

**BINNY LIMITED**  
ANNUAL REPORT  
MARCH 2014

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

# BINNY LIMITED

## 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

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## 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](http://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](http://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](http://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:

|                       | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|-----------------------|--|
| 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"><li>• 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.</li><li>• 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.</li></ul> |
| 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"><li>• 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).</li></ul>  |

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- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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<br><br>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](mailto:binny@binnyltd.in),**

**Website: [www.binnyltd.in](http://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.                            | <p>He is Promoter and Director of the Company. He has been associated with the Company since the year 1988.</p> <p>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.</p> <p>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.</p> <p>He has wide range of experience and connected with a number of organizations related to financial &amp; non-financial services. His overall efforts have resulted in significant growth to the businesses, reach economies of scale and maximization of shareholder value.</p> | <ol style="list-style-type: none"> <li>1) SATLUJ CREDIT AND HOLDINGS PRIVATE LIMITED</li> <li>2) CALCOM CREDIT AND HOLDINGS PRIVATE LIMITED</li> <li>3) RAJAT CHAKRA CREDIT AND HOLDINGS PRIVATE LIMITED</li> <li>4) SHEETALA CREDIT AND HOLDINGS PRIVATE LIMITED</li> <li>5) SARANGA INVESTMENTS AND CONSULTANCY PRIVATE LIMITED</li> <li>6) TWENTIETH CENTURY APCO LEASING PVT LTD</li> <li>7) BINNY LORZE LIMITED</li> <li>8) THIRUMAGAL ENGINEERING LIMITED</li> <li>9) SHRIRAM PROPERTIES Private Limited</li> <li>10) SHRIRAM PROPERTIES &amp; INFRASTRUCTURE PRIVATE LIMITED</li> <li>11) S TEL PRIVATE LIMITED</li> <li>12) SIPPING SPIRITS PRIVATE LIMITED</li> <li>13) UCAL FUEL SYSTEMS LIMITED</li> <li>14) S V GLOBAL MILL LIMITED</li> <li>15) BINNY MILLS LIMITED</li> <li>16) BHARATH COAL CHEMICALS LIMITED</li> <li>17) SHRIRAM PROPERTIES HOLDINGS PRIVATE LIMITED</li> <li>18) SHRIRAM VENTURE LIMITED</li> <li>19) SHRIRAM BUSINESS SOLUTIONS LIMITED</li> <li>20) SHRIRAM FINANCIAL VENTURES (CHENNAI) PRIVATE LIMITED</li> </ol> | <p>Chairman / Audit Committee - Ucal Fuel Systems Ltd</p> <p>Member, Audit Committee - Shirram Properties Pvt Ltd</p> | NIL                |
| M. Nandagopal         | 09-06-1939    | 23/03/1996          | Bachelor's degree in Agriculture. | <p>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.</p>   | <ol style="list-style-type: none"> <li>1) MOHAN BREWERIES AND DISTILLERIES LIMITED</li> <li>2) ARTHOS BREWERIES LIMITED</li> <li>3) MOHAN MEAKIN LIMITED</li> <li>4) MOHAN ROCKY SPRING WATER BREWERIES LIMITED</li> <li>5) MIRA TEXTILES &amp; INDUSTRIES (INDIA) LIMITED</li> <li>6) RRB ENERGY LIMITED</li> <li>7) ORISSA SUGARS LTD</li> <li>8) BHANKERPUR DISTILLERIES LIMITED</li> <li>9) D1 MOHAN BIO OILS LIMITED</li> <li>10) NANDHA DEVELOPERS PRIVATE LIMITED</li> <li>11) ANGAARAGHA REALESTATE PRIVATE LIMITED</li> </ol>  | NIL   | 8421310            |
| Justice S. Jagadeesan | 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                |



# BINNY LIMITED

## 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

# BINNY LIMITED

## 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. |

# BINNY LIMITED

**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/<br>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.<br><br>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<br>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](http://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<br>2013 | May<br>2013 | Jun<br>2013 | Jul<br>2013 | Aug<br>2013 | Sep<br>2013 | Oct<br>2013 | Nov<br>2013 | Dec<br>2013 | Jan<br>2014 | Feb<br>2014 | Mar<br>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:

|   |  |
|---|--|
| <p>M/s CAMEO CORPORATE SERVICES LIMITED<br/>UNIT: BINNY<br/>5TH Floor, Subramanian Building<br/>#1, Club House Road,<br/>Chennai 600 002<br/>Phone: 044-28460390(5 lines);<br/>Fax: 044-28460129<br/>Email: investor@cameoindia.com</p> | <p>Contact person:<br/>Mr. R D Ramaswamy<br/>Designation: Director<br/>Mr. D Narasimhan<br/>Designation: Senior Executive (Shares)</p> |
|---|--|

## 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<br>(Rs.5/- each fully paid up) | Share Capital<br>(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

### l) 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      |
|                    | <b>9528</b>  | <b>100</b> | <b>22319410</b>    | <b>100</b> |

#### 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%        |
|                 | <b>1</b>     | <b>100%</b> | <b>23,44,32,855</b> | <b>100%</b> |

## 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      | ---             |
| <b>TOTAL</b>               | <b>9528</b>    | <b>100</b>  | <b>100.00</b>   |

### 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.

## BINNY LIMITED

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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

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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 |          |
|--|----------|------------------|------------------|----------|
| <b>I. EQUITY AND LIABILITIES</b>                     |          |                  |                  |          |
| <b>(1) Shareholders' Funds:</b>                      |          |                  |                  |          |
| (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         |          |
| <b>(2) Share application money pending allotment</b> |          |                  |                  |          |
| <b>(3) Non-current liabilities:</b>                  |          |                  |                  |          |
| (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           | 438.80           | 6414.51  |
| <b>(4) Current liabilities:</b>                      |          |                  |                  |          |
| (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   |
| Total  |          | 31283.92         | 36374.32         | 641.61   |
| <b>II. ASSETS:</b>                                   |          |                  |                  |          |
| <b>(1) Non-current assets</b>                        |          |                  |                  |          |
| (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           | 218.54           | 35074.78 |
| <b>(2) Current assets</b>                            |          |                  |                  |          |
| (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   |
| Total  |          | 31283.92         | 36374.32         | 1299.54  |

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<br>No. | For the<br>year ended<br>31-03-2014 | For the<br>year ended<br>31-03-2013 |
|--|-------------|-------------------------------------|-------------------------------------|
| <b>I</b> Revenue from operations   | 18          | 923.36                              | 793.12                              |
| <b>II</b> Other income   | 19          | <u>24.45</u>                        | <u>51.53</u>                        |
| <b>III</b> Total Revenue (I + II)  |             | 947.81                              | 844.65                              |
| <b>IV</b> Expenses:  |             |                                     |                                     |
| a Cost of materials consumed   |             |                                     |                                     |
| b Purchases of Stock-in-Trade  |             |                                     |                                     |
| c Changes in inventories of finished<br>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                              |
| <b>V</b> Profit before exceptional and extraordinary<br>items and tax (III - IV)     |             | -2088.36                            | 468.17                              |
| <b>VI</b> Exceptional items  | 24          | <u>3969.09</u>                      | <u>-48.36</u>                       |
| <b>VII</b> Profit before extraordinary items & tax (V - VI)                          |             | -6057.45                            | 516.53                              |
| <b>VIII</b> Extraordinary item   |             | -                                   | -                                   |
| <b>IX</b> Profit before tax (VII - VIII)   |             | -6057.45                            | 516.53                              |
| <b>X</b> Tax expenses  |             |                                     |                                     |
| (1) Current tax  |             | -                                   | 103.49                              |
| (2) Excess Provision no longer required  |             | -                                   | -26.33                              |
| <b>XI</b> Profit / (loss) for the year from continuing<br>operations (IX - X - XIV)  |             | <u>-6057.45</u>                     | <u>439.37</u>                       |
| <b>XII</b> Profit / (loss) from discontinuing operations                             |             | -                                   | -                                   |
| <b>XIII</b> Tax expenses of discontinuing operations                                 |             | -                                   | -                                   |
| <b>XIV</b> Profit / (loss) from discontinuing operations<br>(after tax) (XII - XIII) |             | -                                   | -                                   |
| <b>XV</b> Profit / (loss) for the year (XI + XIV)                                    |             | <u>-6057.45</u>                     | <u>439.37</u>                       |
| <b>XVI</b> 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

|  | For the<br>year ended<br>31-03-2014 | Rs in Lakhs<br>For the<br>year ended<br>31-03-2013 |
|--|-------------------------------------|--|
| <b>A Cash Flow from Operating Activities</b>                     |                                     |  |
| Profit / (Loss) for the year                                     | (6,057.45)                          | 439.37   |
| <b>Adjustments for:</b>  |                                     |  |
| 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  |
| <br>Operating Profit before working Capital changes              | <br><u>(502.06)</u>                 | <br><u>505.34</u>                                  |
| <br>Increase / (Decrease) in Long Term Liabilities               | <br>5,414.02                        | <br>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)   |
| <br><b>Cash from Operating activities</b>                        | <br><u>5,894.23</u>                 | <br><u>(267.64)</u>                                |
| Direct Taxes paid (net)  | (103.49)                            | (59.67)  |
| <b>Net Cash from Operating activities</b>                        | <u>5,790.74</u>                     | <u>(327.31)</u>                                    |
| <br><b>B Cash flow from Investing activities</b>                 |                                     |  |
| Sale Proceeds of Investments                                     | 344.98                              |  |
| Purchase of fixed assets<br>(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  |
| <b>Net Cash from investing activities</b>                        | <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        |
| <b>Net Cash from financing activities</b>                       | <u>(6,331.62)</u> | <u>165.26</u> |
| Net Increase / (Decrease) in cash and cash equivalents (A+B+C)  | (231.34)          | (122.24)      |
| <b>Cash and cash equivalent as at the beginning of the year</b> | <u>238.06</u>     | <u>360.30</u> |
| <b>Cash and cash equivalent as at the end of the year</b>       | <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

**Arvind Nandagopal**  
Managing Director

**P.K. Sundaresan**  
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

# BINNY LIMITED

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.

|  | <b>Rs. In Lakhs</b>                   |                                       |
|--|---------------------------------------|---------------------------------------|
|  | <b>As at 31st<br/>March,<br/>2014</b> | <b>As at 31st<br/>March,<br/>2013</b> |
| <b>Note 2 - Share Capital</b>  |                                       |                                       |
| <b>Authorised</b>  |                                       |                                       |
| 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><b>28300.00</b></u>                | <u><b>28300.00</b></u>                |
| <b>Issued, Subscribed &amp; Paid-up</b>  |                                       |                                       |
| 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><b>11721.65</b></u>            | <u><b>11721.65</b></u>                |
|  | (a+b) <u><b>12837.62</b></u>          | <u><b>12837.62</b></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>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 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 |
| <b>Equity Shares</b>                           |                        |              |                        |              |
| 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          |
| <b>Cumulative Redeemable Preference Shares</b> |                        |              |                        |              |
| 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 |
|--------------------------------|--|---------|---------|

#### Additions

|            |  |   |   |
|------------|--|---|---|
| deductions |  | - | - |
|------------|--|---|---|

|  |    |                |                |
|--|----|----------------|----------------|
|  | c) | <u>4906.62</u> | <u>4906.62</u> |
|--|----|----------------|----------------|

#### Profit and Loss account

|                                |  |        |         |
|--------------------------------|--|--------|---------|
| As per last year balance sheet |  | 208.75 | -230.62 |
|--------------------------------|--|--------|---------|

|                     |  |          |        |
|---------------------|--|----------|--------|
| Profit for the year |  | -6057.45 | 439.37 |
|---------------------|--|----------|--------|

Less: Proposed dividends

Tax on distributed profits

|                          |  |          |        |
|--------------------------|--|----------|--------|
| Balance of Profit / Loss |  | -5848.70 | 208.75 |
|--------------------------|--|----------|--------|

|                                   |  |   |   |
|-----------------------------------|--|---|---|
| Less: Transfer to General Reserve |  | - | - |
|-----------------------------------|--|---|---|

|  |    |                 |               |
|--|----|-----------------|---------------|
|  | d) | <u>-5848.70</u> | <u>208.75</u> |
|--|----|-----------------|---------------|

|  |           |                 |                 |
|--|-----------|-----------------|-----------------|
|  | (a+b+c+d) | <b>10423.13</b> | <b>16480.58</b> |
|--|-----------|-----------------|-----------------|

#### Note-4 LONG-TERM BORROWINGS:

Secured

|                              |  |      |   |
|------------------------------|--|------|---|
| Car Loan secured on Vehicles |  | 7.31 | - |
|------------------------------|--|------|---|

Unsecured

|   |  |   |          |
|---|--|---|----------|
| a Loans and advances from related parties |  | - | 3,998.62 |
|---|--|---|----------|

|          |  |   |        |
|----------|--|---|--------|
| b Others |  | - | 100.20 |
|----------|--|---|--------|

|  |  |             |                 |
|--|--|-------------|-----------------|
|  |  | <u>7.31</u> | <u>4,098.82</u> |
|--|--|-------------|-----------------|

#### 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 |
|--------------------------|--|----------|----------|

|                          |  |          |       |
|--------------------------|--|----------|-------|
| c Others (Refer Note 25) |  | 6,057.63 | 55.50 |
|--------------------------|--|----------|-------|

|  |  |                 |                 |
|--|--|-----------------|-----------------|
|  |  | <u>7,290.91</u> | <u>1,876.89</u> |
|--|--|-----------------|-----------------|

#### Note-6 LONG TERM PROVISIONS

|                     |  |        |        |
|---------------------|--|--------|--------|
| a Employee Benefits |  | 287.48 | 438.80 |
|---------------------|--|--------|--------|

|  |  |               |               |
|--|--|---------------|---------------|
|  |  | <u>287.48</u> | <u>438.80</u> |
|--|--|---------------|---------------|

# BINNY LIMITED

|  | As at<br>31 st March 2014 | Rs in Lakhs<br>As at<br>31 st March 2013 |
|--|---------------------------|--|
| <b>Note-7</b>                              |                           |  |
| <b>TRADE PAYABLE</b>                       |                           |  |
| a Sundry Creditors for trade               | 8.33                      | 221.00                                   |
| b Dues to Micro, Small, Medium Enterprises | -                         | -  |
|  | <u>8.33</u>               | <u>221.00</u>                            |
| <b>Note-8</b>                              |                           |  |
| <b>OTHER CURRENT LIABILITIES</b>           |                           |  |
| 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>                            |
| <b>Note-9</b>                              |                           |  |
| <b>SHORT TERM PROVISIONS</b>               |                           |  |
| 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 | As at 31st March, 2013 |
| Land                 | 29695.03               |          |          | 29695.03                 |                        |          |                     | 29695.03               | 29695.03               |
| Factory Buildings    | 741.22                 |          | 43.59    | 697.63                   | 439.63                 | 16.40    | 40.52               | 282.12                 | 301.59                 |
| Plant & Equipment    | 35.10                  |          | 6.44     | 28.66                    | 15.86                  | 1.63     | 4.41                | 15.58                  | 19.24                  |
| Furniture & Fixtures | 80.18                  | 4.64     | 60.74    | 24.08                    | 55.20                  | 5.39     | 46.93               | 10.42                  | 24.98                  |
| Vehicles             | 12.49                  | 9.84     | 6.51     | 15.82                    | 8.61                   | 1.03     | 6.51                | 12.69                  | 3.88                   |
|                      | 30564.02               | 14.48    | 117.28   | 30461.22                 | 519.30                 | 24.45    | 98.37               | 30015.84               | 30044.72               |
| Previous year        | 30600.58               | -        | 36.56    | 30564.02                 | 526.80                 | 25.18    | 32.68               | 30044.72               | 30073.78               |



# BINNY LIMITED

## Note 11

|  |              |                             |                             | Rs in lakhs         |
|--|--------------|-----------------------------|-----------------------------|---------------------|
| NON-CURRENT INVESTMENTS  | No.of shares | Face value<br>per share Rs. | As at<br>31/3/2014          | As at<br>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<br>Binny Engineering Ltd.(Wholly<br>owned subsidiary till<br>25-Sep-2013) |              |                             | -                           | 2874.81             |
| b) Fully paid Equity shares in<br>Tamilnadu Chromates &<br>Chemicals Limited                             | 30000        | 10                          | 0.01                        | 0.01                |
|  |              |                             | <u>4.03</u>                 | <u>2878.84</u>      |
|  |              | Market value/<br>Book value | Market value/<br>Book value |                     |
| Quoted   |              | 134.61                      | 121.86                      |                     |
| Unquoted   |              | <u>0.01</u>                 | 2874.82                     |                     |
|  |              | <u>134.62</u>               | <u>2996.68</u>              |                     |
|  |              |                             | As at<br>31-03-2014         | As at<br>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-<br>(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<br>31-03-2014                 | As at<br>31-03-2013                 |
|--|-------------------------------------|-------------------------------------|
| <b>Note-14 TRADE RECEIVABLE</b>  |                                     |                                     |
| (Unsecured-considered good)  |                                     |                                     |
| a i) Trade receivables outstanding for more than six months<br>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)  |                                     |                                     |
|  | 117.41                              | 141.36                              |
| <b>Note-15 CASH AND CASH EQUIVALENTS</b>   |                                     |                                     |
| 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                                |
|  | 6.72                                | 238.06                              |
| <b>Note-16 SHORT TERM LOANS AND ADVANCES</b>   |                                     |                                     |
| (Unsecured-considered good)  |                                     |                                     |
| a other loans and advances   | -                                   | 60.03                               |
|  | -                                   | 60.03                               |
| <b>Note-17 OTHER CURRENT ASSETS</b>  |                                     |                                     |
| 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                               |
|  | 507.48                              | 860.09                              |
|  | For the<br>year ended<br>31.03.2014 | For the<br>year ended<br>31.03.2013 |
| <b>Note-18 REVENUE FROM OPERATIONS</b>   |                                     |                                     |
| a Agencies commission  | -                                   | 37.07                               |
| b Lease rental   | 922.36                              | 756.05                              |
| c Sale of land   | 1.00                                | -                                   |
|  | 923.36                              | 793.12                              |
| <b>Note-19 OTHER INCOME</b>  |                                     |                                     |
| 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                               |
|  | 24.45                               | 51.53                               |

# BINNY LIMITED

|  | Rs in lakhs                         |                                     |
|--|-------------------------------------|-------------------------------------|
|  | For the<br>year ended<br>31.03.2014 | For the<br>year ended<br>31.03.2013 |
| <b>Note-20 CHANGES IN INVENTORIES</b>    |                                     |                                     |
| Closing Stock-in-trade (Land)            | 120.16                              | 120.19                              |
| Less; Opening Stock-in-trade (Land)      | <u>120.19</u>                       | <u>120.19</u>                       |
| Decrease in stock                        | <u>0.03</u>                         | <u>-</u>                            |
| <b>Note-21 EMPLOYEE BENEFIT EXPENSES</b> |                                     |                                     |
| a Salaries and wages                     | 59.16                               | 53.47                               |
| b Contribution to PF and other funds     | 3.89                                | 7.89                                |
| c Staff welfare expenses                 | 2.70                                | 4.56                                |
| d others                                 | -                                   | 9.59                                |
|  | <u>65.75</u>                        | <u>75.51</u>                        |
| <b>Note-22 FINANCE COST</b>              |                                     |                                     |
| 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                                | 3.44                                |
|  | <u>2240.11</u>                      | <u>3.44</u>                         |
| <b>Note-23 OTHER EXPENSES</b>            |                                     |                                     |
| a Rent                                   | -                                   | 0.70                                |
| b Insurance                              | 0.45                                | 3.34                                |
| c Power and Fuel                         | 19.65                               | 26.13                               |
| d Repairs to building                    | 30.33                               | 14.93                               |
| e Repairs to machinery                   | 8.02                                | 14.85                               |
| f Rates and taxes                        | 47.15                               | 10.65                               |
| g Payment to statutory auditors          |                                     |                                     |
| i) Statutory Audit Fee                   | 12.24                               | 12.00                               |
| ii) Certification Fee                    | 2.57                                | 2.43                                |
| iii) Taxation matters                    | 3.50                                | -                                   |
| h Legal, Professional and consultancy    | 95.34                               | 47.80                               |
| i Cash discount and sales promotion      | 2.79                                | 0.13                                |
| j Security charges                       | 10.91                               | 26.35                               |
| k Bad debts written off                  | 389.03                              | 4.97                                |
| l Agency services expenses               | -                                   | 9.11                                |
| m Travelling Expenses                    | 18.93                               | 6.05                                |
| n Postage, Printing & Stationery         | 9.02                                | 3.58                                |
| o Donation                               | 20.00                               | -                                   |
| p Miscellaneous expenses                 | 35.90                               | 89.33                               |
|  | <u>705.83</u>                       | <u>272.35</u>                       |

# BINNY LIMITED

|   | For the<br>year ended<br>31.03.2014 | Rs in lakhs<br>For the<br>year ended<br>31.03.2013 |
|---|-------------------------------------|--|
| <b>Note-24 EXCEPTIONAL ITEMS</b>                    |                                     |  |
| a WT relating to earlier years (Refer Note - 25 )   | 1061.06                             | -  |
| b Loss on sale of<br>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)  |
|   | 3969.09                             | (48.36)  |

## NOTE: 25 OTHER NOTES ON ACCOUNTS

1. 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<br>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 |
|----|--|--------|--------|

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'

## BINNY LIMITED

- 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<br>2014             | 31st March<br>2013 | 31st March<br>2014        | 31st March<br>2013 |
| <b>1. Loan given to Subsidiary</b>          |                                |                    |                           |                    |
| Loans to Subsidiary --- BEL                 | -1148.52                       | 713.03             | Nil                       | 1148.52            |
| <b>2. Advance received from Associates:</b> |                                |                    |                           |                    |
| Advance for sale of property – BML          | -171.20                        | 163.96             | 1153.71                   | 1324.91            |
| <b>3. Loan Received from Promoters</b>      |                                |                    |                           |                    |
| Loan from Promoters – MBDL                  | -3998.62                       | NIL                | Nil                       | 3998.62            |
| <b>4. Loss on Sale of Investments</b>       |                                |                    |                           |                    |
| Loss on sale of Investment in BEL           | 2529.83                        | Nil                | N.A.                      | N.A.               |
| <b>5. Liquidated Damages</b>                |                                |                    |                           |                    |
| Liquidated Damages to MBDL                  | 2037.10                        | Nil                | 75.38                     | Nil                |
| <b>6. Advance given</b>                     |                                |                    |                           |                    |
| Advance given – MMIL                        | 8.97                           | Nil                | 60.74                     | 51.77              |
| <b>7. Loan Written off</b>                  |                                |                    |                           |                    |
| Loan to Subsidiary – BEL written off        | 1148.52                        | Nil                | N.A.                      | N.A.               |
| <b>8. Investment in Subsidiary</b>          |                                |                    |                           |                    |
| Investment - BEL                            | Nil                            | Nil                | Nil                       | 2529.83            |
| <b>9. Sales/Receivables</b>                 |                                |                    |                           |                    |
| 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) |           | (Unfunded)                    |           |
| Unfunded Liabilities                                   | 31.3.2014  | 31.3.2013 | 31.3.2014                     | 31.3.2013 |
| <b>(i) Assumptions</b>                                 |            |           |                               |           |
| 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 |
| <b>(ii) Table Showing Change in Benefit Obligation</b> |            |           |                               |           |
| 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      |
| <b>(iii) Amount Recognised in the Income Statement</b> |            |           |                               |           |
| 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     |
| <b>(iv) Amount Recognised in the Balance Sheet</b>     |            |           |                               |           |
| 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      |



# BINNY LIMITED

## 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)

| <b>Lease rentals paid (including HP EMI's)</b> | <b>31st March, 2014</b>       | <b>31st March, 2013</b>       |
|--|-------------------------------|-------------------------------|
| Lease rentals paid during the year             | 0.84                          | Nil                           |
| <b>Future lease obligations</b>                | <b>As at 31st March, 2014</b> | <b>As at 31st March, 2013</b> |
| 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

| <b>Particulars</b> | <b>Gross Block as at 31st March, 2014</b> | <b>Dep Block as at 31st March, 2014</b> | <b>Net Block as at 31st March, 2014</b> | <b>Net Block as at 31st March, 2013</b> |
|--------------------|---|---|---|---|
| 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: 004915S

**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

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## **BINNY LIMITED**

(CIN : L17111TN1969PLC005736)

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

Email: [binny@binnyltd.in](mailto:binny@binnyltd.in), Website: [www.binnyltd.in](http://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](mailto:binny@binnyltd.in), Website: [www.binnyltd.in](http://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.