

# **Binny Mills Limited**

**Fourth Annual Report  
2010 - 2011**

# **BINNY MILLS LIMITED**

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**A REQUEST**

**Please bring your copy of the Annual Report to the meeting.**

**Binny Mills Ltd**

## **BINNY MILLS LIMITED**

TCP Sapthagiri Bhavan, 4 (Old No.10), Karpagambal Nagar,  
Mylapore, Chennai – 600 004

### **DIRECTORS**

Shri V R. Venkataachalam - Chairman  
Shri V. Rajasekaran - Managing Director  
Shri V. Sengutuvan  
Shri S. Natarajan  
Shri S. Varatharajan

### ***Registered Office:***

TCP Sapthagiri Bhavan  
No.4 (Old No.10) Karpagambal Nagar,  
Mylapore,  
Chennai 600 004.

### ***Auditors:***

T.SELVARAJ & CO.,  
Chartered Accountants  
32, Dewan Rama Road,  
Purasawalkam,  
Chennai 600 084.

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## ***Binny Mills Limited***

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### **NOTICE**

NOTICE is hereby given that the Fourth Annual General Meeting of the Company will be held on Wednesday, the 28<sup>th</sup> September 2011 at 10-00 A.M. at No.106, Armenian Street, Chennai 600001 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and the Audited Profit and Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in the place of Shri S. Natarajan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

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

**"RESOLVED THAT** M/s T. Selvaraj & Co., Chartered Accountants, Chennai, (Firm Registration No. 003703S) be and are hereby appointed as the auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as determined by the Board of Directors."

By Order of the Board of Directors  
For Binny Mills Limited

**V. Rajasekaran**  
Managing Director

#### **Registered Office:**

TCP Sapthagiri Bhavan,  
No.4, (Old No.10) Karpagambal Nagar,  
Mylapore, Chennai 600 004.

Date: 29<sup>th</sup> August 2011

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## 4th Annual Report 2010-2011

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### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy Form, in order to be effective, must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September 2011 to 28<sup>th</sup> September 2011 (both days inclusive).
4. Members/Proxies are requested to bring the attendance slip sent herewith, duly filled in, for attending the meeting and their copy of the Annual Report to the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members desiring to seek any information on the annual accounts or operations of the Company are requested to send their queries to the Company, at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
8. Members holding shares in physical form can now avail nomination facility for the shares held by them. Members desirous of availing this facility may send in their nominations in Form 2B duly filled in and signed to the Registrar and Share Transfer Agent of the Company viz, Cameo Corporate Services Ltd., 'Subramanian Building', 1<sup>st</sup> Floor, No.1, Club House Road, Chennai 600 002. Phone: 044-2846 0390 to 2846 0394.
9. M/s Cameo Corporate Services Ltd., 'Subramanian Building', 1<sup>st</sup> Floor, No.1, Club House Road, Chennai 600 002. Phone: 044-2846 0390 to 2846 0394 is the Company's Registrar and Share Transfer Agent for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in Demat form, members may send requests or correspond through their respective Depository Participants.
10. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorising their representatives to attend and vote at the Annual General Meeting.
11. Members who have multiple folios in identical names in the same order are requested to send all the Share Certificates either to the Company addressed to the Registered Office or to the Company's Registrar and Share Transfer Agent for consolidation of such folios into one to facilitate better services.

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## ***Binny Mills Limited***

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### **IMPORTANT COMMUNICATION TO MEMBERS- GREEN INITIATIVE IN CORPORATE GOVERNANCE**

The Ministry of Corporate Affairs (MCA) vide its Circular No.17/2011 dated 21<sup>st</sup> April 2011 and Circular No.18/2011 dated 29<sup>th</sup> April 2011 has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies, thereby allowing companies to serve documents to its members through electronic mode.

Your Company believes in Environment conservation for sustainable development and therefore your Company supports MCA in this initiative.

Members who hold shares in physical form are requested to intimate their e-mail address to the Company/Share Transfer Agent and members holding shares in demat form can intimate their e-mail address to their Depository Participant, to enable the Company, in future, to send documents such as notices of general meetings, annual reports and other share holder's communication to all the members through e-mail.

Members may also note that in case any member makes a request to the Company for the physical copy of the documents sent by e-mail, it shall be sent by post.

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## 4th Annual Report 2010-2011

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### DIRECTORS' REPORT

#### To the Members

Your Directors have pleasure in presenting the Fourth Annual Report and the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2011.

#### FINANCIAL RESULTS

	31 <sup>st</sup> March 2011 Rs.	31 <sup>st</sup> March 2010* Rs.
Sales and other Income	5,98,52,876	1,11,88,505
Profit before Depreciation	91,93,617	16,47,085
Depreciation	2,42,561	58,423
Profit Before Tax	89,51,056	15,88,662
Provision for Tax	14,67,590	2,45,448
Profit after Tax	74,83,466	13,43,214

\*The financial results for the year ended 31<sup>st</sup> March 2010 is after including the results of the Agencies and Services Undertaking (post Demerger) for the period from 1<sup>st</sup> January 2010 to 31<sup>st</sup> March 2010.

#### OPERATIONS

As the members may be aware, pursuant to the Demerger Scheme of Binny Ltd, the Agencies and Services Undertaking of Binny Ltd was transferred to and vested in the Company, with effect from 1<sup>st</sup> Jan 2010, the Appointed Date as per the Demerger Scheme.

The Company operates in 5 divisions viz., Warehousing, Cochin, Showrooms, Agencies and Bintex. The Warehousing division has rented its warehouses and is deriving rental income from it. The Cold Storage room division at Cochin has been rented out for godown and office space rental income. The Showrooms are engaged in retail selling of textile materials. The Agencies division is engaged in the business of selling Tarpaulin, rain coats and bags. The Bintex division is engaged in selling textile materials, particularly uniform materials, bed spreads and other textile varieties.

For the year 2010-11, the Rental income from Warehousing division is Rs.90.49 lakhs and Cochin Division is Rs.12.91 lakhs. The sale made by the Showrooms division is Rs.11.88 lakhs, the Agencies division is Rs.4.32 lakhs and the Bintex division is Rs.469.77 lakhs.

The aggregate amount of Rent and Sales is Rs.589.37 lakhs. The Net Profit before tax is Rs.89.51 lakhs.

#### PREFERENCE SHARES

The 9.75% Cumulative Redeemable Preference Shares (CRPS) of Rs.5/- each, aggregating to Rs.29,40,000/-, are redeemable on or before 30<sup>th</sup> June 2011. The company, after obtaining the consent of the holders of the 9.75% CRPS, has extended the redemption date for the Preference Shares by 5 years.

After the extension, the 9.75% CRPS are redeemable on or before 30-6-2016. The 9% CRPS are redeemable in tranches on different dates. The earliest date of redemption is 30-1-2012.

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## ***Binny Mills Limited***

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Preference dividend is payable on the CRPS from the date of original allotment of shares by Binny Ltd. The holders of the CRPS have preferential right to dividend over the equity share holders, as and when dividend is declared by the Company.

### **DIVIDEND ON EQUITY SHARES**

Since the Company is in the second year of operation after the transfer and vesting of the Agencies and Services Undertaking of Binny Ltd in the Company, pursuant to the Demerger Scheme, the company wants to conserve its resources for future operations. Hence, the company is not recommending dividend on the equity shares this year.

### **DIRECTORS**

Shri S. Natarajan, Director, retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

### **AUDIT COMMITTEE**

The Board of Directors, at their meeting held on 12<sup>th</sup> May 2010, constituted the Audit Committee under section 292A of the Companies Act, 1956 and pursuant to Article 144 of the Articles of Association of the Company. The Audit Committee constituted is as follows.

Shri S. Natarajan - Chairman

Shri S. Varatharajan; and

Shri V. Sengutuvan

The Audit Committee shall have such powers, duties and responsibilities and shall function in such manner as provided in section 292A of the Companies Act, 1956 and in any listing agreement entered into by the Company with the stock exchanges.

A meeting of the Audit Committee was held on 27-8-10. All the members of the Committee attended the meeting.

### **SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE**

The Board of Directors, at their meeting held on 12<sup>th</sup> May 2010, constituted the Share Transfer & Investors Grievance Committee pursuant to Article 144 of the Articles of Association of the Company. The Share Transfer & Investors' Grievance Committee constituted is as follows.

Shri V.R. Venkataachalam - Chairman

Shri V. Rajasekaran, and

Shri S. Varatharajan

The Share Transfer & Investors' Grievance Committee will expedite the process of share transfers and for this purpose the Board of directors has delegated the powers of registration of share transfers to the Committee with the direction that any major share transfers approved by the Committee shall be placed before the Board for its consideration.

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## 4th Annual Report 2010-2011

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The Share Transfer & Investors' Grievance Committee also will specifically look into the redressal of Shareholders/Investors complaints like delay in registering share transfers, non-receipt of Balance Sheet, non-receipt of declared dividends, undue delays in allowing demat requests and such other complaints.

15 meetings of the Committee were held during the year 2010-11 on the following dates:

30-7-10, 16-8-10, 31-8-10, 7-10-10, 30-10-10, 15-11-10, 30-11-10, 15-12-10, 30-12-10, 17-1-11, 31-1-11, 15-2-11, 28-2-11, 15-3-11 and 30-3-11.

All the members of the committee attended all the meetings.

### LISTING OF THE EQUITY SHARES OF THE COMPANY ON STOCK EXCHANGES

Your Company has made application to the Bombay Stock Exchange and the Madras Stock Exchange seeking listing of the 31,88,474 Equity Shares of the company on the Stock Exchanges. The Stock Exchanges have given their in-principle approval for the listing of the shares on the Stock Exchanges. However, the trading in the shares would commence only on receipt of the SEBI approval under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The company's application to the SEBI, submitted through the Bombay Stock Exchange, is being processed by the SEBI.

### DEMATERIALISATION OF SHARES AND LIQUIDITY

For Dematerialisation of Equity Shares, your company has entered into a Tripartite Agreement along with M/s Cameo Corporate Services Limited (the Registrar and Share Transfer Agent) with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for admitting the equity shares of the company in their depository system - from 2<sup>nd</sup> June 2010 with the NSDL and 13<sup>th</sup> July 2010 with the CDSL - and the equity shares have been allotted the International Securities Identification Number (ISIN): **INE160L01011**.

However, the Depositories have suspended and marked frozen the ISIN, until the receipt of notice from the Stock Exchanges, where the shares of the Company are listed, for commencement of trading and for reactivation of the ISIN. The trading in the shares would commence on receipt of approval from the SEBI.

### Details of shares in Demat and Physical Form as on 31<sup>st</sup> March 2011:

Particulars	No. of Shareholders	No. of Shares	% to Capital
NSDL	632	3,11,284	9.76
CDSL	9	262	0.01
Physical Form	8,348	28,76,928	90.23
Total	8,989	31,88,474	100.00

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## ***Binny Mills Limited***

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### **REGISTRAR AND SHARE TRANSFER AGENT:**

Your Company has entered into an RTA Agreement with M/s Cameo Corporate Services Ltd., Chennai. Shareholders/Investors are requested to forward their share transfer documents, Demat requests and other related correspondence directly to the RTA at the following address for speedy response:

#### **M/s Cameo Corporate Services Ltd**

'Subramanian Building'

No.1, Club House Road, Chennai 600 002.

Phone: 044-2846 0390 to 2846 0394; Fax: 044-2846 0129;

E-mail:investor@cameoindia.com

### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956.

- i) That in the preparation of the Annual Accounts, for the year ended 31<sup>st</sup> March 2011, the applicable Accounting Standards have been followed along with proper explanations for material departures, if any;
- ii) That the selected accounting policies were applied consistently and judgements and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31<sup>st</sup> March 2011 and of the profit of the Company for that period;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) That the annual accounts for the year ended 31<sup>st</sup> March 2011 has been prepared on a going concern basis.

### **AUDITORS**

It is proposed to reappoint M/s T. Selvaraj & Co., Chartered Accountants, Chennai, (Firm Registration No. 003703S) as the Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company. The Directors recommend their appointment.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

There are no Particulars to be furnished for the year as required under sec. 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

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## **4th Annual Report 2010-2011**

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### **STATEMENT OF EMPLOYEES' PARTICULARS**

There are no employees drawing remuneration of Rs.60 lakhs or more per annum or Rs.5 lakhs or more per month, during the year as required to be furnished under sec 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for the continued co-operation and support extended by all concerned persons and authorities for the smooth and efficient functioning of the Company.

For and on behalf of the Board

**V.R. Venkataachalam**  
Chairman

### **Registered Office:**

TCP Saptagin Bhavan,  
No 4, (Old No. 10) Karpagambal Nagar,  
Mylapore, Chennai 600 004

Date: 29<sup>th</sup> August 2011

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***Binny Mills Limited***

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**AUDITORS' REPORT**

To

*The Members  
Binny Mills Limited  
Chennai*

1. We have audited the attached Balance Sheet of Binny Mills Limited as at 31<sup>st</sup> March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed there to. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books,
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account.
  - d) In our opinion the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt by this report, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956
  - e) On the basis of written representation received from the Directors, as on 31/03/2011 and taken on records by the Board of Directors, we report that, none of the Directors are disqualified as on 31/03/2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

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## 4th Annual Report 2010-2011

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f) We draw the attention of members to the following Note:

***i). Non-confirmation of balances as at 31.03.2011 from Debtors, other Current Assets and Sundry Creditors as stated in Note 1 in Notes on accounts and we are unable to express any opinion on the recoverability or otherwise and the effect, if any, on the reported results of the Company for the period under audit.***

g) Subject to f(i) above, the said accounts, in our opinion and to the best of our information and according to the explanations given to us, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- i. In the case of Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March 2011.
- ii. In the case of Profit and Loss Account, of the PROFIT of the Company for the year ended on that date; and
- iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For T.SELVARAJ & CO**  
**CHARTERED ACCOUNTANTS**  
Firm Regn.No:003703S

Place : Chennai  
Date : 29.08.2011

**T.SELVARAJ**  
**PARTNER**  
**MEMBERSHIP No:11370**

**Re: BINNY MILLS LIMITED**

Referred to in Paragraph 3 of our Report of even date

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets, which needs to be updated.  
(b) The fixed assets have not been verified by the management during this year. The discrepancies (between physical verification and book records) and accounting for such discrepancies does not arise.  
(c) The Company has not disposed off any fixed assets during the year.
2. (a) The inventory has been physically verified by the management at reasonable intervals.  
(b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to or from the companies, firms or individual, parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has taken unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956, and the year end balance of such loan was Rs. 0.62 lakhs (Rs. 0.62 lakhs as on 31.3.2010). In our opinion, since the loan was received interest free without any terms and conditions stipulated for repayment, the same is not prima-facie prejudicial to the interest of the company.  

In our opinion, since the loan was received interest free without any terms and conditions stipulated for repayment, the principal portion has not fallen due for repayment.
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 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 control systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from public.
7. The Company does not have any internal audit system to commensurate with the size of the Company and the nature of its business and services.

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## 4th Annual Report 2010-2011

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8. As explained to us and as per the information and explanation given to us the maintenance of Cost Records under section 209 (1)(d) of the Companies Act, 1956 are not applicable.
9. According to the information and explanations given to us and according to the books and records as produced and examined by us: in our opinion, undisputed statutory dues including Provident Fund, Pension Fund, Employees State Insurance, income tax, service tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other statutory dues were in arrears as at 31<sup>st</sup> March 2011 for a period of more than six months from the date they became payable *except in respect of service tax to the tune of Rs. 72,356/- which is yet to be remitted.*

There are no disputed statutory dues payables as at the Balance sheet date.

10. The Company does not have any accumulated losses as at 31<sup>st</sup> March 2011 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions, bank and debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
15. *In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks / financial institutions.*
16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information given to us, the Company has made preferential allotment of preference shares during the year pursuant to the Demerger Scheme of Binny Limited as approved by the Honourable High Court of Madras, as follows:

28,14,18,142 9% Cumulative Redeemable Preference Shares of Rs. 5 each amounting to Rs. 140,70,90,710/-

5,88,000 9.75 % Cumulative Redeemable Preference Shares of Rs. 5 each amounting to Rs. 29,40,000/-

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***Binny Mills Limited***

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The Company has not made any preferential allotment of equity shares during the year.

19. According to the information and explanation given to us, the Company has not issued any debentures during the year and creation of security for issue of debenture does not arise.
20. According to the information and explanation given to us, the Company has not raised money by public issue during the year and disclosure of end use of public issue does not arise.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **T.SELVARAJ & CO**  
**CHARTERED ACCOUNTANTS**  
*Firm Regn.No:003703S*

Place : Chennai  
Date : 29.08.2011

**T.SELVARAJ**  
**PARTNER**  
**MEMBERSHIP No 11370**

**4th Annual Report 2010-2011**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

Schedule	As at 31-03-2011		As at 31-03-2010	
	Rs.	Rs.	Rs.	Rs.
<b>I SOURCES OF FUNDS</b>				
<b>(1) Shareholder's Funds:</b>				
(a) Capital	1	1,441,915,450	500,000	
(b) Share Capital Pending Allotment	2	-	1,441,415,450	
(c) Reserves and Surplus	3	243,824,667	236,341,201	1,678,256,651
<b>(2) Loan Funds:</b>				
(a) Secured Loans		-		
(b) Unsecured Loans	4	62,616	62,616	62,616
<b>(3) Deferred Tax Liability</b>				
<b>TOTAL</b>		<u>1,685,802,733</u>	<u>1,678,319,267</u>	
<b>II APPLICATION OF FUNDS</b>				
<b>(1) Fixed Assets:</b>				
(a) Gross Block	5	1,563,028,950	1,561,239,766	
(b) Less: Depreciation		7,157,491	6,914,930	
(c) Net Block		1,555,871,459	1,554,324,836	
(d) Capital Work In Progress		-	-	1,554,324.836
<b>(2) Investments</b>				
<b>(3) Deferred Tax Asset (Net)</b>				
		519,015		
<b>(4) Current Assets, Loans and Advances:</b>				
(a) Inventories	6	5,889,921	7,117,782	
(b) Sundry Debtors	7	6,007,776	4,641,725	
(c) Cash and Bank Balances	8	2,698,830	2,413,254	
(d) Other Current Assets	9	363,666	1,792,719	
(e) Loans and Advances	10	166,301,922	123,877,794	
		181,262,115	139,843,275	
Less: Current Liabilities and Provisions:				
(a) Current Liabilities	11	46,589,213	12,774,596	
(b) Provisions	12	5,260,643	3,074,248	
Net Current Assets		51,849,856	15,848,844	123,994,431
<b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted)				
<b>Preliminary Expenditure</b>	13	-	-	
<b>TOTAL</b>		<u>1,685,802,733</u>	<u>1,678,319,267</u>	
Notes on Accounts	20			

**V.R.Venkataachalam**  
Chairman

**V.Rajasekaran**  
Managing Director

Place: Chennai  
Date : 29.08.2011

As per Our Report of even date  
For **T.SELVARAJ & CO**  
**CHARTERED ACCOUNTANTS**  
Firm Regn.No:003703S

**T.SELVARAJ**  
PARTNER  
MEMBERSHIP No:11370

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**Binny Mills Limited**

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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

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	Schedule	For the year ended 31-03-2011 Rs.	For the year ended 31-03-2010 Rs.
<b>INCOME</b>			
Sales income	14	48,597,201	8,803,597
Other Income	15	11,255,675	2,384,908
		<u>59,852,876</u>	<u>11,188,505</u>
<b>EXPENDITURE</b>			
Cost of goods sold	16	39,839,662	6,835,477
Salaries & Staff Welfare	17	3,999,383	1,010,901
Administrative Expenses	18	4,551,505	1,131,077
Selling Expenses	19	2,230,038	513,459
Depreciation	5	242,561	58,423
Interest		38,671	-
Preliminary Expenses Written Off		-	50,506
		<u>50,901,820</u>	<u>9,599,843</u>
<b>PROFIT BEFORE TAX</b>		<b>8,951,056</b>	<b>1,588,662</b>
Less: Provision for Taxes		2,151,195	245,448
Less: MAT Credit Entitlement		(164,590)	
Less: Deferred Tax (Net)		(519,015)	
<b>PROFIT AFTER TAX carried to balance sheet</b>		<b><u>7,483,466</u></b>	<b><u>1,343,214</u></b>
Earnings Per Share in Rs.(Basic)		2.82	26.86
Earnings Per Share in Rs.(Diluted)		2.82	1.69
Notes on Accounts	20		

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V.R.Venkataachalam  
Chairman

As per Our Report of even date  
For **T.SELVARAJ & CO**  
**CHARTERED ACCOUNTANTS**  
Firm Regn.No.003703S

V.Rajasekaran  
Managing Director

**T.SELVARAJ**  
**PARTNER**  
MEMBERSHIP No:11370

Place : Chennai  
Date : 29.08.2011

## 4th Annual Report 2010-2011

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
<b>SCHEDULE - 1 : CAPITAL:</b>		
SHARE CAPITAL		
AUTHORISED:		
Equity Shares		
3200000 Equity Shares of Rs.10/- each	<u>32,000,000</u>	<u>1,000,000</u>
Preference Shares		
600000 9.75% Cumulative Redeemable Preference Shares of Rs. 5/- each	3,000,000	
281500000 9% Cumulative Redeemable Preference Shares of Rs. 5/- each	<u>1,407,500,000</u>	
	<u>1,442,500,000</u>	<u>1,000,000</u>
ISSUED, SUBSCRIBED & PAID-UP :		
Equity shares		
3188474 Equity Shares of Rs.10/- each	31,884,740	500,000
Preference Shares		
588000 9.75% Cumulative Preference Shares of Rs. 5/- each	2,940,000	
281418142 9% Cumulative Preference Shares of Rs. 5/- each	<u>1,407,090,710</u>	-
	<u>1,441,915,450</u>	<u>500,000</u>
<u>Terms of Issue and Redemptions :</u>		
9.75% Cumulative Redeemable Preference Shares issued on 2.6.2010 redeemable on or before 30.6.2016	2,940,000	
9% Cumulative Redeemable Preference Shares issued on 2.6.2010 redeemable on or before 12.5.2015	1,407,090,710	
<b>SCHEDULE - 2 : SHARE CAPITAL PENDING ALLOTMENT:</b>		
Equity Shares Pending allotment as per scheme of demerger in consideration of net assets transferred from Binny Limited as per High Court Order		
	-	31,884,740
Preference Shares Pending allotment as per scheme of demerger in consideration of net assets transferred from Binny Limited as per High Court Order		
	-	1,409,530,710
	-	<u>1,441,415,450</u>
<b>SCHEDULE - 3 : RESERVES AND SURPLUS:</b>		
Revaluation Reserve	a 235,021,085	235,021,085
Surplus in Profit & Loss Account		
As per last balance sheet	1,320,116	(23,098)
Adj: Transfer from P & L a/c	7,483,466	1,343,214
	b 8,803,582	1,320,116
	a + b 243,824,667	<u>236,341,201</u>
<b>SCHEDULE - 4 : UNSECURED LOAN:</b>		
Loan From Director	62,616	62,616
	<u>62,616</u>	<u>62,616</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**  
**SCHEDULE - 5 : FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
	As at 1.4.2010	Additions	Deletions	As at 31.03.2011	For the Year	Deletions	As At 31.03.2011	As at 31.03.2011	As at 31.3.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	1551813981	-	-	1551813981	-	-	-	1551813981	1551813981
Building	3948476	1754660	-	5703136	129276	-	2237973	3465163	1839779
Plant & Machinery	4204205	-	-	4204205	107859	-	3651153	553052	660911
Furniture & Fixtures	1239549	-	-	1239549	1899	-	1231288	8261	10160
Vehicles	33554	-	-	33554	-	-	33550	4	4
Computers	-	34525	-	34525	3527	-	3527	30998	-
<b>TOTAL</b>	1561239765	1789185	-	1563028950	242561	-	7157491	1555871459	1554324835
Previous Year	-	1561239765	-	1561239765	58,423	-	6914930	1554324835	-

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### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
<b>SCHEDULE - 6</b>		
<b>INVENTORIES :</b>		
(Valued at cost or net realisable value and as certified by the Management)		
Stock in trade - Traded Goods	5,889,921	7,117,782
	<u>5,889,921</u>	<u>7,117,782</u>
<b>SCHEDULE - 7</b>		
<b>SUNDRY DEBTORS :</b>		
(Considered Good for which the company holds no security other than debtors personal security)		
Ousting over six months	-	-
Other Debts	6,007,776	4,641,725
	<u>6,007,776</u>	<u>4,641,725</u>
<b>SCHEDULE - 8</b>		
<b>CASH AND BANK BALANCES :</b>		
Cash on Hand	109,826	83,091
Balance with Scheduled Bank		
In Current Accounts	2,564,004	2,305,163
In Margin Money Deposit	25,000	25,000
	<u>2,698,830</u>	<u>2,413,254</u>
<b>SCHEDULE - 9</b>		
<b>OTHER CURRENT ASSETS :</b>		
Deposits	363,666	321,496
Advance with Customs, Port, etc	-	1,471,223
	<u>363,666</u>	<u>1,792,719</u>
<b>SCHEDULE - 10</b>		
<b>LOANS AND ADVANCES:</b>		
(Considered Good For which the company holds no security other than personal security)		
Advances recoverable in cash or in kind or for value to be received	132,066,282	39,180,604
Advance for property development	32,900,000	83,800,000
Other Advances	1,171,050	897,190
MAT Credit Entitlement	164,590	-
	<u>166,301,922</u>	<u>123,877,794</u>
<b>SCHEDULE - 11</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors - Trade	11,129,212	11,418,423
Advance from Customers	755,910	1,135,573
Other Liabilities	34,704,091	220,600
	<u>46,589,213</u>	<u>12,774,596</u>

**Binny Mills Limited**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	AS AT 31/03/2011 Rs.	AS AT 31/03/2010 Rs.
<b>SCHEDULE - 12</b>		
PROVISIONS :		
Provision for Income Tax	2,396,643	245,448
Provision for Gratuity	2,864,000	2,828,800
	5,260,643	3,074,248
<b>SCHEDULE - 13</b>		
PRELIMINARY EXPENDITURE:		
As per last balance sheet	-	50,506
Less: Written Off during the year	-	50,506
	-	-

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2011**

	For the Year Ended	
	31/03/2011	31/03/2010
<b>SCHEDULE - 14</b>		
SALES:		
Sale of Goods	48,597,201	8,803,597
	48,597,201	8,803,597
<b>SCHEDULE - 15</b>		
OTHER INCOME :		
Rent & Hire charges received (Gross)	10,340,213	2,348,314
(TDS - Rs.558985/-) (Prev Yr- Rs. 97,236/-)		
Other Income	915,462	36,594
	11,255,675	2,384,908
<b>SCHEDULE - 16</b>		
COST OF GOODS SOLD:		
Opening Stock		
Finished Goods	7,117,782	6,066,070
Add: Purchases:	38,611,801	7,887,189
Less: Closing Stock	45,729,583	13,953,259
Finished Goods	5,889,921	7,117,782
	39,839,662	6,835,477
<b>SCHEDULE - 17</b>		
SALARIES & STAFF WELFARE :		
Salaries, Wages & Bonus	2,867,449	698,100
Contribution to PF & ESI	330,201	93,108
Gratuity	656,816	180,334
Staff Welfare	144,917	39,359
	3,999,383	1,010,901

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**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2011**

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	For the Year Ended	
	31/03/2011	31/03/2010
<b>SCHEDULE - 18</b>		
<b>ADMINISTRATIVE EXPENSES:</b>		
Insurance	40,098	16,487
Audit Fees		
- For Statutory Audit	125,000	220,600
- For Tax Audit	25,000	-
- For Certification	5,000	-
Professional Charges	38,798	-
Repairs & Maintenance - Building	185,164	54,436
Repairs & Maintenance - Machinery	7,284	28,023
Repairs & Maintenance - Others	22,852	32,846
Power	509,636	137,750
Rent	1,301,444	93,461
Rates & Taxes	468,559	22,654
Postage & Courier	119,526	32,041
Telephone	73,522	14,366
Printing & stationery	216,800	58,698
Retainer fees	788,675	197,629
Legal fees	42,500	20,000
Miscellaneous Expenses	534,476	189,258
Filing Fees	6,000	4,700
Bank Charges	41,171	8,128
	<u>4,551,505</u>	<u>1,131,077</u>
 <b>SCHEDULE - 19</b>		
<b>SELLING &amp; MARKETING EXPENSES:</b>		
Packing and Freight outwards	1,650,753	274,424
Other expenses	320,026	1,020
Discount to dealers	259,259	238,015
	<u>2,230,038</u>	<u>513,459</u>

## **ACCOUNTING POLICIES AND NOTES**

### **SCHEDULE : 20 Notes on Accounts:**

#### **A. Significant Accounting Policies**

##### **1. SYSTEM OF ACCOUNTING**

The financial statements are prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles (GAAP), and all income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The financial statements comply with the applicable mandatory Accounting Standards.

##### **2. REVENUE RECOGNITION**

Revenues in respect of revenue from trading of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the Buyer

Revenues in respect of rental income and hire charges received are recognized in accordance with the terms of the agreement.

##### **3. USE OF ESTIMATES**

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

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.

##### **4. FIXED ASSETS**

Fixed Assets are stated at cost less accumulated depreciation.

##### **5. DEPRECIATION**

Depreciation is provided on straight-line method at the rates specified in SCHEDULE XIV to the Companies Act, 1956.

##### **6. INVESTMENTS**

There are no investments.

##### **7. INVENTORIES**

Stock-in-trade comprises of traded goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost.

**8. FOREIGN CURRENCY TRANSACTIONS**

There are no Foreign currency transactions during the year.

**9. PROVISION FOR TAXATION**

Provision for Current Income Tax is made in accordance with the provisions of Income Tax Act, 1961.

Deferred tax assets and liabilities are measured using substantially enacted tax rates as on the Balance Sheet date. Provision for Deferred Tax Liability is provided on timing differences. The effect of deferred tax assets and liabilities of a change in tax rates is recognized in the income statement.

**10. LEASES**

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

**11. RETIREMENT BENEFITS**

Provident Fund & Employee State Insurance:

Contribution to Provident Fund and Employee State Insurance is as per the respective Acts.

Gratuity:

Provision for gratuity is made in accordance with AS -15 (revised) as per Actuarial Valuation using Projected Unit Credit Method and not funded.

Leave encashment:

The leave encashment benefit to the employees is provided in accordance with AS -15 (revised) as per Actuarial Valuation using Projected Unit Credit Method.

**12. BORROWING COSTS**

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

**13. CASH FLOW STATEMENT**

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

**14. EARNINGS PER SHARE**

The company reports basic and diluted earnings per share in accordance with the Accounting Standards – 20 'Earnings per Share'.

**15. SEGMENT REPORTING**

The Company operates in only one segment.

**16. IMPAIRMENT OF ASSETS**

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

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## ***Binny Mills Limited***

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### **17. PROVISION AND CONTINGENCIES**

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

### **18. RELATED PARTY DISCLOSURE**

Information on transactions with related parties has been provided in the format specified by ASI -13. Disclosure is made, party wise in respect of material related party transactions as specified by ASI -13.

#### **B. Notes on Accounts**

1. Balances in sundry debtors, sundry creditors and other current assets are subject to confirmation. However, in the opinion of the Management, all current assets, debtors and loans and advances would in the ordinary course of business realize at the value stated.
2. Total outstanding dues of Creditors to Small Scale Industrial Undertakings – Rs. Nil (Rs. Nil as on 31.3.2010).

Total Outstanding dues of Creditors other than Small Scale Industrial Undertakings – Rs. 111.29 lakhs (Rs. 114.18 lakhs as on 31/03/2010).

3. All operating leases entered into by the company are cancellable on giving a notice of one to three months. The operating lease amount for the year is charged to revenue.
4. There are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days at the Balance Sheet Date, computed on unit wise basis. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.
5. Employee Benefits:

A. The Company has determined the liability for employee benefits as at 31<sup>st</sup> March 2011 in accordance with Accounting Standard – 15 (revised) "Employee Benefits" issued by the ICAI and as provided in the Companies (Accounting Standard) Rules, 2006.

B. Defined Benefit Plan – as per Actuarial Valuation as on 31<sup>st</sup> March 2011 – Gratuity & Long Term Compensated Absence

### 4th Annual Report 2010-2011

Particulars	Gratuity Unfunded	Long term Compensated Absence
	Amount in Rs.000s	Amount in Rs.000s
<b>Changes in the present value of obligations:</b>		
Present value of obligation as at the beginning of the year	2041	225
Interest cost	163	18
Current service cost	814	9
Benefits paid	(41)	(49)
Actuarial loss on obligation	(113)	(16)
Present value of obligation as at the end of the year	2864	187
<b>Changes in the fair value of plan assets:</b>		
Fair value of plan assets as at the beginning of the year	0	0
Expected return on plan assets	0	0
Contributions	0	0
Benefits paid	0	0
Actuarial gain on plan assets	0	0
Fair value of plan assets as at the end of the year	0	0
<b>Actual Return on Plan Assets:</b>		
Expected return on plan assets	Not Applicable	Not Applicable
Actuarial gain on plan assets	Not Applicable	Not Applicable
Actual return on plan assets	Not Applicable	Not Applicable
<b>Fair value of plan assets:</b>		
Fair value of plan assets as at the beginning of the year	0	0
Actual return on plan assets	0	0
Contributions	0	0
Benefits paid	0	0
Fair value of plan assets as at the end of the year	0	0
Funded status (Liability)	0	0
Excess of Actual over Expected return on plan assets	0	0
<b>Net Actuarial Loss:</b>		
Actuarial loss on obligation	0	0
Actuarial gain on plan assets	0	
Net Actuarial loss at the end of the year	0	
<b>Net Liability recognised in the Balance Sheet</b>		
Present value of obligation as at the end of the year	2864	187
Fair value of plan assets as at the end of the year	0	0
Funded status (Liability)	0	0
Net Liability recognised in the Balance Sheet as at the end of the year	2864	187

## Binny Mills Limited

Particulars	Gratuity Unfunded	Long term Compensated Absence
	Amount in Rs.000s	Amount in Rs.000s
<b>Expense recognised in the statement of Profit &amp; Loss Account for the year ended 31<sup>st</sup> March 2011</b>		
Current service cost	814	9
Interest cost	163	18
Expected return on plan assets	0	0
Net Actuarial (Gain) / Loss to be Recognized	(113)	(16)
Expense recognised in the Profit & Loss Account	<b>864</b>	<b>11</b>
<b>Movement of Net Liability</b>		
Net Liability as at the beginning of the year	<b>2041</b>	<b>225</b>
Contributions	(41)	(49)
Expense recognised in the Profit & Loss Account	864	11
Net Liability as at the end of the year	<b>2864</b>	<b>187</b>
<b>Actuarial Assumptions:</b>		
	<b>31<sup>st</sup> March 2011</b>	<b>31<sup>st</sup> March 2010</b>
Discount rate	8%	8%
Expected rate of return on plan assets	Not Applicable	Not Applicable
Salary Escalation	4%	4%
Attrition rate	5%	5%
Mortality rate	LIC (1994-1996) Table	

The present value of obligations has been calculated using Projected Unit Credit Method, as specified in Accounting Standard 15-Employee Benefits, which assumes that each period of service gives rise to an additional unit of obligation.

The company is a going concern with normal changes in the employees' profile.

6. There are no borrowing costs during the year.
7. Advances include a sum of Rs. 1320.50 lakhs (Rs. 407.52 lakhs as on 31.3.2010) towards purchase of property due from a Company in which directors are interested.

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### 8. Related Party Disclosures

The following are the related party transactions during the year

	Associates Amount in Rs.
<u>Preference Shares Allotted:</u> Transactions during the year	1409530710 (-)
Outstanding amount at the Balance Sheet date	1409530710 (-)
<u>Loans and Advances –</u> <u>Advance for purchase of property:</u> Transactions during the year	91297836 (40752481)
Outstanding amount at the Balance Sheet date	132050317 (40752481)
<u>Advance received for sale of Land:</u> Transactions during the year	34360152 (-)
Outstanding amount at the Balance Sheet date	34360152 (-)
<u>Sale of Goods:</u> Transactions during the year	390859 (23444)
Outstanding amount at the Balance Sheet date	-51671 (-10063)

Figures in bracket relate to previous years

No amounts have been written off or provided for or written back during the year in respect of debts due from or to the related parties.

Related Party Relationships:

Associates	TCP Limited Binny Limited S.V.Sugar Mills Limited Thirumagal Mills Limited Thiruvalluvaar textiles Private Limited Mohan Breweries & Distilleries Limited
Key Management Personnel	Shri V.R. Venkataachalam, Chairman Shri V. Rajasekaran, Managing Director

## ***Binny Mills Limited***

9. The estimated amount of contracts remaining to be executed on account of Capital account as at 31<sup>st</sup> March 2011: Rs. Nil (Rs. Nil as at 31<sup>st</sup> March 2010).
10. Provision for Wealth Tax is not made in the books as in the opinion of the management, no wealth tax is payable.
11. The Preference Dividend payable on the Cumulative Redeemable Preference Shares (CRPS) issued by the Company is as follows:

On the 5,88,000 (9.75% ) CRPS of Rs.5/- each aggregating to Rs.29,40,000/-, the preference dividend payable is Rs.13,61,588/- (Rs.10,74,938/- for 31-3-2010). The Redemption date for 9.75% CRPS, which was due for redemption on or before 30<sup>th</sup> June 2011, has been extended by 5 five years, with the consent of the holders of the 9.75% CRPS.

On the 28,14,18,142 (9%) CRPS of Rs.5/- each aggregating to Rs. 140,70,90,710/-, the preference dividend payable is Rs.51,79,07,054/- (Rs.39,33,69,799/- for 31-3-2010).

The arrears of Preference Dividend are calculated from the date of original allotment of shares by Binny Ltd. Binny Ltd was demerged on 1<sup>st</sup> January 2010 (i.e., the Appointed date) vide the Order of The Madras High Court dated 22<sup>nd</sup> April 2010. The arrears of preference dividend are to be borne by the resulting companies, viz., Binny Mills Ltd and S V Global Mill Ltd, from the date of original allotment of shares by Binny Ltd. Hence arrears of preference dividend is also shown for the year ended 31<sup>st</sup> March, 2010 even though the actual allotment of shares was made on 2<sup>nd</sup> June, 2010 by the resulting companies and on 12<sup>th</sup> May, 2010 by Binny Ltd.

### 12. Earnings per Share

Particulars	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010
Profit available to Equity Share holders used as Numerator - (A)	7483466	1343214
Number of Shares outstanding	3188474	50000
Weighted Average Number of shares outstanding - (B)	2655363	50000
Effect of dilution if any - (C)	NIL	3188474
Weighted Average No. of Equity Shares including potential shares - (D)	2655363	797119
Adjusted PAT for Dilution if any (E)	7483466	1310569
Earnings per share (Basic) - (A/ B) In Rs.	2.82	26.86
Earnings per share (Diluted) - (E / D) In Rs.	2.82	1.69

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## 4th Annual Report 2010-2011

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13. The Company had obtained in-principle approval from the Bombay Stock Exchange for listing of its equity shares. Later the Company had approached the Securities Exchange Board of India (SEBI) for obtaining relaxation under Rule 19(2)(b) of Securities Contract Regulation Rules, 1957 and the same is pending
14. Figures for the previous year have been regrouped wherever necessary to conform to the current year's classification.
15. Cash Flow Statement and balance Sheet Abstract are enclosed.

**V.R.Venkataachalam**  
Chairman

As per Our Report of even date  
For **T.SELVARAJ & CO**  
**CHARTERED ACCOUNTANTS**  
Firm Regn.No:003703S

**V.Rajasekaran**  
Managing Director

**T.SELVARAJ**  
**PARTNER**  
**MEMBERSHIP No.11370**

Place : Chennai  
Date : 29.08.2011

## Binny Mills Limited

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2011

	31.3.2011		31.3.2010	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit for the year before tax	8,951,056		1,588,662	
Adjustment for Depreciation	242,561		58,423	
Interest paid	38,671			
Preliminary expenses written off	-	281,232	50,506	108,929
Operating Profit before working Capital Changes	9,232,288		1,697,591	
<b>Changes in Current Assets &amp; Current Liabilities</b>				
Increase in sundry debtors	(1,366,051)		(1,076,154)	
Decrease in inventories	1,227,861		(1,051,712)	
Increase in loans and advances	(40,338,852)		(1,792,718)	
Decrease in Other current assets			1,072,514	
Increase in current liabilities & Provisions	33,849,817	(6,627,225)	781,466	(2,066,604)
Cash Generated from/used in Operating Activities	2,605,063			(369,013)
Direct Taxes Paid		491,631		-
Net Cash from Operating Activities	<u>(a)2,113,432</u>			<u>(369,013)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(1,789,185)		-
		<u>(b)(1,789,185)</u>		<u>-</u>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest Paid		(38,671)		-
		<u>(c)(38,671)</u>		<u>-</u>
Total increase in cash and equivalents during the year	(a + b + c)	285,576		(369,013)
Cash and equivalents at the beginning of the year		2,413,254		2,782,267
Cash and equivalents at the end of the year		2,698,830		2,413,254

V.R.Venkataachalam  
Chairman

V.Rajasekaran  
Managing Director

Place : Chennai  
Date : 29.08.2011

As per Our Report of even date  
For **T.SELVARAJ & CO**  
**CHARTERED ACCOUNTANTS**  
Firm Regn.No:003703S

**T.SELVARAJ**  
PARTNER  
MEMBERSHIP No: 11370

## 4th Annual Report 2010-2011

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :-

I. REGISTRATION DETAILS :-			
REGISTRATION NO.	-	U17120TN2007PLC065807	
STATE CODE	-		18
BALANCE SHEET DATE	-		31-03-2011
II. CAPITAL RAISED DURING THE YEAR :-			
PUBLIC ISSUE	-	Rs.	NIL
RIGHTS ISSUE	-	Rs.	NIL
BONUS ISSUE	-	Rs.	NIL
PRIVATE PLACEMENT	-	Rs.	NIL
G.D.R. ISSUE	-	Rs.	NIL
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :-			
TOTAL LIABILITIES	-	Rs.	1,685,802,733.00
TOTAL ASSETS	-	Rs.	1,685,802,733.00
SOURCE OF FUNDS :-			
PAIDUP CAPITAL	-	Rs.	1,441,915,450.00
SHARE CAPITAL PENDING ALLOTMENT	-	Rs.	-
RESERVES & SURPLUS	-	Rs.	243,824,667.00
SECURED LOANS	-	Rs.	-
UNSECURED LOANS	-	Rs.	62,616.00
DEFERRED TAX LIABILITY	-	Rs.	-
APPLICATION OF FUNDS :-			
NET FIXED ASSETS	-	Rs.	1,555,871,459.00
INVESTMENTS	-	Rs.	NIL
NET CURRENT ASSETS	-	Rs.	129,412,259.00
MISCELLANEOUS EXPENDITURE	-	Rs.	NIL
ACCUMULATED LOSS	-	Rs.	-
IV. PERFORMANCE OF COMPANY :-			
TURNOVER	-	Rs.	59,852,875.68
TOTAL EXPENDITURE	-	Rs.	50,901,819.68
PROFIT BEFORE TAX	-	Rs.	8,951,056.00
PROFIT AFTER TAX	-	Rs.	7,483,466.00
EARNINGS PER SHARE	-	Rs.	2.82
DIVIDEND RATE	-		NIL
V. GENERIC NAMES OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY :-			

Item	Code No. (ITC Code)	Product Description
NIL		

As per Our Report of even date  
For **T.SELVARAJ & CO**  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 003703S

**V.R.Venkataachalam**  
Chairman

Place : Chennai  
Date : 29.08.2011

**T.SELVARAJ**  
Partner  
M.NO. 11370

**V.Rajasekaran**  
Managing Director

# BINNY MILLS LIMITED

Registered Office: TCP Sapthagiri Bhavan, No.4, Karpagambal Nagar, Mylapore, Chennai 600 004

## PROXY

I/We.....  
in the district of.....being member/  
members of the above named Company hereby appoint.....  
of.....in the district of.....  
or failing him.....as my / our Proxy to  
vote for me / us on my / our behalf at the Fourth Annual General Meeting of the Company to be held on 28<sup>th</sup>  
September 2011 at 10.00 A.M. and at any adjournment thereof.

Signed this ..... day of.....2011.

Folio No.....

No. of Shares held.....

Affix one  
Rupee  
Revenue  
Stamp

### Notes:

1. A member entitled to attend and vote, is entitled to appoint a proxy to attend and on a poll, to vote instead of himself.
2. A proxy need not be a member.
3. Revenue stamp should be affixed to this and it should then be signed by the member.
4. The form thus completed should be deposited at the Registered Office of the Company at the address given above not later than 48 hours before the time of the Meeting.



## ATTENDANCE SLIP Binny Mills Limited

TCP Sapthagiri Bhavan, No. 4, (Old No.10) Karpagambal Nagar, Mylapore, Chennai - 600 004

1. Full Name of the Shareholder/proxy.....
2. Registered Folio No..... No. of Shares.....
3. If proxy, full name of the shareholder.....

I Hereby record my presence at the 4<sup>th</sup> Annual General Meeting at No.106, Armenian Street, Chennai 600001 on Wednesday, the 28<sup>th</sup> September 2011 at 10-00 A.M.

.....  
(Signature of shareholder/proxy)

**Important :** This attendance slip must be handed over at the entrance of the meeting hall.

**Binny Mills Limited.,**

TCP Sapthagiri Bhavan, 1<sup>st</sup> Floor,  
No.4. (Old No.10) Karpagambal Nagar,  
Mylapore, Chennai - 600 004.