2011
CAPITAL RESERVE (on Demerger)			
As per balance sheet	<u>10287.55</u>		<u>10287.55</u>
a)	<u>10287.55</u>		<u>10287.55</u>
Securities Premium Account			
As per balance sheet	<u>1077.66</u>		<u>1077.66</u>
b)	<u>1077.66</u>		<u>1077.66</u>

BINNY LIMITED (CONSOLIDATED)

Revaluation reserve (as per Court Order)

As per balance sheet	4916.32	5154.79
Additions		
deductions	5.82	238.47
	c) <u>4910.50</u>	<u>4916.32</u>
Profit and Loss account		
As per balance sheet	-2965.38	-3358.83
Profit for the year	-324.82	393.45
Less: Proposed dividends		
Tax on distributed profits		
Balance of Profit / Loss	-3290.20	-2965.38
Less: Transfer to General Reserve		
	d) <u>-3290.20</u>	<u>-2965.38</u>
	(a+b+c+d)	<u>12985.51</u> <u>13316.15</u>

	As at 31-03-2012	As at 31-03-2011
Note-4 LONG-TERM BORROWINGS:		
Unsecured		
a Loans and advances from related parties	4438.63	4563.84
b Other loans and advances	<u>642.71</u>	<u>494.31</u>
	<u>5081.34</u>	<u>5058.15</u>
Note-5 OTHER LONG TERM LIABILITIES		
Unsecured		
a Trade payable	567.91	437.74
b Due to related parties	1160.95	1065.23
c Others	<u>55.53</u>	<u>55.53</u>
	<u>1784.39</u>	<u>1558.50</u>
Note-6 LONG TERM PROVISIONS		
a Employee Benefits	431.52	413.74
b Others	<u>90.40</u>	<u>90.40</u>
	<u>521.92</u>	<u>504.14</u>
Note-7 TRADE PAYABLE		
a Sundry Creditors for trade	191.23	325.87
b Dues to Micro, Small, Medium Enterprises Developments	<u>nil</u>	<u>nil</u>
	<u>191.23</u>	<u>325.87</u>
Note-8 OTHER CURRENT LIABILITIES		
a Rates and taxes payable	239.91	280.59
b Electricity dues payable	201.23	202.35
c Sales Tax payable	1178.20	815.01
d Service Tax payable	29.86	43.12
e Other payables	<u>98.08</u>	<u>119.48</u>
	<u>1747.28</u>	<u>1460.55</u>
Note-9 SHORT TERM PROVISIONS		
a Provision for income tax	<u>86.00</u>	<u>105.00</u>
	<u>86.00</u>	<u>105.00</u>

BINNY LIMITED (CONSOLIDATED)

Note-10 :FIXED ASSETS - TANGIBLE

Rs. Lakhs

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2011	Addition	Deletion	As at 31st March, 2012	As at 31st March, 2011	Addition	Deletion	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land	29704.73		* 5.82	29698.91					29698.91	29704.73
Land (Leasehold)	1.25			1.25	1.25			1.25		
Factory Buildings	904.36			904.36	520.14	21.83		541.97	362.39	384.22
Plant & Equipment	243.34		48.28	195.06	214.27	3.19	48.28	169.18	25.88	29.07
Furniture & Fixtures	91.80	1.17		92.97	57.07	6.47		63.54	29.43	34.73
Vehicles	45.18			45.18	39.61	0.86		40.47	4.71	5.57
	30990.66	1.17	54.10	30937.73	832.34	32.35	48.28	816.41	30121.32	30158.32
Previous year	31890.35	1.26	900.95	30990.66	1285.97	36.20	489.83	832.34	30158.32	30604.38

* Deletion- represents the sale of land to workers as per the MOU entered into by Management with the workers and approved by Court.

BINNY LIMITED (CONSOLIDATED)

Note - 11		Rs. lakhs			
INVESTMENTS		No. of shares	Face value per share Rs.	As at 31/3/2012	As at 31/3/2011
a) AT COST					
NON-TRADE					
Fully paid equity shares :					
QUOTED					
State Bank of India		1920	10	0.69	0.69
ICICI Bank Ltd		7851	10	3.33	3.33
UNQUOTED					
Fully paid Cumulative Redeemable Pref.shares in SV Sugar Mills Ltd.		20750000	10	2075.00	2075.00
b) NON-TRADE					
Fully paid Equity shares :					
Tamilnadu Chromates & Chemicals Limited		30000	10	0.01	0.01
				<u>2079.03</u>	<u>2079.03</u>
				Market value/ Book value	
			Cost		
Quoted			4.03	110.14	
Unquoted			2075.00	-	
			<u>2079.03</u>	<u>110.14</u>	
				As at 31-03-2012	As at 31-03-2011
Note-12 LONG TERM LOANS AND ADVANCES					
(unsecured-considered good)					
a Security Deposits				10.52	9.86
b i) Related parties				559.74	559.74
ii)others				<u>821.62</u>	<u>870.95</u>
				<u>1391.88</u>	<u>1440.55</u>
Note-13 OTHER NON CURRENT ASSETS					
a Long-term Trade Receivables-(unsecured&considered good)				109.76	33.99
b Stock in trade (Land)				<u>120.19</u>	<u>120.19</u>
				<u>229.95</u>	<u>154.18</u>
Note-14 TRADE RECEIVABLE					
(unsecured-considered good)					
a Trade receivables outstanding for more than six months from the date they became due for payment				124.31	40.30
b Trade receivables (others)				<u>9.57</u>	<u>408.51</u>
				<u>133.88</u>	<u>448.81</u>
Note-15 CASH AND CASH EQUIVALENTS					
a Balance with banks				5.64	45.40
b Cash on hand				1.28	3.72
c Bank balances held as margin money for gurantees				11.51	17.05
d Bank Deposits with more than 12 months maturity				<u>342.00</u>	<u>225.00</u>
				<u>360.43</u>	<u>291.17</u>
Note-16 SHORT TERM LOANS AND ADVANCES					
a Other Loans and advances				58.91	60.38
				<u>58.91</u>	<u>60.38</u>

BINNY LIMITED (CONSOLIDATED)

		As on 31.3.2012	As on 31.3.2011
Note-17	OTHER CURRENT ASSETS		
a	Interest accrued and due on investments	0.04	0.30
b	wealth tax	535.13	207.86
c	Prepaid insurance	1.54	9.76
d	TDS,Service tax, sales tax	152.18	145.15
e	Deposits with Govt Dept	<u>171.00</u>	<u>170.47</u>
		<u>859.89</u>	<u>533.54</u>

NOTES TO THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

		Rs in lakhs For the year ended 31/03/2012	For the year ended 31/03/2011
Note-18	INCOME		
a	Agencies commission	298.15	747.52
b	Lease rental	<u>555.51</u>	<u>486.44</u>
		<u>853.66</u>	<u>1233.96</u>
Note-19	OTHER INCOME		
a	Interest income	5.78	13.76
b	Dividend income	1.67	3.40
c	Net gain on sale of fixed assets	0.47	80.64
d	Other non-operating income	<u>20.25</u>	<u>29.24</u>
		<u>28.17</u>	<u>127.04</u>
Note-20	EMPLOYEE BENEFIT EXPENSES		
a	Salaries and wages	131.28	139.52
b	Contribution to PF and other funds	10.69	12.31
c	Staff welfare expenses	10.96	9.79
d	others	<u>5.48</u>	<u>5.92</u>
		<u>158.41</u>	<u>167.54</u>
Note-21	OTHER EXPENSES		
a	Rent	0.96	0.44
b	Insurance	3.48	10.82
c	Power and Fuel	45.63	47.57
d	Repairs to building	9.70	13.91
e	Repairs to machinery	4.31	11.32
f	Rates and taxes	522.98	15.40
g	Payment to statutory auditors	14.74	13.05
h	Legal, Professional and consultancy	18.10	27.43
i	Cash discount and sales promotion	6.09	23.79
j	Bad debts written off	-	64.97
k	Security charges	48.00	48.42
l	Demerger expenses	-	108.06
m	Agency services expenses	125.79	154.85
n	Miscellaneous expenses	<u>113.41</u>	<u>118.28</u>
		<u>913.19</u>	<u>658.31</u>
Note-22	OTHER ITEMS		
	Details of exceptional items		
a	Prior period items-tax paid for earlier years	16.42	
b	Details of extraordinary items-VSS	0.28	0.50

BINNY LIMITED (CONSOLIDATED)

NOTE: 23 OTHER NOTES ON ACCOUNTS

1. The financials of subsidiary company was prepared on the principles applicable to the going concern. The Management is exploring all possible avenues to commence the business by exploiting the lease hold land.
2. As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. The Listing / Trading of Resulting Companies Shares are under process and the Resulting Companies' applications for relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 are presently pending with SEBI. Upon completion of formalities, the change in Directorship and interse transfer of shares among the Promoters shall be complied with.
3. Revaluation Reserve is as per the Scheme of Arrangement Sanctioned by the High Court of Madras. The outstanding Revaluation Reserve Rs.4910.50 lakhs (P.Y. 4916.32 lakhs) represents the adjusted amount of fixed assets (Land) revalued as per the Sanctioned Scheme effective from 01.01.2010.

As per the MOU entered into with workers during the year 1500 sq.ft. of land (P.Y. 61500 sq. ft) has been transferred / sold to the workers as agreed. The revaluation reserve on these sales of land has now been reduced from the Fixed Assets and Revaluation Reserve account.

4. Long Term Borrowings: Unsecured

The company was receiving the loans from the Promoters individually and through their group companies since 1994, to meet the requirements of rehabilitation schemes submitted to BIFR. As per the Sanctioned Scheme of Arrangement the company has recorded a sum of Rs.3892.92 lakhs as unsecured loan due to promoter group. The balance sum of Rs.100.20 lakhs has been received from promoters group are shown separately, for which the confirmation of balance are pending. All the loans are interest free and repayable on demand.

5. Contingent Liabilities

No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief / succeeding in the appeals:

	31.03.2012	31.03.2011
	(Rs. Lacs)	
a) Electricity charges on revision of Tariff rates for the period from 1-12-82 to 31-12-87 contested by the company, the recovery of which is stayed by the Hon'ble High Court of Madras	117.50	117.50
b) Estimated surcharge on belated payment above upto 31/03/2012	672.11	643.91
c) Claim for back wages in respects of various disputes		Liability, if any, not ascertainable
d) Disputed claim for delayed remittance of statutory dues where the appeals are pending before EPF appellate, Authority and Principal Labour Court (ESI Court) and High Court.	62.90	62.90
e) Claims from Customers against performance, in previous years which is not acknowledged as debt.	1212.44	1212.44
f) Amount of interest received from Nizam Sugars Ltd., (NSL) is contingently liable for refund in case the AP High Court decides the matter in favour of NSL.	52.37	52.37
g) Excise Demands under Appeal	2.99	122.30
h) Income Tax demand for Asst. Year 2008-09	19.21	19.21
i) Wealth Tax Demand for Asst. year 2005-06 to 2010-11 (6 years)	977.24	425.99
6. Other Moneys for which the company is contingently liable		
a) Claims against the company not acknowledged as Debts	156.43	149.60
7. Balances in Trade receivable, Trade payable and Loans and Advances are subject to confirmation/ reconciliation. However, in the opinion of the Management, all current assets, debtors and loans/ advances would in the ordinary course of business realize at the value stated.		

BINNY LIMITED (CONSOLIDATED)

	(Rs. Lakhs)	
	31.3.2012	31.3.2011
8. (a) Arrears of 9.75% Cumulative Preference dividend for the Period 15.6.1998 to 30.06.2006	46.12	46.12
(b) Arrears of 9.75% Cumulative Preference dividend for the period 01-07-2006 to 31-12-2009	9.36	9.36
(c) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009	3030.01	3030.01
9. (a) Arrears of 9.75% Cumulative Preference dividend for the period 01-01-2010 to 31-03-2012	6.02	3.34
(b) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2012	2301.99	1265.15
10. Foreign Exchange inflow and outflow	NIL	NIL
11. a. To comply with the Accounting Standard - 22 - Accounting for Taxes on income, the company reviewed the deferred tax assets and liabilities. The timing differences relates mainly to depreciation and carry forward losses for the period up to 31-03-2012 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.		
b. The company has received wealth tax demand for the Asst. Year 2005-06, 2006-07, 2007-08, 2008 - 09, 2009-10 & 2010 - 2011 for Rs.977.24 lakhs against which the company has filed appeals with CWT (A). Against these demands a sum of Rs.535.13 lakhs has been paid under protest. Considering the company's chance of success in appeal no provision has been made in the accounts.		
c. The company has received Income Tax demand for asst. year 2008 - 09 Rs.19.21 lakhs which is disputed before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.		
12. Related Party Disclosure		
(a) List of Related Parties		
(i) Other related Parties with whom transactions have taken place during the year		
Associates		
S.V. Sugar Mills Ltd (SVSM)		
The Thirumagal Mills Ltd (TML)		
Mohan Breweries & Distilleries Ltd (MBDL)		
TCP Ltd		
S V Global Mill Ltd. (SVG)		
Binny Mills Ltd (BML)		
(ii) Key Management Personnel		
M. Ethurajan		
E. Shanmugam		
M. Nandagopal		
V.R. Venkataachalam		
Arvind Nandagopal		
	Current year	Previous year
	31/03/2012	31/03/2011
(b) Transactions with related parties		(Rs. in lakhs)
Rendering of Services — MBDL -		4.96

BINNY LIMITED (CONSOLIDATED)

Outstanding balancesDebtors — BML	0.80	2.97
MBDL	0.75	37.23
	<u>1.55</u>	<u>40.20</u>
Investments	2075.00	2075.00
Loans & Advances —		
SVSM	559.74	559.74
Creditors — MBDL	—	6.69
(Advance for Sale of Property) - BML	1160.95	1065.23

13. In the year 1994, when the rehabilitation scheme was sanctioned by BIFR, deferral of sales tax commencing from the year 1994, payable in the next 5 years had been sanctioned for Binny Engineering Limited. The above exemption was valid only till 31.03.1999 and the company has sought for extension of the deferral for a further period of 5 years in the revised package submitted to Board for Industrial and Financial Reconstruction in August 2002. However, BIFR has delinked the Company from the rehabilitation scheme of Binny Limited. The deferred amount of Rs.679.03 lakhs for the period 1994 – 95 to 1998 – 99 were pending for payment (out of Rs.679.03 lakhs, Rs.214.03 lakhs relates to 1994 – 95 in which period the Company was a division of Binny Limited). During April and May 2012 all the above taxes have been settled and paid under Tamilnadu Sales Tax (settlement of Arrears) Act 2011 scheme. As on date there are no tax payable.

14. Investment represents fully paid cumulative redeemable preference share capital (2,07,50,000 shares of Rs.10 each) in M/s. S.V. Sugar Mills Limited, associate company. For the year the company has not declared any preference dividend.

15. Earnings per Share:

	Before extra ordinary item		After extra ordinary item	
	2012	2011	2012	2011
Profit available to Equity Share holders used as				
Numerator – (A) (Rs. lakhs)	-308.12	393.95	-324.82	393.45
Number of Shares outstanding	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Weighted Average Number of sharesoutstanding-(B)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Effect of dilution	NIL	NIL	NIL	NIL
Weighted Average No. of Equity SharesIncluding potential shares –(D)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Basic & diluted A/B(A*1,000/B) in Rs.	-1.38	1.77	-1.46	1.76

16. As per actuarial valuation as on 31-03-2012 and recognized in the financial statements in respect of employee benefit schemes as require under AS 15 (R) are as under:

PARTICULARS		Gratuity Unfunded		Long Term Compensated Absence	
Unfunded Liabilities					
(i) Assumptions		31.3.2012	31.3.2011	31.3.2012	31.3.2011
Discount Rate		8.00%	8.00%	8.00%	8.00%
Salary Escalation		5.00%	4.00%	5.00%	4.00%
Attrition Rate		5.00%	5.00%	5.00%	5.00%
		Rs. lakhs		Rs. lakhs	
(ii) Table Showing Change in Benefit Obligation					
Liability at the beginning of the Period		48.66	46.08	4.75	4.49
Interest Cost		3.89	3.69	0.38	0.36

BINNY LIMITED (CONSOLIDATED)

Current Service Cost	2.66	16.82	0.94	0.77
Benefit Paid	(5.72)	1.49	(0.74)	(0.06)
Actuarial (gain) / Loss on obligations	5.24	(16.44)	(0.38)	(0.81)
Liability at the end of the Period	54.73	48.66	4.95	4.75
(iii) Amount Recognised in the Income Statement				
Current Service Cost	2.66	16.82	0.94	0.77
Interest Cost	3.89	3.69	0.38	0.36
Expected Return on Plan Assets	0	0	0	0
Net Actuarial (Gain) /Loss to be Recognised	5.24	(16.44)	(0.38)	(0.81)
Expenses Recognised in Profit & Loss A/c	11.79	4.07	0.94	0.32
(iv) Amount Recognised in the Balance Sheet				
Opening Net Liability	48.66	46.08	4.75	4.49
Expenses as above	11.79	4.07	0.94	0.32
Employers Contribution paid / Benefits Paid	(5.72)	(1.49)	(0.74)	(0.06)
Closing net Liability	54.73	48.66	4.95	4.75

17. Previous year figures have been regrouped wherever necessary to conform to current year classifications.

M. ETHURAJAN
Executive Chairman
Chennai

Date: 1st September, 2012

M. Nandagopal
Director

G. Venkataraman
Company Secretary

As Per our Report of even date
for M/s. CNGSN& ASSOCIATES
Chartered Accountants
Firm Reg. No: 0049155

R. THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY ENGINEERING LIMITED

ANNUAL REPORT - MARCH 2012

DIRECTORS

M. Ethurajan
M. Nandagopal
S. Natarajan
E. Shanmugam
V.R. Venkataachalam

Auditors

CNGSN & ASSOCIATES
Flat "C" & "D"
22, Vijayaraghava Road
T. Nagar, Chennai 600017

Bankers

Canara Bank

Registered Office

Meenambakkam
P.O. Box No. 8677,
Chennai 600 114.

Manufacturing and marketing of C.I. Castings, Sugar Mill Machinery and Equipments, Rice Mills, Granite Cutting Machinery, Electric Smelting Furnaces, Mini Cement Plants and Structural Fabrication.

Plant at:
Meenambakkam
Chennai 600 114.

BINNY ENGINEERING LIMITED

DIRECTORS REPORT

Your Directors place their Seventeenth Annual Report on the performance of the company together with the Audited Accounts of the company for the year ended 31st March 2012.

FINANCIAL RESULTS

	For the year ended 31.03.2012 Rs. in Lakhs	For the year ended 31.03.2011 Rs. in Lakhs
Income from Operation	—	—
Profit / Loss before interest & Depreciation	(545.17)	(8.73)
Interest and Finance charges	—	—
Depreciation	6.98	10.77
Extraordinary Income (Expenditure)	—	—
Net Profit / Loss for the Year	(552.15)	(19.50)
Carried to Balance Sheet	(3059.58)	(2507.43)

DIVIDEND

Your Directors do not recommend any dividend for the year.

DEPOSITS

Your Company has neither invited nor accepted any deposits from the public.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO

Information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the provision of Sec. 217 (1) (e) of the Companies (disclosure of particulars in the Report of Director) Rule 1988 is given in the Annexure -1 below.

The particulars required under section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 are not applicable as none of the employees coming under the purview of this section.

DIRECTORS

Mr. M. Ethurajan & Mr. V.R. Venkatachalam retire by rotation and are eligible for reappointment.

DIRECTORS CLARIFICATION TO THE AUDITOR'S REPORT

A) Auditor's Report

In regard to the remarks in the Auditor's Report, your Directors wish to clarify as under.

4(F) Pending starting of the unit, accounts are prepared on a "going concern" basis.

4(F) (i) the company has filed necessary petitions / applications before respective authorities/agencies seeking revision of the levy/charge/demand and penalties as the case may be.

4(F) (iii) The Company would take appropriate steps to confirm the balances.

B) Annexure To The Auditor's Report

iv) Internal Audit System would be strengthened as and when activity commences.

ix) (c) The company is taking up the matter with appropriate authorities.

AUDITORS

Messrs. CNGSN & Associates, Chartered Accountants, Chennai retire at the conclusion of the Annual General Meeting and are eligible for reappointment.

STATUTORY REQUIREMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 the Directors state as follows.

- That in the preparation of annual accounts for the year ended 31st March 2012 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That the Directors had prepared the accounts for the year ended 31st March 2012 on 'going concern' basis.

PERSONNEL

Your Directors are thankful to the employees of the Company for the co-operation. The industrial relations remained cordial during the year under review.

ACKNOWLEDGEMENTS

Your Directors wish to express sincere thanks to the Bankers and also acknowledge the co-operation extended by various associates and the employees of the Company for their contribution to the performance of the Company.

Chennai

BY ORDER OF THE BOARD

M. ETHURAJAN

Director

1st September 2012

ANNEXURE - I

A)	Power and Fuel Consumption	Current Year	Previous Year	Form "B" -
1.	Electricity			A. CONSERVATION OF ENERGY Reduced the demand from 720 KVA to 400 KVA
a)	Purchased Units (in '000)	59	63	
	Total amount (Rs. in '000)	626	678	
	Rate/Unit Rs.	10.66	10.65	
b)	Own Generation			
i)	Through Diesel Generator (Unit)	Nil	Nil	
	Unit per ltr of Diesel oil	Nil	Nil	
	Cost/Unit (Rs.)	Nil	Nil	
ii)	Through Steam			
	Turbine/Generator Units (lakhs)	Nil	Nil	
iii)	Units per ltr of fuel oil/Gas Cost/Unit	Nil	Nil	
2.	Coal (Specify quantity and where used) (Tonnes) (Qty)			
	Qty. (Tonnes)	Nil	Nil	
	Total Cost (Rs. lakhs)	Nil	Nil	
	Average Rate (Rs.)	Nil	Nil	
3.	Furnace oil Qty. (K. Ltrs)			
	Qty. (K. Ltrs)	Nil	Nil	
	Total amount (Rs. lakhs)	Nil	Nil	
	Average Rate (Rs.)	Nil	Nil	
B.	Consumption per unit of production	This division is a jobbing industry and hence consumption per unit of production is unascertainable		

BINNY ENGINEERING LIMITED

To
The Members
BINNY ENGINEERING LIMITED
Chennai-600114

1. We have audited the attached Balance Sheet of BINNY ENGINEERING LIMITED as at 31st March 2012, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph above, we report that:-
 - (A) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of audit.
 - (B) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
 - (C) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (D) In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (E) On the basis of the written representations received from the Directors and taken on record by the Board of Directors we report that none of the Director is disqualified as on 31st March 2012 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (F) Attention is invited to the following material matters:
 - i. Non-Provision for excise demands under appeal of Rs.2.99 lakhs
 - ii. The preparation of financials on principles applicable to going concern as stated in Note 15.1.
 - iii. Non-Confirmation of balances as stated in Note 15.4
 - (G) In our opinion and to the best of our information and according to the explanations given to us, read together with the accounting policies and notes thereon, subject to the remarks stated in para F above, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2012;
 - ii. in the case of the Statement of Profit & Loss of the LOSS of the Company for the year ended on that date.
 - iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.0049155

Place : Chennai.
Date : 1st September 2012

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY ENGINEERING LIMITED

ANNEXURE

Re: BINNY ENGINEERING LIMITED

Referred to in paragraph 3 of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets which needs to be updated.
- (b) The Fixed assets have been physically verified by the Management and no discrepancies were noticed.
- (c) As explained to us, during the year the Company has disposed off some of the fixed assets, which in the opinion of the management has no effect on the going concern assumption.
- (ii) There are no inventories.
- (iii) (a) The company has granted interest free loans, unsecured to associate company, a party covered in the register maintained under section 301 of the Companies Act, 1956. The total number of party is one and amount of outstanding is Rs.559.74 lakhs.
- (b) Neither the terms of repayment nor the interest rates to be received on the loans are specified in respect of the loans given. Therefore we are unable to comment on whether the company is regular in recovering the principal amounts as stipulated and has been regular in the receipt of interest and also any overdue is there.
- (c) The company has taken unsecured interest free loans from its holding company, a party covered in the register maintained under section 301 of the Companies Act, 1956. The total number of party is one and amount of outstanding is Rs.435.49 lakhs.
- (d) Neither the terms of repayment nor the interest rates to be paid on the loans are specified in respect of the loans taken. Therefore we are unable to comment on whether the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
- (v) According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered during the year.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year as defined under section 58A of the Companies Act, 1956.
- (vii) In our opinion, the company does not have an internal audit system to commensurate with the size and nature of its business.
- (viii) As per the information and explanations given to us, the company has no operational activity carried out during the year and hence it is informed to us that the maintenance of cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 are not applicable for the year.
- (ix) (a) The company is depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance and income tax with some delays, wherever applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable except for the following:-

Nature of Tax	Period	Amount in lakh
Sales tax	April 1994 to March 2005	1178.20
Professional Tax	April 2005 to September 2007	0.28
TNLWB	September 2001 to march 2006	0.03

- (c) According to the information and explanation given to us, the following are the dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of disputes:-

Name of the Statute	Nature of the Dues	Amount in lakhs	Forum where dispute is pending
Tamil Nadu General Sales Tax Act	TNGST & Penalty	22.11 (settled in April & May, 2012)	Tamil Nadu Taxation Special Tribunal
Central Excise & Customs Act	Excise Duty	2.99	Supreme Court

BINNY ENGINEERING LIMITED

- (x) *In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.*
- (xi) *In our opinion and according to the information and explanations given to us, there is no default in the repayment of dues to the bankers / financial institutions.*
- (xii) *In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.*
- (xiii) *In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.*
- (xiv) *In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.*
- (xv) *In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.*
- (xvi) *According to the information and explanations given to us no term loans obtained during this year.*
- (xvii) *According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.*
- (xviii) *According to the information and explanations given to us, the company has not made preferential allotment of shares during the year.*
- (xix) *According to the information and explanations given to us, the company has not issued any debentures during the year and creation of security for issue of debentures does not arise.*
- (xx) *According to the information and explanations given to us, the company has not raised money by public issues and the disclosure of end use of money raised by public issues does not arise.*
- (xxi) *According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.*

*For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.0049155*

Place : Chennai.

Date : 1st September 2012

*R. THIRUMALMARUGAN
Partner
Membership No.200102*

BINNY ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31-03-2012	Rs. in Lakhs As at 31-03-2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	2	2874.81	2874.81
(b) Reserves and Surplus	3	-3059.58	-2507.43
(c) Money Received against Share warrants		-184.77	367.38
(2) Share application money pending allotment			
(3) Non-current liabilities:			
(a) Long-term borrowings	4	1586.71	1409.05
(b) Deferred tax liabilities (Net)			
(c) Other Long-term liabilities	5	26.29	26.29
(d) Long-term provisions	6	90.79	90.79
(4) Current liabilities:			
(a) Short-term borrowings			
(b) Trade payables			
(c) Other current liabilities	7	1178.20	815.01
(d) Short-term provisions		-	-
Total		2697.22	2708.52
II. ASSETS:			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	8	47.54	54.52
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	9	2075.00	2075.00
(c) Deferred tax assets (Net)			
(d) Long-term loans and advances	10	574.55	572.79
(e) Other non-current assets			
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables			
(d) Cash and cash equivalents	11	0.13	6.21
(e) Short-term loans and advances			
(f) Other current assets		0.13	6.21
Total		2697.22	2708.52

See accompanying notes to the financial statements

As per our Report of even date
for **CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 0049155

M.Ethurajan
Director
Chennai
1st September 2012

E.Shanmugam
Director

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY ENGINEERING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

		Rs.in lakhs	
	Note No	For the year ended 31-03-2012	For the year ended 31-03-2011 Rs. in Lakhs
I	Revenue from operations		
II	Other income	12	4.67
III	Total Revenue (I + II)	4.67	94.31
IV	Expenses:		
a	Cost of materials consumed		
b	Purchases of Stock-in-Trade		
c	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
d	Employee benefits expenses	13	6.21
e	Finance costs		
f	Depreciation and amortization expenses	8	6.98
g	Other expenses	14	543.63
	Total expenses	556.82	113.81
V	Profit before exceptional and extraordinary items and tax (III - IV)	-552.15	-19.50
VI	Exceptional items		
VII	Profit before extraordinary items and tax (V - VI)	-552.15	-19.50
VIII	Extraordinary items		
IX	Profit before tax (VII - VIII)	-552.15	-19.50
X	Tax expenses		
	(1) Current tax		
	(2) Deferred tax		
XI	Profit / (loss) for the period from continuing operations (IX - X - XIV)	-552.15	-19.50
XII	Profit / (loss) from discontinuing operations		
XIII	Tax expenses of discontinuing operations		
XIV	Profit / (loss) from discontinuing operations (after tax) (XII - XIII)		
XV	Profit / (loss) for the period (XI + XIV)	-552.15	-19.50
XVI	Earnings per share:		
	(1) Basic & Diluted	-1.92	-0.06

See accompanying notes to the financial statements

As per our Report of even date
for **CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Ethurajan
Director
Chennai
1st September 2012

E.Shanmugam
Director

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY ENGINEERING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	Year Ended 31.03.2012	Year Ended 31.03.2011
	Rs In Lakhs	
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	(552.15)	(19.50)
Adjustments for:		
Depreciation	6.98	10.77
Interest Earned	(1.18)	(0.74)
Profit on sale of fixed assets	(0.44)	(79.50)
Operating Profit before working Capital changes	<u>(546.79)</u>	<u>(88.97)</u>
(Increase) / Decrease in Trade and other Receivables	-	65.02
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease Other Current Assets	-	-
(Increase) / Decrease Loans & Advances	(1.76)	7.71
Increase / (Decrease) in Current Liabilities	<u>363.19</u>	<u>(131.12)</u>
Net Cash from Operating activities	<u>(185.36)</u>	<u>(147.36)</u>
B Cash flow from Investing activities		
Purchase of Investments	-	-
Sale of Fixed Assets	0.44	79.50
Purchase of Fixed Assets	-	-
Interest received	<u>1.18</u>	<u>0.74</u>
Net Cash from investing activities	<u>1.62</u>	<u>80.24</u>
C Cash flow from financing activities		
Long Term Borrowings	<u>177.66</u>	<u>67.58</u>
Net Cash from financing activities	<u>177.66</u>	<u>67.58</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(6.08)	0.46
Cash and cash equivalent as at the beginning of the year	<u>6.21</u>	<u>5.75</u>
Cash and cash equivalent as at the end of the year	<u>0.13</u>	<u>6.21</u>

As per our Report of even date
for **CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Ethurajan
Director
Chennai
1st September 2012

E.Shanmugam
Director

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY ENGINEERING LIMITED

NOTE: I. Significant Accounting Policies

1. SYSTEM OF ACCOUNTING

The financial statements are prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAP), and the applicable mandatory Accounting Standards.

2. REVENUE RECOGNITION

Revenue is recognized on accrual basis with provisions made for known losses and expenses.

- i. Sales are inclusive of Excise Duty*
- ii. In respect of Engineering Contracts, income recognized on proportionate basis with respect to progressive bills.*

3. USE OF ESTIMATES

In preparation of financial statements conforming to GAAP requirements certain estimates and assumptions are essentially required to be made with respect to items such as future obligations under employee retirement benefit plans, income taxes, and the useful life period of Fixed Assets. Due care and diligence have been exercised by the Management in arriving at such estimates and assumptions since they may directly affect the reported amounts of income and expenses during the period as well as the balances of Assets and Liabilities including those which are contingent in nature as at the date of reporting of the financial statements.

4. FIXED ASSETS AND DEPRECIATION

- i. Fixed Assets are stated at cost. Cost comprises of Cost of acquisition inclusive of duties and cost of installation / erection and interest on borrowings for qualifying fixed assets up to the date the assets is put to use, as applicable.*
- ii. Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act, 1956.*
- iii. Leasehold improvements are written off over the period of lease.*

5. INVESTMENTS

Investments meant to be held for long term are accounted at cost and provision for diminution in value, if any, is made.

6. INVENTORIES

There are no inventories.

7. FOREIGN CURRENCY TRANSACTIONS

There are no foreign currency transactions.

8. RETIREMENT BENEFITS

The Company makes defined contribution for the welfare of employees to the Appropriate Government towards Provident Fund. Apart from this monthly contribution the company does not have any future obligation in this respect. There are no employees covered under Gratuity Act.

9. BORROWING COSTS

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets up-to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

10. LEASES

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of related loan agreement.

BINNY ENGINEERING LIMITED

11. EARNINGS PER SHARE

The company reports basic and diluted earnings per share in accordance with the Accounting Standard – 20-‘Earnings Per Share’.

12. SEGMENT REPORTING

The company operates under one segment and hence segment reporting is not applicable for this year.

13. IMPAIRMENT OF ASSETS

All assets other than inventories, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. There are no impairment loss during the year.

14. PROVISION AND CONTINGENCIES

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2012

	As at 31-03-2012 in lacs	As at 31-03-2011 in lacs
Note: 2 (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
Authorised Share Capital		
30000000 Equity Shares of Rs.10/= each	3,000.00	3,000.00
Issued, Subscribed and Paid Up		
28748100 Equity Shares of Rs.10/= each	2,874.81	2,874.81
	<u>2,874.81</u>	<u>2,874.81</u>
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:		
Number of equity shares outstanding as at the beginning of the year	28,748,100	28,748,100
Add: Number of Shares allotted during the year	-	-
Less: Number of Shares bought back	-	-
Number of equity shares outstanding as at the end of the year	<u>28,748,100</u>	<u>28,748,100</u>
(C) Rights, preferences and restrictions attaching to various classes of shares	NIL	NIL
(D) Shareholding in the company of the holding company and ultimate holding company and their subsidiaries / associates	NIL	NIL
(E) Shares in the company held by each shareholder holding more than 5%:		

BINNY ENGINEERING LIMITED

		Rs. in lakhs	
		No of shares at year end	
		As on	As on
		31-03-2012	31-03-2011
	Name of shareholder		
	Binny Limited (100 %)	28748100	28,748,100
	(F) Shares reserved for issue under options and contracts:	NIL	NIL
	(G) Commitments for sale of shares/ disinvestment	NIL	NIL
	(H) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back	NIL	NIL
	(I) Details of securities convertible into equity / preference shares	NIL	NIL
Note: 3	RESERVES AND SURPLUS		
	Profit & Loss Account as per last B/S	(2,507.43)	(2,487.93)
	Profit/Loss for the period - From P & L	(552.15)	(19.50)
	LESS Proposed Dividends	-	-
	Tax on Distributed Profit	-	-
	Balance of Profit / Loss	(3,059.58)	(2,507.43)
	Less : Transfer to General Reserve	-	-
	Closing Balance	<u>(3,059.58)</u>	<u>(2,507.43)</u>
Note:4	LONG TERM BORROWINGS:		
	a. Mother Meera Industries	50.00	50.00
	b. Binny Limited - Holding Company	435.49	288.94
	c. Associate Companies	1,044.20	1,014.94
	d. Others	57.02	55.17
		<u>1,586.71</u>	<u>1,409.05</u>
Note:5	LONG TERM LIABILITIES:		
	Trade Payable	26.29	26.29
	Others	-	-
		<u>26.29</u>	<u>26.29</u>
Note:6	LONG TERM PROVISIONS:		
	Employee Benefits	0.39	0.39
	Others	90.40	90.40
		<u>90.79</u>	<u>90.79</u>
Note:7	OTHER CURRENT LIABILITIES		
	Sales Tax payable	1,178.20	815.01
		<u>1,178.20</u>	<u>815.01</u>
Note:9	NON CURRENT INVESTMENTS		
	(Unquoted and Valued at Cost)		
	Fully paid cumulative Redeemable		
	Preference Shares in S V SUGAR MILLS LTD	2,075.00	2,075.00
	(20750000 shares @ Rs.10/- face value)	<u>2,075.00</u>	<u>2,075.00</u>
Note:10	LONG TERM LOANS AND ADVANCES -		
	UNSECURED- CONSIDERED GOOD		
	Loans and advances - Deposits	9.71	9.05
	Other loans and advances - Associates	559.74	559.74
	Others	5.10	4.00
		<u>574.55</u>	<u>572.79</u>
Note:11	CASH AND CASH EQUIVALENTS		
	Balance with banks	0.08	0.18
	Cash on hand	-	0.20
	Deposit with Banks for gurantees	0.05	5.83
		<u>0.13</u>	<u>6.21</u>

BINNY ENGINEERING LIMITED

Note-8 :FIXED ASSETS - TANGIBLE

(Rs Lakhs)

Description	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount		
	As at 31st March, 2011	Addition	Deletion	As at 31st March, 2012	As at 31st March, 2011	Addition	Deletion	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
	<i>in lacs</i>	<i>in lacs</i>	<i>in lacs</i>	<i>in lacs</i>	<i>in lacs</i>	<i>in lacs</i>	<i>in lacs</i>	<i>in lacs</i>	<i>in lacs</i>	<i>in lacs</i>
Land - Leasehold	1.25			1.25	1.25			1.25	-	-
Factory Buildings	163.14			163.14	113.24	5.45		118.69	44.45	49.90
Plant & Equipment	201.96		48.29	153.67	197.34	1.53	48.29	150.58	3.09	4.62
Office Equipments	19.08			19.08	19.08			19.08	-	-
	385.43	-	48.29	337.14	330.91	6.98	48.29	289.60	47.54	54.52
Previous year	486.20		(100.77)	385.43	420.91	10.77	(100.77)	330.91	54.52	65.29

BINNY ENGINEERING LIMITED

NOTE : 15. OTHER NOTES ON ACCOUNTS

1. The financials are prepared on the principles applicable to the going concern. The Management is exploring all possible avenues to commence the business by exploiting the lease hold land.
2. Other moneys for which the company is contingently liable.

	Year ended 31.03.2012 Rs. In lacs	Year ended 31.03.2011 Rs. In lacs
a. Claim for back wages in respect of various disputes, including disputes in respect of workmen which are pending before the Courts and Industrial Tribunal Liability if any,	Not Quantifiable	
b. Disputed claim for delayed remittance of statutory dues where the appeals are pending before EPF Appellate Authority and Principal Labour Court (ESI Court) and High Court.	62.90	62.90
c. Claims from Customers against performance, in previous years which is not acknowledged as debt.	1212.44	1212.44
d. Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable for refund in case the AP High Court decides the matter in favour of NSL.	52.37	52.37
e. Excise Demands under Appeal	2.99	122.30
3. In the year 1994, when the rehabilitation scheme was sanctioned by BIFR, deferral of sales tax commencing from the year 1994, payable in the next 5 years had been sanctioned for Binny Engineering Limited. The above exemption was valid only till 31.03.1999 and the company has sought for extension of the deferral for a further period of 5 years in the revised package submitted to Board for Industrial and Financial Reconstruction in August 2002. However, BIFR has delinked the Company from the rehabilitation scheme of Binny Limited. The deferred amount of Rs. 679.03 Lakhs for the period 1994-95 to 1998-99 were pending for payment (out of Rs. 679.03 Lakhs, Rs. 214.03 Lakhs relates to 1994-95 in which period the Company was a division of Binny Limited). During April and May 2012 all the above taxes have been settled and paid under Tamilnadu Sales tax (Settlement of Arrears) Act 2011 scheme. As on date there are no tax payable.		
4. Unsecured loan (other than related Parties), Trade Payable and other Loans and Advances are subject to Confirmation/reconciliation. However, in the opinion of the Management, all current assets, loans and advances would in the ordinary course of business realize at the value stated.		
5. Investment represents fully paid cumulative redeemable preference share capital (2,07,50,000 shares of Rs. 10each) in M/s S.V. Sugar Mills Limited, associate company. For the year the company has not declared any preference dividend.		

BINNY ENGINEERING LIMITED

	Year ended 31.03.2012 (Rs. in lacs)	Year ended 31.03.2011 (Rs. in lacs)
6. Value of imports on CIF basis:	Nil	Nil
7. Expenditure in Foreign Currency	Nil	Nil
8. Earnings in Foreign Exchange	Nil	Nil
9. Related Party Disclosure:		
(a) List of Related Parties :		
Parties where control exists :		
Holding Company :	Binny Limited	
Associates:	TCP Limited, S. V. Sugar Mills Ltd and Mohan Breweries & Distilleries Ltd	
(b) Transactions with Related Parties particulars:		
Advance received from Holding Company	146.55	67.58
(c) Outstanding balances		
Investment in Preference Share Capital in S V Sugar Mills Ltd	2075.00	2075.00
Loans and Advances		
(1) S V Sugar Mills Ltd	559.74	559.74
(2) Binny Limited	435.49	288.94
10. Earnings per Share:		
	(Rs In 'lacs)	
Particulars	Before extra ordinary item	
	Year ended March 2012	Year ended March 2011
Profit available to Equity Share Holders used as Numerator	(-)552.15	(-)19.50
- (A) (Rs. in Lakhs)		
Number of Shares outstanding	2,87,48,100	2,87,48,100
Weighted Average Number of Outstanding - (B)	2,87,48,100	2,87,48,100
Effect of dilution (C)	NIL	NIL
Weighted Average No. of Equity Shares including potential shares - (D)	2,87,48,100	2,87,48,100
Earnings per share (Basic) - (A* 1,00,000/ B) in Rs.	-1.92	-0.06
Earnings per share (Diluted) - (A* 1,00,000/ D) in Rs.	-1.92	-0.06
11. Income Tax & Deferred Taxes:		
(a) No provision for tax is considered necessary for the year. In the absence of taxable profit arising in the foreseeable future, deferred tax asset has not been considered as per Accounting Standard (AS) – 22 prescribed by the Institute of Chartered Accountants of India, arising on the timing difference on account of unabsorbed depreciation and carry forward business losses available to the company under the provisions of the Income Tax Act 1961.		

BINNY ENGINEERING LIMITED

- (b) The Asst. Commissioner of Income Tax, Company circle 1(3), Chennai has passed an order u/s 143(3) and revised the said order on 23.05.2011 u/s 154, as per which an amount of Rs.2,02,20,760/- is payable by the company u/s 115JB for the assessment year 2006-2007. The Company has filed an appeal against the order before ITAT, which set aside the matter to A.O. for fresh consideration. The A.O. has not yet completed the Assessment. Hence there are no disputed tax payable as on date.
12. The Post of Secretary, which fell vacant on 3rd December, 1996 has not yet been filled up as required under section 383 A of the Companies Act 1956.
13. The Post of Managing or whole-time Director has not yet been filled up as required under section 269 of the Companies Act 1956.
14. Previous period figures have been regrouped wherever necessary.

As Per our report of even date
For M/s CNGSN & Associates
Chartered Accountants
Firm Registration No.0049155

M. Ethurajan
Director

E. Shanmugam
Director

R. Thirumalmarugan
Partner
Membership No.200102

Place : Chennai

Date : 1st September 2012

BINNY LIMITED
ANNUAL REPORT
MARCH 2013

DIRECTORS	M.Nandagopal – Executive Chairman S.Natarajan Arvind Nandagopal- Managing Director Justice S. Jagadeesan Dr. Sadayavel Kailasam Natarajan Nandhagopal
CFO & COMPANY	P.K.Sundaresan
SECRETARY BANKERS	State Bank of India Canara Bank State Bank of Hyderabad
AUDITORS	CNGSN & Associates 22, Flat “C” & “D” Vijayaraghava Road T.Nagar, Chennai 600017
REGISTERED OFFICE	No: 1, Cooks Road Otteri, Perambur Chennai 600 012 Tamilnadu

BINNY LIMITED

NOTICE IS HEREBY GIVEN THAT the FORTY FOURTH ANNUAL GENERAL MEETING of the Company will be held at

No:1, Cooks Road, Otteri

Perambur, Chennai – 600012

on Monday, 4th November 2013

at 11.00 A.M

to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Justice S. Jagadeesan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration.

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

“RESOLVED that the retiring Auditors M/s. CNGSN & Associates, (Firm Registration No: 004915S) Chartered Accountants, Chennai be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed in this behalf by the Board of Directors of the Company”.

Special Business

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

RESOLVED THAT Mr. Natarajan Nandhagopal, whose term of office as an Additional Director, pursuant to Section 161 of the Companies Act, 2013, expires at this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retire by rotation.

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

RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the appointment of Mr. M.Nandagopal, as Whole time Director designated as Executive Chairman of the Company for a period of five years commencing from 3rd October 2013 upon such terms and conditions as detailed in the explanatory statement annexed hereto, be and is hereby approved.

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

RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the appointment of Mr. Arvind Nandagopal as Whole time Director designated as Managing Director of the

BINNY LIMITED

Company for a period of five years commencing from 3rd October 2013 upon such terms and conditions as detailed in the explanatory statement annexed hereto, be and is hereby approved.

REGISTERED OFFICE

No: 1, Cooks Road

Otteri, Perambur,

Chennai 600 001

Date: 3rd October 2013

BY ORDER OF THE BOARD

P.K. Sundaresan

CFO & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXYFORMS COMPLETED IN ALL RESPECTS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK FORM OF PROXY IS ATTACHED.
2. The Register of members and the share transfer books of the company will remain closed from 28-10-2013 to 04-11-2013 (both days inclusive)
3. Members are requested to intimate changes, if any, in their registered address to the company immediately.
4. Members are requested to furnish a copy of the PAN Card to the Company / RTA for registration of transfer / transmission of shares.
5. Members, who are individuals may avail the facility of nomination as provided in Section 109A of the Companies Act, 1956 wherein a member may nominate in the prescribed manner, a person to whom his shares in the company shall vest in the event of his demise.
6. Where more than one person holds the shares jointly, the joint holder may together nominate a person to whom all the rights in the shares of the company shall vest in the event of demise of all the joint holders.
7. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

In terms of Clause 49 of the Listing Agreement entered with the stock exchanges, brief particulars of the Directors who are proposed to be appointed/reappointed at this meeting are given below:

Name of Director	Date of Birth	Date of appointment	Qualifications	Expertise in Functional Area
Justice S.Jagadeesan	23-03-1941	05-09-2007	B.A., B.L	Former Judge of Madras High Court and Chairman of Intellectual Property Appellate Board
Natarajan Nandhagopal	21-12-1968	03-10-2013	B.B.A	Breweries, Real Estate, Renewable Energy

Item No:2

Justice S. Jagadeesan is the Chairman of Audit Committee and Member of Remuneration Committee of Binny Limited. He is not a director in any other company.

BINNY LIMITED

Item No: 4

Mr. Natarajan Nandhagopal is also on the Board of the following companies

Sl.No.	Name of the Companies	Position
1.	Mohan Breweries and Distilleries Limited	Director
2.	Arthos Breweries Limited	Director
3.	TCP Limited	Director
4.	Doric Real Estate Limited	Director
5.	Bhankerpur Distilleries Limited	Director
6.	Nandha Energy Limited	Director
7.	Nandha Developers Private Limited	Director
8.	Nandha Logistics Limited	Director
9.	Nandha Glass Limited	Director

Item No: 5

Mr. M. Nandagopal is also on the Board of the following companies

Sl.No.	Name of the Companies	Position
1)	Mohan Breweries and Distilleries Limited	Executive Chairman
2)	Mohan Meakin Limited	Director
3)	Arthos Breweries Limited	Director
4)	D1 Mohan Bio Oils Limited	Director
5)	Mira Textiles & Industries (India) Limited	Director
6)	Bhankerpur Distilleries Limited	Director
7)	RRB Energy Limited	Director
8)	Nandha Developers Private Limited	Director

Item No: 6

Mr. Arvind Nandagopal is also on the Board of the following companies

Sl.No.	Name of the Companies	Position
1	Mohan Breweries and Distilleries Limited	Managing Director
2	Arthos Breweries Limited	Director
3	TCP Limited	Director
4	Mother Mira Industries Limited	Director
5	Bhankerpur Distilleries Limited	Director
6	Orissa Sugars Limited	Director
7	Nandha Energy Limited	Director
8	Nandha Developers Private Limited	Director
9	Nandha Logistics Limited	Director
10	Nandha Glass Limited	Director
11	Magnum Sugars & Allied Products Pvt. Ltd.	Director

Explanatory Note as required under Section 102(1) of Companies Act 2013

ITEM NO: 4

The Board of Directors had, in order to strengthen the Board, appointed Mr. Natarajan Nandhagopal as an Additional Director of the Company under the provisions of Section 161(1) of the Companies Act,

BINNY LIMITED

2013 with effect from October 3, 2013. Pursuant to Section 161 of the Companies Act, 2013 he will hold this office up to the date of the forthcoming Annual General Meeting.

Notice in writing from a member has been received by the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Natarajan Nandhagopal for appointment as Director of the Company. He, being eligible, offers himself for appointment.

None of the Directors other than Mr. Natarajan Nandhagopal, Mr.M. Nandagopal and Mr. Arvind Nandagopal are interested or concerned in the said resolutions.

ITEM NO: 5

The Board of Directors have appointed Mr. M. Nandagopal as a Whole - time Director designated as Executive Chairman for a period of five years with effect from 3rd October 2013, subject to the approval of the Company in General Meeting. The terms of appointment as approved by the Board of Directors in their meeting held on 3rd October 2013 are specified hereunder. Necessary resolutions are being proposed to the shareholders for their approval.

Mr. M. Nandagopal shall not draw any remuneration either by way of salary, allowances and perquisites or by way of Commission.

None of the Directors other than Mr.M.Nandagopal, Mr.Natarajan Nandhagopal and Mr.Arvind Nandagopal is interested or concerned in the said resolutions.

ITEM NO: 6

The Board of Directors had appointed Mr. Arvind Nandagopal as a Whole - time Director designated as Managing Director for a period of five years with effect from 3rd October 2013, subject to the approval of the Company in General Meeting. The terms of appointment as approved by the Board of Directors in their meeting held on 3rd October 2013 are specified hereunder. Necessary resolutions are being proposed to the shareholders for their approval.

Mr. Arvind Nandagopal shall not draw any remuneration either by way of salary, allowances and perquisites or by way of Commission.

None of the Directors other than Mr. Arvind Nandagopal, M.Nandagopal and Mr.Natarajan Nandhagopal is interested or concerned in the said resolutions.

Inspection of Documents:

The documents referred to in the Notice are available for inspection at the Registered Office of the Company on any working day between 10.00 a.m. to 12.00 noon up to the date of 44th AGM.

Registered Office:
No:1, Cooks Road
Otteri, Perambur
Chennai 600 012.
Date: 3rd October 2013

BY ORDER OF THE BOARD

P.K.Sundaresan
CFO & Company Secretary

DIRECTORS' REPORT

Your Directors present the Forty Fourth Annual Report and Audited Accounts of the Company for the year ended 31st March 2013

FINANCIAL RESULTS

	Rs. In Lakhs	
	As at 2012-2013	As at 2011-2012
Operating Profit / (Loss)	<u>493.35</u>	<u>355.40</u>
Profit before Depreciation & Tax	493.35	355.40
Depreciation	<u>25.18</u>	<u>25.37</u>
Profit / (Loss) for the year before Tax	468.17	330.03
Tax	<u>77.16</u>	<u>86.00</u>
	391.01	244.03
Extra-ordinary items	<u>48.36</u>	<u>(16.70)</u>
Profit / (Loss) for the year	<u>439.37</u>	<u>227.33</u>

REVIEW OF OPERATIONS

Services Division

The performance of the container freight station was continued to be satisfactory during the financial year 2011-12. However, owing to very difficult road traffic constraints prevailing in the location of the operation, the company ceased the operation of container freight station with effect from May 2012. Hence your company will only continue warehousing operation, and it may not be possible to scale the revenues significantly.

Sale Registration of Plots in terms of Memorandum of Understanding (MOU) with Unions

Till date, sale registration has been made to 128 allottees out of 244 allottees of 500 sq.ft. of plot of company's land each, in terms of Memorandum of Understanding (MOU) dated 28.05.2008 with workmen Unions.

Scheme of Arrangement & Demerger

On 5th December 2009, at the meeting of Board of Directors of the Company approved the Scheme of Arrangement prepared by the consultants taking into account all statutory requirements, formalities and compliances of legal and regulatory authorities, to demerge the Company's properties undertaking comprising all assets and liabilities to S.V.Global Mill Limited and the Agencies and Services undertakings comprising all assets and liabilities demerged to Binny Mills Limited. Based on the valuation reports of the values and in terms of the scheme for every Seven equity shares of Rs.5/- each of Binny Limited, the shareholders shall be entitled to receive Seven equity shares of Rs.5/- each fully paid up of S.V.Global Mill Limited and One equity share of Rs.10/- each fully paid up of Binny Mills Limited as on the record date, in consideration of the demerger.

The Hon'ble High Court of Madras, by an order dated 1st February, 2010, convened Extra-ordinary General Meeting of the equity shareholders of the company on 10th March 2010 for approving the Scheme of Arrangement. Subsequent upon shareholders' approval of the Scheme of arrangement, a petition to sanction the scheme of arrangement under section 391 to 394 of the Companies Act, 1956 was filed with the Hon'ble High Court of Madras. On 22nd April 2010 The Hon'ble High Court of Madras vide its Order dated 22nd April 2010, sanctioned the Scheme of Arrangement under Sec.391 to 394 of the Companies Act, 1956 amongst Binny Limited and S V Global Mill Limited and Binny Mills

Limited. A certified copy of the Scheme was filed with the Registrar of Companies on 8th May 2010. In terms of the court sanctioned Scheme of Arrangement, 8th May 2010 has become the “effective date” and 1st January 2010 the “Appointed Date”.

Formalities in respect of Increase in authorized share capital, issue of preference share capital and reduction in preference share capital in terms of the Scheme were complied with at the Board Meeting held on 12.5.2010.

The Share certificates to the equity shareholders were allotted and issued in the respective resulting companies on 2nd June 2010. The respective resulting companies have complied with formalities for listing of the equity shares with Bombay Stock Exchange Limited and Madras Stock Exchange Limited and obtained their in-principle approval for listing subject to the approval of Securities and Exchange Board of India (SEBI) for relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957. The application is presently pending with SEBI and all the clarifications sought for by SEBI relating to the terms of the Scheme were submitted by the Company. The respective resulting companies are following it up with SEBI for early approval of SEBI for relaxation of Rule 19(2) (b). Soon after the Stock exchanges would permit trading in equity shares of the respective resulting companies and until then the shares credited to the respective shareholders demat account is kept frozen.*

***Key events after balance sheet date**

The shares of the resulting companies got listed on 28th May 2013 and following this Inter-Se transfer between the promoter group and other steps as enshrined in the demerger scheme were completed during the last week of September 2013. Consequent upon this development, the board of your company has been reconstituted and the details are as given below.

Directors

A. The following directors have resigned from the board

1. Mr.M.Ethiraj
2. Mr..E.Shanmugam
3. Mr.V.R.Venkataachalam.
4. Mr.K.Sundareswaran
5. Mr.S.Vijayaraghavan
6. Mr.R.Krishnan
7. Mr.R.Narayanan

Your Directors place on record their sincere appreciation for the contribution made by each one of the above listed Directors during their tenure as Directors of the Company.

B. Mr.Natarajan Nandhagopal has been appointed as an Additional Director of the Company with effect from 3rd October 2013 under Section 161(1) of Companies Act 2013.

C. Mr.M.Nandagopal has been appointed as a Whole-Time Director and designated as Executive Chairman, subject to your approval at the ensuing Annual General Meeting.

D. Mr.Arvind Nandagopal has been appointed as a Whole-Time Director and designated as Managing Director, subject to your approval at the ensuing Annual General Meeting.

The Company continues to comply with the terms of Clause 49 (C) (iv) of the Listing Agreement with Stock exchanges. Mr. Justice S. Jagadeesan retires by rotation and offers himself for reappointment. Mr.Arvind Nandagopal also retires by rotation and offers himself for reappointment as director.

Binny Engineering Limited

Considering the negative net worth, highly limited usage of the lease-hold property and on the basis of a fair valuation report, your directors decided to sell the entire 100% shareholding in the subsidiary for a sum of Rs 3.45 Cr

As Binny Engineering Limited was a 100% subsidiary of your Company, the audited accounts for the year ended 31.3.2013 and other reports of the company as required under section 212 of the Companies Act is attached.

Statutory Requirements

As per the requirements of section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule 1988, the information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure to this Report.

The particulars required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 are not applicable as none of the employees is coming under the purview of this section.

Directors' Responsibility Statement

As required under section 217 (2AA) of the Companies Act, 1956, the Directors state as follows:

- i. that in the preparation of annual accounts for the year ended 31st March, 2013 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year ended 31st March, 2013 and of the profit or loss of the Company for the said period under review.
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors had prepared the accounts for the year ended 31st March 2013 on a "going concern" basis.

Corporate Governance

The report on Corporate Governance forms part of Annexure to Directors Report.

Secretarial Audit

In terms of the provisions of listing agreement necessary secretarial Audit Report with regard to reconciliation of share capital of the Company and compliance certificate under clause 47C are being carried out at the specified period by a practicing company secretary. The findings of the same were satisfactory.

Directors' Clarifications to Auditors' Remarks

In regard to the remarks in the Auditors' Report, your directors wish to clarify as under:

- i. The Company has received wealth tax demand for the Asst. year 2005 – 06, 2006 – 07, 2007 – 08, 2008 – 09, 2009 -10, 2010 – 11 and 2011 – 12 for Rs.977.24 lakhs against which the company has filed appeals with CWT(A) and confident of fair chances of success in appeal. Therefore, no provision has been made in the accounts and stay petition has been filed.
- ii. The entire shareholding in the subsidiary, has since been sold as aforementioned under the paragraphs on Key Events after the Balance Sheet date. Hence the remarks in this regard are no longer applicable.
- iii. Efforts are being made to obtain confirmation of balances of the receivables, payables, loans & advances etc pending over 3 years..

In case of Auditors observations under Emphasis of Matter on the income tax demand made for Asst Year 2010-11, your company has filed an appeal before CIT(appeals) and is confident of succeeding.

BINNY LIMITED

Auditors

M/s CNGSN & Associates, (Firm Registration No: 004915S) Chartered Accountants, Chennai 600 017 retire at the conclusion of this Annual General Meeting and are eligible for reappointment.

Acknowledgement

Your Directors acknowledge the cooperation and assistance extended by the Government of India, Government of Tamil Nadu and Government of Karnataka, and place on record their appreciation and gratitude to them. The Directors also thank the shareholders, employees, suppliers and dealers for their continued cooperation.

Registered Office:
No :1, Cooks Road
Perambur
Chennai 600 012
Date: 03.10.2013

BY ORDER OF THE BOARD

M. NANDAGOPAL
EXECUTIVE CHAIRMAN

ANNEXURE

FORM 'A' Power & Fuel Consumption

B & C Mill – since the Mill is not functioning, this is not applicable. B W Mill – since the Mill is not functioning, this is not applicable. **FORM "B" Technology Absorption**

B & C Mill – since the Mill is not functioning, this is not applicable. B W Mill – since the Mill is not functioning, this is not applicable. Conservation of Energy – Not applicable

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Company

Name of the Subsidiary Company	Financial Year of the subsidiary ending on	No. of equity shares held by Binny Ltd and / or its nominees in the subsidiary	Extent of holding	For the financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of accounts of the holding company	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of accounts of the holding company	Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of accounts of the holding company	Profits / (Loss) so far it concerns the members of the holding company and dealt within the books of accounts of the holding company
				Rs. Lakhs		Rs. Lakhs	
Binny Engineering Ltd	31.3.13	287,48,100 Equity shares of Rs.10 each fully paid up	100%	(44.19)	NIL	(552.15) as on 31.3.2012	NIL

1. CORPORATE GOVERNANCE

Your Directors present company's report on Corporate Governance in compliance with Listing Agreement entered into with the Stock Exchanges and the practices followed by the Company.

The Company's philosophy on Corporate Governance is compliance of matters mentioned in Clause 49 of the Listing Agreement by maintaining disclosure and transparency and aiming at enhancing the shareholders value over a period of time.

2. BOARD OF DIRECTORS

The Board consists of twelve directors, of which one whole-time promoter director, five non-executive promoter directors and six non-executive independent directors. The Board has an appropriate mix of executives and independent directors to ensure proper governance and management.

BOARD MEETINGS

During the year ended 31.3.2013, five board meetings of the Company were held on the following dates viz., 14.05.12, 13.08.12, 01.09.12, 02.11.12 and 06.02.13. The last Annual General Meeting of the Company was held on 29th September 2012.

Name	Executive Promoter (P) Non-Executive Promoter (NEP) Non-Executive Independent (NEI)	Attendance particulars		No. of Directorship, Committee Membership / Chairmanship other than Binny Ltd			Date of appointment	Date of cessation
		Board Meetings	Last AGM	Other Directorship in Public Limited Companies	Committee Membership	Committee Chairmanship		
Mr. M. Ethiraj	P	4	NP	10	2	2	08.07.1987	-
Mr. M. Nandagopal	NEP	2	Yes	13	-	-	23.03.1996	-
Mr.R.Narayanan	NEI	1	Yes	5	2	2	30.06.1990	-
Mr. S. Natarajan	NEP	3	NP	4	1	1	11.01.1988	-
Mr. E. Shanmugam	NEP	5	Yes	7	2	-	31.03.1993	-
Mr. V.R.Venkataachalam	NEP	3	Yes	9	-	1	11.01.1988	-
Mr. Arvind Nandagopal	NEP	-	NP	8	-	-	25.03.2005	-
Mr. K. Sundareswaran	NEI	4	Yes	-	-	-	25.03.2005	-
Mr. Justice S Jagadeesan	NEI	-	NP	1	2	-	05.09.2007	-
Mr. S. Vijayaraghavan	NEI	1	Yes	-	-	-	05.09.2007	-
Mr. R. Krishnan	NEI	5	Yes	-	5	-	05.09.2007	-
Dr. Sadayavel Kailasam	NEI	-	NP	-	-	-	29.04.2010	-

3. AUDIT COMMITTEE

The Committee consists of three Non-executive Independent Directors and one Non-executive promoter director. Five meetings were held during the year ended 31.3.2013 on 14.05.12, 13.08.12, 01.09.12, 02.11.12 and 06.02.13. The constitution and functioning of the Audit Committee is in accordance with the terms of reference of Clause 49 of the Listing Agreement and provisions of sec.292A of the Companies Act, 1956 which inter alia recommend the appointment of external auditors and to fix their remuneration, reviewing quarterly, half-yearly and annual financial statements and also reviewing the adequacy of internal control systems.

BINNY LIMITED

Name of Member	Category of Members	Designation	Attended
Mr. R. Narayanan	Independent	Chairman	1
Mr. E. Shanmugam	Non-Independent	Member	5
Mr. K. Sundareswaran	Independent	Member	4
Dr. Sadayavel Kailasam	Independent	Member	-

The Company Secretary is the Secretary of the Audit Committee.

4. a. REMUNERATION COMMITTEE

The Board constituted Remuneration Committee on 31.10.2002 for making appointment / reappointment, approve remuneration of managerial personnel of the company. In consonance with the provisions of the Companies Act, 1956 and Corporate Governance the Board drew the guidelines to be followed by the Remuneration Committee, their powers, terms and conditions. Though the Committee recommend the remuneration package, ultimately the shareholders approve the same. Mr. M. Ethiraj, Executive Chairman of the Company has waived his remuneration, as in the past.

4. b. SITTING FEES

The non-executive independent directors were paid sitting fees for attending the meeting of the Board / Committee as fixed by the Board of Directors.

Name of the Director	Amount paid as sitting fees
Mr. R. Narayanan	Rs. 2,000/-

5. SHARE TRANSFER AND SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Committee consists of 3 directors (of which one is an independent non-executive director) viz., Mr. M. Ethiraj, Mr. R. Narayanan and Mr. E. Shanmugam. This committee would continue to look after and approve the share transfer, transmission, issue of duplicate share certificate etc. Further all the investors' / shareholders' grievances and the action taken by the Company to the satisfaction of the shareholders are brought to the attention of the Committee. The Committee had twenty five meetings during the year ended 31.3.2013 on 16.04.12, 30.04.12, 15.05.12, 31.05.12, 15.06.12, 29.06.12, 16.07.12, 31.07.12, 16.08.12, 31.08.12, 14.09.12, 01.10.12, 10.10.12, 26.10.12, 26.11.12, 05.12.12, 13.12.12, 21.12.12, 04.01.13, 18.01.13, 01.02.13, 11.02.13, 22.02.13, 13.03.13 and 29.03.13.

6. DETAILS OF LAST 3 ANNUAL GENERAL MEETINGS

Financial Year	Date	Venue of AGM held	Time
41st AGM 2009-2010	27.09.2010	Registered Office 106, Armenian Street Chennai 600001	9.30 a.m.
42nd AGM 2010-2011	28.09.2011	Registered Office 106, Armenian Street Chennai 600001	10.30 a.m.
43rd AGM 2011-2012	29.09.2012	Registered Office 106, Armenian Street Chennai 600001	11.15 a.m.

BINNY LIMITED

7. PAID-UP SHARE CAPITAL

Category of Shares	No. of shares (Rs.5/- each fully paid up)	Share Capital (Rs. in Lakhs)
Equity Shares	2,23,19,410	1,115.97
9.75% Cumulative Redeemable Preference Shares	5,48,800	27.44
9% Cumulative Redeemable Preference Shares	23,38,84,055	11,694.20

DISTRIBUTION OF EQUITY SHAREHOLDING AS AT 31.03.2013

			Shareholders		No. of shares held	
			Nos.	%	Nos.	%
1	-	5000	8,794	92.22	9,76,370	4.37
5001	-	10000	414	4.34	3,21,486	1.44
10001	-	20000	186	1.95	2,75,796	1.24
20001	-	30000	40	0.42	1,01,503	0.45
30001	-	40000	19	0.20	65,839	0.30
40001	-	50000	14	0.15	65,701	0.29
50001	-	100000	22	0.23	1,51,541	0.68
100001	-	and above	47	0.49	2,03,61,174	91.23
			9,536	100.00	2,23,19,410	100.00

DISTRIBUTION OF PREFERENCE SHAREHOLDING AS AT 31.03.2013

	SHAREHOLDERS		No. OF SHARES HELD	
	No.	%		%
1 - 500	0	0%		0%
501 - 1000	0	0%		0%
1001 - 2000	0	0%		0%
2001 - 3000	0	0%		0%
3001 - 4000	0	0%		0%
4001 - 5000	0	0%		0%
5001 - 10000	0	0%		0%
10001 and above	4	100%	23,44,32,855	100%
	4	100%	23,44,32,855	100%

SHAREHOLDING PATTERN AS AT 31.03.2013

Category	No. of Holders	Equity %	Preference %
Promoters	15	51.04	100.00
Corporate Body - Promoters	9	23.74	---
Nationalised Banks	15	4.40	---
Insurance Companies	5	3.45	---
Corporate Bodies	139	2.49	---

BINNY LIMITED

NRI	52	0.16	---
Clearing Member	2	0.00	
Trusts	2	0.00	---
Resident Individuals	9297	14.73	---
TOTAL	9536	100.00	100.00

8. DISCLOSURES

Related parties transactions are disclosed in the Notes on Accounts and there are no other materially significant related parties transactions.

The Company has been complying with SEBI Rules and Regulations and the listing agreements with the Stock Exchanges on issues related to capital market. No strictures / penalties have been imposed on the company during the year under review.

9. CEO/CFO Certification

The certificate in compliance with Clause 49V of the Listing Agreement was placed before the Board of Directors.

10. MEANS OF COMMUNICATION

The Quarterly unaudited financial results were published in the dailies “News Today” (English) and “Malaichudar” (Tamil) periodically within the stipulated time as per the listing agreement. Notice u/s 154 of the Companies Act, 1956 for the announcement of date of book closure was published in “News Today” and “Malaichudar”.

11. MANAGEMENT DISCUSSION AND ANALYSIS

The Company is primarily engaged in the business warehousing. During the current year, performance of the Container Freight station continues to face more and more difficulties owing the road and traffic restrictions and hence effective May 2012, the operation of Container Freight Station was ceased to continue. However, the business of warehousing continues and more prospects expanding the operation by utilization of more space is explored. However, owing to road traffic constraints prevailing in the location of our operation, higher revenue could not be anticipated during the current year.

Upon filing a petition to sanction the Scheme of Arrangement under section 391 to 394 of the Companies Act, 1956, the Court passed order on 22nd April, 2010, sanctioning the Scheme of Arrangement with effect from 1.1.2010 and declared the Scheme to be binding on all the shareholders and creditors of the Companies.

The Share certificates to the equity shareholders were allotted and issued in the respective resulting companies on 2nd June 2010. The respective resulting companies have complied with formalities for listing of the equity shares with Bombay Stock Exchange Limited and Madras Stock Exchange Limited and obtained their in-principal approval for listing subject to the approval of Securities and Exchange Board of India (SEBI) for relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The application is presently pending with SEBI and the necessary clarifications sought for by SEBI as well as the Department of Corporate Affairs on certain terms of the Hon. High Court sanctioned Scheme were duly submitted by the Company. The company as well the respective resulting companies are following it up with SEBI for obtaining early approval for relaxation of Rule 19(2)(b). Upon obtaining such approval the stock exchanges would permit trading in equity shares of the respective resulting companies and until then the shares credited to the respective shareholders demat account is kept frozen.

BINNY LIMITED

Since in terms of Clause 7 of the sanctioned Scheme of Arrangement, 'inter se' transfer of shares of promoters' group has to be effected through Stock Exchanges where such shares are listed, the clause 7 could be complied with only when trading in the equity shares of respective resulting companies are approved. Therefore, reconstitution of the Board of Directors in terms of clauses 7.8 and 13 has still not been given effect.

Please refer to Key Events after Balance Sheet as given in the Directors' Report for updates on the above.

INVESTMENTS

Investments meant to be held for long term are accounted at cost and at Management valuation. Diminution in value is not recognized unless it is considered permanent.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

2012-2013

Rs. in Lakhs

Agencies & Warehouse undertaking	793.12
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12. GENERAL SHAREHOLDERS INFORMATION

44th ANNUAL GENERAL MEETING

Date and Time	Monday, the 4th November 2013 at 11.00 a.m.
Venue	1, Cooks Road, Otteri, Perambur, Chennai 600012.
Book Closure	28th October 2013 to 4th November 2013 (both days inclusive)
Financial Year ended	31.03.2013
Dividend payment	NIL
Listing of securities in the stock exchanges:	

Stock Code

Madras Stock Exchange Ltd	BINNY 514215
BSE Ltd (Bombay Stock Exchange)	
Demat ISIN No. in NSDL / CDSL	INE118K01011

Financial Calendar

Financial reporting for
the quarter ending

30 th Sep 2013	Nov '13
31 st Dec 2013	Feb '14
31 st Mar 2014	May '14
30 th Jun 2014	Aug '14

Other Details

M/s Cameo Corporate Services Limited, Chennai are the Registrar and Share Transfer Agents. NSDL and CDSL had permitted the equity shares of the company for dematerialisation vide ISIN No. INE118K01011. The trading in equity shares of the company is permitted only in dematerialised form. As of March 31, 2013, 10.88% of total outstanding shares have been dematerialised. Out of 56,29,990 equity shares held by the shareholders other than the promoters, 24,28,867 shares (43.14% of non-promoters' shareholding) have been dematerialised upto 31.03.2013.

BINNY LIMITED

Details of shares in Demat and Physical Form as on 31st March 2013

Particulars	No. of Shareholders	No. of Shares	% to Capital
NSDL	1031	2277860	10.21
CDSL	395	151007	0.67
Physical Form	8110	19890543	89.12
Total	9536	22319410	100.00

M/s Cameo Corporate Services Limited, Chennai, is Registrar and Transfer Agent for the company providing connectivity with the NSDL / CDSL for demat services, also undertake share transfer in physical format and other related services. The share transfer and other requests are processed within 15 days from the date of receipt provided the documents are complete in all respects.

Members are requested to send all their communications and documents pertaining to both shares in physical form and dematerialised form to the Registrar at the following address:

M/s CAMEO CORPORATE SERVICES LIMITED

Contact person:

UNIT: BINNY

Mr. R D Ramaswamy

5TH Floor, Subramanian Building

Designation: Director

#1, Club House Road,

Mr. D Narasimhan

Chennai 600 002

Designation: Senior Executive (Shares)

Phone: 044-28460390(5 lines); Fax: 044-28460129

Email: investor@cameoindia.com

The Company has paid annual listing fees for the relevant period to the Stock Exchanges where its equity shares are listed.

Market price data (Rs.)

MONTH	APL-12	MAY-12	JUN-12	JUL-12	AUG-12	SEP-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13
BSEHIGH	43.40	38.05	39.30	38.00	34.00	37.00	37.95	32.40	33.10	32.40	35.95	34.15
LOW	26.00	33.20	30.95	29.50	28.40	27.55	28.85	28.05	28.35	28.00	28.45	28.95

ADDRESS FOR COMMUNICATION

Name : P.K.Sundaresan

Designation : CFO & Company Secretary

Address : Binny Limited, 1 Cooks Road, Otteri, Perambur, Chennai 600 012

E mail : binny@binnyltd.in

COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS:

All the directors and senior management have affirmed compliance with the Binny Limited Code of Business Conduct and ethics.

Chennai
3rd October 2013

By Order of the Board

M. Nandagopal
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

To the Members of Binny Limited

I have examined the compliance of conditions of Corporate Governance by Binny Limited for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company, with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company by ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investor grievances received during the year ended on 31st March 2013 no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Share Transfer and Shareholders' / Investors' Grievance Committee of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Chennai
29TH May 2013

G. PORSELVAM
Practicing Company Secretary
CP No. 3187

INDEPENDENT AUDITOR'S REPORT

To

The Members

Binny Limited

Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of Binny Limited (the Company), which comprises the Balance Sheet as at March, 31 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion:

Attention of is drawn to the following material matters:

- i. *The Wealth Tax Officer has passed an Assessment Order for the Asst years 1993-94 to 2010-11 demanding a sum of Rs.2553.77 lakhs treating some of the assets of the company are subject to taxable wealth as per the provisions of the Wealth Tax Act. However the management has disputed the same and filed the Appeals on the Assessment Orders before the appellate authorities and there has also been payment of Rs.648.66 lakhs under protest, which are shown as Other Current Assets. Considering the disputed demands the Company has not provided for these Wealth Tax demands in the financial statements;*
- ii. *The company holds Investments Rs.2874.81 lakhs in the Equity Shares of a Subsidiary Company and Loans and Advances made to the same Company Rs.1148.52 lakhs. The management considers*

the investment as a long term investment and has not provided for the diminution in value of these investments and carrying value of loans and advances at cost. However it is seen that the Networth of the Subsidiary Company has eroded, no operational activities carried on for few years, and other related factors indicates the material uncertainty about the going concern of the Subsidiary and possible permanent diminution in carrying these investments and loans and advances at cost.

- iii. Non-confirmation of balances as on 31st March, 2013 from trade receivables, trade payables, loans and advances, Other long term borrowings, Other Loans and Advances, wherein the outstanding balances are due for more than three years and any adjustment to be made for the carrying amount at the year end is not ascertainable.*

Without considering items mentioned in paragraph (iii) the effect of which could not be ascertained and had the observation in Para (ii) and (iii) been considered, (a) the net profit for the year would have been Net Loss of Rs.(-)6137.73 lakhs as against reported profit of Rs.439.37 lakhs; (b) Non-Current Investments would have been Rs.4.03 lakhs as against reported amount of Rs.2878.84 lakhs; (c) Long Term Loans & Advances would have been Rs.784.16 lakhs as against reported amount of Rs.1932.68 lakhs; and (d) Short Term Provisions would have been Rs.2657.26 lakhs as against reported amount of Rs.103.49 lakhs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except to the possible effects of matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March, 31, 2013;
- b) In the case of Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to Note 23.11 in notes to the financials with regard to the Income Tax demands disputed before the authorities, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 (the Order), as amended, issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to sub-section (3C) of Section 211 of the Act;

- e. on the basis of written representation received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director, in terms of clause (g) of sub-section (1) of section 274 of the Act;
- f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 29th May, 2013

R.THIRUMALMARUGAN
Partner
Membership No: 200102

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements
in our Independent Auditors' Report of even date)

1. (a) The Company has to update the schedule of Fixed Assets.
(b)The fixed assets have not been verified by the management at reasonable intervals. The discrepancies (between physical verification and book records) and accounting for such discrepancies does not arise.
(c)There are no disposals of substantial assets during this year.
2. (a) The inventory has been physically verified by the management during this year.
(b)The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c)The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) According to the information and explanations given to us, the company has granted unsecured interest free loans to a Subsidiary Company, which is repayable on demand. The year-end balance of loan granted was Rs.1148.52 lakhs. The other clauses are not applicable.
(b)According to the information and explanations given to us, the Company has taken unsecured interest free loan from two group companies, repayable on demand, the party covered in the register maintained under section 301 of the Companies Act, 1956. The balance outstanding is Rs.5323.53 lakhs. The other clauses are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. As explained to us, the Company has not accepted deposits from public during this year.
 7. The Company has an internal audit system, which needs to be strengthened to commensurate with the size of the Company and the nature of its business.
 8. As per the information and explanations given to us, the company has to update the cost records, for the process activities, as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
 - 9
 - a. According to the information and explanation given to us, the Company is depositing undisputed statutory dues, like Provident Fund, Employees Pension Fund and Employees State Insurance with some delays.
 - b. There are no undisputed Statutory dues like Investor Education and Protection Fund, Wealth Tax, Service Tax, Customs Duty, and other statutory dues except Excise Duty Rs.0.37 lakhs and Property /Urban Land Tax Rs.173.21 lakhs as at 31st March, 2013 for a period of more than six months from the date they become payable.
 - c. According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, services tax, excise duty and cess which have not been deposited on account of any dispute except Income Tax demand for AY 2008-2009 Rs.19.21 lakhs and Rs.11464.23 lakhs for AY 2010-11 disputed before CIT(A) and Wealth Tax demand for the asst year 2004-05 to 2010-11 Rs.1060.18 lakhs disputed before CWT(A) and asst year 1993-94 to 2003-04 Rs.1493.59 lakhs disputed before ITAT, Chennai.
 10. In our opinion, there are no accumulated losses of the Company as at the year end. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
 11. In our opinion and according to the information and explanations to us, the company has not defaulted in repayments of dues to the financial institutions, bank and debenture holders
 12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
 14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
 15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks / financial institutions.
 16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loans during the year.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.

BINNY LIMITED

18. According to the information given to us, the Company has not made preferential allotment of shares during the year to parties covered in the register maintained under Sec.301 of the Companies Act, 1956.
19. According to the information and explanation given to us, the Company has not issued any debentures during the year and creation of security for issue of debenture does not arise.
20. According to the information and explanation given to us, the Company has not raised money by public issue during the year and disclosure of end use of public issue does not arise.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 29th May, 2013

R.THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Rs.in lakhs

Chennai
Date :29.05.2013

	Note No.	As at 31-03-2013	
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	2	12837.62	
(b) Reserves and Surplus	3	16480.58	
(c) Money Received against Share warrants		<u> </u>	29318.20
(2) Share application money pending allotment			
(3) Non-current liabilities:			
(a) Long-term borrowings	4	4098.82	
(b) Deferred tax liabilities (Net)			
(c) Other Long-term liabilities	5	1876.89	
(d) Long-term provisions	6	<u>438.80</u>	6414.51
(4) Current liabilities:			
(a) Short-term borrowings			
(b) Trade payables	7	221.00	
(c) Other current liabilities	8	317.12	
(d) Short-term provisions	9	<u>103.49</u>	<u>641.61</u>
Total			<u><u>36374.32</u></u>
II. ASSETS:			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10	30044.72	
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under developemnt			
(b) Non-current investments	11	2878.84	
(c) Deferred tax assets (Net)			
(d) Long-term loans and advances	12	1932.68	
(e) Other non-current assets	13	<u>218.54</u>	35074.78
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	14	141.36	
(d) Cash and cash equivalents	15	238.06	
(e) Short-term loans and advances	16	60.03	
(f) Other current assets	17	<u>860.09</u>	<u>1299.54</u>
Total			<u><u>36374.32</u></u>

See accompanying notes to the financial statements

M.Ethiraj
Executive Chairman

M.Nandagopal
Director

G.Venkataraman
Company Secretary

As at 31-03-2012		133.88	
		360.30	
		58.91	
		<u>859.89</u>	<u>1412.98</u>
12837.62			<u><u>35848.37</u></u>
16045.09			
<u> </u>	28882.71		
		As per our Report of even date	
		for M/s CNGSN & ASSOCIATES	
		Chartered Accountants	
		Firm Regn No 004915S	
3930.12			
1758.10			
<u>431.13</u>	6119.35		
191.23			
569.08			
<u>86.0</u>	<u>846.31</u>		
	<u><u>35848.37</u></u>		
30073.78			
2878.84			
1252.82			
<u>229.95</u>	34435.39		

BINNY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Rs.in lakhs

	Note No	For the year ended 31-03-2013	For the year ended 31-03-2012
I Revenue from operations	18	793.12	853.66
II Other income	19	<u>51.53</u>	<u>23.50</u>
III Total Revenue (I + II)		844.65	877.16
IV Expenses:			
a Cost of materials consumed			
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
d Employee benefits expenses	20	75.51	152.20
e Finance costs		3.44	
f Depreciation and amortization expenses	10	25.18	25.37
g Other expenses	21	<u>272.35</u>	<u>369.56</u>
Total expenses		376.48	547.13
V Profit before exceptional and extraordinary items and tax (III - IV)		468.17	330.03
VI Exceptional items	22	<u>48.36</u>	<u>-16.42</u>
VII Profit before extraordinary items tax (V - VI)		516.53	313.61
VIII Extraordinary items	22	<u>-</u>	<u>-0.28</u>
IX Profit before tax (VII - VIII)		516.53	313.33
X Tax expenses			
(1) Current tax		103.49	86.00
(2) Excess Provision no longer required		(26.33)	
Profit / (loss) for the year from continuing operations (IX - X - XIV)		<u>439.37</u>	<u>227.33</u>
XII Profit / (loss) from discontinuing operations			
XIII Tax expenses of discontinuing operations			
Profit / (loss) from discontinuing operations			
XIV (after tax) (XII - XIII)		<u>-</u>	<u>-</u>
XV Profit / (loss) for the year (XI + XIV)		<u>439.37</u>	<u>227.33</u>
XVI Earnings per share:			
(1) Basic		1.97	1.02
(2) Diluted		1.97	1.02
See accompanying notes to the financial statements			

As per our Report of even date
for **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Executive Chairman

M.Nandagopal
Director

G.Venkataraman
Company Secretary

R.THIRUMALMARUGAN

Partner

Chennai
Date:29.05.2013

Membership No.200102

BINNY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

		Rs in Lakhs	
		31-03-2013	31-03-2012
A	Cash Flow from Operating Activities		
	Profit / (Loss) for the year	439.37	227.33
	Adjustments for:		
	Depreciation	25.18	25.37
	Interest Earned	(37.08)	(4.60)
	Dividend Income	(1.97)	(1.67)
	Profit on sale of assets	(0.76)	(0.03)
	Finance cost	3.44	
	Provision for Income Tax (net)	<u>77.16</u>	<u>86.00</u>
	Operating Profit before working Capital changes	505.34	332.40
	Increase / (Decrease) in Long Term Liabilities	118.79	225.89
	Increase / (Decrease) in Long Term Provisions	7.67	17.78
	Increase / (Decrease) in Trade Payables	29.77	(134.64)
	Increase / (Decrease) in Other Liabilities	(251.96)	(76.46)
	(Increase) / Decrease Long Term Loans & Advances	(679.86)	(96.12)
	(Increase) / Decrease in Non current assets	11.41	(75.77)
	(Increase) / Decrease in Trade Receivables	(7.48)	314.93
	(Increase) / Decrease Short Term Loans and Advances	(1.12)	1.47
	(Increase) / Decrease Other Current Assets	<u>(0.20)</u>	<u>(326.35)</u>
	Cash from Operating activities	(267.64)	183.13
	Direct Taxes paid (net)	<u>(59.67)</u>	<u>(105.00)</u>
	Net Cash from Operating activities	<u>(327.31)</u>	<u>78.13</u>
B	Cash flow from Investing activities		
	Sale of Fixed Assets (including cancellation of lease hold land)	0.76	0.03
	Purchase of Fixed Assets	-	(1.17)
	Dividend received	1.97	1.67
	Interest received	<u>37.08</u>	<u>4.60</u>
	Net Cash from investing activities	<u>39.81</u>	<u>5.13</u>
C	Cash flow from financing activities		
	Interest Paid	(3.44)	
	Unsecured loans (net of repayment)	<u>168.70</u>	<u>(7.92)</u>
	Net Cash from financing activities	<u>165.26</u>	<u>(7.92)</u>
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(122.24)	75.34
	Cash and cash equivalent as at the beginning of the year	<u>360.30</u>	<u>284.96</u>
	Cash and cash equivalent as at the end of the year	<u>238.06</u>	<u>360.30</u>

As per our Report of even date
for M/s CNGSN & ASSOCIATES
Chartered Accountants
Firm Regn No 004915S

M.Ethiraj

M.Nandagopal

G. Venkataraman

R. Thirumalmarugan

Executive Chairman

Director

Company Secretary

Partner
Membership No.200102

Chennai

Date:29th May, 2013



Note 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Fixed assets

- (i) Fixed assets are stated at cost of acquisition inclusive of the cost of installation/erection and interest on borrowings for qualifying fixed assets, upto the date the asset is put to use, as applicable.
- (ii) Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act 1956.
- (iii) Depreciation is provided on pro-rata basis from the day on which the assets have been put to use and up to the day on which assets have been disposed off.

(b) Inventories

Inventories consisting of Land and Building are valued at lower of cost and net realizable value. Cost is arrived at weighted average cost.

(c) Revenue Recognition

Financial statements are prepared under the historical cost convention. Revenue is recognized on accrual basis with provision made for known losses and expenses.

Services - Agency commission is recognized on accrual basis. Rental income from properties is recognised on accrual basis as per the agreements entered. Interest income is recognized on time proportion method and dividend income is recognized when the right to receive is established.

(d) Investments

Investments meant to be held for long term are accounted at cost. Diminution in value, if any, is recognized in the Statement of Profit & Loss account.

(e) Retirement Benefits

- (i) Contribution to Provident Fund is as per Rules of the own funds.
- (ii) Provision for gratuity is based on the calculations made as per the provisions of Payment of Gratuity Act, 1972 and not funded. The company estimates its liability on actuarial valuation basis as of each year-end balance sheet date carried out, and is charged to Statement of Profit and Loss Account in accordance with AS-15 (revised).
- (iii) Leave encashment benefits is provided on accrual basis and is not funded.

(f) Segment reporting

The company operates under a single segment viz., services & related leasing activity.

(g) Lease Rentals

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

(h) Foreign Currency Transaction

There are no foreign currency transactions.

(i) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets up-to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

(j) Cash Flow Statement

The Cash Flow statement is prepared under the indirect method as per Accounting Standard 3 “Cash Flow Statements”.

(k) Earnings Per Share

The company reports basic and diluted earnings per share in accordance with the Accounting Standard -20-“Earnings Per Share”.

(l) Provision for Taxation

Provision for Current Income Tax is made in accordance with the provisions of Income Tax Act, 1961. Deferred tax assets and liabilities are measured using substantially enacted tax rates as on the Balance Sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the income statement.

(m) Impairment of Assets

All assets other than inventories and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

(n) Provision and Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

NOTES TO THE FINANCIAL STATEMENTS

(Rs. in lakhs)

As at 31/03/2013 As at 31/03/2012

Note 2 - Share Capital

Authorised

2,28,20,000 Equity shares of Rs.5 each	1141.00	1141.00
11,80,000 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each	59.00	59.00
54,20,00,000 (9%) Cumulative Redeemable Preference Shares of Rs.5 each	<u>27100.00</u>	<u>27100.00</u>
	<u>28300.00</u>	<u>28300.00</u>

Issued, Subscribed & Paid-up

2,23,19,410 Equity Shares of Rs. 5 each fully paid up (a)	1115.97	1115.97
5,48,800 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	27.44	27.44
23,38,84,055 (9%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	<u>11694.21</u>	<u>11694.21</u>
	<u>11721.65</u>	<u>11721.65</u>
(b)	<u>12837.62</u>	<u>12837.62</u>
(a+b)	<u>12837.62</u>	<u>12837.62</u>

Terms of Issue and redemptions of Cumulative Redeemable Preference Shares (CRPS):

Subsequent to the reduction as per the Scheme of Arrangement, the remaining issued CRPS and their respective redemption details are under:

13,01,76,000 (9%) CRPS of Rs. 5 each issued on 30.9.2005	6508.80	30.09.2015
5,48,800 (9.75%) CRPS of Rs.5 each issued on 30.6.2006	27.44	30.06.2016
1,73,56,800 (9%) CRPS of Rs.5 each issued on 31.1.2007	867.84	31.01.2017

BINNY LIMITED

* 43,39,200 (9%) CRPS of Rs.5 each issued on 30.1.2008	216.96	30.01.2018
5,10,72,384 (9%) CRPS of Rs.5 each issued on 29.9.2008	2553.62	29.09.2013
3,09,39,671 (9%) CRPS of Rs.5 each issued on 12.5.2010	1546.99	12.05.2015
	<u>11721.65</u>	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras

* Redemption due on 30.01.2013 have been extended till 30.01.2018.

Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Mr. M Ethiraj	2,014,920	9.03%	2,014,920	9.03%
Mr. V R Venkataachalam	3,095,040	13.87%	3,095,040	13.87%
Cumulative Redeemable Preference Shares 9.75% CRPS of Rs.5 each				
TCP Limited	274,400	50.00%	274,400	50.00%
Mohan Breweries and Distilleries Limited	274,400	50.00%	274,400	50.00%
9% CRPS of Rs.5 each				
TCP Limited	113,734,155	48.63%	113,734,155	48.63%
Mohan Breweries and Distilleries Limited	101,472,192	43.39%	101,472,192	43.39%

NOTE 3

RESERVES AND SURPLUS

Rs in Lakhs
As at
31 st March 2013 As at
31 st March 2012

CAPITAL RESERVE (on Demerger)

As per balance sheet	<u>10287.55</u>	<u>10287.55</u>
a)	<u>10287.55</u>	<u>10287.55</u>

Securities Premium Account

As per balance sheet	<u>1077.66</u>	<u>1077.66</u>
b)	<u>1077.66</u>	<u>1077.66</u>

Revaluation reserve (as per Court Order)

As per balance sheet	4910.50	4916.32
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Additions

deductions	<u>3.88</u>	<u>5.82</u>
c)	<u>4906.62</u>	<u>4910.50</u>

Profit and Loss account

As per balance sheet	-230.62	-457.95
Profit for the year	439.37	227.33
Less: Proposed dividends		
Tax on distributed profits		
Balance of Profit / Loss	208.75	-230.62
Less: Transfer to General Reserve	<u>-</u>	<u>-</u>
d)	<u>208.75</u>	<u>-230.62</u>
(a+b+c+d)	16480.58	16045.09

BINNY LIMITED

Note-4	LONG-TERM BORROWINGS:	Rs in Lakhs	
		As at 31 st March 2013	As at 31 st March 2012
	Unsecured		
	a Loans and advances from related parties	3,998.62	3829.92
	b Others	<u>100.20</u>	<u>100.20</u>
		<u>4,098.82</u>	<u>3930.12</u>
Note-5	OTHER LONG TERM LIABILITIES		
	Unsecured		
	a Trade payable	496.48	541.62
	b Due to related parties	1,324.91	1160.95
	c Others	<u>55.50</u>	<u>55.53</u>
		<u>1,876.89</u>	<u>1758.10</u>
Note-6	LONG TERM PROVISIONS		
	a Employee Benefits	<u>438.80</u>	<u>431.13</u>
		<u>438.80</u>	<u>431.13</u>
Note-7	TRADE PAYABLE		
	a Sundry Creditors for trade	221.00	191.23
	b Dues to Micro, Small, Medium Enterprises	<u>nil</u>	<u>nil</u>
		<u>221.00</u>	<u>191.23</u>
Note-8	OTHER CURRENT LIABILITIES		
	a Rates and taxes payable	173.21	239.91
	b Electricity dues payable	76.60	201.23
	c Other payables	59.37	98.08
	d Service Tax payable	<u>7.94</u>	<u>29.86</u>
		<u>317.12</u>	<u>569.08</u>
Note-9	a Provision for income tax	<u>103.49</u>	<u>86.00</u>
		<u>103.49</u>	<u>86.00</u>

BINNY LIMITED

Note-10 :FIXED ASSETS - TANGIBLE

in Rs. Lakhs

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land	29698.91		*3.88	29695.03					29695.03	29698.91
Factory Buildings	741.22			741.22	423.28	16.35		439.63	301.59	317.94
Plant & Equipment	41.39			41.39	18.59	1.65		20.24	21.15	22.80
Furniture & Fixtures	73.89			73.89	44.46	6.36		50.82	23.07	29.43
Vehicles	45.17		32.68	12.49	40.47	0.82	32.68	8.61	3.88	4.70
	30600.58	-	36.56	30564.02	526.80	25.18	32.68	519.30	30044.72	30073.78
Previous year	30605.23	1.17	5.82	30600.58	501.43	25.37		526.80	30073.78	30103.80

* Deletion- represents the sale of land to workers as per the MOU entered into by Management with the workers and approved by Court.

BINNY LIMITED

Note 11

			As at 31/3/2013	Rs in lakhs As at 31/3/2012
INVESTMENTS	No.of shares	Face value per share Rs.		
a) AT COST				
NON-TRADE				
Fully paid equity shares :				
QUOTED				
State Bank of India	1920	10	0.69	0.69
ICICI Bank Ltd	7851	10	3.33	3.33
UNQUOTED				
a) Fully paid equity shares in Binny Engineering Ltd.(Wholly owned subsidiary)	28748100	10	2874.81	2874.81
b) NON-TRADE				
Fully paid Equity shares :				
Tamilnadu Chromates & Chemicals Limited	30000	10	0.01	0.01
			<u>2878.84</u>	<u>2878.84</u>

	Cost	Market value/ Book value
Quoted	4.02	121.86
Unquoted	2874.81	-
	<u>2878.83</u>	<u>121.86</u>

	As at 31-03-2013	Rs in lakhs As at 31-03-2012
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Note-12 LONG TERM LOANS AND ADVANCES

(Unsecured-considered good)

a Security Deposits	0.80	0.81
b Loans and advances		
i) Due from subsidiary- BEL	1,148.52	435.49
ii) Others	783.36	816.52
	<u>1,932.68</u>	<u>1252.82</u>

Note-13 OTHER NON CURRENT ASSETS

a Long-term Trade Receivables-
(unsecured and considered good)

b Stock in trade (Land)	98.35	109.76
	120.19	120.19
	<u>218.54</u>	<u>229.95</u>

Note-14 TRADE RECEIVABLE

(Unsecured-considered good)

a i) Trade receivables outstanding for more than six months from the date they became due for payment	124.86	124.31
b Trade receivables (others)	16.50	9.57
	<u>141.36</u>	<u>133.88</u>

BINNY LIMITED

	Rs in lakhs	
	As at 31-03-2013	As at 31-03-2012
Note-15 CASH AND CASH EQUIVALENTS		
a Balance with banks	231.29	5.56
b Cash on hand	2.68	1.28
c Bank balances held as margin money for gurantees	4.09	11.46
d Bank Deposits with more than 12 months maturity	-	342.00
	<u>238.06</u>	<u>360.30</u>
Note-16 SHORT TERM LOANS AND ADVANCES		
(Unsecured-considered good)		
a other loans and advances	60.03	58.91
	<u>60.03</u>	<u>58.91</u>
Note-17 OTHER CURRENT ASSETS		
a Interest accrued and due on investments	0.04	0.04
b wealth tax paid under protest	648.66	535.13
c Prepaid expenses	-	1.54
d TDS & Service tax	158.90	152.18
e Deposits with Govt.Dept	52.49	171.00
	<u>860.09</u>	<u>859.89</u>
		Rs in lakhs
	For the year ended 31.03.2013	For the year ended 31.03.2012
Note-18 INCOME		
a Agencies commission	37.07	298.15
b Lease rental	756.05	555.51
	-	
	<u>793.12</u>	<u>853.66</u>
Note-19 OTHER INCOME		
a Interest income	37.08	4.60
b Dividend income	1.97	1.67
c Net gain on sale of fixed assets	0.76	0.03
d Other non-operating income	11.72	17.20
	<u>51.53</u>	<u>23.50</u>
Note-20 EMPLOYEE BENEFIT EXPENSES		
a Salaries and wages	53.47	125.68
b Contribution to PF and other funds	7.89	10.48
c Staff welfare expenes	4.56	10.57
d others	9.59	5.47
	<u>75.51</u>	<u>152.20</u>

Note-21 OTHER EXPENSES

a	Rent	0.70	0.88
b	Insurance	3.34	3.48
c	Power and Fuel	26.13	39.33
d	Repairs to building	14.93	9.70
e	Repairs to machinery	14.85	4.31
f	Rates and taxes	10.65	12.17
g	Payment to statutory auditors	14.43	13.78
h	Legal, Professional and consultancy	47.80	4.38
i	Cash discount and sales promotion	0.13	6.09
j	Security charges -outside party	26.35	37.10
k	Bad debts written off	4.97	
l	Agency services expenses	9.11	125.79
m	Miscellaneous expenses	98.96	112.55
		<u>272.35</u>	<u>369.56</u>

Note-22 OTHER ITEMS

	Details of exceptional items		
a	Prior period items-IT Paid for earlier years	-	16.42
b	Details of extraordinary items-VSS	-	0.28
c	Prior period income	48.36	

NOTE: 23 OTHER NOTES ON ACCOUNTS

- As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. SEBI has approved the Relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 of Resulting Companies' during March, 2013. The Listing / Trading of Resulting Companies' shares are under process. Upon completion of formalities, the change in Directorship and interse transfer of shares among the Promoters shall be complied with.
- Revaluation Reserve is as per the Scheme of Arrangement Sanctioned by the High Court of Madras. The outstanding Revaluation Reserve Rs.4906.62 lakhs (P.Y. 4910.50 lakhs) represents the adjusted amount of fixed assets (Land) revalued as per the Sanctioned Scheme effective from 01.01.2010. As per the MOU entered into with workers during the year 1000 sq.ft. of land (P.Y. 1500 sq. ft) has been transferred / sold to the workers as agreed. The revaluation reserve on these sales of land has now been reduced from the Fixed Assets and Revaluation Reserve account.

3. Long Term Borrowings: Unsecured

The company was receiving the loans from the Promoters individually and through their group companies since 1994, to meet the requirements of rehabilitation schemes submitted to BIFR. As per the Sanctioned Scheme of Arrangement of Hon'ble High Court of Madras the company has recorded a sum of Rs.3998.62 lakhs as unsecured loan due to promoter group. The balance sum of Rs.100.20 lakhs has been received from promoters group are shown separately, for which the confirmation of balance are pending. All the loans are interest free and repayable on demand.

4. Binny Engineering Limited (BEL)

Investment & Advances to subsidiary company - BEL

The investment in subsidiary are considered to be long term in nature. The Management has not provided for diminution in value for the carrying amount as at the balance sheet date.

The company has advanced a sum of Rs.1148.52 lakhs (Previous Year Rs.435.49 lakhs) to Binny Engineering Limited for meeting their liabilities such as interest on PF, ESI contribution, Sales Tax

BINNY LIMITED

etc. Considering the advances are recoverable in the ordinary course of business, the Management decided to carry these amounts at cost and no provision has been made.

5. Contingent Liabilities

No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief / succeeding in the appeals:

	31.03.2013	31.03.2012
	(Rs. Lacs)	
a) Electricity charges on revision of Tariff rates for the period from 1-12-82 to 31-12-87 contested by the company, the recovery of which is stayed by the Hon'ble High Court of Madras	117.50	117.50
b) Estimated surcharge on belated payment above upto 31/03/2013	700.31	672.11
c) Claim for back wages in respects of various disputes	Liability, if any, not ascertainable	
d) Income Tax demand for Asst. Year 2008-09	19.21	19.21
e) Wealth Tax Demand for Asst. year 1993-94 to 2010-11	2553.77	2553.77
f) Income Tax demand for Asst. Year 2010 – 2011	11464.23	Nil
6. Other Moneys for which the company is contingently liable		
a) Claims against the company not acknowledged as Debts	131.32	156.43
7. Balances in Trade receivable, Trade payable and Loans and Advances are subject to confirmation/ reconciliation. However, in the opinion of the Management, all current assets, debtors and loans/ advances would in the ordinary course of business realize at the value stated.		
	(Rs. Lacs)	
	31.3.2013	31.3.2012
8. (a) Arrears of 9.75% Cumulative Preference dividend for the period 01-07-2006 to 31-12-2009	9.36	9.36
(b) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009	3030.01	3030.01
(c) Arrears of 9.75% Cumulative Preference dividend for the period 01-01-2010 to 31-03-2013	8.70	6.02
(d) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2013	3370.11	2317.63
9. Foreign Exchange inflow and outflow	NIL	NIL
10. To comply with the Accounting Standard - 22 - Accounting for Taxes on income, the company reviewed the deferred tax assets and liabilities. The timing differences relates mainly to depreciation and carry forward losses for the period up to 31-03-2013 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.		
11. a. The company has received wealth tax demand for the Asst. Year 2004-05 to 2010 – 2011 Rs.1060.18 lakhs against which the company has filed appeals with CWT (A). A/Y 1993-94 to 2003-04 Rs.1493.59 lakhs against the company has filed appeals with ITAT, Chennai. Against these demands a sum of Rs.648.66 lakhs has been paid under protest. Considering the company's chance of success in appeal no provision has been made in the accounts.		

- b. The company has received Income Tax demand for asst. year 2008 – 09 Rs.19.21 lakhs which is disputed before CIT (A). Company also received Income Tax demand for Asst. Year 2010 – 2011 demanding a sum of Rs.11464.23 Lakhs, additions were made on flimsy grounds, and company has filed appeals before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.

12. Related Party Disclosure

(a) List of Related Parties

- (i) Parties where control exists Subsidiary

Binny Engineering Limited (BEL)

- (ii) Other related Parties with whom transactions have taken place during the year Associates

S.V. Sugar Mills Ltd (SVSM)

The Thirumagal Mills Ltd (TML)

Mohan Breweries & Distilleries Ltd

(MBDL) TCP Ltd

S V Global Mill Ltd. (SVG)

Binny Mills Ltd (BML)

- (iii) Key Management

Personnel M. Ethiraj

E. Shanmugam

M. Nandagopal

V.R. Venkataachalam

Arvind Nandagopal

TRANSACTIONS DURING THE YEAR	Current year 31/03/2013 (Rs. in lakhs)	Previous year 31/03/2012 (Rs. in lakhs)
With Related Parties		
Loans to Subsidiary --- BEL	713.03	146.55
Outstanding balances - BML	163.96	95.72
Outstanding as at year end:		
Loans & Advances --- BEL	1148.52	435.49
Advance for Sale of Property - BML	1324.91	1160.95
Debtors --- BML		0.80
--- MBDL		0.75
Unsecured Loan from Promoters-MBDL	3998.62	3829.92

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13. Earnings per Share:

	Before extra ordinary item		After extra ordinary item	
	2013	2012	2013	2012
Profit available to Equity Share holders used as Numerator – (A) (Rs. lakhs)	487.73	244.03	439.37	227.33
Number of Shares outstanding	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Weighted Average Number of shares outstanding-(B)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Effect of dilution	NIL	NIL	NIL	NIL
Weighted Average No. of Equity Shares				
Including potential shares –(D)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Basic & diluted A/B (A*1,00,000/B) in Rs.	2.18	1.09	1.97	1.02

14 Payment to Auditors

Statutory Audit Fees	8.43	8.43
Tax Audit Fees	2.81	2.81
Certification Fees	1.69	0.84
Other Services	1.50	1.70

15. As per actuarial valuation as on 31-03-2013 and recognized in the financial statements in respect of employee benefit schemes as require under AS 15 (R) are as under:

PARTICULARS	Gratuity		Long Term Compensated Absence	
	Unfunded		Unfunded	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(i) Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
	Rs. lakhs		Rs. lakhs	
(ii) Table Showing Change in Benefit Obligation				
Liability at the beginning of the Period	54.73	48.66	4.95	4.75
Interest Cost	4.31	3.89	0.38	0.38
Current Service Cost	2.34	2.66	0.32	0.94
Benefit Paid	(1.78)	(5.72)	(0.32)	(0.74)
Actuarial (gain) / Loss on obligations	(7.55)	5.24	(1.04)	(0.38)
Liability at the end of the Period	52.05	54.73	4.29	4.95

BINNY LIMITED

	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(iii) Amount Recognised in the Income Statement				
Current Service Cost	2.34	2.66	0.32	0.94
Interest Cost	4.31	3.89	0.38	0.38
Expected Return on Plan Assets	-	0	0	0
Net Actuarial (Gain) /Loss to be Recognised	(7.55)	5.24	(1.04)	(0.38)
Expenses Recognised in Profit & Loss A/c	(0.90)	11.79	(0.34)	0.94
(iv) Amount Recognised in the Balance Sheet				
Opening Net Liability	54.73	48.66	4.95	4.75
Expenses as above	(0.90)	11.79	(0.34)	0.94
Employers Contribution paid / Benefits Paid	(1.78)	(5.72)	(0.32)	(0.74)
Closing net Liability	52.05	54.73	4.29	4.95

16. Previous year figures have been regrouped wherever necessary to conform to current year classifications.

M. Ethiraj Executive Chairman	M. Nandagopal Director	G. Venkataraman Company Secretary	As Per our Report of even date for M/s. CNGSN& ASSOCIATES Chartered Accountants Firm Reg. No: 004915S
Chennai Date: 29th May, 2013			R. Thirumalmarugan Partner Membership No: 200102

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Binny Limited, Chennai

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Binny Limited (the Company), and its subsidiary, which comprises the Balance Sheet as at March, 31 2013 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the consolidated financial statements. These procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified audit opinion.

Basis for Qualified Opinion

Attention is drawn to the following material matters:

- a. *The Wealth Tax Officer has passed an Assessment Order for the Asst years 1993-94 to 2010-11 demanding a sum of Rs.2553.77 lakhs treating some of the assets of the company are subject to taxable wealth as per the provisions of the Wealth Tax Act. However the management has disputed the same and filed the Appeals on the Assessment Orders before the appellate authorities and there has also been payment of Rs.648.66 lakhs under protest, which are shown as Other Current Assets. Considering the disputed demands the Company has not provided for these Wealth Tax demands in the financial statements;*
- b. *Non-confirmation of balances as on 31st March, 2013 from Trade receivables, trade payables, loans & advances, Other long term borrowings, Other Loans and Advances, wherein the outstanding*

BINNY LIMITED (CONSOLIDATED)

balances are due for more than three years and any adjustment to be made for the carrying amount at the yearend is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, except to the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated Balance Sheet, of the State of Affairs of Binny Limited and its subsidiary as on March 31, 2013;
- b) In the case of consolidated Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c) In the case of consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to Note 23.1 with regard to the preparation of subsidiary company accounts on going concern and Note 23.11.b with regard to the Income Tax demands disputed before the authorities, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 29th May, 2013

R.THIRUMALMARUGAN
Partner Membership No:
200102

BINNY LIMITED (CONSOLIDATED)

BALANCE SHEET AS AT 31ST MARCH, 2013

Rs in lakhs

	Note No.	As at 31-03-2013		As at 31-03-2012	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	2	12837.62		12837.62	
(b) Reserves and Surplus	3	13376.81		12985.51	
(c) Money Received against Share warrants			26214.43		25823.13
(2) Share application money pending allotment					
(3) Non-current liabilities:					
(a) Long-term borrowings	4	5133.44		5024.32	
(b) Deferred tax liabilities (Net)					
(c) Other Long-term liabilities	5	2011.61		1876.25	
(d) Long-term provisions	6	<u>439.19</u>	7584.24	<u>432.61</u>	7333.18
(4) Current liabilities:					
(a) Short-term borrowings					
(b) Trade payables	7	221.00		191.23	
(c) Other current liabilities	8	368.41		1801.75	
(d) Short-term provisions	9	<u>103.49</u>	<u>692.90</u>	<u>86.00</u>	<u>2078.98</u>
Total			<u><u>34491.57</u></u>		<u><u>35235.29</u></u>
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	10	30085.28		30121.32	
(ii) Intangible assets					
(iii) Capital work-in-progress					
(iv) Intangible assets under developemnt					
(b) Non-current investments	11	2079.03		2079.03	
(c) Deferred tax assets (Net)					
(d) Long-term loans and advances	12	808.04		1391.88	
(e) Other non-current assets	13	<u>218.54</u>	33190.89	<u>229.95</u>	33822.18
(2) Current assets					
(a) Current investments					
(b) Inventories					
(c) Trade receivables	14	141.36		133.88	
(d) Cash and cash equivalents	15	239.20		360.43	
(e) Short-term loans and advances	16	60.03		58.91	
(f) Other current assets	17	<u>860.09</u>	<u>1300.68</u>	<u>859.89</u>	<u>1413.11</u>
Total			<u><u>34491.57</u></u>		<u><u>35235.29</u></u>

See accompanying notes to the financial statements

As per our Report of even date
for **CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Executive Chairman
Chennai
29th MAY 2013

M.Nandagopal
Director

G.Venkataraman
Company Secretary

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY LIMITED (CONSOLIDATED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

		Rs.in lakhs	
	Note No	For the year ended 31-03-2013	For the year ended 31-03-2012
I Revenue from operations	18	793.12	853.66
II Other income	19	<u>52.69</u>	<u>28.17</u>
III Total Revenue (I + II)		845.81	881.83
IV Expenses:			
a Cost of materials consumed			
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
d Employee benefits	20	81.51	158.41
e Finance costs		3.44	
f Depreciation and amortization	10	32.16	32.35
g Other expenses	21	<u>304.72</u>	<u>913.19</u>
Total expenses		421.83	1103.95
V Profit before exceptional and extraordinary items and tax (III - IV)		423.98	-222.12
VI Exceptional items	22	<u>48.36</u>	<u>-16.42</u>
VII Profit before extraordinary items and tax (V - VI)		472.34	-238.54
VIII Extraordinary items	22	<u> </u>	<u>-0.28</u>
IX Profit before tax (VII - VIII)		472.34	-238.82
X Tax expenses			
(1) Current tax		103.49	-86.00
(2) Excess provision no longer required		<u>-26.33</u>	
XI Profit / (loss) for the year from continuing operations (IX - X - XIV)		395.18	-324.82
XII Profit / (loss) from discontinuing operations			
XIII Tax expenses of discontinuing operations			
XIV Profit / (loss) from discontinuing operations (after tax) (XII - XIII)			
XV Profit / (loss) for the year (XI + XIV)		<u>395.18</u>	<u>-324.82</u>
XVI Earnings per share:			
(1) Basic		1.77	-1.46
(2) Diluted		1.77	-1.46
See accompanying notes to the financial statements			

As per our Report of even date
for **CNGSN & ASSOCIATES**
Firm Regn No 004915S
Chartered Accountants

M.Ethiraj
Executive Chairman
Chennai
29th MAY 2013

M.Nandagopal
Director

G.Venkataraman
Company Secretary

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY LIMITED (CONSOLIDATED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	Rs in Lakhs	
	31-03-2013	31-03-2012
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	395.18	(324.82)
Adjustments for:		
Depreciation	32.16	32.35
Interest Earned	(37.08)	(5.78)
Dividend Income	(1.97)	(1.67)
Finance cost	3.44	
Profit on sale of assets	(0.76)	(0.47)
Provision for Income Tax	<u>77.16</u>	<u>86.00</u>
Operating Profit before working Capital changes	468.13	(214.39)
Increase / (Decrease) in Long Term Liabilities	135.36	225.89
Increase / (Decrease) in Long Term Provisions	6.58	17.78
Increase / (Decrease) in Trade Payable	29.77	(134.64)
Increase / (Decrease) in Other Liabilities	(1,433.34)	286.73
(Increase) / Decrease in Long Term Loans & Advances	583.84	(97.88)
(Increase) / Decrease in Non Current Assets	11.41	(75.77)
(Increase) / Decrease in Trade Receivables	(7.48)	314.96
(Increase) / Decrease in Short Term Loans & Advances	(1.12)	1.47
(Increase) / Decrease in Other Current Assets	<u>(0.20)</u>	<u>(245.73)</u>
Cash from Operating activities	(207.05)	78.42
Direct Taxes paid	<u>(59.67)</u>	<u>(105.00)</u>
Net Cash from Operating activities	<u>(266.72)</u>	<u>(26.58)</u>
B Cash flow from Investing activities		
Sale of Fixed Assets (including cancellation of lease hold land)	0.76	0.47
Purchase of Fixed Assets		(1.17)
Dividend received	1.97	1.67
Interest received	<u>37.08</u>	<u>5.78</u>
Net Cash from investing activities	<u>39.81</u>	<u>6.75</u>
C Cash flow from financing activities		
Unsecured loans (net of repayment)	109.12	23.19
Interest Paid	<u>(3.44)</u>	<u></u>
Net Cash from financing activities	<u>105.68</u>	<u>23.19</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(121.23)	3.36
Cash and cash equivalent as at the beginning of the year	<u>360.43</u>	<u>357.07</u>
Cash and cash equivalent as at the end of the year	<u>239.20</u>	<u>360.43</u>

As per our Report of even date
for M/s CNGSN & ASSOCIATES

Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Executive Chairman

M.Nandagopal
Director

G. Venkataraman
Company Secretary

R. Thirumalmarugan
Partner
Membership No.200102

Chennai
Date:29th May, 2013

Note 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Fixed assets

- (i) Fixed assets are stated at cost of acquisition inclusive of the cost of installation/erection and interest on borrowings for qualifying fixed assets, upto the date the asset is put to use, as applicable.
- (ii) Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act 1956.
- (iii) Depreciation is provided on pro-rata basis from the day on which the assets have been put to use and up to the day on which assets have been disposed off.

(b) Inventories

Inventories consisting of Land and Building are valued at lower of cost and net realizable value. Cost is arrived at weighted average cost.

(c) Revenue Recognition

Financial statements are prepared under the historical cost convention. Revenue is recognized on accrual basis with provision made for known losses and expenses.

Services - Agency commission is recognized on accrual basis. Rental income from properties is recognised on accrual basis as per the agreements entered. Interest income is recognized on time proportion method and dividend income is recognized when the right to receive is established.

(d) Investments

Investments meant to be held for long term are accounted at cost. Diminution in value, if any, is recognized in the Statement of Profit & Loss account.

(e) Retirement Benefits

- (i) Contribution to Provident Fund is as per Rules of the own funds.
- (ii) Provision for gratuity is based on the calculations made as per the provisions of Payment of Gratuity Act, 1972 and not funded. The company estimates its liability on actuarial valuation basis as of each year-end balance sheet date carried out, and is charged to Statement of Profit and Loss Account in accordance with AS-15 (revised).
- (iii) Leave encashment benefits is provided on accrual basis and is not funded.

(f) Segment reporting

The company operates under a single segment viz., services & related leasing activity.

(g) Lease Rentals

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

(h) Foreign Currency Transaction

There are no foreign currency transactions.

(i) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets up-to the date when such assets are ready for

BINNY LIMITED (CONSOLIDATED)

intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

(j) Cash Flow Statement

The Cash Flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

(k) Earnings Per Share

The company reports basic and diluted earnings per share in accordance with the Accounting Standard -20-"Earnings Per Share".

(l) Provision for Taxation

Provision for Current Income Tax is made in accordance with the provisions of Income Tax Act, 1961. Deferred tax assets and liabilities are measured using substantially enacted tax rates as on the Balance Sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the income statement.

(m) Impairment of Assets

All assets other than inventories and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

(n) Provision and Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

NOTES TO THE FINANCIAL STATEMENTS

(Rs. in lakhs)

As at 31/03/2013 As at 31/03/2012

Note 2 - Share Capital

Authorised

2,28,20,000 Equity shares of Rs.5 each	1141.00	1141.00
11,80,000 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each	59.00	59.00
54,20,00,000 (9%) Cumulative Redeemable Preference Shares of Rs.5 each	27100.00	27100.00
	<u>28300.00</u>	<u>28300.00</u>

Issued, Subscribed & Paid-up

2,23,19,410 Equity Shares of Rs. 5 each fully paid up	(a) 1115.97	1115.97
5,48,800 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	27.44	27.44

BINNY LIMITED (CONSOLIDATED)

23,38,84,055 (9%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up

	11694.21	11694.21
(b)	<u>11721.65</u>	<u>11721.65</u>
(a+b)	<u>12837.62</u>	<u>12837.62</u>

Terms of Issue and redemptions of Cumulative Redeemable Preference Shares (CRPS):

Subsequent to the reduction as per the Scheme of Arrangement, the remaining issued CRPS and their respective redemption details are under:

13,01,76,000 (9%) CRPS of Rs. 5 each issued on 30.9.2005	6508.80	30.09.2015
5,48,800 (9.75%) CRPS of Rs.5 each issued on 30.6.2006	27.44	30.06.2016
1,73,56,800 (9%) CRPS of Rs.5 each issued on 31.1.2007	867.84	31.01.2017
* 43,39,200 (9%) CRPS of Rs.5 each issued on 30.1.2008	216.96	30.01.2018
5,10,72,384 (9%) CRPS of Rs.5 each issued on 29.9.2008	2553.62	29.09.2013
3,09,39,671 (9%) CRPS of Rs.5 each issued on 12.5.2010	1546.99	12.05.2015
	<u>11721.65</u>	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras

* Redemption due on 30.01.2013 have been extended till 30.01.2018.

Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Mr. M Ethiraj	2,014,920	9.03%	2,014,920	9.03%
Mr. V R Venkataachalam	3,095,040	13.87%	3,095,040	13.87%
Cumulative Redeemable Preference Shares				
9.75% CRPS of Rs.5 each				
TCP Limited	274,400	50.00%	274,400	50.00%
Mohan Breweries and Distilleries Limited	274,400	50.00%	274,400	50.00%
9% CRPS of Rs.5 each				
TCP Limited	113,734,155	48.63%	113,734,155	48.63%
Mohan Breweries and Distilleries Limited	101,472,192	43.39%	101,472,192	43.39%

BINNY LIMITED (CONSOLIDATED)

NOTE 3

		Rs.lakhs	
RESERVES AND SURPLUS			
		As at 31 st March 2013	As at 31 st March 2012
CAPITAL RESERVE (on Demerger)			
As per balance sheet		<u>10287.55</u>	<u>10287.55</u>
	a)	<u>10287.55</u>	<u>10287.55</u>
Securities Premium Account			
As per balance sheet		<u>1077.66</u>	<u>1077.66</u>
	b)	<u>1077.66</u>	<u>1077.66</u>
Revaluation reserve (as per Court Order)			
As per balance sheet		4910.50	4916.32
Additions			
Deductions		<u>3.88</u>	<u>5.82</u>
	c)	<u>4906.62</u>	<u>4910.50</u>
Profit and Loss account			
As per balance sheet		-3290.20	-2965.38
Profit for the year		395.18	-324.82
Less: Proposed dividends			
Tax on distributed profits			
Balance of Profit / Loss		-2895.02	-3290.20
Less: Transfer to General Reserve			
	d)	<u>-2895.02</u>	<u>-3290.20</u>
	(a+b+c+d)	13376.81	12985.51
Note-4 LONG-TERM BORROWINGS:			
Unsecured			
a Loans and advances from related parties		4983.24	4874.12
b Other loans and advances		<u>150.20</u>	<u>150.20</u>
		<u>5133.44</u>	<u>5024.32</u>
Note-5 OTHER LONG TERM LIABILITIES			
Unsecured			
a Trade payable		631.20	659.77
b Due to related parties		1324.91	1160.95
c Others		<u>55.50</u>	<u>55.53</u>
		<u>2011.61</u>	<u>1876.25</u>
Note-6 LONG TERM PROVISIONS			
a Employee Benefits		439.19	431.52
b Others			1.09
		<u>439.19</u>	<u>432.61</u>
Note-7 TRADE PAYABLE			
a Sundry Creditors for trade		221.00	191.23
b Dues to Micro, Small, Medium Enterprises Developments		<u>nil</u>	<u>nil</u>
		<u>221.00</u>	<u>191.23</u>
Note-8 OTHER CURRENT LIABILITIES			
a Rates and taxes payable		173.21	239.91
b Electricity dues payable		76.60	201.23
c Sales Tax payable		110.66	152.55
d Service Tax payable		7.94	29.86
e Other payables			<u>1178.20</u>
		<u>368.41</u>	<u>1801.75</u>
Note-9 SHORT TERM PROVISIONS			
a Provision for income tax		<u>103.49</u>	<u>86.00</u>
		<u>103.49</u>	<u>86.00</u>

BINNY LIMITED (CONSOLIDATED)

Note-10 : FIXED ASSETS - TANGIBLE

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land	29698.91		*3.88	29695.03					29695.03	29698.91
Land (Leasehold)	1.25			1.25	1.25			1.25		
Factory Buildings	904.36			904.36	541.97	21.80		563.77	340.59	362.39
Plant & Equipment	195.06			195.06	169.18	3.18		172.36	22.70	25.88
Furniture & Fixtures	92.97			92.97	63.54	6.36		69.90	23.07	29.43
Vehicles	45.18		32.69	12.49	40.47	0.82	32.69	8.60	3.89	4.71
	30937.73	-	36.57	30901.16	816.41	32.16	32.69	815.88	30085.28	30121.32
Previous year	30990.66	1.17	54.10	30937.73	832.34	32.35	48.28	816.41	30121.32	30158.32

* Deletion - represents the sale of land to workers as per the MOU entered into by management with the workers and approved by court.

BINNY LIMITED (CONSOLIDATED)

Note 11

INVESTMENTS

	No.of shares	Face value per share Rs.	As at 31/3/2013	As at 31/3/2012
a) AT COST				
NON-TRADE				
Fully paid equity shares :				
QUOTED				
State Bank of India	1920	10	0.69	0.69
ICICI Bank Ltd	7851	10	3.33	3.33
UNQUOTED				
Fully paid Cumulative				
Rededdmable				
Pref. shares in SV Sugar Mills Ltd	20750000	10	2075.00	2075.00
b) NON-TRADE				
Fully paid Equity shares :				
Tamilnadu Chromates &				
Chemicals Limited	30000	10	0.01	0.01
			<u>2079.03</u>	<u>2079.03</u>

	Cost	Market value/ Book value
Quoted	4.02	121.86
Unquoted	2075.01	-
	<u>2079.03</u>	<u>121.86</u>

	As at 31-03-2013	As at 31-03-2012

Note-12 LONG TERM LOANS AND ADVANCES

(unsecured-considered good)

a Security Deposits	12.28	10.52
b Loans and advances		
c i) Due from related parties		559.74
ii) Others	795.76	821.62
	<u>808.04</u>	<u>1391.88</u>

Note-13 OTHER NON CURRENT ASSETS

a Long-term Trade Receivables-(unsecured&considered good)	98.35	109.76
b Stock in trade (Land)	120.19	120.19
	<u>218.54</u>	<u>229.95</u>

Note-14 TRADE RECEIVABLE

(unsecured-considered good)

a i) outstanding for more than six months	124.86	124.31
b Trade receivables (others)	16.50	9.57
	<u>141.36</u>	<u>133.88</u>

BINNY LIMITED (CONSOLIDATED)

	Rs.in lakhs	
	As at 31-03-2013	As at 31-03-2012
Note-15 CASH AND CASH EQUIVALENTS		
a Balance with banks	232.07	5.64
b Cash on hand	2.99	1.28
c Bank balances held as margin money for gurantees	4.14	11.51
d Bank Deposits with more than 12 months maturity		342.00
	<u>239.20</u>	<u>360.43</u>
Note-16 SHORT TERM LOANS AND ADVANCES		
a Other Loans and advances	60.03	58.91
	<u>60.03</u>	<u>58.91</u>
Note-17 OTHER CURRENT ASSETS		
a Interest accrued and due on investments	0.04	0.04
b Wealth tax	648.66	535.13
c Prepaid insurance		1.54
d TDS,Service tax, sales tax	158.90	152.18
e Deposits with Govt Dept	52.49	171.00
	<u>860.09</u>	<u>859.89</u>
		Rs in lakhs
	For the year ended 31/03/2013	For the year ended 31/03/2012
Note-18 INCOME		
a Agencies commission	37.07	298.15
b Lease rental	756.05	555.51
	<u>793.12</u>	<u>853.66</u>
Note-19 OTHER INCOME		
a Interest income	37.08	5.78
b Dividend income	1.97	1.67
c Net gain on sale of fixed assets	0.76	0.47
d Other non-operating income	12.88	20.25
	<u>52.69</u>	<u>28.17</u>
Note-20 EMPLOYEE BENEFIT EXPENSES		
a Salaries and wages	58.84	131.28
b Contribution to PF and other funds	8.10	10.69
c Staff welfare expenses	4.98	10.96
d others	9.59	5.48
	<u>81.51</u>	<u>158.41</u>

BINNY LIMITED (CONSOLIDATED)

	Rs in lakhs	
	For the year ended 31/03/2013	For the year ended 31/03/2012
Note-21 OTHER EXPENSES		
a Rent	0.78	0.96
b Insurance	3.34	3.48
c Power and Fuel	32.39	45.63
d Repairs to building	14.93	9.70
e Repairs to machinery	14.85	4.31
f Rates and taxes	11.72	522.98
g Payment to statutory auditors	15.33	14.74
h Legal, Professional and consultancy	59.80	18.10
i Cash discount and sales promotion	0.13	6.09
j Security charges	37.50	48.00
k Bad debts written off	4.97	
l Agency services expenses	9.11	125.79
m Miscellaneous expenses	99.87	113.41
	<u>304.72</u>	<u>913.19</u>

Note-22 OTHER ITEMS

Details of exceptional items

a Prior period items-IT paid for earlier years	16.42
b Details of extraordinary items-VSS	0.28
c Prior period income	48.36

NOTE: 23 OTHER NOTES ON ACCOUNTS

1. The financials are prepared on the principles applicable to the going concern. The Management is exploring all possible avenues to commence the business by exploiting the lease hold land
2. As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. SEBI has approved the Relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 of Resulting Companies' during March, 2013. The Listing / Trading of Resulting Companies' shares are under process. Upon completion of formalities, the change in Directorship and interse transfer of shares among the Promoters shall be complied with.
3. Revaluation Reserve is as per the Scheme of Arrangement Sanctioned by the High Court of Madras. The outstanding Revaluation Reserve Rs.4906.62 lakhs (P.Y. 4910.50 lakhs) represents the adjusted amount of fixed assets (Land) revalued as per the Sanctioned Scheme effective from 01.01.2010.
As per the MOU entered into with workers during the year 1000 sq.ft. of land (P.Y. 1500 sq. ft) has been transferred / sold to the workers as agreed. The revaluation reserve on these sales of land has now been reduced from the Fixed Assets and Revaluation Reserve account.

4. Long Term Borrowings: Unsecured

The company was receiving the loans from the Promoters individually and through their group companies since 1994, to meet the requirements of rehabilitation schemes submitted to BIFR. As per the Sanctioned Scheme of Arrangement of Hon'ble High Court of Madras the company has recorded a sum of Rs.3998.62 lakhs as unsecured loan due to promoter group. The balance sum of Rs.100.20 lakhs has been received from promoters group are shown separately, for which the confirmation of balance are pending. All the loans are interest free and repayable on demand.

BINNY LIMITED (CONSOLIDATED)

5. Contingent Liabilities

No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief / succeeding in the appeals:

	31.03.2013	31.03.2012
	(Rs. Lacs)	
a) Electricity charges on revision of Tariff rates for the period from 1-12-82 to 31-12-87 contested by the company, the recovery of which is stayed by the Hon'ble HighCourt of Madras	117.50	117.50
b) Estimated surcharge on belated payment above upto 31/03/2013	700.31	672.11
c) Claim for back wages in respects of various disputes if any,	Liability not ascertainable	
d) Disputed claim for delayed remittance of statutory dues where the appeals are pending before EPF Appellate, Authority and Principal Labour Court (ESI Court) and High Court.	62.90	62.90
e) Claims from Customers against performance, which is not acknowledged as debt.	1212.44	1212.44
f) Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable for refund in case the AP High Court decides the matter in favour of NSL.	52.37	52.37
g) Excise Demands under Appeal (Appeal filed by Central Excise Dept. Before Hon'ble High Court of Madras)	2.99	2.99
h) Income Tax demand for Asst. Year 2008-09	19.21	19.21
i) Wealth Tax Demand for Asst. year 1993-94 to 2010-11	2553.77	2553.77
j) Income Tax demand for Asst. Year 2010 – 2011	11464.23	Nil

6. Other Moneys for which the company is contingently liable

a) Claims against the company not acknowledged as Debts	131.32	156.43
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7. Balances in Trade receivable, Trade payable and Loans and Advances are subject to confirmation/ reconciliation. However, in the opinion of the Management, all current assets, debtors and loans/ advances would in the ordinary course of business realize at the value stated.

	(Rs. Lacs)	
	31.3.2013	31.3.2012
8. (a) Arrears of 9.75% Cumulative Preference dividend for the period 01-07-2006 to 31-12-2009	9.36	9.36
(b) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009	3030.01	3030.01
(c) Arrears of 9.75% Cumulative Preference dividend for the period 01-01-2010 to 31-03-2013	8.70	6.02
(d) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2013	3370.11	2317.63

BINNY LIMITED (CONSOLIDATED)

9. Foreign Exchange inflow and outflow NIL NIL
10. To comply with the Accounting Standard - 22 - Accounting for Taxes on income, the company reviewed the deferred tax assets and liabilities. The timing differences relates mainly to depreciation and carry forward losses for the period up to 31-03-2013 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.
11. a. The company has received wealth tax demand for the Asst. Year 2005-06 to 2010 - 2011 for Rs.1060.18 lakhs against which the company has filed appeals with CWT (A). A/Y 1994-95 to 2003-04 for Rs.1493.59 lakhs against which the company has filed appeals with ITAT, Chennai. Against these demands a sum of Rs.648.66 lakhs has been paid under protest. Considering the company's chance of success in appeal no provision has been made in the accounts.
- b. The company has received Income Tax demand for asst. year 2008 – 09 Rs.19.21 lakhs which is disputed before CIT (A). Company also received Income Tax demand for Asst. Year 2010 – 2011 demanding a sum of Rs.11464.23 Lakhs, additions were made on flimsy grounds, and company has filed appeals before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.

12. Related Party Disclosure

(a) List of Related Parties

(i) Parties where control exists Subsidiary

Binny Engineering Limited (BEL)

(ii) Other related Parties with whom transactions have taken place during the year Associates

S.V. Sugar Mills Ltd (SVSM)

The Thirumagal Mills Ltd (TML)

Mohan Breweries & Distilleries Ltd

(MBDL) TCP Ltd

S V Global Mill Ltd. (SVG)

Binny Mills Ltd (BML)

(iii) Key Management

Personnel M. Ethiraj

E. Shanmugam

M. Nandagopal

V. R. Venkataachalam

Arvind Nandagopal

	Current year 31/03/2013 (Rs. in lakhs)	Previous Year 31/03/2012 (Rs. in lakhs)
Rendering of Services ---	-	-
Outstanding balances - BML	(163.96)	(95.72)
Debtors --- BML	-	0.80
--- MBDL	-	0.75
Outstanding as at year end:		
Loans & Advances --- BEL	-	-
Advance for Sale of Property - BML	1324.91	1160.95
Unsecured Loan from Promoters-MBDL	3998.62	3829.92

BINNY LIMITED (CONSOLIDATED)

13. Investment represents fully paid cumulative redeemable preference share capital (2,07,50,000 shares of Rs. 10each) in M/s S.V. Sugar Mills Limited, associate company. The company has not declared any dividend for this year.

14. Earnings per Share:

	Before extra ordinary item		After extra ordinary item	
	2013	2012	2013	2012
Profit available to Equity Share holders used as Numerator – (A) (Rs. lakhs)	318.02	-308.12	395.18	-324.82
Number of Shares outstanding	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Weighted Average Number of shares outstanding-(B)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Effect of dilution	NIL	NIL	NIL	NIL
Weighted Average No. of Equity Shares Including potential shares –(D)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Basic & diluted A/B (A*1,00,000/B) in Rs.	1.43	-1.38	1.77	-1.46

15. As per actuarial valuation as on 31-03-2013 and recognized in the financial statements in respect of employee benefit schemes as require under AS 15 (R) are as under:

PARTICULARS	Gratuity		Long Term Compensated Absence	
	Unfunded		Unfunded	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(i) Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
	Rs. lakhs		Rs. lakhs	
(ii) Table Showing Change in Benefit Obligation				
Liability at the beginning of the Period	54.73	48.66	4.95	4.75
Interest Cost	4.31	3.89	0.38	0.38
Current Service Cost	2.34	2.66	0.32	0.94
Benefit Paid	(1.78)	(5.72)	(0.32)	(0.74)
Actuarial (gain) / Loss on obligations	(7.55)	5.24	(1.04)	(0.38)
Liability at the end of the Period	52.05	54.73	4.29	4.95
(iii) Amount Recognised in the Income Statement				
Current Service Cost	2.34	2.66	0.32	0.94
Interest Cost	4.31	3.89	0.38	0.38
Expected Return on Plan Assets	0	0	0	0
Net Actuarial (Gain) /Loss to be Recognised	(7.55)	5.24	(1.04)	(0.38)
Expenses Recognised in Profit & Loss A/c	(0.90)	11.79	(0.34)	0.94

BINNY LIMITED (CONSOLIDATED)

	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(iv) Amount Recognised in the Balance Sheet				
Opening Net Liability	54.73	48.66	4.95	4.75
Expenses as above	(0.90)	11.79	(0.34)	0.94
Employers Contribution paid / Benefits Paid	(1.78)	(5.72)	(0.32)	(0.74)
Closing net Liability	52.05	54.73	4.29	4.95

16. Previous year figures have been regrouped wherever necessary to conform to current year classifications.

M. Ethiraj Executive Chairman	M. Nandagopal Director	G. Venkataraman Company Secretary	As Per our Report of even date for M/s. CNGSN& ASSOCIATES Chartered Accountants Firm Reg. No: 004915S R. Thirumalmarugan Partner Membership No: 200102
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Chennai
 Date: 29th May, 2013

BINNY ENGINEERING LIMITED
ANNUAL REPORT
MARCH 2013

DIRECTORS	M. Ethiraj M. Nandagopal S. Natarajan E. Shanmugam V. R. Venkataachalam
BANKERS	Canara Bank
AUDITORS	CNGSN & Associates 22, Flat "C" & "D" Vijayaraghava Road T.Nagar, Chennai 600017
REGISTERED OFFICE	Meenambakkam, P.O. Box No. 8677, Chennai 600 114.

BINNY ENGINEERING LIMITED

Directors' Report

Your Directors place their 18th Annual Report on the performance of the company together with the audited accounts of the company for the year ended 31st March 2013.

Financial Results

	Rs in Lakhs	
	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Income from Operation	-	-
Profit / Loss before interest & depreciation	(37.21)	(545.17)
Interest and Finance Charges	-	-
Depreciation	6.98	6.98
Extraordinary Income (Expenditure)	-	-
Net Profit / Loss for the year	(44.19)	(552.15)
Carried to Balance Sheet	(3103.77)	(3059.58)

Dividend

Your Directors do not recommend any dividend for the year

Deposits

Your company has neither invited nor accepted any deposits from the Public.

Conservation of energy, technology absorption and foreign exchange earning / outgo

Information relating to the conservation of energy, technology absorption and foreign exchange earning / outgo with the provision of section 217 (1) (e) of the companies (disclosure of particulars in the report of director) Rule 1988 is given in the annexure 1 below.

The particulars required under section 217 (a) of the companies act 1956 read with the companies (particulars of employees) Rules 1975 are not applicable as none of the employees coming under the purview of this section.

Directors clarification to the auditors report

A) Auditors report

In regard to the remarks in the auditors report, your directors wish to clarify as under.

- a) Pending starting of the unit, accounts are prepared on a "going concern" basis.
- b) The company would take appropriate steps to confirm the balances

Auditors

Ms. CNGSN & Associates Chartered Accountants Chennai retire at the conclusion of the Annual General Meeting and eligible for reappointment.

Statutory requirements

Directors responsibility statement

As required under section 217 (2AA) of the companies act 1956 the directors state as follows.

- 1) That in the preparation of annual accounts for the year ended 31st March 2013 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 2) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.

BINNY ENGINEERING LIMITED

- 3) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) That the directors had prepared the accounts for the year ended 31st March 2013, on "going concern" basis.

Personnel

Your directors are thankful to the employees of the company for the co-operation. The industrial relations cordial during the year under review.

Acknowledgements

Your directors wish to express sincere thanks to the bankers and also acknowledge the cooperation extended by various associates and the employees of the company for their contribution to the performance of the company.

By order of the
board M. Ethiraj
Director

Chennai

29.05.2013

Annexure I

	Current Year	Previous Year
A) Power and Fuel Consumption		
1. Electricity		
a) Purchase units (in '000)	59	59
Total Amount (Rs in '000)	626	630
Rate / Unit Rs	10.66	10.66
b) Own Generation		
i. Through Diesel Generator (Unit)	NIL	NIL
Unit / Litre of Diesel Oil	NIL	NIL
Cost / Unit Rs.	NIL	NIL
ii. Through Steam		
Turbine Generator Units (Lakhs)	NIL	NIL
iii. Units / Litre of Fuel Oil /		
Gas Cost / Unit	NIL	NIL
2. Coal (Specify Quantity and where used) (Tonnes) (Qty)		
Quantity (Tonnes)	NIL	NIL
Total Cost (Rs in Lakhs)	NIL	NIL
Average Rate (Rupees)	NIL	NIL
3. Furnace Oil Qty (K Litres)		
Quantity (K Ltrs)	NIL	NIL
Total Coast (Rs in Lakhs)	NIL	NIL
Average Rate (Rupees)	NIL	NIL
B) Consumption per Unit of Production	This division is a jobbing Industry and hence consumption per unit of Production is unassertainable	This division is a jobbing Industry and hence consumption per unit of Production is unassertainable

INDEPENDENT AUDITOR'S REPORT

To
The Members
Binny Engineering
Limited Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of Binny Engineering Limited (the Company), which comprises the Balance Sheet as at March, 31 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. These procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion:

Attention is drawn to the following material matters:

- a. *Note 15.1 in financial statements, with regard to the preparation of financial statements on going concern. No operational income for the year, dependence on financial and administrative support from holding Company and other related factors indicate that existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.*
- b. *Note No.15.3 in financial statements, with regard to pending confirmation of balances as on 31st March, 2013 from Long Term Borrowings, Trade payable and Long Term Loans and advances, any adjustment to be made on the carrying amount, for any shortfall, at the yearend is not ascertainable.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except to the possible effects of matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March, 31, 2013;
- b) In the case of Statement of Profit and Loss, of the LOSS for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to Note 15.11 in notes to the financials with regard to the Income Tax demands disputed before the authorities, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order), as amended, issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to sub-section (3C) of Section 211 of the Act;
 - e. on the basis of written representation received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director, in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 29th May, 2013

R.THIRUMALMARUGAN
Partner
Membership No: 200102

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets which needs to be updated.
- (b) The Fixed assets have been physically verified by the Management and no discrepancies were noticed.
- (c) As explained to us, during the year the Company has disposed off some of the fixed assets, which in the opinion of the management has no affect on the going concern assumption.
- (ii) There are no inventories.
- (iii) (a) The company has not granted interest free loans, unsecured to associate company, a party covered in the register maintained under section 301 of the Companies Act, 1956. Hence other clause are not applicable.
- (b) The company has taken unsecured interest free loans from its holding company and associate companies, the parties covered in the register maintained under section 301 of the Companies Act, 1956. The total number of party are four and amount of outstanding is Rs.2133.14 lakhs.
- (c) Neither the terms of repayment nor the interest rates to be paid on the loans are specified in respect of the loans taken. Therefore we are unable to comment on whether the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
- (v) According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered during the year.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year as defined under section 58A of the Companies Act, 1956.
- (vii) In our opinion, the company does not have an internal audit system to commensurate with the size and nature of its business.
- (viii) As per the information and explanations given to us, the company has no operational activity carried out during the year and hence it is informed to us that the maintenance of cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 are not applicable for the year.
- (ix) (a) The company is depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance and income tax with some delays, wherever applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, were in arrears, as at 31st March 2013 for a period of more than six months from the date they became payable except for the following:-

Nature of Tax	Period	Amount in lakh
Professional Tax	April 2005 to September 2007	0.28
TNLWB	September 2001 to march 2006	0.03

BINNY ENGINEERING LIMITED

- (c) According to the information and explanation given to us, the following are the dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of disputes:-

Name of the Statute	Nature of the Dues	Amount in lakhs	Forum where dispute is pending
Tamil Nadu General Sales Tax Act	TNGST & Penalty	22.11 (settled in April & May, 2012)	Tamil Nadu Taxation Special Tribunal

- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, there is no default in the repayment of dues to the bankers / financial institutions.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us no term loans obtained during this year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares during the year.
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the year and creation of security for issue of debentures does not arise.
- (xx) According to the information and explanations given to us, the company has not raised money by public issues and the disclosure of end use of money raised by public issues does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 29th May, 2013

R.THIRUMALMARUGAN
Partner

Membership No: 200102

BINNY ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

			Rs.in lakhs	
	Note No.	As at 31-03-2013	As at 31-03-2012	
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds:				
(a) Share Capital	2	2874.81	2874.81	
(b) Reserves and Surplus	3	-3103.77	-3059.58	
(c) Money Received against Share warrants		<u>-228.96</u>	<u>-184.77</u>	
(2) Share application money pending allotment				
(3) Non-current liabilities:				
(a) Long-term borrowings	4	2183.14	1529.69	
(b) Deferred tax liabilities (Net)				
(c) Other Long-term liabilities	5	134.72	118.15	
(d) Long-term provisions	6	<u>0.39</u>	<u>1.48</u>	1649.32
(4) Current liabilities:				
(a) Short-term borrowings				
(b) Trade payables				
(c) Other current liabilities	7	51.29	1232.67	
(d) Short-term provisions		<u>51.29</u>	<u>1232.67</u>	
		<u>2140.58</u>	<u>2697.22</u>	
II. ASSETS:				
(1) Non-current assets				
(a) Fixed Assets				
(i) Tangible Assets	8	40.56	47.54	
(ii) Intangible Assets				
(iii) Capital Work-in-progress				
(iv) Intangible Assets under development				
(b) Non-current investments	9	2075.00	2075.00	
(c) Deferred tax assets (Net)				
(d) Long-term loans and advances	10	23.88	574.55	
(e) Other non-current assets		<u>2139.44</u>	<u>2697.09</u>	
(2) Current assets				
(a) Current investments				
(b) Inventories				
(c) Trade receivables				
(d) Cash and cash equivalents	11	1.14	0.13	
(e) Short-term loans and advances				
(f) Other current assets		<u>1.14</u>	<u>0.13</u>	
		<u>2140.58</u>	<u>2697.22</u>	

See accompanying notes to the financial statements

As per our Report of even date
for **CNGSN & ASSOCIATES**

Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Director

E.Shanmugam
Director

R.THIRUMALMARUGAN
Partner
Membership No.200102

Chennai
Date :29.05.2013

BINNY ENGINEERING LIMITED

PROFIT AND LOSS STATEMENT OF FOR THE YEAR ENDED 31ST MARCH 2013

Rs in lakhs

	Note No	For the year ended 31-03-2013	For the year ended 31-03-2012
I Revenue from operations			
II Other income	12	<u>1.16</u>	<u>4.67</u>
III Total Revenue (I + II)		1.16	4.67
IV Expenses:			
a Cost of materials consumed			
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
d Employee benefits expenses	13	6.00	6.21
e Finance costs			
f Depreciation and amortization expenses	8	6.98	6.98
g Other expenses	14	<u>32.37</u>	<u>543.63</u>
Total expenses		45.35	556.82
V Profit before exceptional and extraordinary items and tax (III - IV)		-44.19	-552.15
VI Exceptional items			
VII Profit before extraordinary items and tax (V - VI)		-44.19	-552.15
VIII Extraordinary items			
IX Profit before tax (VII - VIII)		<u>-44.19</u>	<u>-552.15</u>
X Tax expenses			
(1) Current tax			
(2) Deferred tax			
XI Profit / (loss) for the year from continuing operations (IX -X - XIV)		<u>-44.19</u>	<u>-552.15</u>
XII Profit / (loss) from discontinuing operations			
XIII Tax expenses of discontinuing operations			
XIV Profit / (loss) from discontinuing operations (after tax) (XII - XIII)			
XV Profit / (loss) for the year (XI + XIV)		<u>-44.19</u>	<u>-552.15</u>
XVI Earnings per share:			
(1) Basic & Diluted		-0.15	-1.92

See accompanying notes to the financial statements

As per our Report of even date
for **CNGSN & ASSOCIATES**

Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Director

E. Shanmugam
Director

R.THIRUMALMARUGAN
Partner
Membership No.200102

Chennai
Date: 29th May 2013

BINNY ENGINEERING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

31-03-2013 31-03-2012

Rs in Lakhs

A Cash Flow from Operating Activities

Profit / (Loss) for the year	(44.19)	(552.15)
Adjustments for:		
Extraordinary Items / Withdrawal of revaluation reserve		
Depreciation	6.98	6.98
Interest Paid		
Dividend Income		
Interest Earned	-	(1.18)
Profit on sale of assets	-	(0.44)
Deferred Revenue expenses written off	-	-
Operating Profit before working Capital changes	(37.21)	(546.79)
Increase / (Decrease) in Long Term Liabilities	16.57	-
Increase / (Decrease) in Long Term Provisions	(1.09)	-
Increase / (Decrease) in Other Current Liabilities	(1,181.38)	363.19
(Increase) / Decrease Long Term Loans & Advances	550.67	(1.76)
Cash from Operating activities	(652.44)	(185.36)
Direct Taxes paid	-	-
Net Cash from Operating activities	<u>(652.44)</u>	<u>(185.36)</u>

B Cash flow from Investing activities

Encashment / Redemption of Investment		
Purchase of fixed assets (Including Capital Work in Progress)		
Sale of Fixed Assets	-	0.44
Dividend received	-	1.18
Interest received	-	-
Dividend received		
Net Cash from investing activities	<u>-</u>	<u>1.62</u>

C Cash flow from financing activities

Long Term Borrowings	653.45	177.66
Repayment of Loans from Banks / Financial institutions (Net)		
Cash Credit accounts		
Interest Paid	-	-
Net Cash from financing activities	<u>653.45</u>	<u>177.66</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	1.01	(6.08)
Cash and cash equivalent as at the beginning of the year	0.13	6.21
Cash and cash equivalent as at the end of the year	<u>1.14</u>	<u>0.13</u>

As per our Report of even date
for M/s CNGSN & ASSOCIATES

Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Director

E.Shanmugam
Director

R. Thirumalmarugan
Partner
Membership No.200102

Chennai



Note: 1. SIGNIFICANT ACCOUNTING POLICIES

1. SYSTEM OF ACCOUNTING

The financial statements are prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAP), and the applicable mandatory Accounting Standards.

2. REVENUE RECOGNITION

Revenue is recognized on accrual basis with provisions made for known losses and expenses.

- i. Sales are inclusive of Excise Duty
- ii. In respect of Engineering Contracts, income recognized on proportionate basis with respect to progressive bills.

3. USE OF ESTIMATES

In preparation of financial statements conforming to GAAP requirements certain estimates and assumptions are essentially required to be made with respect to items such as future obligations under employee retirement benefit plans, income taxes, and the useful life period of Fixed Assets. Due care and diligence have been exercised by the Management in arriving at such estimates and assumptions since they may directly affect the reported amounts of income and expenses during the period as well as the balances of Assets and Liabilities including those which are contingent in nature as at the date of reporting of the financial statements.

4. FIXED ASSETS AND DEPRECIATION

- i. Fixed Assets are stated at cost. Cost comprises of Cost of acquisition inclusive of duties and cost of installation / erection and interest on borrowings for qualifying fixed assets up to the date the assets is put to use, as applicable.
- ii. Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act, 1956.

5. INVESTMENTS

Investments meant to be held for long term are accounted at cost and provision for diminution in value, if any, is made.

6. INVENTORIES

There are no inventories.

7. FOREIGN CURRENCY TRANSACTIONS

There are no foreign currency transactions.

8. RETIREMENT BENEFITS

The Company makes defined contribution for the welfare of employees to the Appropriate Government towards Provident Fund. Apart from this monthly contribution the company does not have any future obligation in this respect. There are no employees covered under Gratuity Act.

9. BORROWING COSTS

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets up-to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

BINNY ENGINEERING LIMITED

10. LEASES

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of related loan agreement.

11. EARNINGS PER SHARE

The company reports basic and diluted earnings per share in accordance with the Accounting Standard – 20-‘Earnings Per Share’.

12. SEGMENT REPORTING

The company operates under one segment and hence segment reporting is not applicable for this year.

13. IMPAIRMENT OF ASSETS

All assets other than inventories, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. There are no impairment loss during the year.

14. PROVISION AND CONTINGENCIES

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2013

	As at 31-03-2013 Rs in lakhs	As at 31-03-2012 Rs in lakhs
Note: 2 (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
Authorised Share Capital 30000000		
Equity Shares of Rs...10/= each	3,000.00	3,000.00
Issued, Subscribed and Paid Up 28748100 Equity Shares of Rs.10/= each	2,874.81	2,874.81
	<u>2,874.81</u>	<u>2,874.81</u>
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:		
Number of equity shares outstanding as at the beginning of the year	28,748,100	28,748,100
Add: Number of Shares allotted during the year	-	-
Less: Number of Shares bought back	-	-
Number of equity shares outstanding as at the end of the year	<u>28,748,100</u>	<u>28,748,100</u>
(C) Rights, preferences and restrictions attaching to various classes of shares	NIL	NIL
(D) Shareholding in the company of the holding company and ultimate holding company and their subsidiaries / associates	NIL	NIL
(E) Shares in the company held by each shareholder holding more than 5%: Name of shareholder No of shares at year end Binny Limited (100 %)	28,748,100	28,748,100

BINNY ENGINEERING LIMITED

	(F) Shares reserved for issue under options and contracts:	NIL	NIL
	(G) Commitments for sale of shares/ divestment	NIL	NIL
	(H) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back	NIL	NIL
	(I) Details of securities convertible into equity / preference shares	NIL	NIL
Note: 3	RESERVES AND SURPLUS		
	Profit & Loss Account as per last B/S	(3,059.58)	(2,507.43)
	Profit/Loss for the period - From P & L	(44.19)	(552.15)
	LESS Proposed Dividends	-	-
	Tax on Distributed Profit	-	-
	Balance of Profit / Loss	(3,103.77)	(3,059.58)
	Less : Transfer to General Reserve	-	-
	Closing Balance	<u>(3,103.77)</u>	<u>(3,059.58)</u>
Note:4	LONG TERM BORROWINGS:		
	a. Mother Meera Industries	50.00	50.00
	b. Binny Limited - Holding Company	1,148.52	435.49
	c. Associate Companies	<u>984.62</u>	<u>1,044.20</u>
		<u>2,183.14</u>	<u>1,529.69</u>
Note:5	LONG TERM LIABILITIES:		
	Trade Payable	134.72	118.15
	Others	-	-
		<u>134.72</u>	<u>118.15</u>
Note:6	LONG TERM PROVISIONS:		
	Employee Benefits	0.39	0.39
	Others	-	1.09
		<u>0.39</u>	<u>1.48</u>
Note:7	OTHER CURRENT LIABILITIES		
	Sales Tax payable		1,178.20
	Others	<u>51.29</u>	<u>54.47</u>
		<u>51.29</u>	<u>1,232.67</u>
Note:9	NON CURRENT INVESTMENTS (Unquoted and Valued at Cost)		
	Fully paid cumulative Redeemable	<u>2,075.00</u>	<u>2,075.00</u>
	Preference Shares in S V SUGAR MILLS LTD (20750000 shares @ Rs.10/- face value)	<u>2,075.00</u>	<u>2,075.00</u>
Note:10	LONG TERM LOANS AND ADVANCES - UNSECURED- CONSIDERED GOOD		
	Loans and advances - Deposits	11.48	9.71
	Others	12.40	5.10
	Other loans and advances - Associates	-	559.74
	Loans and advances - Considered doubtful	89.31	89.31
	Less: Provision for doubtful loans and advances	<u>(89.31)</u>	<u>(89.31)</u>
		<u>23.88</u>	<u>574.55</u>
Note-11	CASH AND CASH EQUIVALENTS		
	Balance with banks	0.78	0.08
	Cash on hand	0.31	-
	Deposit with Banks for guarantees	<u>0.05</u>	<u>0.05</u>
		<u>1.14</u>	<u>0.13</u>

BINNY ENGINEERING LIMITED

Note-8 :FIXED ASSETS - TANGIBLE

Rs in Lakhs

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land - Leasehold	1.25			1.25	1.25			1.25	0.00	0.00
Factory Buildings	163.14			163.14	118.69	5.45		124.14	39.00	44.45
Plant & Equipment	153.67		-	153.67	150.58	1.53	-	152.11	1.56	3.09
Office Equipments	19.08			19.08	19.08			19.08	-	-
	337.14	-	-	337.14	289.60	6.98	-	296.58	40.56	47.54
Previous year	385.43		(48.29)	337.14	330.91	6.98	(48.29)	289.60	47.54	54.52

BINNY ENGINEERING LIMITED

NOTES TO THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	For the year ended 31.03.2013 Rs in lakhs	For the year ended 31.03.2012 Rs in lakhs
Note-12 OTHER INCOME		
a Interest income	-	1.18
b Net gain/Assets - Sale of Machinery & Plants	-	0.44
c Other income	1.16	3.05
	<u>1.16</u>	<u>4.67</u>
Note-13 EMPLOYEE BENEFIT EXPENSES		
a Salaries and wages	5.37	5.60
b Contribution to PF and other funds	0.21	0.21
c Staff welfare expenses	0.42	0.39
d others	-	0.01
	<u>6.00</u>	<u>6.21</u>
Note-14 OTHER EXPENSES		
a Rent	0.08	0.08
b Power and Fuel	6.26	6.30
c Rates and taxes	1.07	510.81
d Payment to statutory auditors as Statutory Auditors for taxation matters	0.72	0.82
e Legal, Professional and consultancy	12.00	13.72
f Security Charges	11.15	10.90
g Miscellaneous expenses	0.91	0.86
	<u>32.37</u>	<u>543.63</u>

NOTE : 15. OTHER NOTES ON ACCOUNTS

- The financials are prepared on the principles applicable to the going concern. The Management is exploring all possible avenues to commence the business by exploiting the lease hold land.
- Other moneys for which the company is contingently liable.

	Year ended 31.03.2013 Rs in lakhs	Year ended 31.03.2012 Rs in lakhs
a. Claim for back wages in respect of various disputes, including disputes in respect of workmen which are pending before the Courts and Industrial Tribunal Liability if any,	Not Quantifiable	
b. Disputed claim for delayed remittance of statutory dues where the appeals are pending before EPF Appellate, Authority and Principal Labour Court (ESI Court) and High Court.	62.90	62.90
c. Claims from Customers against performance, which is not acknowledged as debt.	1212.44	1212.44
d. Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable for refund in case the AP High Court decides the matter in favour of NSL.	52.37	52.37

BINNY ENGINEERING LIMITED

3. Unsecured loan (other than related Parties), Trade Payable and other Loans and Advances are subject to Confirmation/reconciliation. However, in the opinion of the Management, all current assets, loans and advances would in the ordinary course of business realize at the value stated.
4. Investment represents fully paid cumulative redeemable preference share capital (2,07,50,000 shares of Rs. 10each) in M/s S.V. Sugar Mills Limited, associate company. The company has not declared any dividend for this year.

	Year ended 31.03.2013 Rs in lakhs	Year ended 31.03.2012 Rs in lakhs
5. Value of imports on CIF basis:	Nil	Nil
6. Expenditure in Foreign Currency	Nil	Nil
7. Earnings in Foreign Exchange	Nil	Nil
8. Related Party Disclosure:		
(a) List of Related Parties :		
Parties where control exists :		
Holding Company :	Binny Limited	
Associates :	TCP Limited, S. V. Sugar Mills Ltd and Mohan Breweries & Distilleries Ltd The Thirumagal Mills Ltd, Srinidhi Finance P Ltd Tiger Farms P Ltd	
(b) Transactions with Related Parties:		
Borrowing from :Holding Company	713.03	146.55
Associates Companies	1544.36	NIL
(c) Outstanding balances		
Investment in Preference Share Capital in S V Sugar Mills Ltd	2075.00	2075.00
Long Term Borrowings		
From Associate Companies	984.62	1044.20
From Holding Company	1148.52	435.49
Long Term Loans and Advances		
To Associate Company	Nil	559.74
9. Earnings per Share:		

(Rs In lakhs)

Particulars	Before extra ordinary item Year ended March 2013	Year ended March 2012
Profit available to Equity Share Holders used as Numerator	(-)44.19	(-)552.15
- (A) (Rs. in Lakhs)		
Number of Shares outstanding	2,87,48,100	2,87,48,100
Weighted Average Number of Outstanding - (B)	2,87,48,100	2,87,48,100
Effect of dilution (C)	NIL	NIL
Weighted Average No. of Equity Shares including potential shares - (D)	2,87,48,100	2,87,48,100
Earnings per share (Basic) - (A* 1,00,000/ B) in Rs.	-0.15	-1.92
Earnings per share (Diluted) - (A* 1,00,000/ D) in Rs.	-0.15	-1.92

BINNY ENGINEERING LIMITED

10. Income Tax & Deferred Taxes:

No provision for tax is considered necessary for the year. In the absence of taxable profit arising in the foreseeable future, deferred tax asset has not been considered as per Accounting Standard (AS)

– 22 prescribed by the Institute of Chartered Accountants of India, arising on the timing difference on account of unabsorbed depreciation and carry forward business losses available to the company under the provisions of the Income Tax Act 1961.

11. The Asst. Commissioner of Income Tax, Company circle I(3), Chennai has passed an order u/s 143(3) and revised the said order on 23.05.2011 u/s 154, as per which an amount of Rs.2,02,20,760/- is payable by the company u/s 115JB for the assessment year 2006-2007. The Company has filed an appeal against the order before ITAT, which set aside the matter to A.O. for fresh consideration. The A.O. has not yet completed the Assessment. Hence there are no disputed tax payable as on date. The Dept. has raised demand for a total amount of Rs.352.14 Lakhs for the Assessment Years 2007-08, 2008-09 and 2009-10 against which the Company has filed Appeal. Considering the chances of success in appeal no provision has been made in the Accounts.
12. The Post of Secretary, which fell vacant on 3rd December, 1996 has not yet been filled up as required under section 383 A of the Companies Act 1956.
13. The Post of Managing or whole-time Director has not yet been filled up as required under section 269 of the Companies Act 1956.
14. Previous year figures have been regrouped wherever necessary.

As Per our report of even date
For M/s CNGSN & Associates
Chartered Accountants
Firm Registration No.004915S

M. Ethiraj
Director

E. Shanmugam
Director

R. Thirumalmarugan
Partner
Membership No.200102

Place : Chennai
Date :29th May, 2013

BINNY LIMITED

Registered Office : No. 1, Cooks Road, Otteri, Perambur, Chennai - 600 012

ATTENDANCE SLIP

PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

1. Name of the attending Member.....
(in Block Letters)
2. Folio No. / D.P. ID No. :
3. Name of the Proxy (In Block Letters) :
(To be filled if the Proxy attends instead of the Member)

No. of Shares held.....

I here by register my presence at the 44th Annual General Meeting of the Company at No. 1, Cooks Road, Otteri, Perambur, Chennai - 600 012 on Monday the 4th November 2013 at 11:00am.

.....
Member's / Proxy's Signature

BINNY LIMITED

Registered Office : No. 1, Cooks Road, Perambur, Chennai - 600 012

PROXY FORM

Folio No. :
DP ID No. :

I / We of in the District of being a member/s of BINNY LIMITED hereby appoint of in the District of or failing him of in the District of as my / our proxy to vote for me / us on my / our behalf at the 44th Annual General Meeting of the Company at No. 1, Cooks Road, Otteri, Perambur, Chennai - 600 012 on Monday the 4th November 2013 at 11:00am and / or at any adjournment thereof.

Signed this day of 2013.

Signature

Affix
Re. 1/-
Revenue
Stamp

Note : The Proxy Form should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting

Please Note : No gifts will be distributed

BINNY LIMITED**BINNY LIMITED**
ANNUAL REPORT
MARCH 2014

DIRECTORS	M.Nandagopal – Executive Chairman Justice S. Jagadeesan S.Natarajan Nate Nandha Arvind Nandagopal- Managing Director
BANKERS	Axis Bank State Bank of India Canara Bank
AUDITORS	CNGSN & Associates 22, Flat “C” & “D” Vijayaraghava Road T.Nagar, Chennai 600017
REGISTERED OFFICE	No: 1, Cooks Road Otteri, Perambur Chennai 600 012 Tamilnadu

NOTICE

Notice is hereby given that the Forty Fifth Annual General Meeting of Binny Limited will be held at No:1, Cooks Road, Otteri, Perambur, Chennai – 600 012, on Monday, 29th September 2014, at 10.00 A.M to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. Natarajan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration.

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

RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the retiring Auditors M/s. CNGSN & Associates, Chartered Accountants, Chennai (Firm Registration No: 004915S) be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.

Special Business:

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

RESOLVED THAT pursuant to the provisions of section 196(3)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), the consent of the members be and is hereby accorded for the continuance of the appointment of Mr. M. Nandagopal, who has completed the age of 70 years as Whole Time Director of the company for the residual period of his respective appointment i.e., up to the period 02.10.2018.

5. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution:

RESOLVED THAT, subject to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder read with Schedule IV to the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) Justice S Jagadeesan, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Justice S Jagadeesan as a candidate for the office of director of the Company, be and is hereby appointed as a Non-Executive and Independent Director of the Company, to hold office for a term up to five consecutive years from the conclusion of this Annual General Meeting effective from 29th September 2014 to 28th September 2019, not liable to retire by rotation.

REGISTERED OFFICE

No: 1, Cooks Road

Otteri, Perambur,

Chennai 600 012

Date: 14th August 2014

BY ORDER OF THE BOARD

M. Nandagopal
Executive Chairman

BINNY LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding 50 members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
2. Proxy forms completed in all respects should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. A blank proxy form is enclosed. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. In terms of Clause 49 of the Listing Agreement entered with the stock exchanges, brief particulars of the Directors who are proposed to be appointed/re-appointed at this meeting forms part of the notice.
5. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 23rd September 2014 to Monday, 29th September 2014 (both days inclusive) for the purpose of Annual General Meeting.
6. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Registrar and Share Transfer Agent/Depository Participant(s). For members who have not registered their email address, physical copies of the above documents are being sent in permitted mode. Annual Report 2014 shall be available on the web site of the Company www.binnyltd.in
7. The Registrar and Transfer Agent of the Company M/s. Cameo Corporation Services Limited, No. 1, Subramanian Building, Club House Road, Anna Salai, Chennai, Tamil Nadu 600002. Please send all correspondence including requests for transfer / transmission of shares, change of address etc. to Registrar & Transfer Agent of the Company.
8. Members are requested to intimate changes, if any, in their registered address to the Registrar and Share Transfer Agent. Members holding shares in dematerialised form are requested to intimate/update their e-mail address with their respective Depository Participants.
9. Members are requested to furnish a copy of the PAN Card to the RTA for registration of transfer / transmission of shares.
10. Members, who are individuals may avail the facility of nomination as provided in Section 72 of the Companies Act, 2013 wherein a member may nominate in the prescribed manner with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
11. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report / notice for attending the meeting.
12. In terms of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company has engaged the services of Central Depository Services Limited (CDSL) to provide the facility of electronic voting ('e-voting') in respect of the

BINNY LIMITED

Resolutions proposed at this AGM. The Board of Directors of the Company has appointed Mr. V Suresh, Practicing Company Secretary, as the Scrutinizer for this purpose.

The instructions for e-voting are as under:

- (i) The voting period begins on Tuesday, September 23, 2014 at 9.00 A.M and ends on Thursday, September 25, 2014 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 22nd August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number is 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If 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).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant “Binny Limited” on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - 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 they have to create 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 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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE:

(A) Statement pursuant to section 102 of Companies Act, 2013, in respect of item nos. 4 and 5 of the Notice

Item no. 4:

Section 196 of the Companies Act, 2013, which became operational on 1st April 2014 requires a Special Resolution to be passed at a General Meeting of the Company for continuing the employment of any Whole Time Director, who has attained the age of 70 years. Shri. M. Nandagopal, Whole time Director of the Company who is over the age of 70 years can continue his appointment as a Whole time Director of the Company only if Special Resolution is passed to this effect.

He has been on the Board of the Company since 1996 and has taken many innovative steps in the growth of the Company and his contribution to the management of the Company is very valuable. Your Board considers that Shri. M. Nangagopal association with the Company as a Whole time Director would benefit the Company.

None of the Directors other than Shri. M. Nangagopal, Mr. Nate Nandha and Mr .Arvind Nandagopal or Key Managerial Personnel (KMP) or relatives of directors and KMP is interested or concerned in the said resolution.

The documents relating to the subject matter are open for inspection on all working days during business hours at the Registered Office of the Company.

The Board recommends this Special Resolution for members approval.

Item no. 5:

Pursuant to the provisions of section 149 and other applicable provisions of the Companies Act 2013, Justice S. Jagadeesan appointed earlier in terms of the erstwhile applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, is proposed to be appointed as Non-Executive and Independent Director for a period of 5 years and are not liable to retire by rotation during this period.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Justice S. Jagadeesan for the office of Director of the Company. Justice S. Jagadeesan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. The Company has received a declaration from Justice S. Jagadeesan that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Justice S. Jagadeesan possesses appropriate skills, experience and knowledge, inter alia, in the field of law.

In the opinion of the Board, Justice S. Jagadeesan, Non-Executive and Independent Director, fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent

BINNY LIMITED

Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Independent Director is now being placed before the Members for their approval.

S. No.	Name of the Director	Category	Details of Appointment
1)	Justice S. Jagadeesan	Non-Executive Independent Director	Inducted as director of the Company on 05/09/2007 He is the Chairman of the Audit Committee and Stakeholders Relationship Committee and member of Nomination and Remuneration Committee of the Board of Directors of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Justice S. Jagadeesan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Justice S. Jagadeesan as Independent Director, for the approval by the shareholders of the Company.

Except Justice S. Jagadeesan, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 5.

The documents relating to the subject matter are open for inspection on all working days during business hours at the Registered Office of the Company.

BY ORDER OF THE BOARD

Date : 14th August 2014

Place : Chennai

M. Nandagopal
Chairman

(CIN : L17111TN1969PLC005736)

Registered Office:

**No.1, Cooks Road, Otteri,
Perambur, Chennai 600 012**

Email: binny@binnyltd.in,

Website: www.binnyltd.in

Phone: 044 - 2662 1053, Fax: 044 - 2662 1056

(B) Details pursuant to Clause 49 of the Listing Agreement regarding Directors seeking appointment / re-appointment:

Particulars	Date of Birth	Date of appointment	Qualifications	Expertise in Functional Area	Other Directorship	Chairman/ Member of the Committees of Boards of other companies	No. of shares held
Mr.S. Natarajan	1-11-1947	11-1-1988	A.C.A.	He is Promoter and Director of the Company. He has been associated with the Company since the year 1988. Shri. S Natarajan is a member of the Institute of Chartered Accountants of India, New Delhi since 1975. He has been a practicing Chartered Accountant with more than 30 years of experience and was involved in active practice till 1987. During the period of his active practice years, he has consistently represented many of the leading Indian corporate houses like SPIC Group, Udayar Group, Binny Group, Sterling Group, Modi Industries Group apart from lot of small, medium enterprises. His area of specialization includes Core Risk Management, Business Structuring, taxation matters, Environment Management and Statutory compliances under various Regulatory Bodies. He is also an expert in strategic planning and promotion of new business initiatives. He is actively involved in the real estate business of the group. He has wide range of experience and connected with a number of organizations related to financial & non-financial services. His overall efforts have resulted in significant growth to the businesses, reach economies of scale and maximization of shareholder value.	1) SATLUJ CREDIT AND HOLDINGS PRIVATE LIMITED 2) CALCOM CREDIT AND HOLDINGS PRIVATE LIMITED 3) RAJAT CHAKRA CREDIT AND HOLDINGS PRIVATE LIMITED 4) SHEETALA CREDIT AND HOLDINGS PRIVATE LIMITED 5) SARANGA INVESTMENTS AND CONSULTANCY PRIVATE LIMITED 6) TWENTIETH CENTURY AFPO LEASING PVT LTD 7) BINNY LORZE LIMITED 8) THIRUMAGAL ENGINEERING LIMITED 9) SHIRAM PROPERTIES Private Limited 10) SHIRAM PROPERTIES & INFRASTRUCTURE PRIVATE LIMITED 11) S TEL PRIVATE LIMITED 12) SIPPING SPIRITS PRIVATE LIMITED 13) UCAL FUEL SYSTEMS LIMITED 14) S V GLOBAL MILL LIMITED 15) BINNY MILLS LIMITED 16) BHARATH COAL CHEMICALS LIMITED 17) SHIRAM PROPERTIES HOLDINGS PRIVATE LIMITED 18) SHIRAM VENTURE LIMITED 19) SHIRAM BUSINESS SOLUTIONS LIMITED 20) SHIRAM FINANCIAL VENTURES (CHENNAI) PRIVATE LIMITED	Chairman , Audit Committee - Ucal Fuel Systems Ltd Member, Audit Committee - Shriram Properties Pvt Ltd	NIL
M. Nandagopal	09-06-1939	23/03/1996	Bachelor's degree in Agriculture.	Shri. M. Nandagopal holds a Bachelor's degree in Agriculture. He possesses an extensive 30-year working experience and provides strategic direction and vision to the Company. He is the Chairman of M/s. Mohan Breweries and Distilleries Limited, which is one of the leading manufacturers of Indian Made Foreign Liquor (IMFL) and Beer products in the South.	1) MOHAN BREWERIES AND DISTILLERIES LIMITED 2) ARTHOS BREWERIES LIMITED 3) MOHAN MEAKIN LIMITED 4) MOHAN ROCKY SPRING WATER BREWERIES LIMITED 5) MIRA TEXTILES & INDUSTRIES (INDIA) LIMITED 6) RRB ENERGY LIMITED 7) ORISSA SUGARS LTD 8) BHANKERPUR DISTILLERIES LIMITED 9) D1 MOHAN BIO OILS LIMITED 10) NANDHA DEVELOPERS PRIVATE LIMITED 11) ANGAARAGHA REALESTATE PRIVATE LIMITED	NIL	8421310
Justice S.lagadeesan	23-3-1941	5-9-2007	B.A., B.L	Former Judge of Madras High Court and Chairman of Intellectual Property Appellate Board	NIL	NIL	NIL

DIRECTORS' REPORT

Your Directors present the Forty Fifth Annual Report and Audited Accounts of the Company for the year ended 31st March 2014

FINANCIAL RESULTS

(Rs. In lakhs)

PARTICULARS	For the year	
	2013-14	2012-13
Revenue	947.81	844.65
Expenditure	3011.72	351.30
Operating Profit / (Loss)	-2063.91	493.35
Profit/Loss before Depreciation & Tax	-2063.91	493.35
Depreciation	24.45	25.18
Profit / (Loss) for the year before Tax	-2088.36	468.17
Tax	-	77.16
Profit/Loss after tax	-2088.36	391.01
Exceptional items (refer note No. 24)	3969.09	48.36
Profit/Loss for the year	-6057.45	439.37

REVIEW OF OPERATIONS

The performance of the warehousing operation was continued to be satisfactory during the financial year 2013-14. Despite the domestic industry slowdown in view of economic scenario, the total turnover of the company has increased. The company's total income has increased from Rs. 844.65 lacs in previous year to Rs. 947.81 lacs in current year, registering 12% growth as compared to previous year.

As reported in the previous year's Director's Report, the Company ceased the operation of Container Freight Station with effect from May 2012. As a result, during the fiscal year 2013-14, the operations remained under pressure and your Company, on its part, has taken various initiatives to improve its operating efficiency and revenue earning potential.

Since the outlook for the industry appears to be positive, your Directors are hopeful in achieving better results over the terms.

Dividend

Your company do not recommend any dividend for the year ended March 31, 2014.

Fixed deposits

Your Company did not invite or accept any fixed deposit during the year under review.

Directors

- A. In accordance with the applicable provisions of the Companies Act, 2013, Mr. S. Natarajan, Director of the company, retire from the Board by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

- B. The Company had pursuant to relevant provisions of the Companies Act, 2013, appointed Justice S. Jagadeesan as Non-Executive and Independent Director not liable to retire by rotation. He is being eligible for appointment have consented to and declared as qualified for such appointment, if made and hold office as per their tenure of appointment mentioned in the Notice of the Annual General Meeting (AGM) of the Company.

Binny Engineering Limited

As reported in the previous Director's Report, considering the negative net worth, highly limited usage of the lease-hold property and on the basis of a fair valuation report, your Company has sold the entire 100% shareholding in the Subsidiary for a sum of Rs.3.45 Crores. Accordingly, Binny engineering Limited ceases to be a subsidiary w.e.f. 25th September 2013.

Directors' Responsibility Statement

As required under section 217 (2AA) of the Companies Act, 1956, the Directors state as follows:

- i. that in the preparation of annual accounts for the year ended 31st March, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year ended 31st March, 2014 and of the profit or loss of the Company for the said period under review.
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors had prepared the accounts for the year ended 31st March 2014 on a "going concern" basis.

Corporate Governance Report and Management Discussion & Analysis Report

A separate Section on Corporate Governance, along with a certificate from Practising Company Secretary of the Company confirming compliance of the conditions of the Corporate Governance is annexed.

Management's Discussion and Analysis Report, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

Particulars of employees pursuant to section 217(2a) of the Companies Act, 1956

The particulars required under section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of Employees) Rules, 1975 are not applicable as none of the employees is coming under the purview of this section. Hence no reporting is furnished under the heading.

Conservation of energy, technology absorption and foreign exchange earnings/outgo

Information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed to this Report

Auditors

M/s CNGSN & Associates, (Firm Registration No: 004915S) Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the ensuing AGM and are eligible for re-appointment.

The Company have confirmed their eligibility and willingness to accept the office, if re-appointed. The Audit Committee of the Board has recommended their appointment. The necessary resolution is being placed before the shareholders for approval.

Acknowledgement

Your Directors acknowledge the cooperation and assistance extended by the Government of India, Government of Tamil Nadu and Government of Karnataka, and place on record their appreciation and gratitude to them. The Directors also thank the shareholders, employees, suppliers and dealers for their continued cooperation.

REGISTERED OFFICE

No: 1, Cooks Road

Otteri, Perambur,

Chennai 600 012

Date: 14th August 2014

BY ORDER OF THE BOARD

M. Nandagopal
Executive Chairman

ANNEXURE

FORM 'A' Power & Fuel Consumption

B & C Mill – since the Mill is not functioning, this is not applicable.

B W Mill – since the Mill is not functioning, this is not applicable.

FORM "B" Technology Absorption

B & C Mill – since the Mill is not functioning, this is not applicable.

B W Mill – since the Mill is not functioning, this is not applicable.

Conservation of Energy – Not applicable

MANAGEMENT DISCUSSION AND ANALYSIS

i) Industry structure and developments:

Your Company is primarily engaged in the business of warehousing. Binny's warehousing strategy has been evolved from being traditional "godowns" into well-built infrastructure providing solutions such as warehouse management systems, modern setups for storage and handling points where raw material, intermediate and manufactured goods are collected, assorted and stored. Your company continues to understand the client's specific needs, expands the scope for offering more sophisticated services and develop more customized solutions.

ii) Opportunities and Threats:

Driven by growth in production and organized retail, warehousing is the major segment contributing to the growth of the Indian logistics industry. Increase in domestic consumption and outsourcing manufacturing activities has led India to be a manufacturing hub for most industries, which resulted in more demand of warehousing services. As key end users are increasingly outsourcing their warehousing services, warehousing players are recognizing the need to be an integral part of the customer's logistics chain. From a mere combination of transportation and storage services, warehousing is fast emerging strategic function that involves end-to-end solutions that improve efficiencies.

Despite the strategic importance in the economy, scale of opportunities offered and its immense potential for growth, the warehousing sector is faced with several challenges including the lack of sufficient physical infrastructure. Some of the challenges are strategic, while others are operational and need to be managed on an on-going basis. Owing to road traffic constraints prevailing in the location of our operation, higher revenue could not be anticipated during the current year. Various measures such as skill development, policy development and IT adoption are initiated to improve efficiency.

iii) Future Outlook:

The Indian warehousing and storage industry has witnessed significant growth for the last couple of years and it is expected to offer good growth opportunities to industry players. The long-term outlook for warehousing industry has always been encouraging and set to grow due to various factors including anticipated increase in demand, growth in organized retail and increasing manufacturing activities, presence of extremely affordable and desirable e-commerce options and growth in international trade.

Your company focuses to diversify its business into comprehensive Real Estate Development, Trading in Commodities/Goods, Power Sector especially Renewable Energy and other allied areas. Your Company expects to leverage its brand value to accelerate its growth momentum and strengthen value creation for its valued shareholders.

iv) Risks and Concerns

Any drastic change in the Government Policy may affect the industry. High fragmentation and the dominance of unorganized players, lack of integration with complete supply chain and power outages are other issues plaguing the warehousing space. Warehousing players face challenges and bottlenecks at various stages of their operation life cycle.

v) Internal Control Systems:

The Company has adequate internal control systems commensurate with its size and nature of business and complexity of operations. Internal Auditors conduct regular audits and report to the Audit Committee, thus ensuring the adequacy and effectiveness of Internal Control. The observations of the Internal Auditors are reviewed periodically on a quarterly basis and due compliances ensured. The exceptional items are reported to the Board.

vi) Financial performance with operational performance.

Financial performance with respect to operational performance is discussed in the main part of the Report.

vii) Material Developments in Human Resources / Industrial Relations

The Company's streamlined reporting system ensures efficiency. The Company continues with the job appraisal system ensuring overall growth of the employees of the Company. Your Company still invests in training and development of its employees. The thrust of your Company has been on talent improvement through training programmes. Industrial relations have continued to be cordial throughout the year.

CORPORATE GOVERNANCE

Your Directors present company's report on Corporate Governance in compliance with Listing Agreement entered into with the Stock Exchanges and the practices followed by the Company.

Your company is committed and consistently practiced good corporate governance. The Company's philosophy on Corporate Governance is compliance of matters mentioned in Clause 49 of the Listing Agreement by maintaining disclosure, transparency, accountability and aiming at enhancing the long term value of all stakeholders and your company endeavours to ensure that highest standards of ethics and code of conduct are met throughout the organisation.

Your Company's Corporate Governance compliances are as follows:

1. BOARD OF DIRECTORS

The Board of Directors of your Company have a combination of Executive, Non-Executive Directors & Independent Directors to ensure proper governance and management. The composition of the Board and category of Directors are as follows.

1.1 Composition/Category of Directors/Attendance at Meetings/Directorships & Committee Memberships in other Companies as on March 31, 2014:

Name	Executive Promoter (P)	Attendance particulars		No. of Directorship, Committee Membership / Chairmanship other than Binny Ltd			Date of appointment	Date of cessation
	Non-Executive Promoter (NEP)			Other Directorship in Public Limited Companies	Committee Membership	Committee Chairmanship		
	Non-Executive Independent (NEI)	Board Meetings	Last AGM					
Mr. M. Nandagopal	EP	8	Yes	9	-	-	23.03.1996	-
Mr. S. Natarajan	NEP	8	Yes	8	1	1	11.01.1988	-
Mr. Nate Nandha*	NEP	1	NP	8	-	-	03.10.2013	
Mr. Arvind Nandagopal	EP	7	Yes	9	-	-	25.03.2005	-
Justice S Jagadeesan	NEI	3	Yes	-	2	-	05.09.2007	-
Dr. Sadayavel Kailasam	NEI	4	Yes	-	-	-	29.04.2010	-

* Name Changed from Natarajan Nandhagopal to Nate Nandha as published in the Official Gazette dated 20-11-2013

1.2 Board Meetings

During the year under review, nine board meetings of the Company were held on the following dates viz., 29th May 2013, 7th August 2013, 14th September 2013, 25th September 2013, 3rd October 2013, 12th October 2013, 17th October 2013, 14th November 2013 and 14th February 2014.

2. COMMITTEES OF THE BOARD

Audit Committee

- a) The Committee consists of two Non-Executive Independent Directors and one Non-Executive Promoter Director. Four meetings were held during the year ended 31.03.2014 on 29th May 2013, 7th August 2013, 14th November 2013 and 14th February 2014. The constitution and functioning of the Audit Committee is in accordance with the terms of reference of Clause 49 of the Listing Agreement and provisions of section 177 of the Companies Act, 2013
- b) Composition, name of members & Chairman, meetings held during the year and attendance at meetings:

Name of Member	Category of Members	Status	Number of meetings during the year 2013-14	
			Held	Attended
Justice S.Jagadeesan	Independent	Chairman	4	2
Dr.Sadayavel Kailasam	Independent	Member	4	2
Shri.S.Natarajan	Non-Independent	Member	4	2

3. NOMINATION AND REMUNERATION COMMITTEE

- a) The Board constituted Nomination and Remuneration Committee in consonance with the provisions of the Companies Act, 2013 and Listing Agreement. Though the Committee recommends the remuneration package, ultimately the shareholders approve the same. The Sitting Fees for attending the Board and Committee Meetings was waived by the Board of Directors. One meeting of Remuneration Committee was held during the year on October 3, 2013.
- b) **Composition, Meetings and Attendance**

The following table summarises the attendance details of the Committee members:

Name of the Director	Category	Position	No of meetings held	No. of meetings attended
Dr.Sadayavel Kailasam	Independent	Chairman	1	1
Justice S.Jagadeesan	Independent	Member	1	1
Mr.S.Natarajan	Non-Independent	Member	1	-

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

- a) The Share Transfer and Shareholders'/ Investors' Grievance Committee has been renamed as Stakeholders Relationship Committee as per provisions of Section 178 of the Companies Act 2013 and listing agreement. This committee would continue to oversee, review and monitor all matters connected with transfer/ transmission/ transposition of shares, non-receipt of Annual Report issue of duplicate share certificates, consolidation, splitting, issue of share certificates in exchange of sub-divided / consolidated, re-materialisation and dematerialization of shares and overseeing the performance of Registrar & Transfer Agents and looking into the redressal of shareholders' complaints.

Further all the investors' / shareholders' grievances and the action taken by the Company to the satisfaction of the shareholders are brought to the attention of the Committee. The Committee had thirty meetings during the year ended 31.3.2014 on 26th April 2013, 2nd May 2013, 15th May 2013, 27th May 2013, 3rd June 2013, 15th June 2013, 15th July 2013, 22nd July 2013, 29th July 2013, 9th August 2013, 28th August 2013, 5th September 2013, 12th September 2013, 21st October, 2013, 12th November 2013, 29th November 2013, 7th December 2013, 16th December 2013, 23rd December 2013, 30th December 2013, 10th January 2014, 24th January 2014, 10th February 2014, 17th February 2014, 24th February 2014, 3rd March 2014, 10th March 2014, 17th March 2014, 24th March 2014 and 28th March 2014.

- b) **The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:**

Name of Member	Category of Members	Status	Number of meetings during the year 2013-14	
			Held	Attended
Mr. M. Nandagopal	Executive Promoter	Member	30	17
Mr. Arvind Nandagopal	Executive Promoter	Member	30	17
Justice S.Jagadeesan	Non-Executive, Independent	Member	30	17
Dr.Sadayavel Kailasam	Non-Executive, Independent	Chairman	30	17

During the year, 3 complaints were received from shareholders and were resolved to the satisfaction of the complainants and no investor complaint was pending at the beginning or at the end of the year.

5. DETAILS OF LAST 3 GENERAL BODY MEETINGS:

- a) **Annual General Meetings**

Financial Year	Date	Venue of AGM	Time
44th AGM 2012-13	04.11.2013	No. 1, Cooks Road, Otteri, Perambur , Chennai 600 012	11.00 a.m
43rd AGM 2011-2012	29.09.2012	106, Armenian Street, Chennai 600001	11.15 a.m.
42nd AGM 2010-2011	28.09.2011	106, Armenian Street, Chennai 600001	10.30 a.m.

b) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2013-14.

c) Postal Ballot:

During the Financial year, resolutions passed by the Members through Postal Ballot are as follows:

Date of Notice	Resolutions passed	Ordinary Resolution/ Special Resolution	Date of passing resolutions
17th October 2013	For sale of 14.16 acres of land belonging to the company at Perambur Barracks Road, Perambur, Chennai - 600 012	Special resolution	19th November 2013
14th February 2014	1. To increase the borrowing limits by authorizing the Board of Directors to borrow monies in excess of paid-up share capital and free reserves to a maximum of Rs. 300 Crores. 2. To enable the Board of Directors to create charge/mortgage/hypothecate on the properties of the Company to secure the borrowings;	Special Resolutions	25th March 2014

d) Special resolutions passed in the previous three AGMs are as under:

Year	Date of AGM	Special Resolution Passed
2012-2013	04.11.2013	1. Appointment of Whole time Director 2. Appointment of Managing Director
2011-2012	29.09.2012	Re-appointment of Whole time Director
2010-2011	28.09.2011	No Special Resolution passed

6. DISCLOSURES

I. Related Party Transactions:

Related parties transactions are disclosed in the Notes on Accounts and there are no other materially significant related parties' transactions.

II. Accounting Treatment:

The Company followed the guidelines of Accounting Standards in preparation of its financial statements. During the financial year, no differential accounting treatment was followed.

III. Risk management:

The company has formulated and laid down procedures about the risk assessment and risk management procedures. These procedures are periodically reviewed to ensure that risks are managed / mitigated through a well-defined framework.

IV. Proceeds from public issues, right issues, and preferential issues:

During the year 2013-14, your Company did not raise money from public issue and right issue.

V. Strictures / Penalties

No strictures / penalties were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. The Company has been complying with SEBI Rules and Regulations and the listing agreements with the Stock Exchanges on issues related to capital market.

VI. Whistle Blower Policy:

During the Financial Year, there was no such incident that necessitated the Audit Committee to investigate according to the Whistle Blower Policy.

VII. Reconciliation of Share Capital Audit:

Reconciliation of Share Capital audit was carried by a qualified Practicing Company Secretary in quarterly basis for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit inter alia confirms that total issued/paid-up capital is in agreement with the total number of Shares held in physical form and the total number of dematerialised Shares held with NSDL and CDSL.

VIII. Compliance with Clause 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. As for the non-mandatory requirements, the Company has set up the Remuneration Committee of the Board of Directors, the details of which have been provided under this report. During the year under review, there is no audit qualification in the Company's financial statements.

7. SUBSIDIARY COMPANIES

Considering the negative net worth, highly limited usage of the lease hold property and on the basis of fair valuation, the entire shareholding in the subsidiary company has been sold on 25th September 2013. Thereafter, the Company did not have any material non-listed Indian subsidiary.

8. MEANS OF COMMUNICATION:

The Quarterly financial results were published in the dailies "Business Standard" (English) and "Makkal Kural" (Tamil) periodically in accordance with listing agreement.

All vital information of the performance of the Company including Financial Results, Annual Reports of last three years and Shareholding Pattern have been posted on the Company's website www.binnyltd.in.

9. GENERAL SHAREHOLDER INFORMATION

a) 45th Annual General Meeting:

Date : 29th September 2014

Time : 10.00 a.m

Venue : No.1, Cooks Road, Otteri, Perambur, Chennai-600 012

b) Financial Year:

The financial year covers the period from April 1 to March 31 every year.

c) Book Closure Date:

23rd September 2014 to 29th September 2014 (Both days inclusive)

d) Dividend Payment Date:

No dividend has been recommended by the Board of Directors of the Company.

e) Listing on Stock Exchanges:

The Stock Exchanges at which the equity shares of the Company are listed and the respective stock codes are:

Name of Stock Exchange	Address	Scrip Name / Scrip Code
Bombay Stock Exchange Ltd. (BSE)	P. J. Towers, Dalal Street, Fort, Mumbai - 400 001	514215
Madras Stock Exchange of Ltd. (MSE)	Exchange Buildings, Post Box No.183, 30, Second Line Beach, Chennai - 600 001	BINNY

ISIN of Company's equity shares having face value of Rs. 5 each is INE118K01011. The Company has paid till date, appropriate listing fee to both the stock exchanges where the Company's Equity Shares are listed.

f) Corporate Identification Number (CIN): L17111TN1969PLC005736

g) Tentative Financial Calendar: 2014

Results for the quarter ending June 30, 2014	Within 45 days from the end of the quarter
Results for the quarter ending September 30, 2014	Within 45 days from the end of the quarter
Results for the quarter ending December 31, 2014	Within 45 days from the end of the quarter
Results for the quarter ending March 31, 2015	Audited Results within 60 days from the end of the quarter

BINNY LIMITED

h) Market Price Data

Monthly High/Low price of the Equity Shares traded during the year 2013-14 in Bombay Stock Exchange Limited.

MONTH		Apl 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014
BSE	HIGH	63.3	46	47	47.2	37.95	29.75	47.65	65.25	73.6	87.8	77.85	76.65
	LOW	30.75	38.05	42.3	38	31.3	26	25	48.6	58.6	67.5	64.5	56

i) Registrar & Share Transfer Agents:

M/s Cameo Corporate Services Limited, Chennai, is Registrar and Transfer Agent for the company providing connectivity with the NSDL / CDSL for demat services, also undertake share transfer in physical format and other related services. Members are requested to send all their communications and documents pertaining to both shares in physical form and dematerialised form to the Registrar at the following address:

M/s CAMEO CORPORATE SERVICES LIMITED UNIT: BINNY 5TH Floor, Subramanian Building #1, Club House Road, Chennai 600 002 Phone: 044-28460390(5 lines); Fax: 044-28460129 Email: investor@cameoindia.com	Contact person: Mr. R D Ramaswamy Designation: Director Mr. D Narasimhan Designation: Senior Executive (Shares)
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j) Share Transfer System

The share transfer and other requests are processed within 15 days from the date of receipt provided the documents are complete in all respects.

The Stakeholders Relationship Committee meet as and when required to consider and approve the transfer, transmission of shares of the Company. The dematerialised shares are transferred directly to the beneficiaries through the depositories. As of March 31, 2014, there are no pending share transfers pertaining to the year under review.

k) PAID-UP SHARE CAPITAL

Category of Shares	No. of shares (Rs.5/- each fully paid up)	Share Capital (Rs. in Lakhs)
Equity Shares	2,23,19,410	1,115.97
9.75% Cumulative Redeemable Preference Shares	5,48,800	27.44
9% Cumulative Redeemable Preference Shares	23,38,84,055	11,694.20

BINNY LIMITED

I) Shareholding as on March 31, 2014:

a. Distribution of equity shareholding as on March 31, 2014:

	Shareholders		No. of shares held	
	Nos.	%	Nos.	%
1 - 5000	8759	91.93	969058	4.34
5001 - 10000	413	4.33	320661	1.44
10001 - 20000	207	2.17	307578	1.38
20001 - 30000	43	0.45	109132	0.49
30001 - 40000	19	0.20	65478	0.29
40001 - 50000	15	0.16	71150	0.32
50001 - 100000	29	0.30	207703	0.93
100001 - and above	43	0.45	20268650	90.81
	9528	100	22319410	100

b. DISTRIBUTION OF PREFERENCE SHAREHOLDING AS AT 31.03.2014

	SHAREHOLDERS		NO. OF SHARES HELD	
	No.	%	No.	%
1 – 500	0	0%	0	0%
501 – 1000	0	0%	0	0%
1001 – 2000	0	0%	0	0%
2001 – 3000	0	0%	0	0%
3001 – 4000	0	0%	0	0%
4001 – 5000	0	0%	0	0%
5001 – 10000	0	0%	0	0%
10001 and above	1	100%	23,44,32,855	100%
	1	100%	23,44,32,855	100%

BINNY LIMITED

m) SHAREHOLDING PATTERN AS AT 31.03.2014

Category	No. of Holders	% to Equity	% to Preference
Promoters	5	51.03	100.00
Corporate Body - Promoters	7	23.77	---
Bank	15	4.40	---
Resident	9271	13.94	---
FI	3	2.03	---
NRI	56	2.13	---
Corporate Body	154	2.69	---
Clearing Member	16	0.01	
Trusts	1	0.0001	---
TOTAL	9528	100	100.00

n) Dematerialisation of shares:

The detail of shares dematerialised and those held in physical form, as on 31st March 2014

Particulars	No. of Shareholders	No. of Shares	%to Capital
Physical Form	7887	1791524	8.02
NSDL	1135	20245113	90.71
CDSL	506	282773	1.27
Total	9528	22319410	100.00

o) Outstanding GDR / ADRs / Warrants or any Convertible Instrument, as on 31st March 2014 :

As on date, the Company has not issued GDRs, ADRs, or any other Convertible Instruments which are pending for conversion

p) Address for communication

Compliance Officer

Address : Binny Limited, 1 Cooks Road, Perambur, Chennai 600 012

E mail : binny@binnyltd.in

10. CODE OF CONDUCT

The Company's Board of Directors laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company. The said Code of Conduct has also been posted on the Company's website.

The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for 2013-14. A declaration signed by the Company's Managing Director to this effect is enclosed at the end of this report.

11. CEO/CFO CERTIFICATION

The Certificate, as required under Clause 49(V) of the Listing Agreement, duly signed by the Managing Director and CFO for the year ended March 31, 2014 was placed before the Board, and the same is provided as Annexure to this report.

12. CERTIFICATION ON CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement, Mr. V. Suresh, Practicing Company Secretary have verified the compliances of the Corporate Governance. We have obtained a Certificate affirming the compliance, and the same is annexed to this Report and forms a part of the Annual Report.

13. COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS:

In accordance with sub clause 1(D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management Personnel have affirmed compliance with their respective code of conduct and ethics as applicable to them, for the year ended on 31st March 2014.

Chennai

14 August 2014

By Order of the Board

Arvind Nandagopal
Managing Director

CEO / CFO Certification

To,
The Board of Directors,
Binny Limited
Chennai

We, Arvind Nandagopal, Managing Director and P.K. Sundaresan, Chief Financial Officer and Company Secretary (CFO & CS) of Binny Limited to the best of our knowledge and belief hereby certify that:

1. We have reviewed the Balance Sheet and Profit and Loss account and all its schedules and notes on accounts, as well as the Cash Flow Statements for the year ended, 31st March 2014.
2. These financial statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading.
3. These financial statements, and other financial information included in this report, present in all material respect, a true and fair view of affairs of the company and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
4. There are no transactions entered into by the company during the year are fraudulent, illegal or violative of the code of conduct of the company.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control system of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
6. We have disclosed to the company's auditors and the Audit Committee of the Company's Board of Directors that
 - a. Significant changes in internal controls over financial reporting during the year, if any, and that the same have been disclosed in the notes of financial statements.
 - b. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal controls systems over financial reporting.

Arvind Nandagopal
Managing Director

P.K. Sundaresan
CFO & CS

Place: Chennai
Date: 30th May 2014

REPORT ON CORPORATE GOVERNANCE

To the Members of Binny Limited

I have examined the compliance of conditions of Corporate Governance by Binny Limited for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company, with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company by ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investor grievances received during the year ended 31st March 2014 no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Share Transfer and Shareholders' / Investors' Grievance Committee of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Chennai

30th May 2014

V. Suresh

Practicing Company Secretary

CP No. 6032

INDEPENDENT AUDITOR'S REPORT

To

The Members
Binny Limited
Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of Binny Limited (the Company), which comprises the Balance Sheet as at March, 31 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March, 31, 2014;
- b) In the case of Statement of Profit and Loss, of the LOSS for the year ended on that date; and

- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to Note 25.10.c in notes to the financials with regard to the Income Tax demands disputed before the authorities, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order), as amended, issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement comply with the accounting standards referred to sub-section (3C) of Section 211 of the Act;
 - e. on the basis of written representation received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director, in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 0049155

Place: Chennai
Date : 30th May, 2014

R.THIRUMALMARUGAN
Partner
Membership No: 200102

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

1.
 - a. In our opinion and according to the information and explanations given to us, the company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, which needs to be updated.
 - b. As per the information and explanations provided to us, the company has conducted physical verification of the fixed assets during this year and the discrepancies noticed on such verification were properly dealt with in the books of account.
 - c. As per the information and explanation provided to us, substantial part of fixed assets have not been disposed off during the year, which affects the going concern.
2.
 - a. According to the information and explanations given to us, the management has conducted physical verification of inventory-Land during this year.
 - b. According to the information and explanations given to us the procedures of physical verification of inventory-Land followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
 - c. According to the information and explanation given to us the company is maintaining proper records of inventory-Land and there are no discrepancies were noticed on such physical verification.
3.
 - a. According to the information and explanations given to us, the Company has granted, unsecured loans to a company, a party covered in the register maintained under section 301 of the Companies Act, 1956. It is informed that these advances are recoverable on demand and the year end balance is Rs.60.74 lakhs. The other clauses are not applicable.
 - b. According to the information and explanations given to us, the Company has taken unsecured interest free loan from two companies, the parties covered in the register maintained under section 301 of the Companies Act, 1956 The balance outstanding is Rs.1229.09 lakhs. The other clauses are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for purchases of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
5.
 - a. According to the information and explanations given to us, the particulars of contracts or arrangements entered into during this year which are required to be entered in the register maintained under section 301 of the Companies Act have been entered in the said register.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanation given to us the Company has not accepted deposits from public during this year. Therefore the provisions of section 58A, 58AA of the Act and any contravention of these provisions for the year under audit are not applicable.
7. The Company has an internal audit system, which needs to be strengthened to commensurate with its size and nature of its business.
8. As per the information and explanations given to us and as represented by the company the maintenance of cost records pursuant to the Rules made by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 are not applicable for the year.
9.
 - a. According to the information and explanation given to us, the Company is depositing undisputed statutory dues like PF, ESI, Income Tax, TDS and Service Tax. There are no undisputed Statutory outstanding dues as at the 31st March, 2014 for a period of more than six months from the date they become payable.
 - b. According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of any dispute.
 - c. According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, services tax, excise duty and cess which have not been deposited on account of any dispute except Income Tax demand for AY 2008-2009 Rs.19.21 lakhs and Rs.11464.23 lakhs for AY 2010-11 disputed before CIT(A).
10. As per the information and explanation given to us the accumulated loss of the company is more than 50% of the networth as at the balance sheet date. The company has incurred cash losses during the financial year covered by our audit. The company has not incurred cash losses during immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions, banks and debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanation given to us the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
14. In our opinion and according to the information and explanation given to us the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, the company has not obtained any term loans during the year.

BINNY LIMITED

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanation given to us the Company has not made any preferential allotment of shares during the year.
19. According to the information and explanation given to us, the Company has not issued any secured debentures during the year and creation of security for issue of debenture does not arise.
20. According to the information and explanation given to us, the Company has not raised money by public issue during the year and disclosure of end use of public issue does not arise.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 30th May, 2014

R.THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

Rs.in lakhs

	Note No.	As at 31-03-2014		As at 31-03-2013	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	2	12837.62		12837.62	
(b) Reserves and Surplus	3	10423.13		16480.58	
(c) Money Received against Share warrants			23260.75		29318.20
(2) Share application money pending allotment					
(3) Non-current liabilities:					
(a) Long-term borrowings	4	7.31		4098.82	
(b) Deferred tax liabilities (Net)					
(c) Other Long-term liabilities	5	7290.91		1876.89	
(d) Long-term provisions	6	287.48	7585.70	438.80	6414.51
(4) Current liabilities:					
(a) Short-term borrowings					
(b) Trade payables	7	8.33		221.00	
(c) Other current liabilities	8	429.14		317.12	
(d) Short-term provisions	9	-	437.47	103.49	641.61
Total			31283.92		36374.32
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	10	30015.84		30044.72	
(ii) Intangible assets					
(iii) Capital work-in-progress		27.19			
(iv) Intangible assets under developemnt					
(b) Non-current investments	11	4.03		2878.84	
(c) Deferred tax assets (Net)					
(d) Long-term loans and advances	12	485.09		1932.68	
(e) Other non-current assets	13	120.16	30652.31	218.54	35074.78
(2) Current assets					
(a) Current investments					
(b) Inventories					
(c) Trade receivables	14	117.41		141.36	
(d) Cash and cash equivalents	15	6.72		238.06	
(e) Short-term loans and advances	16	-		60.03	
(f) Other current assets	17	507.48	631.61	860.09	1299.54
Total			31283.92		36374.32

See accompanying notes to the financial statements

As per our Report of even date
for **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Nandagopal
Executive Chairman
Chennai
Date :30 May 2014

Arvind Nandagopal
Managing Director

P.K. Sundaresan
CFO & CS

R. THIRUMALMARUGAN
Partner
Membership No.200102

BINNY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Rs.in lakhs

	Note No.	For the year ended 31-03-2014	For the year ended 31-03-2013
I Revenue from operations	18	923.36	793.12
II Other income	19	<u>24.45</u>	<u>51.53</u>
III Total Revenue (I + II)		947.81	844.65
IV Expenses:			
a Cost of materials consumed			
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	0.03	-
d Employee benefits expenses	21	65.75	75.51
e Finance costs	22	2240.11	3.44
f Depreciation and amortization expenses	10	24.45	25.18
g Other expenses	23	<u>705.83</u>	<u>272.35</u>
Total expenses		3036.17	376.48
V Profit before exceptional and extraordinary items and tax (III - IV)		-2088.36	468.17
VI Exceptional items	24	<u>3969.09</u>	<u>-48.36</u>
VII Profit before extraordinary items & tax (V - VI)		-6057.45	516.53
VIII Extraordinary item		-	-
IX Profit before tax (VII - VIII)		-6057.45	516.53
X Tax expenses			
(1) Current tax		-	103.49
(2) Excess Provision no longer required		-	-26.33
XI Profit / (loss) for the year from continuing operations (IX -X - XIV)		<u>-6057.45</u>	<u>439.37</u>
XII Profit / (loss) from discontinuing operations		-	-
XIII Tax expenses of discontinuing operations		-	-
XIV Profit / (loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV Profit / (loss) for the year (XI + XIV)		<u>-6057.45</u>	<u>439.37</u>
XVI Earnings per share:			
(1) Basic & Diluted		-27.14	1.97
See accompanying notes to the financial statements			

As per our Report of even date
for M/s CNGSN & ASSOCIATES
Chartered Accountants
Firm Regn No 0049155

M.Nandagopal
Executive Chairman

Arvind Nandagopal
Managing Director

P.K. Sundaresan
CFO & CS

R. THIRUMALMARUGAN
Partner
Membership No.200102

Chennai
Date :30 May 2014

BINNY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	Rs in Lakhs	
	For the year ended 31-03-2014	For the year ended 31-03-2013
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	(6,057.45)	439.37
Adjustments for:		
Depreciation	24.45	25.18
Dividend Income	(2.37)	(1.97)
Interest Earned	(3.06)	(37.08)
Profit on sale of assets	(0.80)	(0.76)
Finance cost	2,240.11	3.44
Loss on Sale of Investment	2,529.83	-
Fixed Assets Written off	18.91	-
Advances Written off	359.29	-
Provision for Doubtful Loans and Advances	389.03	-
Provision for Income Tax (net)	-	77.16
 Operating Profit before working Capital changes	<u>(502.06)</u>	<u>505.34</u>
 Increase / (Decrease) in Long Term Liabilities	5,414.02	118.79
Increase / (Decrease) in Long Term Provisions	(151.32)	7.67
Increase / (Decrease) in Trade Payables	(212.67)	29.77
Increase / (Decrease) in Other Liabilities	112.02	(251.96)
(Increase) / Decrease Long Term Loans & Advances	1,088.30	(679.86)
(Increase) / Decrease in Non current assets	98.38	11.41
(Increase) / Decrease in Trade Receivables	(365.08)	(7.48)
(Increase) / Decrease Short Term Loans and Advances	60.03	(1.12)
(Increase) / Decrease Other Current Assets	352.61	(0.20)
 Cash from Operating activities	<u>5,894.23</u>	<u>(267.64)</u>
Direct Taxes paid (net)	<u>(103.49)</u>	<u>(59.67)</u>
Net Cash from Operating activities	<u><u>5,790.74</u></u>	<u><u>(327.31)</u></u>
 B Cash flow from Investing activities		
Sale Proceeds of Investments	344.98	
Purchase of fixed assets (Including Capital Work in Progress)	(40.87)	-
Sale of Fixed Assets (including cancellation of lease hold land)	-	0.76
Dividend received	2.37	1.97
Interest received	3.06	37.08
Net Cash from investing activities	<u>309.54</u>	<u>39.81</u>

BINNY LIMITED

C Cash flow from Financing activities

Liquidated Damages Paid	(2,240.11)	(3.44)
Unsecured loans (net of repayment)	(4,091.51)	168.70
Net Cash from financing activities	<u>(6,331.62)</u>	<u>165.26</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(231.34)	(122.24)
Cash and cash equivalent as at the beginning of the year	238.06	360.30
Cash and cash equivalent as at the end of the year	<u>6.72</u>	<u>238.06</u>

As per our Report of even date
for M/s CNGSN & ASSOCIATES
Chartered Accountants
Firm Regn No 0049155

M.Nandagopal
Executive Chairman

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Managing Director

P.K. Sundareshan
CFO & CS

R. THIRUMALMARUGAN
Partner
Membership No.200102

Chennai
Date :30 May 2014

Note 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

- (a) The financial statements of the Company have been prepared under the historical cost convention in accordance with the Accounting standards specified by Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the relevant provisions of the Companies Act, 1956 as amended upto the date and the Rules and Regulations made thereunder.
- (b) All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates.

1.2 Use of Estimates

In preparation of financial statements conforming to GAAP requirements certain estimates and assumptions are essentially required to be made with respect to items such as provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful life period of Fixed Assets. Due care and diligence have been exercised by the Management in arriving at such estimates and assumptions since they may directly affect the reported amounts of income and expenses during the year as well as the balances of Assets and Liabilities including those which are contingent in nature as at the date of reporting of the financial statements.

To comply with GAAP requirements relating to impairment of assets, if any, the Management periodically determines such impairment using external and internal resources for such assessment. Loss, if any, arising out of such impairment is expensed as stipulated under the GAAP requirements. Contingencies are recorded when a liability is likely to be incurred and the amount can be reasonably estimated. To this extent the results may differ from such estimates.

1.3 Revenue Recognition

As a consistent practice, the Company recognizes revenues on accrual basis. Revenue from rental income is recognised on accrual basis as per the agreements entered. Revenue from dividend is recognised upon right to receive the dividend is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

1.4 Fixed Assets

Fixed Assets are stated at the cost of acquisition less accumulated depreciation. The cost of acquisition includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

1.5 Depreciation

Depreciation is provided on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956 or based on the remaining estimated economic useful lives determined by the management whichever is higher.

1.6 Impairment

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets, are charged to the Statement of Profit and Loss in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

1.7 Investments

Long-term investments are stated at cost, less diminution other than temporary in the value of such investments, if any. Current investments are valued at cost or market value which ever is lower.

1.8 Inventories

Inventories primarily constitute land and related development activities, which is valued at lower of cost or Net Realizable Value. Cost comprises of all expenses incurred for the purpose of acquisition of land, development of the land and other related direct expenses.

1.9 Employee Benefits

Gratuity

The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with revised Accounting Standard 15 (Revised 2005) on "Employee Benefits" as at the end of the period. Actuarial Gains/Losses are recognized immediately in statement of Profit & Loss.

Leave Encashment

Leave encashment is paid for in accordance with the rules of the Company and provided based on an actuarial valuation as at the balance sheet date. Actuarial Gains/Losses are recognized immediately in statement of Profit & Loss.

Other Benefit Plans

Contributions paid/ payable under defined contribution plans are recognized in the statement of Profit and Loss in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The company makes monthly contributions and has no further obligations under the plan beyond its contributions.

1.10 Taxes on Income

- (i) Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

1.11 Earnings Per Share

The earnings considered for ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises the weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares.

1.12 Borrowing Cost

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit and loss.

1.13 Foreign Currency Transactions

Foreign currency transactions are translated at the exchange rates prevailing on the respective date of transactions.

Assets and Liabilities outstanding in foreign currency as on the date of the Balance Sheet are translated at exchange rates prevailing as on the last day of the relevant financial year. Differences arising out of such translations are charged to the statement of profit and loss.

1.14 Leases

The assets purchased under hire purchase agreements are included in the Fixed Assets block. The value of the asset purchased is capitalized in the books. A liability for the same amount is created at the time of entering into the agreement. The payments are made to the HP vendors as per the EMI's

given in the hire purchase agreements. The finance charges are debited to the statement of profit and loss and the principal amount is adjusted against the liability created for the vendor.

1.15 Cash Flow Statement

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3 “Cash Flow Statements”.

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

		Rs. In Lakhs	
		As at 31st March, 2014	As at 31st March, 2013
Note 2 - Share Capital			
Authorised			
2,28,20,000 Equity shares of Rs.5 each		1141.00	1141.00
11,80,000 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each		59.00	59.00
54,20,00,000 (9%) Cumulative Redeemable Preference Shares of Rs.5 each		27100.00	27100.00
		<u>28300.00</u>	<u>28300.00</u>
Issued, Subscribed & Paid-up			
2,23,19,410 Equity Shares of Rs. 5 each fully paid up	(a)	1115.97	1115.97
5,48,800 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up		27.44	27.44
23,38,84,055 (9%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up		11694.21	11694.21
	(b)	<u>11721.65</u>	<u>11721.65</u>
	(a+b)	<u>12837.62</u>	<u>12837.62</u>

BINNY LIMITED

Terms of Issue and redemptions of Cumulative Redeemable Preference Shares (CRPS):

Subsequent to the reduction as per the Scheme of Arrangement, the remaining issued CRPS and their respective redemption details are under:

13,01,76,000 (9%) CRPS of Rs. 5 each issued on 30.9.2005	6508.80	30.09.2015
5,48,800 (9.75%) CRPS of Rs.5 each issued on 30.6.2006	27.44	30.06.2016
1,73,56,800 (9%) CRPS of Rs.5 each issued on 31.1.2007	867.84	31.01.2017
43,39,200 (9%) CRPS of Rs.5 each issued on 30.1.2008	216.96	30.01.2018
*5,10,72,384 (9%) CRPS of Rs.5 each issued on 29.9.2008	2553.62	29.09.2018
3,09,39,671 (9%) CRPS of Rs.5 each issued on 12.5.2010	1546.99	12.05.2015
	<u><u>11721.65</u></u>	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras.

* Redemption due on 29.09.2013 have been extended till 29.09.2018.

Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Mr. M Ethiraj	Nil	Nil	2,014,920	9.03%
Mr. V R Venkataachalam	Nil	Nil	3,095,040	13.87%
Mr. Nandagopal M	8,421,310	37.73%	Nil	Nil
Arthos Breweries Limited	1,640,220	7.35%	Nil	Nil
Cumulative Redeemable Preference Shares				
9.75% CRPS of Rs.5 each				
TCP Limited	Nil	Nil	274,400	50.00%
Mohan Breweries and Distilleries Ltd	548,800	100%	274,400	50.00%
9% CRPS of Rs.5 each				
TCP Limited	Nil	Nil	113,734,155	48.63%
Mohan Breweries and Distilleries Ltd	233,884,055	100%	101,472,192	43.39%

BINNY LIMITED

Rs in Lakhs
As at
31 st March 2014 31 st March 2013

NOTE 3

RESERVES AND SURPLUS

CAPITAL RESERVE (on Demerger)

As per last year balance sheet	10287.55	10287.55
a)	<u>10287.55</u>	<u>10287.55</u>

Securities Premium Account

As per last year balance sheet	1077.66	1077.66
b)	<u>1077.66</u>	<u>1077.66</u>

Revaluation reserve (as per Court Order)

As per last year balance sheet	4906.62	4910.50
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Additions

deductions	-	-
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c)	<u>-</u>	<u>3.88</u>
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Profit and Loss account

As per last year balance sheet	208.75	-230.62
--------------------------------	--------	---------

Profit for the year	-6057.45	439.37
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Less: Proposed dividends

Tax on distributed profits

Balance of Profit / Loss	-5848.70	208.75
--------------------------	----------	--------

Less: Transfer to General Reserve	-	-
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d)	<u>-5848.70</u>	<u>208.75</u>
----	-----------------	---------------

(a+b+c+d)	10423.13	16480.58
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Note-4 LONG-TERM BORROWINGS:

Secured

Car Loan secured on Vehicles	7.31	-
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Unsecured

a Loans and advances from related parties	-	3,998.62
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b Others	-	100.20
----------	---	--------

7.31	<u>-</u>	<u>4,098.82</u>
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Note-5 OTHER LONG TERM LIABILITIES

Unsecured

a Trade payable	4.19	496.48
-----------------	------	--------

b Due to related parties	1,229.09	1,324.91
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c Others (Refer Note 25)	6,057.63	55.50
--------------------------	----------	-------

7,290.91	<u>7,290.91</u>	<u>1,876.89</u>
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Note-6 LONG TERM PROVISIONS

a Employee Benefits	287.48	438.80
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287.48	<u>287.48</u>	<u>438.80</u>
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BINNY LIMITED

		As at 31 st March 2014	Rs in Lakhs As at 31 st March 2013
Note-7	TRADE PAYABLE		
	a Sundry Creditors for trade	8.33	221.00
	b Dues to Micro, Small, Medium Enterprises	-	-
		<u>8.33</u>	<u>221.00</u>
Note-8	OTHER CURRENT LIABILITIES		
	a TDS payable	208.87	-
	b Taxes Payable	-	173.21
	c Other payables	206.92	135.97
	d Service Tax payable	-	7.94
	e Credit Balance in Bank Account	13.35	-
		<u>429.14</u>	<u>317.12</u>
Note-9	SHORT TERM PROVISIONS		
	a Provision for income tax	-	103.49
		<u>-</u>	<u>103.49</u>

Note-10 : FIXED ASSETS - TANGIBLE

in Rs. Lakhs

Description	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at 31st March, 2013	Addition	Deletion	As at 31st March, 2014	As at 31st March, 2013	Addition	Deletion	As at 31st March, 2014
Land	29695.03			29695.03				29695.03
Factory Buildings	741.22		43.59	697.63	439.63	16.40	40.52	282.12
Plant & Equipment	35.10		6.44	28.66	15.86	1.63	4.41	15.58
Furniture & Fixtures	80.18	4.64	60.74	24.08	55.20	5.39	46.93	10.42
Vehicles	12.49	9.84	6.51	15.82	8.61	1.03	6.51	12.69
	30564.02	14.48	117.28	30461.22	519.30	24.45	98.37	30015.84
Previous year	30600.58	-	36.56	30564.02	526.80	25.18	32.68	30044.72

BINNY LIMITED

Note 11

			Rs in lakhs	
NON-CURRENT INVESTMENTS	No. of shares	Face value per share Rs.	As at 31/3/2014	As at 31/3/2013
a) AT COST				
NON-TRADE				
Fully paid equity shares :				
QUOTED				
State Bank of India	1920	10	0.69	0.69
ICICI Bank Ltd	7851	10	3.33	3.33
UNQUOTED				
a) Fully paid equity shares in Binny Engineering Ltd. (Wholly owned subsidiary till 25-Sep-2013)			-	2874.81
b) Fully paid Equity shares in Tamilnadu Chromates & Chemicals Limited	30000	10	0.01	0.01
			<u>4.03</u>	<u>2878.84</u>
		Market value/ Book value	Market value/ Book value	
Quoted		134.61	121.86	
Unquoted		0.01	2874.82	
		<u>134.62</u>	<u>2996.68</u>	
			As at 31-03-2014	As at 31-03-2013

Note-12 LONG TERM LOANS AND ADVANCES

(Unsecured-considered good)

a Security Deposits	-	0.80
b Loans and advances		
i) Due from subsidiary- BEL	-	1,148.52
ii) Due from Related Party	60.74	-
ii) Others	424.35	783.36
c Loans to others - considered doubtful	359.29	-
	<u>844.38</u>	<u>-</u>
Less: Provision for Doubtful Loans and Advances	359.29	-
	<u>485.09</u>	<u>1,932.68</u>

Note-13 OTHER NON CURRENT ASSETS

a Long-term Trade Receivables- (unsecured and considered good)	-	98.35
b Stock in trade (Land)	120.16	120.19
	<u>120.16</u>	<u>218.54</u>

BINNY LIMITED

		Rs in lakhs	
		As at 31-03-2014	As at 31-03-2013
Note-14	TRADE RECEIVABLE		
	(Unsecured-considered good)		
a	i) Trade receivables outstanding for more than six months from the date they became due for payment	9.18	124.86
b	Trade receivables (others)	108.23	16.50
	(Due from Related Party Rs. 14.35 lacs)		
		<u>117.41</u>	<u>141.36</u>
Note-15	CASH AND CASH EQUIVALENTS		
a	Balance with banks	5.43	231.29
b	Cash on hand	1.29	2.68
c	Bank balances held as margin money for gurantees	-	4.09
		<u>6.72</u>	<u>238.06</u>
Note-16	SHORT TERM LOANS AND ADVANCES		
	(Unsecured-considered good)		
a	other loans and advances	-	60.03
		<u>-</u>	<u>60.03</u>
Note-17	OTHER CURRENT ASSETS		
a	Interest accrued and due on investments	-	0.04
b	wealth tax paid under protest (Net of provisions)	313.02	648.66
c	Prepaid expenses	0.60	-
d	TDS	148.01	158.90
e	Deposits with Govt.Dept	45.85	52.49
		<u>507.48</u>	<u>860.09</u>
		For the year ended 31.03.2014	For the year ended 31.03.2013
Note-18	REVENUE FROM OPERATIONS		
a	Agencies commission	-	37.07
b	Lease rental	922.36	756.05
c	Sale of land	1.00	-
		<u>923.36</u>	<u>793.12</u>
Note-19	OTHER INCOME		
a	Interest income	3.06	37.08
b	Dividend income	2.37	1.97
c	Net gain on sale of fixed assets	0.80	0.76
d	Recovery of Expenses	18.22	11.72
		<u>24.45</u>	<u>51.53</u>

BINNY LIMITED

	Rs in lakhs
	For the year ended 31.03.2014
	For the year ended 31.03.2013
Note-20 CHANGES IN INVENTORIES	
Closing Stock-in-trade (Land)	120.16
Less; Opening Stock-in-trade (Land)	120.19
Decrease in stock	<u>0.03</u>
Note-21 EMPLOYEE BENEFIT EXPENSES	
a Salaries and wages	59.16
b Contribution to PF and other funds	3.89
c Staff welfare expenses	2.70
d others	-
	<u>65.75</u>
Note-22 FINANCE COST	
a Interest on Car Loan	0.23
b Liquidated Damages	2037.10
c Interest on Wealth-tax & Income tax	201.52
d Interest - Others	1.26
	<u>2240.11</u>
Note-23 OTHER EXPENSES	
a Rent	-
b Insurance	0.45
c Power and Fuel	19.65
d Repairs to building	30.33
e Repairs to machinery	8.02
f Rates and taxes	47.15
g Payment to statutory auditors	
i) Statutory Audit Fee	12.24
ii) Certification Fee	2.57
iii) Taxation matters	3.50
h Legal, Professional and consultancy	95.34
i Cash discount and sales promotion	2.79
j Security charges	10.91
k Bad debts written off	389.03
l Agency services expenses	-
m Travelling Expenses	18.93
n Postage, Printing & Stationery	9.02
o Donation	20.00
p Miscellaneous expenses	35.90
	<u>705.83</u>
	<u>272.35</u>

BINNY LIMITED

	Rs in lakhs	
	For the year ended 31.03.2014	For the year ended 31.03.2013
Note-24 EXCEPTIONAL ITEMS		
a WT relating to earlier years (Refer Note - 25)	1061.06	-
b Loss on sale of Investments (Refer Note - 25)	-	-
c Fixed Assets written off	2529.83	-
d Provision for Doubtful Loans and Advances	18.91	-
e Prior period income	359.29	-
	-	(48.36)
	<u>3969.09</u>	<u>(48.36)</u>

NOTE: 25 OTHER NOTES ON ACCOUNTS

- As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. SEBI has approved the Relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 of Resulting Companies' during March, 2013. The Listing / Trading of Resulting Companies' have been complied with. Upon completion of formalities, the change in Directorship and inter se transfer of shares among the Promoters have been complied with.

2. Long Term Borrowings: Unsecured

The company was receiving the loans from the Promoters individually and through their group companies since 1994, to meet the requirements of rehabilitation schemes submitted to BIFR. As per the Sanctioned Scheme of Arrangement of Hon'ble High Court of Madras the company has recorded a sum of Rs.3800 lakhs as unsecured loan due to promoter group. The Company has settled the entire loan with liquidated damages of Rs.2037.10 lakhs..

3. Binny Engineering Limited (BEL)

During the year the Company has disinvested the shares in BEL and the resultant loss on sale of shares has been accounted for as exceptional item and the Loan & Advances given to BEL was also written off. As at the balance sheet date, there is no subsidiary company.

4. Contingent Liabilities

No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief / succeeding in the appeals:

(Rs. In Lakhs)
31-03-2014 31-03-2013

a) Electricity charges on revision of Tariff rates for the period from 1-12-82 to 31-12-87 contested by the company, the recovery of which is stayed by the Hon'ble High Court of Madras	117.50	117.50
b) Estimated surcharge on belated payment above up to 31/3/2014	729.69	700.31
c) Claim for back wages in respects of various disputes	Liability, if any not ascertainable	
d) Income Tax demand for Asst. Year 2008-09 (pending before Chennai ITAT)	19.21	19.21

BINNY LIMITED

e)	Income Tax demand for Asst. Year 2010 – 2011 (pending before CIT (A), Chennai)	11464.23	11464.23
f)	Wealth Tax Demand for Asst. year 1993-94 to 2010-11	NIL	2553.77

5. Other Moneys for which the company is contingently liable

a)	Claims against the company not acknowledged as Debts	131.32	131.32
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6. During the year the company has entered into MOU for sale of land, held as stock in trade and received a sum of Rs.6057.63 lakhs as advance. The transfer of title, settlement of employees occupying some portion of the land, etc are under progress. Upon receipt of sale consideration and transfer of title to the buyers the said amount shall be recognised as income. Pending transfer of title the entire amounts were shown as Other long term liabilities as on 31st March, 2014.

7. Arrears of Preference Shares Dividend

		(Rs. In Lakhs)	
		31-03-2014	31-03-2013
a)	Arrears of 9.75% Cumulative Preference Shares dividend for the period 01-07-2006 to 31-12-2009	9.36	9.36
b)	Arrears of 9% Cumulative Preference Shares dividend for the period 01.10.2005 to 31.12.2009	3030.01	3030.01
c)	Arrears of 9.75% Cumulative Preference Shares dividend for the period 01-01-2010 to 31-03-2014	11.38	8.70
d)	Arrears of 9% Cumulative Preference Shares dividend for the period 01-01-2010 to 31-03-2014	4422.59	3370.11
8.	Foreign Exchange inflow and outflow	Nil	NIL
9.	The company reviewed the deferred tax assets and liabilities as at the year end. The timing differences relates mainly to depreciation and carry forward losses for the period up to 31-03-2014 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.		
10.			
a.	The company has received wealth tax demand from AY 1993-94 to AY 2010-11 of Rs.2553.78 lakhs for which the company has filed appeals with ITAT, Chennai except for the year AY 2004-05. Out of these demands a sum of Rs.710.09 lakhs was paid by the erstwhile Binny Karnataka Ltd for the assets taken over by them and a sum of Rs.866.44 lakhs was provided for in the books during the year ended 31st March, 2010. For the balance demand of Rs.977.24 lakhs with the wealth tax demands for AY 2011-12 to 2013-14 amounting to Rs.83.82 lakhs (total demand of Rs.1061.06 lakhs) was provided during this year and shown as exceptional item in Note 24. Wealth-tax liability for the Asst year 2014-15 amounting to Rs.27.92 lakhs was included in Rates & Taxes. The entire wealth tax demands were paid to the Department and the Company has paid a sum of Rs. 313.02 lakhs in excess of demands raised by the Department which was shown as 'Wealth-tax paid under Protest' under 'Note 17 – Other Current Assets'		

- b. Finance cost includes Rs.197.57 lakhs Interest levied on the above wealth tax demands and Rs. 3.95 lakhs for Income-tax dues by the Income-tax Department and the same was paid by the company.
- c. The company has received Income Tax demand for Asst. year 2008 – 09 Rs.19.21 lakhs which is disputed before ITAT, Chennai. The Company has also received Income Tax demand for Asst. Year 2010 – 2011 demanding a sum of Rs.11464.23 Lakhs, additions were made on flimsy grounds, and company has filed appeals before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts. The Company has also filed a writ before the High Court and the HC has stayed the demand.

11. Related Party Disclosure

i) Key Management Personnel (KMP)

Name of the Key Management Personnel	Relationship
Mr. M. Ethiraj (till 03-10-2013)	Executive Chairman
Mr. E. Shanmugam (till 03-10-2013)	Director
Mr. M. Nandagopal (from 04-11-13)	Executive Chairman
Mr. V.R. Venkatachalam (till 03-10-2013)	Director
Mr. Arvind Nandagopal (from 04-11-13)	Managing Director
Mr. Nate Nandha (from 04-11-2013)	Director

ii) Parties where Control exists:

Subsidiary

Binny Engineering Limited (BEL) till 25-09-2013)

iii) Enterprises where Key Management Personnel exercise Influence

- ♦ S.V. Sugar Mills Limited (SVSM) till 03-10-2013 (Related company by Directors)
- ♦ The Thirumagal Mills Ltd. (TML) till 03-10-2013 (Related company by Directors)
- ♦ Mohan Breweries & Distilleries Ltd (MBDL) (Related company by Directors)
- ♦ S V Global Mills Ltd (SVC) till 03-10-2013 (Related company by Directors)
- ♦ Binny Mills Ltd. (BML) till 03-10-2013 (Related company by Directors)
- ♦ Mother Mira Industries Limited (MMIL) (Related company by Directors)
- ♦ Mira Textile & Industries Limited (MTIL) (Related company by Directors)

BINNY LIMITED

Summary of Transactions with the related Parties are as follows:

(Rs. in Lakhs)

Nature of Transaction	Transaction for the year ended		Balance Outstanding as on	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
1. Loan given to Subsidiary				
Loans to Subsidiary --- BEL	-1148.52	713.03	Nil	1148.52
2. Advance received from Associates:				
Advance for sale of property – BML	-171.20	163.96	1153.71	1324.91
3. Loan Received from Promoters				
Loan from Promoters – MBDL	-3998.62	NIL	Nil	3998.62
4. Loss on Sale of Investments				
Loss on sale of Investment in BEL	2529.83	Nil	N.A.	N.A.
5. Liquidated Damages				
Liquidated Damages to MBDL	2037.10	Nil	75.38	Nil
6. Advance given				
Advance given – MMIL	8.97	Nil	60.74	51.77
7. Loan Written off				
Loan to Subsidiary – BEL written off	1148.52	Nil	N.A.	N.A.
8. Investment in Subsidiary				
Investment - BEL	Nil	Nil	Nil	2529.83
9. Sales/Receivables				
Rent - MTIL	5.66	14.59	14.35	11.46

12. Earnings per Share:

Particulars	Year ended 31st March	
	2014	2013
Profit available to Equity Share holders used as Numerator – (A) Rs. in Lakhs	-6057.45	439.37
Number of Shares outstanding of Rs.5/- each.	2,23,19,410	2,23,19,410
Weighted Average Number of shares outstanding-(B)	2,23,19,410	2,23,19,410
Effect of dilution	Nil	NIL
Weighted Average No. of Equity Shares Including potential shares –(D)	2,23,19,410	2,23,19,410
Earnings per share (Basic & diluted (A*1,00,000/D) in Rs.	-27.14	1.97

BINNY LIMITED

13. As per actuarial valuation as on 31-03-2014 and recognized in the financial statements in respect of employee benefit schemes as require under AS 15 (R) are as under:

PARTICULARS		Gratuity		Long Term Compensated Absence	
	Unfunded Liabilities	(Unfunded)		(Unfunded)	
(i)	Assumptions	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	Discount Rate	8.00%	8.00%	8.00%	8.00%
	Salary Escalation	5.00%	5.00%	5.00%	5.00%
	Attrition Rate	5.00%	5.00%	5.00%	5.00%
		Rs. lakhs		Rs. lakhs	
(ii)	Table Showing Change in Benefit Obligation				
	Liability at the beginning of the Period	52.05	54.73	4.29	4.95
	Interest Cost	3.74	4.31	0.28	0.38
	Current Service Cost	0.86	2.34	0.78	0.32
	Benefit Paid	-10.53	(1.78)	- 1.52	-0.32
	Actuarial (gain) / Loss on obligations	27.68	(7.55)	-2.12	-1.04
	Liability at the end of the Period	18.44	52.05	1.71	4.29
(iii)	Amount Recognised in the Income Statement				
	Current Service Cost	0.86	2.34	0.78	0.32
	Interest Cost	3.74	4.31	0.28	0.38
	Expected Return on Plan Assets	-	-		0
	Net Actuarial (Gain) / Loss to be Recognised	-27.68	(7.55)	-2.12	-1.04
	Expenses Recognised in Profit & Loss A/c	-23.08	(0.90)	-1.06	-0.34
(iv)	Amount Recognised in the Balance Sheet				
	Opening Net Liability	52.05	54.73	4.29	4.95
	Expenses as above	-23.08	(0.90)	-1.06	(0.34)
	Employers Contribution paid / Benefits Paid	-10.53	(1.78)	0.78	(0.32)
	Closing net Liability	18.44	52.05	2.45	4.29

14. LEASE

The lease rentals paid during the year and the future lease obligations of EMI Hire Purchase Agreement as on March 31, 2014 are as follows:

(Rs. in Lakhs)

Lease rentals paid (including HP EMI's)	31st March, 2014	31st March, 2013
Lease rentals paid during the year	0.84	Nil
Future lease obligations	As at 31st March, 2014	As at 31st March, 2013
Due within 1 year from the balance sheet date	3.24	NIL
Due between 1 and 5 years	5.67	NIL
Due after 5 years	NIL	NIL

Fixed assets include the following assets purchased on hire purchase scheme. The title of such assets belongs to the Company subject to hire purchase agreements

Particulars	Gross Block as at 31st March, 2014	Dep Block as at 31st March, 2014	Net Block as at 31st March, 2014	Net Block as at 31st March, 2013
Vehicles	9.83	0.54	9.29	Nil

15. Previous year figures have been regrouped wherever necessary to conform to current year classifications.

As Per our Report of even date

for **M/s. CNGSN & ASSOCIATES**

Chartered Accountants
Firm Reg. No: 0049155

R. Thirumalmarugan

Partner
Membership No: 200102
Chennai
Date: 30-May-2014

M.Nandagopal
Executive Chairman

Arvind Nandagopal
Managing Director

P.K. Sundaresan
CFO & Company Secretary

BINNY LIMITED

BINNY LIMITED

(CIN : L17111TN1969PLC005736)

Registered Office: No.1, Cooks Road, Otteri, Perambur, Chennai 600 012

Email: binny@binnyltd.in, Website: www.binnyltd.in

Phone: 044 - 2662 1053, Fax: 044 - 2662 1056

ATTENDANCE SLIP

PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No. / D.P. ID No./Client ID :.....

Name and Address of the Shareholder / Proxy:

No. of Shares held.....

I hereby register my presence at the 45th Annual General Meeting of the Company at No. 1, Cooks Road, Otteri, Perambur, Chennai - 600 012 on Monday the 29th September 2014 at 10.00 am.

.....
Member's / Proxy's Signature

BINNY LIMITED

BINNY LIMITED

(CIN : L17111TN1969PLC005736)

Registered Office: No.1, Cooks Road, Otteri, Perambur, Chennai 600 012

Email: binny@binnyltd.in, Website: www.binnyltd.in

Phone: 044 - 2662 1053, Fax: 044 - 2662 1056

PROXY FORM

Name of the member(s) :

Registered Address :

E-mail ID :

Folio No/Client ID :

DP ID :

I/We, being the member(s) holding _____ shares of the above named company, hereby appoint

1. Name :

Address :

E-mail ID :

Signature : _____, or failing him

2. Name :

Address :

E-mail ID :

Signature :

as my / our proxy to vote for me / us on my / our behalf at the 45th Annual General Meeting of the Company at No. 1, Cooks Road, Otteri, Perambur, Chennai - 600 012 on Monday the 29th September 2014 at 10.00 am. and / or at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business :

1. Adoption of Audited Financial Statements of the Company as on March 31, 2014
2. Appointment of Director retiring by rotation
3. Appointment of Auditors

Special Business :

4. Continuation of Mr. M. Nandagopal as a Whole Time Director of the Company
5. Appointment of Justice S Jagadeesan an Independent Director of the Company

Signed this _____ day of _____ 2014.

Signature of shareholder:

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



BINNY LIMITED

Estd 1799

April 13, 2015

**Bombay Stock Exchange Ltd.
Department of Corporate Services
Phiroze Jee Jee Bhoy Towers,
Dalal Street,
Mumbai-400 001**

Sir,

**Sub: Corporate Governance Report
Ref: Clause 49 VI(ii) of the Listing Agreement**

With reference to the above subject, we are enclosing herewith the quarterly compliance report on Corporate Governance for the quarter ended 31st March 2015 for your information and record.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

For Binny Limited

**T. Krishnamurthy
CFO & Company Secretary**





BINNY LIMITED

Estd 1799

Quarterly Compliance Report on Corporate Governance

Name of the Company: Binny Limited

Quarter ending on: March 31, 2015

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
II. Board of Directors	49 (II)		
(A) Composition of Board	49 (IIA)	Yes	---
(B) Independent Directors	49 (IIB)	Yes	---
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	---
(D) Other provisions as to Board and Committees	49 (IID)	Yes	---
(E) Code of Conduct	49 (IIE)	Yes	---
(F) Whistle Blower Policy	49 (IIF)	Yes	---
III. Audit Committee	49 (III)		
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	---
(B) Meeting of Audit Committee	49 (IIIB)	Yes	---
(C) Powers of Audit Committee	49 (IIIC)	Yes	---
(D) Role of Audit Committee	49 (IIID)	Yes	---
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	---
IV. Nomination and Remuneration Committee	49 (IV)	Yes	---
V. Subsidiary Companies	49 (V)	NA	The company has no material non-listed Indian subsidiary
VI. Risk Management	49 (VI)	Yes	---
VII. Related Party Transactions	49 (VII)	Yes	---
VIII. Disclosures	49 (VIII)		
(A) Related party transactions	49 (VIIIA)	Yes	---
(B) Disclosure of Accounting Treatment	49 (VIIIB)	Yes	---
(C) Remuneration of Directors	49 (VIII C)	Yes	---
(D) Management	49 (VIII D)	Yes	---
(E) Shareholders	49 (VIII E)	Yes	---

Regd. Office :



Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
(F) Disclosure of resignation of directors	49 (VIII F)	Yes	---
(G) Disclosure of formal letter of appointment	49 (VIII G)	Yes	---
(H) Disclosures in the Annual report	49 (VIII H)	Yes	---
(I) Proceeds from public issues, rights issue, preferential issues, etc	49 (VIII I)	NA	The Company has not made any public issues, rights issue, preferential issues in the recent past
IX. CEO/CFO Certification	49 (IX)	Yes	Will be complied in the Annual Report
X. Report on Corporate Governance	49 (X)	Yes	Will be complied in the Annual Report
XI. Compliance	49 (XI)	Yes	Will be complied in the Annual Report

For Binny Limited



T. Krishnamurthy
CFO & Company Secretary



Compliance report with the requirements specified in Part-A of the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013

Sub: Application under Clause 24(f) of the listing agreement for the proposed Scheme of Arrangement of Binny Limited.

In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013	Whether Complied or not & How
1.	Listed companies shall choose one of the stock exchanges having nationwide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI.	BSE is the designated stock exchange
Compliance as per Part A, Annexure I to the Circular		
2.	Documents to be submitted:	
2.a	Draft Scheme of Arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	Yes enclosed as Annexure 2
2.b	Valuation Report from Independent Chartered Accountant	Yes enclosed as Annexure 3
2.c	Report from the Audit Committee recommending the Draft Scheme	Yes enclosed as Annexure 4
2.d	Fairness opinion by merchant banker	Yes enclosed as Annexure 5
2.e	Pre and post amalgamation shareholding pattern of unlisted company	Not applicable The Scheme of Arrangement does not result in change in equity share capital. The shareholding pattern of the Company is attached as Annexure 6
2.f	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company;	Not applicable
2.g	Compliance with Clause 49 of Listing Agreement	Yes enclosed as Annexure 8
2.h	Complaints Report	Will be submitted in due course as per SEBI circular dated February 4, 2013
3.	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956	Not applicable



4.	At least 25% of the post scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public holders in the transferor entity.	Not Applicable
5.	The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	Not Applicable
6.	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (4) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.	Not applicable
7.	The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.	Not applicable.

For Binny Limited

Date: May 11, 2015



**T. Krishnamurthy
CFO & Company Secretary**