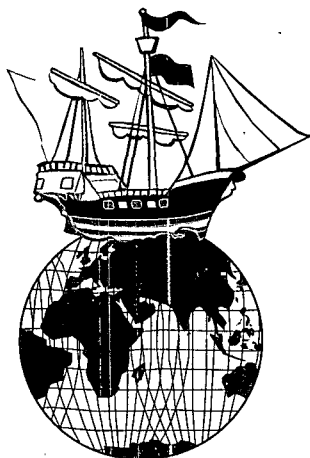


BINNY



ANNUAL REPORT AND ACCOUNTS

SEPTEMBER 2009

BINNY LIMITED

ANNUAL REPORT
SEPTEMBER - 2009
(18 months)

DIRECTORS	M. Ethurajan Executive Chairman M. Nandagopal R. Narayanan S. Natarajan M.E. Shanmugam V.R. Venkataachalam Arvind Nandagopal K.Sundareswaran Justice S. Jagadeesan S. Vijayaraghavan R. Krishnan
COMPANY SECRETARY	G. Venkataraman
BANKERS	State Bank of India Canara Bank
AUDITORS	CNGSN & Associates 20 Raja Street T Nagar, Chennai 600 017
REGISTERED OFFICE	106, Armenian Street, Chennai 600 001

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TEXTILE DIVISION

Manufacturing and marketing of wide range of cotton, silk, man-made fibre, blended fabrics and woollen blended fabrics like cotswool. Also manufacturing Angola for Defence Services

Mills at

Perambur
Chennai - 600 012.

Agraharam Road,
Bangalore - 560 023.

Regional
Sales Offices at

M-1, Court Chambers,
35, New Marine Lines
Mumbai - 400 020.

Ganga Plaza Building,
18/13, W.E.A. Pusa Lane,
Karol Bagh,
New Delhi - 110 005.

2B, Ganesh Chandra Avenue
Calcutta - 700 013.

Showrooms at

Bangalore, Calcutta
and Chennai

BINTEX DIVISION

Marketing of cotton, polyester blended, woollen fabrics and Hosiery other than manufactured / produced by the company

106, Armenian Street,
Chennai - 600 001.

SERVICES DIVISION**AGENCY**

Marketing of Engineering and miscellaneous products

106, Armenian Street,
Chennai - 600 001.

SHIPPING

Shipping, Stevedoring, Clearing & Forwarding Agents, Ship Manning & Management. Also operating Cold Storage Plant at Cochin

106, Armenian Street,
Chennai - 600 001.

TRAVEL

IATA and ITDC approved Travel Agents

106, Armenian Street,
Chennai - 600 001.

CONTAINER FREIGHT STATION

Perambur,
Chennai - 600 012.

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the FORTIETH ANNUAL GENERAL MEETING of the Company will be held
 at 106, Armenian Street, Chennai 600001
 on Wednesday, 23rd December, 2009
 at 10.15 a.m.

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September 2009 and the Profit and Loss Account for 18 months period 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. M.Nandagopal, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. R Narayanan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. S Natarajan, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. K Sundareswaran, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint Statutory Auditors and fix their remuneration.
 To consider and if thought fit, to pass with or without modifications the following resolution as ordinary resolution:
 "RESOLVED that the retiring Auditors M/s CNGSN & Associates, Chartered Accountants, Chennai be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed in this behalf by the board of directors of the company."

Registered Office:
 106, Armenian Street
 Chennai 600 001
 27th November 2009

BY ORDER OF THE BOARD

G.Venkataraman
 Company Secretary

NOTES:

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

The register of members and the share transfer books of the company will remain closed from 16-12-2009 to 23-12-2009 (both days inclusive)

Members are requested to intimate changes, if any, in their registered address to the company immediately. In terms of Clause 49 of the Listing Agreement entered with the stock exchanges, brief particulars of the Directors who are proposed to be reappointed at this meeting are given below:

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT:

(In pursuance of Clause 49 of the listing agreement)

Name of Director	Date of Birth	Date of Appointment	Qualification	Expertise in functional area
Mr.M.Nandagopal	09.06.1939	23.03.1996	B.Sc.(Agriculture)	Sugar, Breweries, Textiles & Power
Mr.R.Narayanan	02.07.1929	30.06.1990	Degree from Madras University	Former Chairman of LIC of India
Mr.S.Natarajan	01.11.1947	11.01.1988	Chartered Accountant	Textile & Finance
Mr.K.Sundareswaran	19.01.1960	25.03.2005	Degree in Arts & Law	Textiles, Garments & Finance

Item No. 2

Mr. M Nandagopal is the Executive Chairman of M/s Mohan Breweries and Distilleries Ltd. and Managing Director of Sagar Sugars & Allied Products Ltd and M/s D I Mohan Bio Oils Ltd. He is also on the Board of several other companies and details of his directorships are given below:

Name of the Company

Mohan Breweries & Distilleries Ltd
 Sagar Sugars & Allied Products Ltd
 DI Mohan Bio Oils Ltd
 Binny Engineering Ltd
 Mohan Meakin Ltd
 Thirumagal Mills Ltd
 TCP Ltd
 Arthos Breweries Ltd
 S.V.Sugar Mills Ltd
 Vestas RRB India Ltd
 Mira Textiles & Industries (India) Pvt Ltd
 Bhankerpur Distilleries Ltd
 Golden Eagle Communications Ltd
 Orissa Sugars Ltd

Position Held

Executive Chairman
 Managing Director
 Managing Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director

Mr. M Nandagopal is not a member of any committee of the company.

Item No. 3

Mr. R Narayanan, formerly Chairman, Life Insurance Corporation of India associated with the Company as Director since 30.6.1990. He was instrumental and the founder of LIC Housing Finance Corporation and High Power Committee. He is also on the Board of several other companies and details of his directorships are given below:

Name of the Company

Viswapriya Gold Hire Purchase Ltd
 Viswapriya Financial Services and Securities Ltd

Position Held

Chairman
 Chairman; Chairman –Audit Committee

Dhanush Lavan Ltd
 Orchid Research Laboratories Ltd
 Orchid Chemicals & Pharmaceuticals Ltd

Chairman
 Chairman; Chairman – Audit Committee
 Chairman-Share Transfer / Investors' Grievance Committee
 Chairman-Remuneration Committee
 Chairman-Compensation Committee
 Chairman-Allotment Committee
 Chairman

Shriram Assets Management Co. Ltd

Chairman

The Adyar Property Holding Company Ltd
 Mohan Breweries and Distilleries Ltd
 West Asia Maritime Ltd
 SV Global Mill Ltd
 Sagar Sugars and Allied Products Ltd

Director
 Director; Chairman-Audit Committee
 Director; Member-Audit Committee
 Director
 Director; Chairman-Audit Committee

Mr. R Narayanan is the Chairman of Audit Committee, Share Transfer and Shareolders' /Investors' Grievance Committee and Member of Asset Sale Committee and Remuneration Committee of the company

Item No. 4

Mr. S Natarajan is associated with the company since 1988. He is on the Board of several other companies and the details of his directorships are given below:

Name of the Company

Shriram Capital Ltd
 Shriram Properties Ltd
 Shriram Properties & Infrastructure Ltd
 Shriram Industrial Holdings Pvt Ltd
 Shriram Investment Holdings Ltd
 Shriram Industries (Wovensacks) Pvt Ltd, Pudukottai
 Twentyfirst Century Infrastructure Pvt Ltd Bangalore
 Binny Engineering Ltd
 Binny Lorze Ltd
 Utsav Management Services Pvt Ltd, Kolkatta
 Sheetala Credit & Holdings Pvt Ltd, New Delhi
 Calcom Credit & Holdings Pvt Ltd, New Delhi
 Rajatchakra Credit & Holdings Pvt Ltd, New Delhi
 Satluj Credit & Holdings Pvt Ltd, New Delhi
 Saranga Investments & Consultancy Pvt Ltd

Position Held

Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director
 Director

Twentieth Century Apco Leasing Pvt Ltd, Kolkatta	Director
Alpha Energy Systems Ltd	Director
Sree Karthikeya Laminations Industries Pvt Ltd, Pudukottai	Director
Sipping Spirits Pvt Ltd, Chennai	Director
S Tel Pvt Ltd, Chennai	Director
Ucal Fuel Systems Ltd, Chennai	Director

Mr. S Natarajan is not a Member of any Committee of the Company.

Item No. 5

Mr. K Sundareswaran is associated with the company since 2005. He is also on the Board of several other companies and the details of his directorships are given below:

Name of the Company	Position Held
Dignity Innovations (Garment manufacturers & Exporters)	Managing Director
Egmore Benefit Society Ltd	Director
Sri Ramachandra Educational and Health Trust	Trustee

Mr. K Sundareswaran is a member of the Audit Committee of the Company.

Inspection of Documents:

The documents referred to in the Notice are available for inspection at the Registered Office of the Company on any working day between 10.00a.m. to 12.00 noon up to the date of 40th AGM.

Registered Office:
106, Armenian Street
Chennai 600 001
27th November 2009

BY ORDER OF THE BOARD

G.Venkataraman
Company Secretary

DIRECTORS' REPORT

Your Directors present the Fortieth Annual Report and Audited Accounts of the Company for the 18 months period ended 30th September 2009.

FINANCIAL RESULTS

	Rs. in Lakhs	
	2008-2009 18 months	2007-2008 12 months
Operating Profit / (Loss)	(1077.18)	249.65
Interest and Finance Charges	-	-
Profit before Depreciation & Tax	(1077.18)	249.65
Depreciation	104.49	143.40
Impairment Loss (AS-28)	915.00	403.69
Profit / (Loss) for the year	(2096.67)	(297.44)
Add: Tax	4.00	4.00
	(2100.67)	(301.44)
Extra-ordinary items	654.00	32.21
Profit / (Loss) for the year	(2754.67)	(269.23)
Loss brought forward from previous year	(12345.67)	(12,076.44)
Loss carried to Balance Sheet	(15100.34)	(12,345.67)

REVIEW OF OPERATIONS

Textile Division

B&C Mills

The textile mill continues to remain closed during the year under review also.

BWM Mills

Bangalore Woollen Mills unit in Bangalore is not in operation since 11th March 2003 due to non-availability of working capital. The Company has purchased 14.50 acres of land at Apparel Park, Doddabellapur, Bangalore, Karnataka for the purpose of commencing a Bangalore Silk unit. Presently the arrangements for installation of infrastructural facilities are in progress and hope to implement the project early. However, an application is pending with the Karnataka Industrial Areas Development Board for further extension of time for implementation.

The court cases relating to labour matters are being continued to settle through negotiations and orders for settlements are being arrive at.

Real Estate Division

In view of various constraints and volatile market conditions, the company could not utilise the real estate to raise source of funds. The company, however, during the financial year has made advances to the extent of Rs. 50 crores for purchase of land and agreement were entered into.

Service Division

The performance of the container freight station was continued to be satisfactory during the financial year 2008-09. However, owing to road traffic constraints prevailing in the location of our operation, higher revenue could not be anticipated during the current year.

BIFR

The BIFR vide its order/ letter dated 26.12.2006 informed the workers unions that the Company has already been discharged by the purview of SICCA. The workers unions moved to the Madras High Court and the Court vide its order dated 7.9.2007 set aside

the order dated 26.12.2006 and directed the BIFR to give opportunity of hearing to the workers union after following due procedural formalities. The BIFR in compliance with the direction of the Madras High Court conducted a hearing on 9.1.2008 and passed directions on 13.3.2008 including monitoring the implementation and modification of the scheme, if required.

The Company made an appeal before the AAIFR against the order of BIFR dated 13.3.2008. While the appeal is pending before the AAIFR, the Company entered into a Memorandum of Understanding (MOU) on 28.05.2008 with two workers unions viz., B&C Mills Staff Union and Madras Labour Union and also with B&C Mills Quarters Committee. Under the said MOU the workers unions along with the B&C Mills Quarters Committee have undertaken to withdraw all their applications/petitions as filed before the BIFR/AAIFR and before other authorities and have no objection to the deregistration of the Applicant Company by the BIFR.

Upon hearing the case, the AAIFR in Appeal No.72/2008, passed the order dated 5.6.2008 setting aside the order of BIFR dated 13.3.2008 has directed the BIFR to consider deregistration of the Company from the purview of SICA in view of the Net worth of the company having turned positive as per its Audited Balance Sheet as at 30.09.2005. Accordingly the company has filed an application for de-registration of the company from the purview of SICA.

In the meanwhile, the company has also filed a writ petition in the Madras High Court seeking an order to quash the order of AAIFR insofar as it relates to the remand back to BIFR for the formality of deregistration is concerned and also for an order from the Madras High Court that the company is no longer a sick industrial undertaking within the meaning of the Sick Industrial Companies Special Provisions Act 1985. In the hearing that took place before the Madras High Court, the Court has passed an order on 7.8.2008 that the company is ceased to be a sick industrial undertaking with effect from 30.9.2005.

Demerger

Since the Madras High Court has declared vide its order dated 7.8.2008 that "further it is made clear that the petitioner company is ceased to be a sick industrial undertaking with effect from 30.9.2005", the Board has decided it appropriate to consider restructuring the company through demerger of undertakings of the company into two or more companies to enable the companies to concentrate on their core business activities. The company has appointed consultants for preparing a scheme of demerger taking into account all statutory requirements, formalities and compliances of legal and regulatory authorities and there has been considerable progress in this matter.

Directors

Mr. Natarajan Nandhagopal and Mr. V Rajasekaran, Directors of the company have resigned from the Board with effect from 30.4.2009. The Board places on record its sincere appreciation of their valuable services and guidance during their tenure. The composition of the Board of Directors after the above resignations continued to confirm with the requirements of clause 49 of the listing agreement with the stock exchanges.

On 21st November 2009, Mr. A.M. Sundararaj, a Director of your Company, suddenly passed away. He was also a member of Audit Committee. Your directors wish to place on record the immense contribution made and valuable advice given by him to the deliberations of the Board during his tenure.

Mr.M.Nandagopal, Mr. R.Narayanan, Mr.S.Natarajan and Mr. K.Sundareswaran, Directors of the Company retire by rotation and offer themselves for reappointment.

Binny Engineering Limited (BEL)

The audited accounts for the 18 months period ended 30.9.2009 and other reports of the company as required under section 212 of the Companies Act is attached.

Statutory Requirements

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

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

Directors' Responsibility Statement

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

- i. that in the preparation of annual accounts for the 18 months period ended 30th September, 2009 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the 18 months period ended 30th September, 2009 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 18 months period ended 30th September 2009 on a "going concern" basis.

Cost Auditor

As per the reference made to the Central Government by the Company for non-requirement of complying with the provision of Sec.233(B) of the Companies Act, 1956, since there is no production of the product "textile" under reference for cost audit for the financial years 2005-06 to 2007-08, the Central Government has granted exemption for the said period. The necessary application has been submitted to the Central Government for the year 2008-09 and the exemption is expected.

Corporate Governance

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

Secretarial Audit

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

Directors' Clarifications to Auditors' Remark

A. Auditor's Report

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

- 4(d) In future, as and when sale takes place from stock-in-trade account the amount of unrealised income in earlier years as referred to in the Auditors' Report will get nullified.
- 4(f) (i) Land and building held as stock-in-trade for the property are stated at market value as on 31st March 1996 and in the opinion of the directors are appropriate.
- (ii) The company is disputing the said liability and is taking the matter with the respective appropriate authorities.
- (iii) As has been stated, the management is of the opinion that dues stated would be realised in the ordinary course of business. However, efforts are being made to confirm the balance in sundry creditors, sundry debtors, loans and advances and deposit accounts and unsecured loans.

B. Annexure to the Auditor's Report:

- 1 (a) & (b) - Efforts are being made for up-dating physical verification of fixed assets.
- 3 (e) - Efforts are being made to confirm the balances.
- 9 (a) & (b) The company has approached the appropriate authorities for remitting the other outstanding dues in instalments.

M/s CNGSN & Associates, Chartered Accountants, Chennai 600 017 retire at the conclusion of this Annual General Meeting and are eligible for reappointment.

Acknowledgement

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

By Order of the Board

Chennai
27th November 2009

M.ETHURAJAN
Executive Chairman

ANNEXURE
FORM 'A'A) Power and Fuel
Consumption

	2008-2009		2007-2008	
	Chennai Mills	Bangalore Mills	Chennai Mills	Bangalore Mills
I. Electricity				
a) Purchased				
Units	4.98	0.09	2.74	0.06
Total amount (Rs. lakhs)	36.61	0.61	20.03	0.36
Rate/Unit Rs.	7.35	6.44	7.35	6.51
b) Own Generation				
i) Through Diesel Generator (Unit)	Nil	Nil	Nil	Nil
Unit per ltr of Diesel oil	Nil	Nil	Nil	Nil
Cost/Unit	Nil	Nil	Nil	Nil
ii) Through Steam	Nil	Nil	Nil	Nil
Turbine/Generator Units (lakhs)	Nil	Nil	Nil	Nil
iii) Units per ltr of fuel oil/Gas				
Cost/Unit	N.A.	N.A.	N.A.	N.A.
2. Coal				
Qty. (Tonnes)	Nil	Nil	Nil	Nil
Total Cost (Rs. / lakhs)	Nil	Nil	Nil	Nil
Average Rate (Tonnes)	Nil	Nil	Nil	Nil
3. Furnace oil				
Qty. (K. Ltrs)	Nil	Nil	Nil	Nil
Total amount (Rs. lakhs)	Nil	Nil	Nil	Nil
Average Rate (Rs. / K. Ltr.)	Nil	Nil	Nil	Nil
B. Consumption per unit of production				
Products (Textiles) (Lakh Mtrs)	Nil	Nil	Nil	Nil
Electricity Units	Nil	Nil	Nil	Nil
Coal (Tonnes)	Nil	Nil	Nil	Nil
Furnace oil (K. Ltrs.)	Nil	Nil	Nil	Nil

Form "B"

Technology Absorption

B & C Mills - Since the Mill is not functioning, this is not applicable.

B W Mills - Since the Mill is not functioning, this is not applicable

Conservation Energy - N.A.

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

Name of the Subsidiary Company	Financial Year of the subsidiary ending on	No. of equity shares held by Binny Ltd. and / or its nominees in the subsidiary	Extent of holding	For the financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of Accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of Accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of accounts of the holding company.
				Rs. Lakhs		Rs. Lakhs	
Binny Engineering Ltd.	30.9.09	2,87,48,100 Equity Shares of Rs. 10 each fully paid up	100%	610.50 after extra-ordinary items as on 30-09-2009	Nil	667.04 after extra-ordinary items as on 31-03-2008	Nil

1. CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

BOARD MEETINGS

During the 18 months period ended 30.9.2009, nine board meetings of the Company were held on the following dates viz., 30.4.08, 30.7.08, 29.8.08, 25.9.08, 20.10.08, 30.10.08, 29.01.09, 30.04.09 and 27.07.09. The last Annual General Meeting of the Company was held on 26th September 2008.

Name	Executive Promoter (P) Non-Executive Promoter (NEP) Non-Executive Independent (NEI)	Attendance particulars		No. of Directorship, Committee Membership/ Chairmanship other than Binny Ltd.			Date of appointment	Date of cessation
		Board Meetings	Last AGM	Other Directorship in Public Limited Companies	Committee Membership	Committee Chairmanship		
Mr.M.Ethurajan	P	9	YES	10	1	-	08.07.1987	-
Mr.M.Nandagopal	NEP	8	YES	13	-	-	23.03.1996	-
Mr.R.Narayanan	NEI	5	YES	11	1	7	30.06.1990	-
Mr.S.Natarajan	NEP	8	NP	5	-	-	11.01.1988	-
Mr.M.E.Shanmugam	NEP	9	YES	7	-	-	31.03.1993	-
Mr.VR.Venkataachalam	NEP	5	NP	9	-	-	11.01.1988	-
Mr.Natarajan Nandhagopal *	NEP	3	YES	10	2	-	25.03.2005	30.04.2009
Mr.Arvind Nandagopal	NEP	4	YES	8	-	-	25.03.2005	-
Mr.K.Sundareswaran	NEI	7	YES	-	-	-	25.03.2005	-
Mr.V.Rajasekaran *	NEI	7	YES	1	-	-	25.03.2005	30.04.2009
Mr. Justice S Jagadeesan	NEI	4	NP	-	-	-	05.09.2007	-
Mr. A.M.Sundararaj #	NEI	7	NP	-	-	-	05.09.2007	21.11.2009
Mr.S.Vijayaraghavan	NEI	7	YES	-	-	-	05.09.2007	-
Mr.R. Krishnan	NEI	7	YES	-	-	-	05.09.2007	-

*Resigned w.e.f. 30.4.2009

Passed away on 21.11.2009

3. AUDIT COMMITTEE

The Committee consists of two Non-executive Independent Directors and two Non-executive promoter directors. Seven meetings were held during the 18 months period ended 30.9.2009 on 30.4.08, 30.7.08, 29.8.08, 30.10.08, 29.1.09, 30.4.09 and 27.7.09. The constitution and functioning of the Audit Committee is in accordance with the terms of reference of Clause 49 of the Listing Agreement and provisions of sec.292A of the Companies Act, 1956 which inter alia recommend the appointment of external auditors and to fix their remuneration, reviewing quarterly, half-yearly and annual financial statements and also reviewing the adequacy of internal control systems.

Name of the Member	Category of Members	Designation	Attended
Mr.V.Rajasekaran*	Independent	Chairman*	5
Mr.R.Narayanan+	Independent	Chairman+	4
Mr.A.M.Sundararaj#	Independent	Member	2
Mr.M.E.Shanmugam	Non-Independent	Member	7
Mr.Natarajan Nandhagopal*	Non-Independent	Member	2
Mr.K.Sundarewaran	Independent	Member	6

*resigned w.e.f. 30.4.09

+ w.e.f. 30.4.09

Passed away on 21.11.2009

The Company Secretary is the Secretary of the Audit Committee.

4. a. REMUNERATION COMMITTEE

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

4.b. SITTING FEES

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

Name of the Director	Amount paid as sitting fees
Mr.R.Narayanan	Rs.9,000

5. ASSETS SALE COMMITTEE (ASC)

During the financial year under review no Assets Sale Committee Meeting held.

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

The Committee consists of 5 directors (of which two are independent non-executive directors) viz., Mr. M. Ethurajan, Mr. R. Narayanan, Mr. M. E. Shanmugam, Mr. Natarajan Nandhagopal* and Mr.V.Rajasekaran*. This committee would continue to look after and approve the share transfer, transmission, issue of duplicate share certificate etc. Further all the investors' / shareholders' grievances and the action taken by the Company to the satisfaction of the shareholders are brought to the attention of the Committee. The Committee had fifteen meetings during the 18 months period ended 30.9.2009 on 16.4.08, 10.5.08, 10.6.08, 9.7.08, 8.8.08, 10.9.08, 9.10.08, 8.11.08, 8.12.08, 7.1.09, 27.2.09, 21.5.09, 19.6.09, 20.7.09 and 17.9.09.

*resigned w.e.f.30.4.09

7. DETAILS OF LAST 3 ANNUAL GENERAL MEETINGS

Financial Year	Date	Venue of AGM held	Time
37th AGM 2005-2006	31.08.2006	Registered Office 106, Armenian Street Chennai 600001	11.30 a.m.
38 TH AGM 2006-2007	28.09.2007	Registered Office 106, Armenian Street Chennai 600001	10.15 a.m.
39 TH AGM 2007-2008	26.09.2008	Registered Office 106, Armenian Street Chennai 600001	9.30 a.m.

8) PAID-UP SHARE CAPITAL

Category of shares	No. of shares (Rs.5/- each fully paid up)	Share capital (Rs. in lakhs)
Equity Shares	2,23,19,410	1,115.97
9.75% Preference Shares	11,76,000	58.80
9% Cumulative Redeemable Preference Shares	46,77,00,000	23,385.00

DISTRIBUTION OF EQUITY SHAREHOLDING AS AT 30.09.2009

		SHAREHOLDERS		NO. OF SHARES HELD	
		NO.	%		%
1	- 100	6,761	70.64%	3,91,749	1.76%
101	- 500	2,129	22.24%	5,65,932	2.54%
501	- 1000	406	4.24%	3,15,297	1.41%
1001	- 2000	155	1.62%	2,26,550	1.02%
2001	- 3000	34	0.36%	85,431	0.38%
3001	- 4000	12	0.13%	40,100	0.18%
4001	- 5000	9	0.09%	41,350	0.19%
5001	- 10000	15	0.16%	1,01,500	0.45%
10001	-and above	50	0.52%	2,05,51,501	92.08%
		9,571	100.00%	2,23,19,410	100.00%

DISTRIBUTION OF PREFERENCE SHAREHOLDING AS AT 30.09.2009

		SHAREHOLDERS		NO. OF SHARES HELD	
		NO.	%		%
1 - 500		0	0%		0%
501 - 1000		0	0%		0%
1001 - 2000		0	0%		0%
2001 - 3000		0	0%		0%
3001 - 4000		0	0%		0%
4001 - 5000		0	0%		0%
5001 - 10000		0	0%		0%
10001 and above		3	100%	46,88,76,000	100%
		3	100%	46,88,76,000	100%

SHAREHOLDING PATTERN AS AT 30.09.2009

	Equity %	Preference %
Promoters	75.00	100
Government Holdings	1.65	—
Nationalised Banks	4.40	—
General Insurance Companies	1.00	—
L.I.C.of India	2.77	—
Resident Individuals	14.12	—
Resident Companies	0.94	—
Non-residents (Individuals & Companies)	0.12	—
	100.00	100.00

9. DISCLOSURES

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

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

10. CEO/CFO Certification

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

11. MEANS OF COMMUNICATION

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

12. MANAGEMENT DISCUSSION AND ANALYSIS

The Company is engaged in the business of marketing textiles goods, marketing engineering and other products, shipping related business, operating cold storage at Cochin, travel agency business approved by IATA and TAI, real estate and Container Freight Station. The present status of each division, performances, future prospects and threats to the industries as well as outlook form part of the Director's Report. During the current year, performance of the Container Freight station continues to be encouraging with more prospects for services for imports and exports and expanding the operation by utilization of more space. The works such as planning, obtaining approvals and other necessary formalities relating to implementation of infrastructural development of the textile unit in 14.50 acres acquired at Apparel Park, Doddabellapur, Bangalore, Karnataka is in progress. Since the time given for implementation of the project has expired on 16.10.2009, our request for further extension of time for implementation of project is pending with Karnataka Industrial Areas Development Board for their consideration.

The BIFR vide its orders dated 22.10.2003 and 11.03.2004 sanctioned a Scheme of Rehabilitation and the Company has been focusing its efforts to implementation of the Scheme despite various constraints. The Company has settled all secured creditors through negotiations and continues to settle the remaining liabilities to other creditors and statutory liabilities.

The Hon'ble BIFR sanctioned a scheme for rehabilitation of the Applicant Company on 22.10.2003 (SS - 03). However, during the implementation of SS - 03, Indian Bank took an action u/s 13(4) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests (SARFAESI) Act on 23.6.2005 and the Hon'ble BIFR vide its order dated 4.8.2005 abated the reference of the company and declared the SS-03 as failed. Soon after the abatement of the reference of the Company and the declaration of the scheme as failed on 4.8.2005, the net worth of the Applicant Company turned positive as on 30.09.2005. In the meantime, the Madras Labour Union (MLU) and B&C Mills Staff Union (BCMSU) filed an application dated 11.12.2006 before this Board for seeking implementation of the provisions of SS-03. The Hon'ble BIFR vide its order/ letter dated 26.12.2006 informed the workers unions that the Company has already been discharged by the purview of SICA. The workers unions moved to the Madras High Court and the Court vide its order dated 7.9.2007 set aside the order dated 26.12.2006 and directed the BIFR to give opportunity of hearing to the workers union after following due procedural formalities. Thereafter, Hon'ble BIFR in compliance with the direction of the Hon'ble Madras High Court conducted a hearing on 9.1.2008 and passed directions on 13.3.2008 including monitoring the implementation of the scheme, modification of the scheme, if required. The Company made an Appeal before the Hon'ble AAIFR against the order of Hon'ble BIFR dated 13.3.2008. During the pendency of the Appeal before the Hon'ble AAIFR, the Company entered into a Memorandum of Understanding (MOU) dated 28.05.2008 with two workers unions i.e., B&C Mills Staff Union and Madras Labour Union as also with B&C Mills Quarters Committee. Under the said MOU the workers unions along with the B&C Mills Quarters Committee have undertaken to withdraw all their applications/petitions as filed before the BIFR/AAIFR and before other authorities and have no objection to the deregistration of the Applicant Company. Upon hearing the case, the Hon'ble AAIFR in Appeal No.72/2008, passed the order dated 5.6.2008 whereby the Hon'ble AAIFR has set aside the order of Hon'ble BIFR dated 13.3.2008 and has directed the Hon'ble BIFR to consider deregistration of the Company from the purview of SICA in view of the Net worth of the company having turned positive as per its Audited Balance Sheet as at 30.09.2005. The net worth of the Company had become positive as on 30.9.2005 and has continued to remain so for the FYs 2005-06, 2006-07 and 2007-08 and, therefore, the company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. Based on the above facts and on the order dated 5.6.2008 of the Hon'ble AAIFR in Appeal No.72/2008, the Company has filed an Application for de-registration of the Company from the purview of SICA.

In the meanwhile, the company has also filed a writ petition in the Madras High Court seeking an order to quash the order of AAIFR insofar as it relates to the remand back to BIFR for the formality of deregistration is concerned and also for an order from the Madras High Court that the company is no longer a sick industrial undertaking within the meaning of the Sick Industrial Companies Special Provisions Act 1985. The Madras High Court has passed an order on 7.8.2008 that the company is ceased to be a sick industrial undertaking with effect from 30.9.2005.

INVESTMENTS

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

SEGMENTWISE / PRODUCTWISE PERFORMANCE

	2008-2009
	Rs. In Lakhs
Textile	(2999.28)
Services	1144.85
Properties	28.38

13. GENERAL SHAREHOLDERS INFORMATION

40TH ANNUAL GENERAL MEETING

Date and Time	Wednesday, the 23rd December at 10.15 a.m.
Venue	106 Armenian Street, Chennai 600 001
Book Closure	16.12.2009 to 23.12.2009 (both days inclusive)
Financial Year ended (18 months)	30.09.2009
Dividend payment	NIL
Listing of securities in the Stock Exchanges	Stock Code:
Madras Stock Exchange Ltd	BINNY
Bombay Stock Exchange Ltd	514215
Demat ISIN Numbers in NSDL	INE118K01011

Financial Calendar

Financial reporting for
the quarter ending

30th Sep 2009	End of Oct '09
31st Dec 2009	End of Jan '10
31st Mar 2010	End of Apl '10

Other Details

The Company has appointed M/s Cameo Corporate Services Limited, Chennai as Registrar and Share Transfer Agents. The trading in equity shares of the company was under suspension from 7.1.2002. The Bombay Stock Exchange revoked the suspension in trading in the company's equity shares and trading was allowed to resume with effect from 23rd March 2009. Now the shares are tradable in Bombay Stock Exchange and Madras Stock Exchange Ltd. Also, NSDL has permitted the equity shares of the company for dematerialisation vide ISIN No. INE118K01011. The trading in equity shares of the company is permitted only in dematerialised form. As of September 30, 2009, 8.31% of total outstanding shares have been dematerialised. Out of 55,79,990 equity shares held by the shareholders other than the promoters, 18,55,626 shares (33.33% of non-promoters shareholding) have been dematerialised upto 30.9.2009.

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

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

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

Market price data (Rs.)

MONTH		MAR-09	APL-09	MAY-09	JUN-09	JUL-09	AUG-09	SEP-09
BSE	HIGH	40.00	31.60	27.15	-	25.00	28.35	56.80
	LOW	1.00	28.55	24.55	-	24.50	25.00	29.00

ADDRESS FOR COMMUNICATION

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

COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT AND ETHICS:

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

Chennai
 27th November 2009

By Order of the Board

M.Ethurajan
 Executive Chairman

REPORT ON CORPORATE GOVERNANCE

To the Member of Binny Limited

I have examined the compliance of conditions of Corporate Governance by Binny Limited for the 18 months period ended 30th September 2009 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 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 18 months period ended on 30th September, 2009 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
 27th November 2009

G.PORSELVAM
 Practicing Company Secretary
 CP No. 3187

AUDITORS REPORT TO THE MEMBERS OF BINNY LIMITED

1. We have audited the attached Balance Sheet of Binny Limited as at 30th September 2009, the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 Company's 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 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 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 Cash flow Statement dealt by this report, comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Company's Act, 1956 except recognition of unrealized income in earlier years as stated in Note 5 of Notes on Account of Schedule 13 which is not in accordance with Accounting Standard No.9 on "Revenue Recognition".
 - (e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that, none of the Directors are disqualified as on 30 September 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
 - (f) Attention is drawn to the following material matters:
 - (i) *Land and Buildings held as stock-in-trade are recorded in the accounts at market values as at 31st March 1996 resulting in notional enhancement of the value of such inventory over the years by Rs.782.54 Lakhs by taking credit to Profit and loss Account in earlier years resulting in the reduction in loss brought forward and loss carried forward to the same extent. (Notes No.5 in Notes on Accounts of Schedule 13).*
 - (ii) *Non-provision for Customs demand of Rs.590.90 Lakhs, Wealth Tax demand of Rs. 298.24 Lakhs and Property Tax demand of Rs.134.13 Lakhs (Note No.7 (c), (d) and (h) respectively in Notes to accounts of Schedule 13)*
 - (iii) *Non-confirmation of balances as at 30 September 2009 from Unsecured loans, Debtors, Loans and Advances, other Current Assets and Sundry Creditors as stated in Note No 2 & Note 9 in Notes on accounts of Schedule 13.*

Without considering items mentioned in paragraph (f)(iii) above, the effect of which could not be determined and we are unable to express an opinion on the recoverability / ultimate shortfall thereof and had the observation made by us in (f)(i) (ii) & (iii) above been considered, the net loss for the year would have been Rs. 3777.94 Lakhs as against the reported loss of Rs. 2754.67 Lakhs, carry forward loss would have been Rs.16906.15 Lakhs as against Rs. 15100.34 Lakhs, Inventories would have been Rs. 1316.55 Lakhs as against Rs.2099.09 Lakhs, and Current Liabilities would have been Rs. 3557.02 Lakhs as against Rs. 2533.75 Lakhs.
- g) Subject to the above, in our opinion and to the best of information and according to the explanations given to us, the said accounts read with the accounting policies and notes thereon 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 30th September 2009.
- (ii) In the case of Profit and Loss Account, of the LOSS of the company for the period ended on that date; and
- (iii) In the case of Cash Flow Statement of the Cash Flows for the period ended on that date.

For CNGSN & ASSOCIATES
Chartered Accountants
R. THIRUMALMARUGAN
Partner
Membership No.200102

CHENNAI

27th November 2009

ANNEXURE TO AUDITORS REPORT

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

1. (a) The company is maintaining records of Fixed Assets schedule showing full particulars, which needs to be updated for the other details.
(b) The Fixed Assets have not been verified by the management at reasonable intervals. The discrepancies (between physical verification and book records) and accounting for such discrepancies does not arise.
(c) The company has disposed off substantial amount of fixed assets (Plant and Machinery) during the period which we were informed that does not affect the "Going Concern Concept" of the Company.
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. (a) According to the information and explanations given to us, the company has granted unsecured interest free loans to Subsidiary Company, repayable on demand a party covered in the register maintained under Section 301 of the Companies Act, 1956. The total number of party is one and the year-end balance of loan granted is Rs. 46.36 Lakhs.
(b) The rate of interest and other terms and conditions of loans are not applicable.
(c) The receipt of principal and interest on loans granted are not applicable.
(d) The overdue amount of loans granted is not applicable.
(e) The Company has taken loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Act. The net amount outstanding as at 30 September 2009 is Rs. 5.86 Lakhs. The number of parties involved and the maximum outstanding are not ascertainable as stated in Note 2 of Schedule 13.
(f) Neither the terms of repayment nor the interest rates to be paid on the loans are specified in respect of the loans taken. Therefore, we are unable to comment on whether the company is regular in (a) repaying the principal amounts as stipulated and (b) regular in repayment of interest.
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 purchase of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal 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. However, for the loans obtained from the promoters and their groups, it is explained to us that BIFR vide its order dated 22/10/2003 has directed Department of Company Affairs to consider exempting the Company from Section 58A of the Companies Act, 1956 in view of the money brought in by the promoters for implementing the Sanctioned Scheme and hence the compliance of Section 58 A is pending.

7. The Company has an internal audit system, to commensurate with the size of the Company and the nature of its business
8. There was no production activity carried out during the year. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company for its Bangalore Mill Division, pursuant to the Rule made by the Central Government for the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) The Company is depositing undisputed Statutory dues, like Provident Fund, Employees Pension Fund and Employee State Insurance with some delays. There are no undisputed Statutory dues like Investor Education and Protection Fund, Wealth Tax, Service Tax, Customs Duty and other statutory dues except Excise Duty Rs. 0.37 Lakhs, TD payable Rs. 0.37 Lakhs, Property and Urban Land Tax Rs. 306.22 Lakhs, Professional Tax Rs. 0.36 Lakhs as at 31 September 2009 for a period of more than six months from the date they become payable.
- (b) The company has not deposited the following dues, on account of dispute: (Rs. in Lakhs)
- | | |
|--|--------|
| 1. Customs Duty pending before DGFT, New Delhi | 590.90 |
| 2. Wealth Tax Demand Pending before CIT (A), Chennai | 56.40 |
| 3. Bangalore Mill Property Tax under Dispute pending before Tax Authorities, Bangalore | 134.13 |
10. In our opinion, the accumulated losses of the company are more than 50% of its networth. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in 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 advance on the basis of the 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 (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 (Auditors' 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 explanations given to us, the Company has not obtained any term loan during the period.
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 shares during the period to parties covered in the register maintained under Sec.301 of the Companies Act, 1956. The prices at which the shares have been issued are not prima facie prejudicial to the interest of the company.
19. According to the information and explanation given to us, the Company has not issued any debentures during the period 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 period and disclosure of end use of public issue of debenture 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.

CHENNAI
27th November 2009

For CNGSN & ASSOCIATES
Chartered Accountants
R.THIRUMALMARUGAN
Partner
Membership No.200102

BALANCE SHEET AS AT 30th SEPTEMBER 2009

	Schedule	30th Sept. 2009	Rs. lakhs As at	31st March 2008
I. SOURCES OF FUNDS :				
Share Holders funds :				
Share capital	1	24559.77		18674.77
Reserves & surplus	2	1301.48		1301.48
		<u>25861.25</u>		<u>19976.25</u>
Loan Funds :				
Unsecured Loans	3	5.86		59.66
		<u>25867.11</u>		<u>20035.91</u>
II. APPLICATION OF FUNDS :				
Fixed Assets				
(a) Gross Block	4	2648.17		3872.79
(b) LESS : Depreciation		1630.65		2478.40
(c) Net Block		1017.52		1394.39
(d) Capital work in progress		—		2243.19
		<u>1017.52</u>		<u>3637.58</u>
Investments	5	2878.97		2878.97
Current Assets, Loans & Advances				
(a) Inventories		2099.09		2124.81
(b) Sundry Debtors		316.34		325.64
(c) Cash & Bank Balances		694.93		350.19
(d) Other Current Assets		0.08		0.08
(e) Loans and Advances		6293.60		763.62
		<u>9404.04</u>		<u>3564.34</u>
LESS : Current Liabilities and Provisions				
(a) Current Liabilities		2533.76	2381.79	
(b) Provisions		—	8.86	
		<u>2533.76</u>		<u>2390.65</u>
Net Current Assets		6870.28		1173.69
Profit & Loss Account		15100.34		12345.67
		<u>25867.11</u>		<u>20035.91</u>
Notes on accounts	13			

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

As Per our Report of even date
for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
27th November 2009

R. THIRUMALMARUGAN
Partner
Membership No. 200102

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 30th SEPTEMBER 2009

Rs. lakhs

	Schedule	Period Ended 30th Sept. 2009	Year ended 31st March 2008
INCOME			
Sales	12.1	664.36	516.73
Accretion to Stocks	8	(9.70)	7.99
Agency Commission and Other Income for service rendered		776.99	492.57
Other Income	9	<u>937.12</u>	<u>324.61</u>
		<u>2368.77</u>	<u>1341.90</u>
EXPENDITURE			
Purchase of Finished Goods	12.2	541.01	439.49
Employees Cost	10	296.82	191.87
Other costs	11	<u>2608.12</u>	<u>460.89</u>
		<u>3445.95</u>	<u>1092.25</u>
Profit/Loss		(1077.18)	249.65
Profit / Loss before Depreciation and Taxation		(1077.18)	249.65
Less: Depreciation		<u>104.49</u>	<u>143.40</u>
Profit / Loss for the year before Taxation		(1181.67)	106.25
Less: Impairment loss (Refer Note 11 of Schedule 13)		<u>915.00</u>	<u>403.69</u>
Profit / Loss for the year		(2096.67)	(297.44)
Less: Provision for FBT		<u>4.00</u>	<u>4.00</u>
		(2100.67)	(301.44)
Extra-ordinary items:(Refer Note 13 of Schedule 13)		<u>654.00</u>	<u>32.21</u>
Loss after Tax		(2754.67)	(269.23)
Loss brought forward from previous year		(12345.67)	(12076.44)
Loss carried to Balance sheet		<u>(15100.34)</u>	<u>(12345.67)</u>
Earnings per share - Basic and Diluted in Rs. (Face value of Rs.5)			
Before extra-ordinary items		(9.41)	(1.35)
After extra-ordinary items		(12.34)	(1.20)
Notes on accounts	13		

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

As Per our Report of even date
for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
27th November 2009

R. THIRUMALMARUGAN
Partner
Membership No. 200102

Schedules Forming Part of Accounts

Rs. lakhs

As at

30th Sept. 2009	31st March 2008
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SCHEDULE : I**SHARE CAPITAL**

Authorised

2,28,20,000	Equity Shares of Rs. 5/- each	1141.00	1141.00
11,80,000	9.75% Cumulative Redeemable Preference Shares of Rs. 5 each	59.00	59.00
49,00,00,000	9% Cumulative Redeemable Preference Share of Rs. 5/- each	24500.00	17500.00
(35,00,00,000)		25700.00	18700.00

Issued Subscribed and paid up :

2,23,19,410	Equity shares of Rs. 5/- each fully paid up	1115.97	1115.97
11,76,000	9.75% Cumulative Redeemable Preference Shares of Rs. 5/- each fully paid up	58.80	58.80
46,77,00,000	9% Cumulative Redeemable Preference Shares of Rs. 5/- each fully paid up	23385.00	17500.00
(35,00,00,000)		24559.77	18674.77

Terms of issue and redemptions :

1	30,00,00,000	9.00%	CRPS of Rs.5/-each issued on 30/9/2005 are redeemable on or before 30/9/2010
2	11,76,000	9.75%	CRPS of Rs.5/-each issued on 30/6/2006 are redeemable on or before 30/6/2011
3	4,00,00,000	9.00%	CRPS of Rs.5/-each issued on 31/1/2007 are redeemable on or before 31/1/2012
4	1,00,00,000	9.00%	CRPS of Rs.5/-each issued on 30/1/2008 are redeemable on or before 30/1/2013
5	11,77,00,000	9.00%	CRPS of Rs. 5/- each issued on 20/10/2008 are redeemable on or before 20/10/2013

The above cumulative redeemable preference shares 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.

SCHEDULE : 2**RESERVES AND SURPLUS**

Rs. lakhs

As at

CAPITAL RESERVE

	30th Sept. 2009	31st March 2008
Appreciation in the market value of Land and Buildings on their conversion into Stock-in-trade in 1981-82		
As per Balance Sheet	223.82	223.82
Share Premium Account As per Balance Sheet	1077.66	1077.66
	1301.48	1301.48

Rs. lakhs
As at

30th Sept. 2009 31st March 2008

**SCHEDULE 3
UNSECURED LOANS**

From Promoters and their Group (Refer Note 2 in Schedule 13)

5.86

59.66

5.8659.66**SCHEDULE 4: FIXED ASSETS (Rs. lakhs)**

Description of Assets	Gross Block at Cost			Depreciation			Net Block	
	As at 31.03.2008	Additions/ (Deductions)	As at 30.09.2009	As at 31.03.2008	Additions / (Deductions)	As at 30.09.2009	As at 30.09.2009	As at 31.03.2008
Freehold Land	252.41	—	252.41	—	—	—	252.41	252.41
Lease Improvement	—	—	—	—	—	—	—	—
Leasehold Land	252.02	—	252.02	—	—	—	252.02	252.02
Buildings	736.05	30.85	766.90	345.79	25.64	371.43	395.47	390.26
Railway Sidings	9.93	—	9.93	9.93	—	9.93	—	—
Tanks & Permanent Works	33.49	—	33.49	25.95	1.37	27.32	6.17	7.54
Plant & Machinery	2312.08	0.42	1101.32	1874.41	63.75	1064.01	37.31	437.67
	—	(1211.18)	—	—	(874.15)	—	—	—
Furniture & Fittings	224.94	37.38	183.77	175.82	11.30	112.57	71.20	49.12
	—	(78.55)	—	—	(74.55)	—	—	—
Vehicles	51.87	—	48.33	46.50	2.43	45.39	2.94	5.37
	—	(3.54)	—	—	(3.54)	—	—	—
TOTAL	3872.79	68.65	2648.17	2478.40	104.49	1630.65	1017.52	1394.39
		(1293.27)			(952.24)			2243.19
Capital Work-in-progress (Refer Note 3 in Schedule 13)							1017.52	3637.58
Previous Year	3796.07	78.43	3872.79	2336.15	143.40	2478.40	—	—
		(1.71)			(1.15)			

**SCHEDULE : 5
INVESTMENTS**

Rs. lakhs

	No. of shares	Face value per share Rs.	As at 31.3.2008	Additions (Deductions)	As at 30.9.2009
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 :					
In Government Securities #	—	—	0.12	—	0.12
TRADE					
Fully paid equity shares in Binny Engineering Ltd. (Wholly owned subsidiary)	28748100	10	2874.81	—	2874.81
b) AT DIRECTOR'S VALUATION					
NON-TRADE					
Fully paid Equity Shares :					
Tamilnadu Chromates & Chemicals Limited	30000	10	0.01	—	0.01
Adyar Property Holding Co. Ltd.**	810	100	0.01	—	0.01
			<u>2878.97</u>	—	<u>2878.97</u>

Includes Securities on deposits with Government authorities

** Paid up per share Rs. 65

Quoted
UnquotedCost
4.02
2874.95
2878.97Market Value /
Book Value
113.20
2874.95
2988.15

	30th Sept. 2009	Rs. lakhs As at 31st March 2008
SCHEDULE : 6		
CURRENT ASSETS, LOANS & ADVANCES :		
(a) Inventories :		
Stock-in-Trade		
(i) Land & Buildings at market value (Note 5 in Schedule 13)	2040.54	2040.54
(ii) Other Stocks		
Finished Stocks at lower of cost and net realisable value	55.65	65.35
	<u>55.65</u>	<u>65.35</u>
Stores and Spare Parts (At the lower of cost and net realisable value)	2.90	18.92
	<u>2099.09</u>	<u>2124.81</u>
(b) Sundry Debtors-unsecured over six months		
Considered Good	102.11	116.51
Considered Doubtful	0.00	329.06
	<u>102.11</u>	<u>445.57</u>
Other debts : Considered Good	214.23	209.13
	<u>316.34</u>	<u>654.70</u>
LESS : Provision for Doubtful Debts	0.00	329.06
	<u>316.34</u>	<u>325.64</u>
(c) Cash and Bank Balances :		
Cash	6.40	6.38
With Scheduled Banks on :		
Current Account	387.66	160.58
Margin Money Deposit Account	183.23	183.23
Fixed Deposit Account	117.64	
	<u>688.53</u>	<u>343.81</u>
	<u>694.93</u>	<u>350.19</u>
(d) Other current assets: (Interest accrued)	0.08	0.08
(e) Loans and Advances and deposits - unsecured :		
Advances /deposits recoverable in cash or in kind or for value to be received :		
Considered Good	6141.40	588.72
Considered good (Receivable from BEL)	46.36	73.68
Considered doubtful	0.00	159.90
	<u>6187.76</u>	<u>822.30</u>
Balances with Customs, Port trust, Railways & Excise authorities	105.84	101.22
	<u>6293.60</u>	<u>923.52</u>
Less : Provision for Doubtful advances/deposits	0.00	159.90
	<u>6293.60</u>	<u>763.62</u>
SCHEDULE : 7		
CURRENT LIABILITIES AND PROVISIONS		
(a) Liabilities :		
Sundry Creditors:		
Voluntary retirement scheme	336.08	357.62
Others	1912.94	1743.48
Customers credit balances	205.85	207.53
Provision for Gratuity	70.71	67.16
Provision for Leave encashment	8.18	6.00
	<u>2533.76</u>	<u>2381.79</u>
(b) Provisions for :		
Wealth tax	--	8.86
	<u>2533.76</u>	<u>2390.65</u>

	Rs. lakhs	
	Period Ended 30th Sept. 2009	Year Ended 31st March 2008
SCHEDULE : 8		
ACCRETION TO STOCK :		
Opening stock		
Stock-in-trade		
Traded goods	65.35	57.36
Closing stock		
Stock-in-trade		
Traded goods	55.65	65.35
	(9.70)	7.99
SCHEDULE : 9		
OTHER INCOME		
Dividend	2.70	1.05
Interest	47.50	22.02
Rent	695.72	275.74
Miscellaneous income	163.10	25.80
Profit on Sale of Assets	28.10	
	937.12	324.61
SCHEDULE : 10		
EMPLOYEES COST		
Salaries, Wages and Bonus	236.37	139.54
Contribution to Provident and other Funds	27.37	13.79
Retirement Benefits		
Gratuity	12.69	24.65
Welfare expenses	20.39	13.89
	296.82	191.87
SCHEDULE : 11		
OTHER COSTS:		
Power and fuel	70.19	48.72
Rent	9.01	9.45
Rates and taxes	477.23	51.33
Insurance	24.09	26.45
Repairs to :		
Buildings	61.90	20.58
Machinery	26.66	16.48
	88.56	37.06
Auditors Remuneration :		
Audit Fee	6.50	4.49
Tax Audit Fee	4.50	3.96
Taxation Matters	7.25	
Fee for Certification	0.20	0.17
	18.45	8.62
Selling expenses	34.32	33.28
Cash Discount	45.70	42.88
Advertisement	0.99	0.34
Bank charges	1.81	1.40
Loss on sale of Assets	1450.82	0.16
Bad Debts / Advances Written Off	488.96	
Less : Adjusted Against Provision	488.96	
Security	82.64	41.03
Legal	63.88	
Miscellaneous Expenses	240.43	160.17
	2608.12	460.89

SCHEDULE : 12
QUANTITATIVE PARTICULARS
 I. Capacity, Production, Turnover and Stock

Rs. in lakhs

Particulars	Unit	CAPACITY PER ANNUM			Opening Stock (Excluding Showroom Stock)	Closing Stock (Excluding Showroom Stock)	TURNOVER	
		Licensed	Installed*	Production			Quantity	Value
TEXTILES								
Productive Capacity								
Spindles	Nos. B&C		—					
			2304 (Idle) (2304)					
Looms	Nos. B&C		120					
			(148) (268)					
Processing Capacity								
Fabric	Lakh Meters		—					
Yarn	Tonnes		—					
* installed capacity is as certified by Management								
OTHERS@								
(i)	Handlooms/Powerloom Goods bought out						649.24	(507.85)
(ii)	Tarpaulin						15.12	(8.74)
(iii)	Engineering						—	(0.14)
							664.36	(516.73)

@ includes Processed and bought out

Particulars	Unit	Quantity	Period ended 30th Sept. 2009	Year ended 31st March 2008
2. Purchase of Finished Goods				
(a) Handloom/Power loom goods			531.77	433.31
(b) Engineering and Agencies			9.24	6.18
			<u>541.01</u>	<u>439.49</u>
3. Raw Materials Consumed			nil	nil
4. Consumption of Stores and Spare Parts Imported			nil	nil

Note : Figures in brackets are for previous year.

SCHEDULE 13**ACCOUNTING POLICIES & NOTES ON ACCOUNTS****ACCOUNTING POLICIES****(a) Fixed assets**

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

(b) Inventories

- (i) Land and buildings held as stock-in-trade for property development are stated at market Values as at 31st March 1996.
- (ii) Raw materials, stores and spare parts, finished stock, process stocks and trading stock are valued at lower of cost and net realizable value. Cost is arrived at weighted average cost.

(c) Revenue Recognition

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

Agency commission is recognized on accrual basis. Income on container freight services are recognized on completion of operation and direct expenses related to sales are proportionately accounted for.

(d) Investments

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

(e) Retirement Benefits

(i) Contribution to Provident Fund is as per Rules of the own funds.

(ii) Provision for gratuity is based on the calculations made as per the provisions of Payment of Gratuity Act, 1972 and not funded. The company estimates its liability on actuarial valuation basis as of each year-end balance sheet date carried out, and is charged to Profit and Loss Account in accordance with AS-15 (revised).

(iii) Leave encashment benefits is provided on accrual basis and is not funded.

(f) Segment Reporting

The accounting policies adopted for segmental reporting are in line with the accounting policies of the company with the following additional policies.

Inter segment revenues have been accounted on the basis of prices charged to external customers. Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated corporate expenses".

(g) Lease Rentals

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

(h) Foreign Currency Transaction / Translation

Transactions in foreign currency are recorded at exchange rates prevailing on the date of transactions and realized exchange loss or gain are dealt with in Profit & Loss account or capitalized where they relate to Fixed Assets. Current assets and Current Liabilities are converted at the year-end exchange rates and exchange Losses/gains are dealt with in Profit & Loss account or adjusted in cost of Fixed Assets.

(i) Borrowing Costs

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

(j) Cash Flow Statement

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

(k) Earnings Per Share

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

(l) Provision for Taxation

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

(m) Impairment of Assets

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

(n) Provision and Contingencies

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

Notes of Accounts

1. BIFR initially sanctioned a Scheme on 22/10/2003. BIFR issued an order dated 26/12/2006, citing their order dated 04/08/2005 & 07/08/2005 that the company is out of BIFR, which was challenged before Hon'ble High Court of Madras by employees union. Then Hon'ble High Court of Madras issued directions to BIFR vide order dated 07/09/2007 to consider the employees union representations. The BIFR after hearing the employees union representations gave their directions vide their order dated 13/03/2008 to the effect that the BIFR will continue to monitor the implementation of the scheme, modify the sanctioned scheme if required, and that the company shall not dispose off any of its assets. On 28/05/2008, the company had entered into MOU with two employees unions for settlement of disputes and the labour unions agreed to withdraw all their applications, / petitions filed before BIFR / AAIFR and other authorities. The company filed appeal against the above order before AAIFR. AAIFR issued order dated 05/06/2008 setting aside the order of BIFR dated 13/03/2008 and directing BIFR to consider application of the company for deregistration from the purview of SICA. Meantime, the High Court vide their order dated 07/08/2008 "made it clear that the company is ceased to be a sick industrial undertaking with effect from 30/09/2005". As on the date there are no other developments / disputes on this issue.

2. Unsecured Loans

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. Out of this sum, during the year, a sum of Rs. 58.85 Crores is converted to Cumulative Redeemable Preference Share Capital. The balance outstanding as on 30/09/2009 is Rs.5.86 Lakhs. The breakup of loans outstanding as at 30/09/2009 from the individuals and the group companies related to promoter group is under reconciliation. The confirmation of balances for the same is also under process.

3. Capital Work-in-Progress represents

(Expenditure under Projects on hold will be put to use /

shifted to new location as and when the necessary formalities are completed)

	30-09-2009	31-03-2008
	Rs. Lakhs	Rs. Lakhs
(i) Cost of imported machinery under Letter of Credit for B&C mills yet to put to use	21.01	1304.00
(ii) Interest on devolved LC capitalized (net of waiver under BIFR order)	203.20	203.20
(iii) Capital advances & Work-in-Progress	1543.33	1543.33
	<u>1767.54</u>	<u>3050.53</u>
LESS: Provision for Impairment Loss	<u>1767.54</u>	<u>807.34</u>
	<u>-----</u>	<u>2243.19</u>

4. Binny Engineering Limited (BEL)

The investment in Binny Engineering Limited Rs.2874.81 Lakhs is carried at cost. The company has advanced a sum of Rs. 46.36 lakhs (Rs. 73.68 Lakhs) to Binny Engineering Limited for meeting their liabilities such as interest on PF, ESI contribution etc. Considering long term nature of investment, the investments are carried at cost. The advances are recoverable in the ordinary course of business.

5. In accordance with the Accounting Policies b(i) herein, Land and Buildings held as stock-in-trade for property development were restated at market values as on 31st March 1996. The cumulative notional appreciation in the value of land and buildings held as stock-in-trade taken credit for in the Profit and Loss Account of earlier years is Rs. 782.54 Lakhs (Rs.782.54 Lakhs).

6. As per policy of providing for doubtful debts / advances the company has so far provided a sum of Rs. 488.96 Lakhs (Rs. 488.96 Lakhs) for debts which have remain uncollected. The management has decided to write off these doubtful debts and advances remain for long time and the Doubtful Debts and Advances as at 30 September 2009, Rs. 488.96 Lakhs has been considered as Bad Debts and written off against the provision held. There is no impact on the result of the Company for current period.

7.	No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief/succeeding the appeals:		
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 belated payment surcharge on above up to 30/09/2009	601.61	559.31
c.	Customs duty demand in respect of Import of Machinery, Additional customs duty due to non-fulfillment of export obligation under EPCG Licence as per revised demand dated 12.10.2006 High Court of Madras vide its order dated 29/09/2006 has stayed the demand	590.90	566.01
d.	Wealth Tax demands including interest under 31(2) under appeal for assessment years 1993-1994 to 2001-2002 & 2003-2004 were set aside by HHCM vide its order dated 24/03/2009 and remanded back to Assessing Officer for fresh assessment. For 2002-2003, the demand for Rs. 298.24 Lakhs is disputed with CIT, pending appeal the department has collected a sum of Rs. 241.84 Lakhs from company's receivables as on 30 th September 2009, Balance outstanding is:	Nil	1276.71
e.	Sales Tax / Entry Tax demand under appeal for assessment Includes dues of BEL The demand notices are issued in the name of Binny, Since BEL was a unit of Binny Limited)	56.40	Nil
f.	Claim for back wages in respect of various disputes, including in Liability if any respect of workmen which are pending before the Courts and not ascertainable Industrial Tribunal in respect of BWM, Bangalore units	748.18	713.82 Liability if any not ascertainable
g.	Damages for belated payments of Provident fund, Superannuation fund and ESI contribution Company approached PF and ESI authorities to consider waiving of damages including penalty for belated payment of contributions. Respective authorities have recommended to Central Board of Trustees/ Director, ESI for waiver of the same.	186.19	186.07
h.	Bangalore Mill Property Tax under dispute Rs. 386.88 Lakhs After the Balance Sheet date, Rs. 252.75 Lakhs has been paid on 23.11.2009.	134.13	255.17
8.	Other Moneys for which the company is contingently liable		
a.	Outstanding guarantees and indemnities given by the company (excluding performance guarantees)	4.25	4.25
b.	Claims against the company not acknowledged as Debts	159.14	275.76
c.	Uncalled liability on partly paid shares held as investments	0.28	0.28
9.	Balances in sundry debtors, sundry creditors, Loans and Advances, and other current assets are subject to confirmation/reconciliation. However, in the opinion of the Management, all current assets, debtors and loans/ advances would in the ordinary course of business realize at the value stated.		
10.	Sundry creditors for trade outstanding Rs. 934.24 Lakhs as on 30/09/2009 include dues to creditors other than Micro, Small and Medium Enterprise There is no principal or interest due or unpaid thereon to any suppliers of Micro, Small and Medium Enterprises as at year end.		
11.	The Company has provided for loss on account of impairment of assets as required by AS 28 during the year. The total impairment loss provided for the year is Rs.915.00 Lakhs (Rs.403.69 Lakhs) and the cumulative impairment loss as on 30/09/2009 is Rs. 1767.54 Lakhs.		
12.	No provision for income tax is considered necessary for the year in view of current year loss and brought forward losses. Provision for FBT is made as per IT Act. The wealth tax department has issued notices for assessment year 2004-2005 to 2008-2009 and the Company has filed nil Wealth Tax returns as in previous years.		
13.	Extra-ordinary items comprise of:	(Rs. in Lakhs)	
	Interest received from insurance		114.00
	Credit balances written back due to one time settlement	2.20	0.06
		2.20	114.06
	Less: VRS Compensation	656.20	81.85
		<u>654.00</u>	<u>32.21</u>

14.	(a) Arrears of 9.75% Cumulative Preference dividend for the period 15.6.1998 to 30.06.2006	46.12	46.12
	(b) Arrears of 9.75% Cumulative Preference dividend for the period 01.07.2006 to 30-09-2009	18.63	10.03
	(c) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 30.09.2009	6457.08	3592.50
15.	The Executive Chairman has waived his remuneration for the period from 11.01.1998 to 30.09.2009.		
16.	Miscellaneous expenses including sitting fees paid to Non-executive independent Directors	0.09	0.07
17.	Earnings in Foreign Exchange	NIL	NIL
18.	During the year the loan from promoters group has been reconciled to the extent of Rs. 2,499 Lakhs. Upon reconciliation the amount given as advance to Associate Company, an agreement for sale of property was entered into. Further during the year the Company has advanced a sum of Rs. 2552 Lakhs for purchase of property pending completion of formalities / documentation the advance given are shown under Loans & Advances		
19.	Outstanding Capital Commitments as on 30 September 2009 Rs. 642.73 Lakhs (Nil)		

20. Related Party Disclosure

- (a) List of Related Parties
 - (i) Parties where control exists
 - Subsidiary
 - Binny Engineering Limited
 - (ii) Other related Parties with whom transactions have taken place during the year
 - Associates
 - S. V. Sugar Mills Ltd
 - The Thirumagal Mills Ltd
 - Mohan Breweries & Distilleries Ltd
 - TCP Limited
 - (iii) Key Management Personnel
 - Mr. M. Ethurajan**
 - Mr. M. E. Shanmugam**
 - Mr. M. Nandagopal**
 - Mr. V. R. Venkataachalam**
 - Mr. Natarajan Nandagopal**
 - Mr. Arvind Nandagopal**

- (b) Transactions with related parties

(Rs. in Lakhs)

Subsidiaries

Associates

Sales and Other Income

5.08

(7.94)

Purchase of Finished Goods

-

(91.37)

Rendering of Services

32.86

(24.41)

Loans to Subsidiary

46.36

Outstanding balances as on 30/09/2009

(73.68)

Outstanding balances as on 30/09/2009

(Rs. in Lakhs)

Subsidiaries

Associates

Debtors

-

27.88

(22.16)

Loans & Advances

46.36

2499.20

(73.68)

(Nil)

Creditors

-

0.66

(52.47)

21. Segment Reporting

(Figures as at 30.09.2009)

	Textiles		Properties		Services		Eliminations		Total	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
A. Primary Segment Information										
I. REVENUE										
External Sales	649.24	507.85	-	-	15.12	8.88	-	-	664.36	516.73
Total Revenue	649.24	507.85	-	-	15.12	8.88	-	-	672.26	516.73
2. RESULTS										
Segment Results	(2999.28)	(679.30)	28.38	-	1144.85	499.35	-	-	(1826.05)	(179.95)
Unallocated Expenditure	-	-	-	-	-	-	-	-	324.82	144.57
Interest Expenses	-	-	-	-	-	-	-	-	-	-
Interest and Dividend Income	-	-	-	-	-	-	-	-	50.20	23.08
Profit / (Loss) from ordinary Activities	-	-	-	-	-	-	-	-	(2100.67)	(301.44)
Extraordinary Item	654.00	-	-	-	-	-	-	-	654.00	32.21
Profit for the Year	-	-	-	-	-	-	-	-	(2754.67)	(269.23)
3. OTHER INFORMATION										
Segment Assets	1097.04	3890.35	2387.04	2172.45	2514.73	968.57	-	-	5998.81	7031.37
Unallocated Assets	-	-	-	-	-	-	-	-	7301.72	3049.52
Total Assets	-	-	-	-	-	-	-	-	13300.53	10080.89
Segment Liabilities	1960.34	1896.60	-	-	533.95	426.13	-	-	2494.29	2322.73
Unallocated Liabilities	-	-	-	-	-	-	-	-	45.33	127.58
Total Liabilities	-	-	-	-	-	-	-	-	2539.62	2450.31
Capital Expenditure	-	-	-	-	-	-	-	-	68.65	78.43
Depreciation	67.83	121.26	1.72	-	31.60	18.67	-	-	101.15	139.93
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	3.34	3.47

Notes relating to segment

(i) Business Segments

The company has considered business segments as the primary segment for disclosure. The business segments are textiles, services and real estate. Textile segment comprise of Trading and Manufacturing. Services consist of Agencies, Shipping and Container Freight Station activities.

(ii) Geographical Segments

The geographical segments considered for disclosure are India and Rest of the World. All the manufacturing facilities and sales offices are located in India. There are no sales to the rest of the world.

(iii) Segmental Assets includes all operating assets used by respective segment and consists principally of Operating Cash, Debtors, Inventories and Fixed Assets net of allowances and provisions. **Segmental liabilities** include all operating liabilities and consists primarily of creditors and accrued liabilities. Segment Assets and Liabilities do not include Income Tax, Assets and Liabilities.

22. Earnings per Share :

Particulars	Before extra ordinary item		After extra ordinary item	
	2009	2008	2009	2008
Profit available to Equity Share holders used as Numerator -				
(A) (Rs. in Lakhs)	-2100.67	(301.44)	-2754.67	(269.23)
Number of Shares outstanding	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Weighted Average Number of shares outstanding - (B)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Effect of dilution	NIL	NIL	NIL	NIL
Weighted Average No. of Equity Shares including potential shares - (D)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Basic) - (A*1,00,000 / B) in Rs.	(9.41)	(1.35)	(12.34)	(1.20)
Earnings per share (Diluted) - (D*1,00,000 / D) in Rs.	(9.41)	(1.35)	(12.34)	(1.20)
(3.39)				

23. To comply with the accounting standard 22 Accounting for Taxes on income the company reviewed the deferred tax assets and liabilities. The timing difference relates mainly to depreciation and carry forward losses for the period up to 30-9-2009 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.
24. As per actuarial valuation as on 30.9.2009 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	
	30.9.2009	31.3.2008	30.9.2009	31.3.2008
(i) Assumptions	%		%	
Discount Rate - Previous Period	7.90	8.10	7.90	8.10
Discount Rate - Current Period	7.50	7.90	7.50	7.90
Rate of Return on Plan Assets - Previous Period	N.A.	-	N.A.	-
Rate of Return on Plan Assets - Current Period	N.A.	-	N.A.	-
Salary Escalation - Previous Period	4.00	4.00	4.00	4.00
Salary Escalation - Current Period	4.00	4.00	4.00	4.00
Attrition Rate - Previous Period	5.00	5.00	5.00	5.00
Attrition Rate - Current Period	5.00	5.00	5.00	5.00
		Rs. in 000s		Rs. in 000s
(ii) Table Showing Change in Benefit Obligation				
Liability at the beginning of the Period	6716	6604	600	658
Interest Cost	704	448	64	044
Current Service Cost	516	301	151	108
Benefit Paid	(914)	(1861)	(69)	(208)
Actuarial (Gain) / Loss on obligations	49	1224	72	(002)
Liability at the end of the Period	7071	6716	818	600
(iii) Tables of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the Period	N.A.	-	N.A.	-
Expected Return on Plan Assets	N.A.	-	N.A.	-
Contributions	914	1861	69	208
Benefit Paid	914	(1861)	69	(208)
Actuarial gain / (loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the Period	N.A.	-	N.A.	-
Total Actuarial Gain / (Loss) to be recognized	-	-	-	-
(iv) Actual Return on Plan Assets				
Expected Return on Plan Assets	N.A.	-	N.A.	-
Actuarial gain / (loss) on Plan Assets	N.A.	-	N.A.	-
Actuarial Return on Plan Assets	N.A.	-	N.A.	-

(v) Amount Recognized in the Income Statement				
Liability at the end of the Period	7071	6716	818	600
Fair value of Plan Assets at the end of the Period	-	-	-	-
Difference	7071	6716	818	600
Amount Recognized in the Balance Sheet	(7071)	6716	(818)	600
(vi) Amount Recognized in the Income Statement				
Current Service Cost	516	301	151	108
Interest Cost	704	448	64	044
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss to be Recognized	49	1224	72	(002)
Expense Recognized in Profit & Loss A/c	1269	1973	287	15
(vii) Amount Recognized in the Balance Sheet				
Opening Net Liability	6716	6604	600	658
Expense as above	1269	1973	287	150
Employers Contribution paid	(914)	(1861)	(69)	(208)
Closing net Liability	7071	6716	818	600

25. Previous year figures have been regrouped wherever necessary.
26. The figures in brackets relate to previous year.
27. Current period figures are for 18 months and hence not comparable with those of the previous accounting year of 12 months.

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

As Per our Report of even date
for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
27th November 2009

R. THIRUMALMARUGAN
Partner
Membership No. 200102

Balance Sheet Abstract and Company's Business Profile for the period ended 30th September 2009

I Registration Details

Registration No. 5736 State Code 18

Balance Sheet Date 30.9.2009

II Capital raised during the year (Amount in Rs. thousands)

Public issue, Rights issue, Bonus issue Raised from 1000000 to 1870000

III Position of mobilisation and deployment of funds (Amount in Rs. thousands)

	Total liabilities	Total assets
	2586711	2586711
Sources of funds	Paid up capital	Reserves and surplus
	2455977	130148
Advance towards share capital	Secured loans	Unsecured Loans
Nil	Nil	586
Application of funds	Net fixed assets	Investments
	101752	287897
	Net current assets	Misc. expenditure
	687028	Nil
	Accumulated Losses	
	1510034	

IV Performance of the company (Amount in Rs. thousands)

	Turnover	Total expenditure
(Sales including other income)	236877	512344
+/- Profit / Loss before tax	(275467)	(275467)
Earning per share in Rs.	(9.41)(12.34)	NIL

V Generic names of three principal products / services of company (As per monetary terms)

Item Code Nos. (ITC Code)	590700	500700	511200
Product Description	Textile Fabrics otherwise impregnated, coated or covered	Silk Fabrics	Woollen Fabrics

Details of investments made during the year but not existing on the date of Balance Sheet - Nil

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

As Per our Report of even date
for **CNGSN & ASSOCIATES**
Chartered Accountants

Chennai
17th November 2009

R. THIRUMALMARUGAN
Partner
Membership No. 2001

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30th SEPTEMBER 2009

	Period Ended 30.09.2009	Year Ended 31.03.2008
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	(2,754.67)	(269.23)
Adjustments for:		
Extraordinary Items / Withdrawal of revaluation reserve		
Depreciation	104.49	143.40
Impairment Loss	915.00	403.69
Interest Earned	(47.50)	(22.02)
Dividend Received	(2.70)	(1.05)
Profit on sale of assets	(28.10)	-
Loss on sale of assets	1,450.82	0.16
Operating Profit before working Capital changes	<u>(362.66)</u>	<u>254.95</u>
(Increase) / Decrease in Trade and other Receivables	9.30	(140.84)
(Increase) / Decrease in Inventories	25.72	(6.22)
(Increase) / Decrease Loans & Advances	(3,030.78)	(74.32)
Increase / (Decrease) in Current Liabilities	(143.11)	(87.63)
Net Cash from Operating activities	<u>(3,215.31)</u>	<u>(54.06)</u>
B Cash flow from Investing activities		
Purchase of Fixed Assets (Including Capital WIP)	(68.65)	(80.15)
Interest received	47.50	22.02
Dividend received	2.70	1.05
Sale of Fixed Assets	246.50	0.40
Net Cash from investing activities	<u>228.05</u>	<u>(56.68)</u>
C Cash flow from financing activities		
Preference Shares	3,332.00	75.79
Net Cash from financing activities	<u>3,332.00</u>	<u>75.79</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	344.74	(34.95)
Cash and cash equivalent as at the beginning of the period	350.19	385.14
Cash and cash equivalent as at the end of the period	<u>694.93</u>	<u>350.19</u>

Supplementary Information

Non cash item of Rs. 2,503 Lakhs (PY.424.21 Lakhs) adjusted for Decrease in Loans converted to Preference Shares and Loans and advances

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G. VENKATARAMAN
Company Secretary

As Per our Report of even date
for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
27th November 2009

R. THIRUMALMARUGAN
Partner

AUDITORS' REPORT

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

1. We have examined the attached Consolidated Balance Sheet of Binny Limited and its subsidiary, Binny Engineering Limited as at 30th September, 2009 the Consolidated Profit and Loss account and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that, the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Binny Limited and its subsidiary included in the consolidated financial statements.
4. Further attention is invited to the following material matters relating to the parent and subsidiary company:
 - i. Land and buildings held as stock in trade are recorded in the accounts at market values as at 31st March 1996 resulting in notional enhancement of the value of such inventory over the years by Rs.782.54 Lakhs by taking credit to Profit and Loss Account in earlier years resulting in the reduction in loss brought forward and loss carried forward to the same extent. (Notes No.4 in Notes on Accounts of Schedule 12).
 - ii. Non-provision for Excise demands of Rs.122.30 Lakhs, Customs demand of Rs.590.90Lakhs, Wealth tax demand of Rs.298.24 Lakhs, Sales tax demand of Rs.748.18 Lakhs and Property tax demand of Rs.134.13 Lakhs [Note No. 7 (h) & 6 (c), (d), (e) & (h) respectively in Notes on Accounts of Schedule 12]
 - iii. Treatment of overdue debts of Rs.82.35 Lakhs as good and recoverable referred in Notes on accounts of Schedule 12.
 - iv. Non-confirmation of balances as at 30.09.2009 from Unsecured loans, Debtors, Loans and Advances, Deposits and Sundry Creditors vide Note Nos.2 & 9 in Notes on Accounts of Schedule 12.
5. On the basis of information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Binny Limited and its subsidiary and *subject to our observations in paragraph 4 above*, we are of the opinion that the attached consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - a) In the case of the Consolidated Balance Sheet of the Consolidated State of Affairs of Binny Limited and its subsidiary as at 30th September, 2009;
 - b) In the case of Consolidated Profit and Loss Account, of LOSS for the period then ended on that date; and
 - c) In the case of Consolidated Cash Flow Statement, of the Cash Flows for the period then ended.

For M/s. CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: CHENNAI
Date: 27 /11/2009

R. THIRUMAL MARUGAN
Partner
Membership No.: 200102

CONSOLIDATED BALANCE SHEET AS AT 30th September 2009

	Schedule	Rs. lakhs As at 30th September 2009	Rs. lakhs As at 31st March 2008
I. SOURCES OF FUNDS			
Shareholders funds -			
Share capital	1	24559.77	18674.77
Reserves & surplus	2	1301.48	1301.48
		<u>25861.25</u>	<u>19976.25</u>
Loan funds			
Unsecured loans	3	55.86	109.66
		<u>25917.11</u>	<u>20085.91</u>
II. APPLICATION OF FUNDS			
Fixed Assets			
a) Gross Block	4	3153.87	4975.98
b) Less: Depreciation		2063.95	3496.12
c) Net Block		1089.92	1479.86
d) Capital work-in-progress		—	2243.19
		<u>1089.92</u>	<u>3723.05</u>
Investments		2079.16	4.16
		<u>3169.08</u>	<u>3727.21</u>
Current Assets, Loans & Advances			
a) Inventories	5	2099.09	2173.40
b) Sundry debtors	6	405.67	469.60
c) Cash & Bank Balances		701.47	364.72
d) Other Current Assets		0.18	0.18
e) Loans & advances		6270.29	1461.54
		<u>9476.70</u>	<u>4469.44</u>
Less: Current Liabilities and Provisions			
a) Current Liabilities	7	4280.72	3498.12
b) Provisions		0.02	20.52
		<u>4280.74</u>	<u>3518.64</u>
Net Current Assets		5195.96	950.80
Profit & Loss Account		17552.07	15407.90
		<u>25917.11</u>	<u>20085.91</u>
Notes on accounts	12		

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

As Per our Report of even date
for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
27th November 2009

R. THIRUMALMARUGAN
Partner
Membership No. 200102

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 30th SEPTEMBER 2009

	Schedule	Rs. lakhs Period Ended 30th September 2009	Rs. lakhs Year Ended 31st March 2008
INCOME			
Sales		672.26	660.24
Less Excise Duty		—	(11.38)
		<u>672.26</u>	<u>648.86</u>
Accretion to Stocks	8	(57.41)	(3.34)
Agency Commission and Other income for service rendered		776.99	492.57
Other income	9	<u>1674.47</u>	<u>1003.69</u>
		3066.31	2141.78
EXPENDITURE			
Purchase of Finished Goods		541.01	439.49
Raw materials consumed		—	16.99
Employees Cost	10	307.89	224.06
Other costs	11	<u>2673.68</u>	<u>536.77</u>
		3522.58	1217.31
Loss / Profit		(456.27)	924.47
Loss : Profit before Depreciation and Taxation		(456.27)	924.47
Add / Less Depreciation		115.12	153.74
Loss / Profit for the year		(571.39)	770.73
Add / Less Impairment Loss		915.00	403.69
For the year Loss / Profit		(1486.39)	367.04
Less : FBT		4.00	4.00
		(1490.39)	363.04
Extra-ordinary items:(Refer Note 13 of Schedule 12)		653.78	34.77
		(2144.17)	397.81
Loss brought forward from previous year		(15407.90)	(15805.71)
Loss carried to Balance sheet		(17552.07)	(15407.90)
Earnings per share- Basic and Diluted in Rs.(Face value of Rs.5)			
Before extra-ordinary items		(6.68)	1.63
After extra-ordinary items		(9.61)	1.78
Notes on accounts	12		

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

As Per our Report of even date
for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
17th November 2009

R. THIRUMALMARUGAN
Partner
Membership No. 200102

Schedules Forming Part of Accounts

		Rs. lakhs As at	30th Sept. 2009	31st March 2008
SCHEDULE : I				
SHARE CAPITAL				
Authorised				
2,28,20,000	Equity Shares of Rs. 5/- each		1141.00	1141.00
11,80,000	9.75% Cumulative Redeemable Preference Shares of Rs. 5 each		59.00	59.00
49,00,00,000 (35,00,00,000)	9% Cumulative Redeemable Preference Share of Rs. 5/- each		24500.00	17500.00
			25700.00	18700.00
<u>Issued Subscribed and paid up :</u>				
2,23,19,410	Equity shares of Rs. 5/- each fully paid up		1115.97	1115.97
11,76,000	9.75% Cumulative Redeemable Preference Shares of Rs. 5/- each fully paid up		58.80	58.80
46,77,00,000 (35,00,00,000)	9% Cumulative Redeemable Preference Shares of Rs. 5/- each fully paid up		23385.00	17500.00
			24559.77	18674.77

Terms of issue and redemptions :

- 1 30,00,00,000 9.00% CRPS of Rs.5/-each issued on 30/9/2005 are redeemable on or before 30/9/2010
- 2 11,76,000 9.75% CRPS of Rs.5/-each issued on 30/6/2006 are redeemable on or before 30/6/2011
- 3 4,00,00,000 9.00% CRPS of Rs.5/-each issued on 31/1/2007 are redeemable on or before 31/1/2012
- 4 1,00,00,000 9.00% CRPS of Rs.5/-each issued on 30/1/2008 are redeemable on or before 30/1/2013
- 5 11,77,00,000 9.00% CRPS of Rs.5/-each issued on 20/10/2008 are redeemable on or before 20/10/2013

The above cumulative redeemable preference shares 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.

**SCHEDULE : 2
RESERVES AND SURPLUS**

		Rs. lakhs As at	30th Sept. 2009	31st March 2008
CAPITAL RESERVE				
Appreciation in the market value of Land and Buildings on their conversion into Stock-in-trade in 1981-82				
As per Balance Sheet			223.82	223.82
Share Premium Account As per Balance Sheet			1077.66	1077.66
			1301.48	1301.48

Rs. lakhs
As at
30th Sept. 2009 **31st March 2008**

**SCHEDULE 3
UNSECURED LOANS**

From Promoters and their Group (Refer Note 2 in Schedule 12)

55.86	109.66
55.86	109.66

SCHEDULE 4: FIXED ASSETS (Rs. lakhs)

Description of Assets	Gross Block at Cost			Depreciation			Net Block	
	As at 31.03.2008	Additions/ (Deductions)	As at 30.09.2009	As at 31.03.2008	Additions / (Deductions)	As at 30.09.2009	As at 30.09.2009	As at 31.03.2008
Freehold Land	252.41		252.41				252.41	252.41
Lease Improvement								
Leasehold Land	253.27		253.27	1.25		1.25	252.02	252.02
Buildings	899.19	30.85	930.04	445.65	30.84	476.49	453.55	453.54
Railway Sidings	11.08		9.93	11.08		9.93	0.00	
Tanks & Permanent Works	33.49	(1.15)	33.49	25.95	(1.15)	27.32	6.17	7.54
Plant & Machinery	3207.36	0.53 (1784.35)	1423.54	2749.75	68.34 (1444.80)	1373.29	50.25	457.61
Furniture & Fittings	244.02	37.38 (78.55)	202.85	192.83	12.00 (74.55)	130.28	72.57	51.19
Vehicles	75.16	(26.82)	48.34	69.61	2.57 (26.79)	45.39	2.95	5.55
TOTAL	4975.98	68.76 (1890.87)	3153.87	3496.12	115.12 (1547.29)	2063.95	1089.92	1479.86
Capital Work-in-progress (Refer Note 3 in Schedule 12)							—	2243.19
Previous Year	5337.69	80.58 (442.29)	4975.98	3782.31	153.74 (439.93)	3496.12	1089.92	3723.05

**SCHEDULE : 5
INVESTMENTS**

	No. of Shares	Face Value per Share Rs.	Rs. Lakhs	
			As at 31-3-2008	As at 30-9-2009
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				
In Government Securities #			0.12	0.12
TRADE				
Fully paid cumulative Redeemable Preference Shares in S V Sugar Mills Ltd	20750000	10	—	2075.00

SCHEDULE : 5 (Contd.)

	No. of Shares Rs.	Face Value per Share	Rs. Lakhs		As at 31-3-2008	Additions / Deductions	As at 30-9-2009
			As at				
B) AT DIRECTOR'S VALUATION							
NON-TRADE							
Fully paid Equity shares :							
Tamilnadu Chromates & Chemicals Limited							
	30000	10			0.01		0.01
Adyar Property Holding Co. Ltd.**							
	810	100			0.01		0.01
					<u>4.16</u>	<u>2075.00</u>	<u>2079.16</u>
# Includes Securities on deposits with Government authorities							
** Paid up per share Rs. 65							
					Cost	Market Value / Book Value	
Quoted					4.02	113.20	
Unquoted					2075.14	2075.14	
					<u>2079.16</u>	<u>2188.34</u>	

SCHEDULE : 6

CURRENT ASSETS, LOANS & ADVANCES :

(a) Inventories :

Stock-in-Trade

(i) Land & Buildings at market value (Note 4 in Schedule 12)

2040.54

2040.54

(ii) Other stocks

Raw Materials at cost

Finished Stocks at lower of cost and net realisable value

55.65

65.35

W.I.P. Engg. Contracts at cost

47.71

55.65113.06

Stores and Spare Parts

(At the lower of cost and net realisable value)

2.90

19.80

TOTAL

2099.092173.40

(b) Sundry Debtors-unsecured over six months

Considered Good

191.44

257.90

Considered Doubtful

0.00

724.04

191.44981.94

Other debts : Considered Good

214.23

211.70

405.671193.64

LESS : Provision for Doubtful Debts

0.00

724.04

TOTAL

405.67469.60

SCHEDULE : 6 (Contd.)	30th Sept. 2009	Rs. lakhs	31st March 2008
		As at	
c) Cash and Bank Balances :			
Cash	6.54		7.37
With Scheduled Banks on :			
Current Account	388.73	168.32	
Margin Money Deposit Account	188.56	189.03	
Fixed Deposit Account	117.64		
	<u>694.93</u>		<u>357.35</u>
	<u>701.47</u>		<u>364.72</u>
(d) Other current assets: (Interest accrued)	<u>0.18</u>		<u>0.18</u>
(e) Loans and Advances and deposits - unsecured :			
Advances recoverable in cash or in kind or for value to be received :			
Considered Good	6158.54		1349.74
Considered doubtful	90.40		257.68
	<u>6248.94</u>		<u>1607.42</u>
Balances with Customs, Port trust, Railways & Excise authorities	<u>111.75</u>		<u>111.80</u>
	<u>6360.69</u>		<u>1719.22</u>
Less : Prov. for Doubtful Advances / Deposits	<u>90.40</u>		<u>257.68</u>
	<u>6270.29</u>		<u>1461.54</u>

SCHEDULE : 7 CURRENT LIABILITIES AND PROVISIONS

(a) Liabilities			
Sundry creditors :			
Voluntary Retirement Scheme	336.08		357.62
Deferred Sales tax liability	755.86		755.86
Sales tax liability under deferral	196.62		205.78
Others	2561.43		1871.39
Customer credit balance	351.45		233.92
Provisions for gratuity	71.10		67.55
Provisions for Leave encashment	8.18		6.00
	<u>4280.72</u>		<u>3498.12</u>
(b) Provisions for :			
Wealth tax		8.86	
Fringe benefit tax	0.02	11.66	
	<u>0.02</u>		<u>20.52</u>
	<u>4280.74</u>		<u>3518.64</u>

SCHEDULE : 8 ACCRETION TO STOCK :

		Period ended 30th Sept. 2009	Year ended 31st March 2008
Opening stock			
Stock-in-trade		57.36	
Traded Goods	65.35	59.04	
Work in progress	<u>47.71</u>	<u>113.06</u>	<u>116.40</u>
Closing Stock :			
Stock-in-trade		65.35	
Traded Goods	55.65	47.71	113.06
Work in progress		<u>55.65</u>	<u>113.06</u>
		<u>(57.41)</u>	<u>(3.34)</u>

	Rs. lakhs	
	Period Ended 30th Sept. 2009	Year Ended 31st March 2008
SCHEDULE : 9		
OTHER INCOME :		
Dividend	2.70	1.05
Interest	47.60	22.82
Release of surplus provision for doubtful debts & advances		1.11
Rent	695.72	275.74
Miscellaneous Income	331.26	25.81
Profit on sale of machinery	597.19	677.16
	<u>1674.47</u>	<u>1003.69</u>
SCHEDULE : 10		
EMPLOYEES COST		
Salaries, Wages and Bonus	246.12	159.45
Contribution to Provident and other Funds	27.95	23.85
Retirement Benefits		
Gratuity	12.69	26.12
Pension	0.08	0.08
	<u>12.77</u>	<u>26.20</u>
Welfare Expenses	21.05	14.56
	<u>307.89</u>	<u>224.06</u>
SCHEDULE : 11		
OTHER COSTS:		
Power and Fuel	89.98	77.49
Rent	9.14	9.73
Rates and Taxes	479.01	52.66
Insurance	24.09	27.53
Repairs to:		
Buildings	65.12	21.17
Machinery	27.04	18.27
Vehicles & others	0.02	0.04
	<u>92.18</u>	<u>39.48</u>
Auditors Remuneration:		
Audit Fee	7.30	5.16
Tax Audit Fee	4.70	4.16
Taxation Matters	7.25	
Fee for Certification	0.20	0.28
	<u>19.45</u>	<u>9.60</u>
Selling Expenses	34.32	33.28
Cash Discount	45.70	42.88
Advertisement	0.99	2.21
Bank charges	1.98	1.42
Provision for Doubtful Debts and Advances	—	2.74
Bad Debts/Advances Written Off	891.32	—
Less : Adjusted Against Provision	891.32	—
Miscellaneous Expenses	247.08	237.59
Loss on Sale of Fixed Assets	1450.82	0.16
Security Charges - Outside Party	96.35	—
Legal Expenses	82.17	—
Telephones	0.42	—
	<u>2673.68</u>	<u>536.77</u>

SCHEDULE 12**ACCOUNTING POLICIES & NOTES ON ACCOUNTS****Accounting Policies****a) Going Concern****Subsidiary Company**

- i) BIFR initially sanctioned a Scheme on 22/10/2003. BIFR issued an order dated 26/12/2006, citing their order dated 04/08/2005 & 07/08/2005 that the company is out of BIFR, which was challenged before Hon'ble High Court of Madras by employees union. Then Hon'ble High Court of Madras issued directions to BIFR vide order dated 07/09/2007 to consider the employees union representations. The BIFR after hearing the employees' union representations gave their directions vide their order dated 13/03/2008 to the effect that the BIFR will continue to monitor the implementation of the scheme, modify the sanctioned scheme if required, and that the company shall not dispose off any of its assets. On 28/05/2008, the company had entered into MOU with two employees unions for settlement of disputes and the labour unions agreed to withdraw all their applications / petitions filed before BIFR / AAIFR and other authorities. The company filed appeal against the above order before AAIFR. AAIFR issued order dated 05/06/2008 setting aside the order of BIFR dated 13/03/2008 and directing BIFR to consider application of the company for deregistration from the purview of SICA. Meantime, the High Court vide their order dated 07/08/2008 "made it clear that the company is ceased to be a sick industrial undertaking with effect from 30/09/2005". There are no other developments. The networth of the Company as on 30.09.2009 has become positive and the accounts are prepared on a "Going Concern Principles".

b) Basis of Consolidation

The financial statements are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial statement as laid down under Accounting Standard – 21. Consolidated financial statements are prepared using uniform accounting policies.

c) Fixed Assets

- i. Fixed Assets are stated at cost. Cost comprises of Cost of acquisition inclusive of duties and cost of installation / erection and interest on borrowings for qualifying fixed assets, upto the date the assets is put to use, as applicable.
- ii. Assets acquired under hire purchase agreements are capitalized and finance charges thereon are expensed over the period of agreements.
- iii. Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act, 1956.

d) Inventories

- i Land and buildings held as stock-in-trade for property development are stated at market values as at 31st March 1996.
- ii Raw materials, stores and spare parts, finished and process stocks are valued at lower of cost and net realizable value. Cost is arrived at weighted average costs.
- iii Works-in-Progress are valued at lower of cost and net realizable value.
- iv Tool and Equipment are amortized over a period of four year commencing from the year after capitalization.

e) Revenue Recognition

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

Sales are inclusive of Excise Duty, in respect of Engineering Contracts, income recognised on proportionate basis with respect to progressive bills. Agency commission is recognized on accrual basis. Income on container freight services are recognized on completion of operation and direct expenses related to sales are proportionately accounted.

f) Deferred Revenue Expenditure

Non-recurring expenditure yielding benefit beyond the accounting year is amortized over the period during which the benefit is expected to endure.

g) Investments

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

h) Retirement Benefits

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

i) Lease Rentals

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

j) Foreign Currency Transaction / Translation

Transactions in foreign currency are recorded at exchange rates prevailing on the date of transactions and realized exchange loss or gain are dealt with in Profit & Loss account or capitalized where they relate to Fixed Assets. Current Assets and Current Liabilities are converted at the year-end exchange rates and exchange losses / gains are dealt with in Profit & Loss account or adjusted in cost of Fixed Assets.

(k) Segment Reporting

The accounting policies adopted for segmental reporting are in line with the accounting policies of the company with the following additional policies.

Inter segment revenues have been accounted on the basis of prices charged to external customers.

Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated corporate expenses".

(l) 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.

(m) Cash Flow Statement

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

(n) Earnings Per Share

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

(o) Provision for Taxation

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

(p) Impairment of Assets

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

(q) 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 resource 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.

(r) Information on consolidated financial statements of Binny Limited as per AS-21

a. Subsidiary included in consolidated financial statements.

Name of the Subsidiary	Country of Incorporation	Share in Ownership	Shares held by
Binny Engineering Limited	India	100%	Binny Limited

b. Consolidation is done based on the audited financials of the above subsidiary as on 30/09/2009.

Notes of Accounts

1. BIFR initially sanctioned a Scheme on 22/10/2003. BIFR issued an order dated 26/12/2006, citing their order dated 04/08/2005 & 07/08/2005 that the company is out of BIFR, which was challenged before Hon'ble High Court of Madras by employees union. Then Hon'ble High Court of Madras issued directions to BIFR vide order dated 07/09/2007 to consider the employees union representations. The BIFR after hearing the employees union representations gave their directions vide their order dated 13/03/2008 to the effect that the BIFR will continue to monitor the implementation of the scheme, modify the sanctioned scheme if required, and that the company shall not dispose off any of its assets. On 28/05/2008, the company had entered into MOU with two employees unions for settlement of disputes and the labour unions agreed to withdraw all their applications, / petitions filed before BIFR / AAIFR and other authorities. The company file appeal against the above order before AAIFR. AAIFR issued order dated 05/06/2008 setting aside the order of BIFR dated 13/03/2008 and directing BIFR to consider application of the company for deregistration from the purview of SICA. Meantime, the High Court vide their order dated 07/08/2008 "made it clear that the company is ceased to be a sick industrial undertaking with effect from 30/09/2005". As on the date there are no other developments / disputes on this issue.

2. Unsecured Loans

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. Out of this sum, during the year, a sum of Rs. 58.85 Crores is converted to Cumulative Redeemable Preference Share Capital. The balance outstanding as on 30/09/2009 is Rs.5.86 Lakhs. The breakup of loan outstanding as at 30/09/2009 from the individuals and the group companies related to promoter group is under reconciliation. The confirmation of balances for the same is also under process.

3. Capital Work-in-Progress represents

(Expenditure under Projects on hold will be put to use / shifted to new location as and when the necessary formalities are completed)

(i) Cost of imported machinery under Letter of Credit for B&C mills yet to put to use

30-09-2009	31-03-2006
Rs. Lakhs	Rs. Lakhs
21.01	1304.00

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	30-09-2009 Rs. Lakhs	31-03-2008 Rs. Lakhs
(ii) Interest on devolved LC capitalized (net of waiver under BIFR order)	203.20	203.20
(iii) Capital advances & Work-in-Progress	1543.33	1543.33
	<u>1767.54</u>	<u>3050.53</u>
LESS: Provision for Impairment Loss	1767.54	807.34
	<u>—</u>	<u>2243.19</u>
<p>1. In accordance with Note 1(d) (i) of the Accounting Policies herein, Land and Buildings held as stock-in-trade for property development were restated at market values as on 31st March 1996. The cumulative notional appreciation in the value of land and buildings held as stock-in-trade taken credit for in the Profit and Loss Account of earlier years is Rs.782.54 Lakhs (Rs.782.54 Lakhs).</p> <p>2. As per policy of providing for doubtful debts / advances the company has so far provided a sum of Rs. 891.32 Lakhs (Rs. 891.32 Lakhs) for debts which have remain uncollected. The management has decided to write off these doubtful debts and advances remain for long time and the Doubtful Debts and Advances as at 30 September 2009, Rs. 891.32 Lakhs has been considered as Bad Debts and written off against the provision held. There is no impact on the result of the Company for current period.</p> <p>3. No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief/ succeeding the appeals:</p> <p>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</p> <p>b. Estimated belated payment surcharge on above up to 30/09/2009</p> <p>c. Customs duty demand in respect of Import of Machinery, Additional customs duty due to non-fulfillment of export obligation under EPCG Licence as per revised demand dated 12.10.2006 High Court of Madras vide its order dated 29/09/2006 has stayed the demand</p> <p>d. Wealth Tax demands including interest under 31(2) under appeal for assessment years 1993-1994 to 2001-2002 & 2003-2004 were set aside by HHCM vide its order dated 24/03/2009 and remanded back to Assessing Officer for fresh assessment. For 2002-2003, the demand for Rs. 298.24 Lakhs is disputed with CIT, pending appeal the department has collected a sum of Rs. 241.84 Lakhs from company's receivables as on 30th September 2009, Balance outstanding is:</p> <p>e. Sales Tax / Entry Tax demand under appeal for assessment Includes dues of BEL The demand notices are issued in the name of Binny, Since BEL was a unit of Binny Limited)</p> <p>f. Claim for back wages in respect of various disputes, including in Liability if any respect of workmen which are pending before the Courts and not ascertainable Industrial Tribunal in respect of BWM, Bangalore units</p> <p>g. Damages for belated payments of Provident fund, Superannuation fund and ESI contribution Company approached PF and ESI authorities to consider waiving of damages including penalty for belated payment of contributions. Respective authorities have recommended to Central Board of Trustees/ Director, ESI for waiver of the same.</p> <p>h. Bangalore Mill Property Tax under dispute (Rs. 386.88 lakhs) Out of above, Rs. 252.75 Lakhs has been paid on 23.11.2009, after the Balance Sheet date.</p> <p>7. Other Moneys for which the company is contingently liable</p> <p>a. Outstanding guarantees and indemnities given by the company (excluding performance guarantees)</p> <p>b. Claims against the company not acknowledged as Debts</p> <p>c. Uncalled liability on partly paid shares held as investments</p> <p>d. Other claims from Customers Against these claims, the company also has counter claims aggregating Rs.1342.67 Lakhs (Rs.1342.67 Lakhs)</p> <p>e. Amount of interest received from Nizam Sugars Ltd. (NSL) is contingently liable in case the AP High Court decides the matter in favour of NSL. No provision is considered necessary in respect of the following as the Management is hopeful of getting relief / succeeding the appeals:</p> <p>f. TNGST and CST Sales tax demands under appeal for the assessment years 1996-97 (Dept. appeal) pending.</p>		
	117.50	117.50
	601.61	559.31
	590.90	566.01
	—	1276.71
	56.40	—
	748.18	713.82
		Liability if any not ascertainable
	282.81	282.69
	134.13	255.17
	9.58	9.78
	159.14	275.76
	0.28	0.28
	1212.44	1212.44
	52.37	52.37
	22.11	22.11

g) TNGST/CST – under dispute – appeal / revision	129.00	129.00
h) Excise Demands under Appeal	122.30	122.30
<p>8. In the year 1994, when the rehabilitation scheme was sanctioned by BIFR, deferral of sales tax commencing from the year 1994, payable in the next 5 years had been sanctioned for Binny Engineering Limited. The above exemption was valid only till 31.3.1999 and the company has sought for extension of the deferral for a further period of 5 years in the revised package submitted to Board for Industrial and Financial Reconstruction in August 2002. However, BIFR has delinked the Company from the rehabilitation scheme of Binny Limited. The deferred amount of Rs.755.86 Lakhs for the period 1994-95 to 1998-99 is yet to be remitted (Out of Rs. 755.86 Lakhs, Rs.214.03 Lakhs relates to 1994-95 in which period the Company was a division of Binny Limited).</p> <p>In addition, Sales Tax collections relating to September 1999 to March, 2005 amounting to Rs.193.49 Lakhs and Bihar Sales Tax collection amounting to Rs. 3.14 Lakhs relating to the period September 1996 to March 2002 is pending remittance.</p>		
<p>9. Balances in Sundry Debtors, Sundry Creditors, Loans and Advances and other current assets are subject to confirmation / reconciliation. However, in the opinion of the Management, all current assets, debtors and loans / advances would in the ordinary course of business realize the value stated.</p>		
<p>10. Sundry Creditors outstanding Rs.934.24 Lakhs as on 30/09/2009 include dues to creditors other than Micro, Small and Medium Enterprise. There is no principal or interest due or unpaid thereon to any suppliers of Micro, Small and Medium Enterprise as at year end.</p>		
<p>11. The Company has provided for loss on account of impairment of assets as required by AS 28 during the year. The total impairment loss provided for the year is Rs. 915.00 Lakhs (Rs. 403.69 Lakhs) and the cumulative impairment loss as on 30/09/2009 is Rs. 1767.54 Lakhs.</p>		
<p>12. No provision for income tax is considered necessary for the year in view of current year loss and brought forward losses. Provision for FB is made as per IT Act. The wealth tax department has issued notices for assessment year 2004-2005 to 2008-2009 and the Company has filed nil Wealth Tax returns as in previous years.</p>		
<p>13. Extra-ordinary items comprise of:</p>		
Interest received from insurance	—	114.00
Credit balances written back due to one time settlement	2.42	2.62
	2.42	116.62
Less: VRS Compensation	656.20	81.85
	653.78	34.77
<p>14. (a) Arrears of 9.75% Cumulative Preference dividend for the period 15.6.1998 to 30.06.2006</p>		
	46.12	46.12
<p>(b) Arrears of 9.75% Cumulative Preference dividend for the period 01.07.2006 to 30-09-2009</p>		
	18.63	10.03
<p>(c) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 30.09.2009</p>		
	6457.08	3592.50
<p>15. The Executive Chairman has waived his remuneration for the period from 11.01.1998 to 30.09.2009.</p>		
<p>16. Miscellaneous expenses including sitting fees paid to Non-executive independent Directors</p>		
	0.09	0.07
<p>17. Earnings in Foreign Exchange</p>		
	NIL	NIL
<p>18. During the year the loan from promoters group has been reconciled to the extent of Rs. 2,499 Lakhs. Upon reconciliation for the amount given as advance to Associate Company, an agreement for sale of property was entered into. Further during the year the Company has advanced a sum of Rs. 2552 Lakhs for purchase of property at Pondicherry pending completion of formalities / documentation the advances given are shown under Loans & Advances.</p>		
<p>19. Outstanding Capital Commitments as on 30 September 2009 Rs. 642.73 Lakhs (Nil)</p>		
<p>20. Related Party Disclosure</p>		
<p>(a) List of Related Parties</p>		
<p>(i) Parties where control exists</p>		
<p>Subsidiary</p>		
<p>Binny Engineering Limited</p>		
<p>(ii) Other related Parties with whom transactions have taken place during the year</p>		
<p>Associates</p>		
<p>S. V. Sugar Mills Ltd</p>		
<p>The Thirumagal Mills Ltd</p>		
<p>Mohan Breweries & Distilleries Ltd</p>		
<p>TCP Limited</p>		

(iii) Key Management Personnel

Mr. M. Ethurajan
 Mr. M. E. Shanmugam
 Mr. M. Nandagopal
 Mr. V. R. Venkataachalam
 Mr. Natarajan Nandagopal
 Mr. Arvind Nandagopal

(b) Transactions with related parties

(Rs. in Lakhs)

Sales and Other Income

Associates

5.08

Purchase of Finished Goods

(7.94)

Rendering of Services

(91.37)

32.86

(24.41)

Outstanding balances as on 30/09/2009

(Rs. in Lakhs)

Debtors

35.11

(81.49)

Loans & Advances

2499.00

(Nil)

Creditors

—

(793.85)

investments

2075.00

(NIL)

21. Segment Reporting

(Figures as at 30.09.2009)

	Textiles 2008-2009	Properties 2008-2009	Services 2008-2009	Engineering 2008-2009	Total 2008-2009
I. REVENUE					
External Sales	649.24	-	15.12	7.90	672.26
Total Revenue	649.24	-	15.12	7.90	672.26
2. RESULTS					
Segment Results	(2999.28)	28.38	1144.85	610.18	(1215.87)
Unallocated Expenditure	-	-	-	-	324.82
Interest Expenses	-	-	-	-	-
Interest and Sividend Income	-	-	-	-	50.30
Profit / (Loss) from ordinary Activities	-	-	-	-	(1490.39)
Extraordinary Item	654.00	-	-	(0.22)	653.78
Profit for the Year	-	-	-	-	(2144.17)
3. OTHER INFORMATION					
Segment Assets	1097.04	2387.04	2514.73	2266.42	8265.23
Unallocated Assets	-	-	-	-	4380.55
Total Assets	-	-	-	-	12645.78
Segment Liabilities	1960.34	-	533.95	1796.98	4291.27
Unallocated Liabilities	-	-	-	-	45.33
Extraordinary Item	-	-	-	-	-
Total Liabilities	-	-	-	-	4336.60
Capital Expenditure	-	-	-	-	68.65
Depreciation	67.83	1.72	31.60	10.63	111.78
Unallocated Corporate Depreciation	-	-	-	-	3.34

Notes relating to segment

(i) Business Segments

The company has considered business segments as the primary segment for disclosure. The business segments are textiles, services and real estate. Textile segment comprise of Trading and Manufacturing. Services consist of Agencies, Shipping and Container Freight Station activities.

(ii) Geographical Segments

The geographical segments considered for disclosure are India and Rest of the World. All the manufacturing facilities and sales offices are located in India. There are no sales to the rest of the world.

(iii) Segmental Assets includes all operating assets used by respective segment and consists principally of Operating Cash, Debtors, Inventories and Fixed Assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consists primarily of creditors and accrued liabilities. Segment Assets and Liabilities do not include Income Tax, Assets and Liabilities.

22. Earnings per Share:

Particulars	Before extra ordinary item		After extra ordinary item	
	2009	2008	2009	2008
Profit available to Equity Share holders used as Numerator - (A) (Rs. in Lakhs)	(1490.39)	363.04	(2144.17)	397.81
Number of Shares outstanding	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Weighted Average Number of shares outstanding - (B)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Effect of dilution (C)	NIL	NIL	NIL	NIL
Weighted Average No. of Equity Shares including potential shares - (D)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Basic) - (A*1,00,000 / B) in Rs.	(6.68)	1.63	(9.61)	1.78
Earnings per share (Diluted) - (D*1,00,000 / D) in Rs.	(6.68)	1.63	(9.61)	1.78

23. To comply with the accounting standard 22 Accounting for Taxes on income the company reviewed the deferred tax assets and liabilities. The timing difference relates mainly to depreciation and carry forward losses for the period up to 30-9-2009 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.

24. As per actuarial valuation as on 30.9.2009 and recognized in the financial statements in respect of employee benefit schemes as require under AS 15 (R) are as under:

Particulars	Gratuity Unfunded		Long Term Compensated Absence Unfunded	
	30.9.2009	31.3.2008	30.9.2009	31.3.2008
(i) Assumptions	%		%	
Discount Rate - Previous Period	7.90	8.10	7.90	8.10
Discount Rate - Current Period	7.50	7.90	7.50	7.90
Rate of Return on Plan Assets - Previous Period	N.A.	-	N.A.	-
Rate of Return on Plan Assets - Current Period	N.A.	-	N.A.	-
Salary Escalation - Previous Period	4.00	4.00	4.00	4.00
Salary Escalation - Current Period	4.00	4.00	4.00	4.00
Attrition Rate - Previous Period	5.00	5.00	5.00	5.00
Attrition Rate - Current Period	5.00	5.00	5.00	5.00
	Rs. in 000s	Rs. in 000s		
(ii) Table Showing Change in Benefit Obligation				
Liability at the beginning of the Period	6716	6604	600	658
Interest Cost	704	448	64	044
Current Service Cost	516	301	151	108
Benefit Paid	(914)	(1861)	(69)	(208)
Actuarial (Gain) / Loss on obligations	49	1224	72	(002)
Liability at the end of the Period	7071	6716	818	600

(iii) Tables of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the Period	N.A.	-	N.A.	-
Expected Return on Plan Assets	N.A.	-	N.A.	-
Contributions	914	1861	69	208
Benefit Paid	914	(1861)	69	(208)
Actuarial gain / (loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the Period	N.A.	-	N.A.	-
Total Actuarial Gain / (Loss) to be recognized	-	-	-	-
(iv) Actual Return on Plan Assets				
Expected Return on Plan Assets	N.A.	-	N.A.	-
Actuarial gain / (loss) on Plan Assets	N.A.	-	N.A.	-
Actual Return on Plan Assets	N.A.	-	N.A.	-
(v) Amount Recognized in the Income Statement				
Liability at the end of the Period	7071	6716	818	600
Fair value of Plan Assets at the end of the Period	-	-	-	-
Difference	7071	6716	818	600
Amount Recognized in the Balance Sheet	(7071)	6716	(818)	600
(vi) Amount Recognized in the Income Statement				
Current Service Cost	516	301	151	108
Interest Cost	704	448	64	044
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain) / Loss to be Recognized	49	1224	72	(002)
Expense Recognized in Profit & Loss A/c	1269	1973	287	15
(vii) Amount Recognized in the Balance Sheet				
Opening Net Liability	6716	6604	600	658
Expense as above	1269	1973	287	150
Employers Contribution paid	(914)	(1861)	(69)	(208)
Closing net Liability	7071	6716	818	600

15. Sundry debtors include a sum of Rs. 82.35 lakhs being overdue for more than one year in BEL. However, no provision has been made. According to the management, all this debts are recoverable in the ordinary course of business.

16. The figures in brackets relate to previous year.

17. Current period figures are for 18 months and hence not comparable with those of the previous accounting year of 12 months.

1. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

As Per our Report of even date
for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
17th November 2009

R. THIRUMALMARUGAN
Partner
Membership No. 200102

BINNY

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30th SEPTEMBER 2009

	Period Ended 30.09.2009	Year Ended 31.03.2009
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	(2,144.17)	397.8
Adjustments for:		
Extraordinary Items / Withdrawal of revaluation reserve		
Depreciation	115.12	153.74
Impairment Loss	915.00	403.65
Dividend Income	(2.70)	(1.05)
Interest Earned	(48.03)	(22.82)
Provision for Doubtful Debts & Advances	—	2.74
Profit on sale of fixed assets	(597.19)	(677.00)
Loss on sale of fixed assets	1,450.82	—
Release of surplus provision for Bad & Doubtful debts	—	(1.11)
Operating Profit before working Capital changes	<u>(311.15)</u>	<u>256.00</u>
(Increase) / Decrease in Trade and other Receivables	36.61	(100.98)
(Increase) / Decrease in Inventories	74.31	9.56
(Increase) / Decrease Other Current Assets	—	(0.03)
(Increase) / Decrease Loans & Advances	(2,293.73)	(737.80)
Increase / (Decrease) in Current Liabilities	773.60	(124.56)
Increase / (Decrease) in Employee Benefits Payable	—	(25.46)
Net Cash from Operating activities	<u>(1,720.36)</u>	<u>(723.27)</u>
B Cash flow from Investing activities		
Purchase of Investment	(2,075.00)	—
Sale of Fixed Assets	818.14	679.35
Purchase of Fixed Assets (Including Capital WIP)	(68.76)	(82.30)
Interest received	48.03	22.82
Dividend received	2.70	1.05
Net Cash from investing activities	<u>(1,274.89)</u>	<u>620.92</u>
C Cash flow from financing activities		
Preference Shares	3,332.00	75.79
Net Cash from financing activities	<u>3,332.00</u>	<u>75.79</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	336.75	(26.56)
Cash and cash equivalent as at the beginning of the period	<u>364.72</u>	<u>391.28</u>
Cash and cash equivalent as at the end of the period	<u>701.47</u>	<u>364.72</u>

Supplementary Information

Non cash item of Rs. 2,503 Lakhs (PY. 424.21 Lakhs) adjusted for Decrease in Loans converted to Preference Shares and Loans and advances

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G. VENKATARAMAN
Company Secretary

As Per our Report of even date
for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
27th November 2009

R. THIRUMALMARUGAN
Partner

BINNY ENGINEERING LIMITED

ANNUAL REPORT - SEPTEMBER 2009

18 months

Chairman

Auditors

Bankers

Registered Office

DIRECTORS

M. Ethurajan

M. Nandagopal

S. Natarajan

M.E. Shanmugam

V.R. Venkataachalam

CNGSN & ASSOCIATES

20, Raja Street,

T. Nagar, Chennai - 600 017.

Canara Bank

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

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

Plant at:
Meenambakkam
Chennai 600 114.

BINNY ENGINEERING LIMITED

DIRECTORS REPORT

Your Directors place their Fourteenth Annual Report on the performance of the company together with the Audited Accounts of the company for the eighteen months period ended 30th September 2009.

FINANCIAL RESULTS

	For the 18 months period ended 30.9.2009	For the year ended 31.3.2008
	Rs. In Lakhs	Rs. In Lakhs
Income from Operation	7.90	132.13
Profit before interest & Depreciation	620.91	674.82
Interest and Finance charges	—	—
Depreciation	10.63	10.34
Extraordinary Income (Expenditure)	0.22	2.56
Net Profit / Loss for the period	610.50	667.04
Carried to Balance Sheet	(2451.73)	(3062.23)

BIFR

BIFR initially sanctioned a Scheme on 22/10/2003. BIFR issued an order dated 26/12/2006, citing their order dated 04/08/2005 & 07/08/2005 that the company is out of BIFR, which was challenged before Hon'ble High Court of Madras by employees union. Then Hon'ble High Court of Madras issued directions to BIFR vide order dated 07/09/2007 to consider the employees union representations. The BIFR after hearing the employee union representations gave their directions vide their order dated 13/03/2008 to the effect that the BIFR will continue to monitor the implementation of the scheme, modify the sanctioned scheme if required, and that the company shall not dispose off any of its assets. On 28/05/2008, the company had entered into MOU with two employees unions for settlement of disputes and the labour unions agreed to withdraw all their applications/petitions filed before BIFR / AAIFR and other authorities. The company filed appeal against the above order before AAIFR. AAIFR issued order dated 05/06/2008 setting aside the order of BIFR dated 13/03/2008 a directing BIFR to consider application of the company for deregistration from the purview of SICA. Meantime, the High Court vide their order dated 07/08/2008 "made it clear that the company is ceased to be a industrial undertaking with effect from 30/09/2005". There are no other developments. The networth of the Company as on 30.09.2009 has become positive and the accounts are prepared on a "Going Concern Principle

DIVIDEND

Your Directors do not recommend any dividend for the year.

DEPOSITS

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

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

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

The particulars required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 are not applicable as none of the employee's coming under the purview of that section.

DIRECTORS

Mr.M.Ethurajan and Mr. M.Nandagopal retire by rotation and are eligible for reappointment.

DIRECTORS CLARIFICATION TO THE AUDITOR'S REPORT

A) Auditor Report

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

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

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

4(F) iv & v The Company would take appropriate steps to collect over due book debts and also to confirm the balances.

B) Annexure To The Auditors Report

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

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

AUDITORS

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

STATUTORY REQUIREMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. That in the preparation of annual accounts for the 18 months period ended 30th September, 2009 the applicable accounting standards had 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 affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- 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 18 months period ended 30th September, 2009 on 'going concern' basis.

PERSONNEL

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

ACKNOWLEDGEMENTS

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

BY ORDER OF THE BOARD

M. ETHURAJAN
CHAIRMAN

Chenn
27th November 2009

ANNEXURE - I

		FORM "A"		Form "B"	
		Current Period	Previous Year	A. CONSERVATION OF ENERGY	
A)	Power and Fuel Consumption			Reduced the demand from 720 KVA to 400 KVA	
1.	Electricity				
a)	Purchased Units (lakhs)	1.43	1.70		
	Total amount (Rs. lakhs)	19.48	28.77		
	Rate/Unit Rs.	13.62	16.92		
b)	Own Generation				
i)	Through Diesel Generator (Unit)	Nil	Nil		
	Unit per ltr of Diesel oil	Nil	Nil		
	Cost/Unit (Rs.)	Nil	Nil		
ii)	Through Steam	Nil	Nil		
	Turbine/Generator Units (lakhs)	Nil	Nil		
iii)	Units per ltr of fuel oil/Gas Cost/Unit	Nil	Nil		
2.	Coal (Specify quantity and where used) (Tonnes) (Qty)				
	Qty. (Tonnes)	Nil	Nil		
	Total Cost (Rs. lakhs)	Nil	Nil		
	Average Rate (Rs.)	Nil	Nil		
3.	Furnace oil Qty. (K. Ltrs)				
	Qty. (K. Ltrs)	Nil	Nil		
	Total amount (Rs. lakhs)	Nil	Nil		
	Average Rate (Rs.)	Nil	Nil		
B.	Consumption per unit of production	This division is a jobbing industry and hence consumption per unit of production is unascertainable	This division is a jobbing industry and hence consumption per unit of production is unascertainable		

REPORT OF THE AUDITORS TO THE MEMBERS OF BINNY ENGINEERING LIMITED

1. We have audited the attached Balance Sheet of BINNY ENGINEERING LIMITED as at 30th September 2009, the Profit & Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph above, we report that:-
 - (A) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of audit.
 - (B) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
 - (C) The Balance Sheet, Profit & 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 & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (E) On the basis of the written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th September 2009 from being appointed as a Director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (F) Attention is invited to the following material matters:
 - i. Non-Provision for sales tax demands under appeal amounting to Rs.22.11 lakhs (Note No.4 (a)(1))
 - ii. Non-Provision for TNGST/CST demand under appeal/revision amounting to Rs.129.00 Lakhs (Note No.4 (a) (2))
 - iii. Non-Provision for excise demands under appeal of Rs.122.30 lakhs (Note No: 4(b))
 - iv. Treatment of overdue debts of Rs.82.35 lakhs referred in Note No.6 as good and recoverable.
 - v. Non-Confirmation of balances referred to in Note No. 7
 Without considering items mentioned in paragraph 4(F) (iv) and (v) above, the effect of which could not be determined and hence we are unable to express an opinion on these matters. Had the observation made by us in 4(F)(i) to (iii) been considered, the net profit for the year would have been Rs.337.09 lakhs as against the reported net profit of Rs.610.50 lakhs and the accumulated losses would be Rs.2725.14 lakhs as against the reported accumulated losses amounting to Rs.2451.73 lakhs and the current liabilities would be Rs.2019.91 lakhs as against the reported current liabilities amounting to Rs.1746.50 lakhs.
 - (G) Subject to above, the said accounts, in our opinion and to the best of our information and according to the explanations given to us, read together with the accounting policies and notes thereon, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. in the case of the Balance Sheet, of the State of Affairs of the Company as at 30th September 2009;
 - ii. in the case of the Profit & Loss Account of the PROFIT of the Company for the period ended on that date.
 - iii. In the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

For CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : Chennai.
Date : 27/11/2009

R. Thirumalmarugan
Partner
Membership No.200102

ANNEXURE

Re: BINNY ENGINEERING LIMITED

referred to in paragraph 3 of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets have been physically verified during the period and no material discrepancies were noticed on such verification.
- (c) During the period, the Company has disposed off majority of fixed assets it is informed that the going concern of the company is not affected.
- ii) (a) As explained to us, inventories were physically verified during the period by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper record of its inventories and no material discrepancies were noticed on physical verification.
- iii) (a) The company has granted interest free loan to associate company, repayable on demand, a party covered in the register maintained under section 301 of the Companies Act, 1956. The number of party is one and the amount involved is 2.74 lakhs,
- (b) Neither the terms of repayment nor the interest rates to be received on the loans are specified in respect of the loans given to the associate company. Therefore we are unable to comment on whether the company is regular in recovering the principal amounts as stipulated and has been regular in receipt of interest and also any overdue is there.
- (c) The company has taken loans from its holding company. The total number of party is one and amount involved is Rs.46.36 lakhs.
- (d) Neither the terms of repayment nor the interest rates to be paid on the loans are specified in respect of the loans taken from the holding company. Therefore we are unable to comment on whether the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems
- (v) (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 arrangement have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period a defined under section 58A of the Companies Act, 1956.
- (vii) In our opinion, the company does not have an internal audit system to commensurate with the size and nature of its business.
- (viii) As per the information and explanations given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- (ix) (a) The company is depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance and income tax with some delays, wherever applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax etc., were in arrears, as at 30th September, 2009 for a period of more than six months from the date they became payable except for the following:-

Nature of Tax	Period	Amount
Sales tax	April 1994 to September 2007	952.48 lakhs
Professional Tax	April 2005 to September 2007	0.28 lakhs
TNLWB	September 2001 to March 2006	0.03 lakhs

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

Name of the Statute	Nature of the Dues	Amount (in lakhs)	Forum where dispute is pending
Tamil Nadu General Sales Tax Act	TNGST & Penalty	22.11	Tamil Nadu Taxation Special Tribunal
Central Excise & Customs Act	Excise Duty	122.30	Central Excise & Service Tax Tribunal
Employee State Insurance Act	Employee State Insurance	12.65	Madras High Court
TNGST / CST	TNGST / CST	129.00	CTO / Tribunal
Employees Provident Fund Act	Employees Provident Fund (Damages & Interest)	82.91	Madras High Court
Employees Provident Fund Act	Employees Provident Fund (Damages)	1.06	Central Board of EPF, New Delhi

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

For CNGSN & ASSOCIATE
CHARTERED ACCOUNTANTS

Place : Chennai.
Date : 27/11/2009

R. THIRUMALMARUGAI
Partner
Membership No.2001C

BINNY ENGINEERING LIMITED

BALANCE SHEET AS AT 30.09.2009

Sources of Funds	SCHEDULE	As At	
		30.09.2009	31.03.2008
		Rs. in lakhs	Rs. in lakhs
1. Shareholders' funds:	1		
Share Capital		2874.81	2874.81
2. Loan funds:			
a. Secured loans	2	—	—
b. Unsecured loans	3	96.36	123.68
		<u>2971.17</u>	<u>2998.49</u>
		=====	=====
I. APPLICATION OF FUNDS			
(1) Fixed Assets:	4		
(a) Gross Block		505.70	1103.19
(b) Less: Depreciation		433.30	1017.72
		<u>72.40</u>	<u>85.47</u>
(2) Investments	5	2075.00	—
(3) Current Assets, Loans and Advances:	6		
(a) Inventories		—	48.59
(b) Sundry Debtors		89.33	143.96
(c) Cash and Bank Balances		6.54	14.53
(d) Other Current Assets		0.10	0.10
(e) Loans and Advances		23.05	760.10
		<u>119.02</u>	<u>967.28</u>
		=====	=====
Less: Current Liabilities & Provisions	7		
(a) Current Liabilities		1746.56	1115.94
(b) Provisions		0.42	0.55
		<u>1746.98</u>	<u>1116.49</u>
		=====	=====
Net Current Assets		(1627.96)	(149.21)
Profit & Loss Account		2451.73	3062.23
		<u>2971.17</u>	<u>2998.49</u>
		=====	=====
Notes on Accounts	13		

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30.09.2009

SCHEDULE	Period Ended		Year Ended
	30.09.2009	31.03.2008	31.03.2008
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
INCOME			
Gross Sales	12	7.90	143.51
Less:- Excise Duty		0.00	(11.38)
		<u>7.90</u>	<u>132.13</u>
Net sales		7.90	132.13
Accretion/(Decretion) to Stock	8	(47.71)	(11.33)
Other Income	9	737.35	679.08
		<u>697.54</u>	<u>799.88</u>
		=====	=====
EXPENDITURE			
Raw Materials and other Direct Materials	12.1	0.00	16.99
Consumed			
Employees Cost	10	11.07	32.19
Other Costs	11	65.56	75.88
		<u>76.63</u>	<u>125.06</u>
		=====	=====
Profit/(loss) before Interest & Depreciation		620.91	674.82
Less : Depreciation		10.63	10.34
		<u>610.28</u>	<u>664.48</u>
		=====	=====
Profit/(Loss) for the Year		610.28	664.48
Extraordinary Income/(Expenditure) (Refer note 2)		0.22	2.56
		<u>610.50</u>	<u>667.04</u>
		=====	=====
Profit/(loss) after Extraordinary Income		610.50	667.04
Loss brought forward from the previous year		(3062.23)	(3729.27)
		<u>(2451.73)</u>	<u>3062.23</u>
		=====	=====
Loss carried to Balance Sheet		(2451.73)	3062.23
		=====	=====
Notes on Accounts	13		
Earnings per share- Basic and Diluted in Rs. (Face value of Rs.10)			
Before extra-ordinary items		2.12	2.31
After extra-ordinary items		2.12	2.32

Per our report of even date

Per our report of even date

M. Ethurajan
Director

M. E. Shanmugam
Director

For M/s. CNGSN & Associates
Chartered Accountants

A. Ethurajan
Director

M. E. Shanmugam
Director

For M/s. CNGSN & Associates
Chartered Accountants

R. THIRUMALMARUGAN
Partner
Membership No.200102

R. THIRUMALMARUGAN
Partner
Membership No.200102

Chennai
27th November 2009

Chennai
27th November 2009

BINNY ENGINEERING LIMITED

		As At			As At
SCHEDULE 1 Share Capital Authorised 300,00,000 Equity Shares of Rs.10 each (300,00,000 Equity Shares of Rs.10 each) Issued and Subscribed 287,48,100 Equity Shares of Rs.10 each fully paid (287,48,100 Equity Shares of Rs.10 each fully paid)	30.09.2009 Rs. in lakhs 3000.00 2874.81	31.03.2008 Rs. in lakhs 3000.00 2874.81		30.09.2009 Rs. in lakhs — 50.00 46.36 96.36	31.03.2008 Rs. in lakhs — 50.00 73.66 123.66

All the above Shares are held by Binny Limited the Holding Company and its Nominees.

SCHEDULE 4
Fixed Assets As At 30.09.2009

(Amount in Rs. Lakhs)

DESCRIPTION	C O S T			DEPRECIATION			NET BLOCK	
	AS AT 31.03.2008	ADDITION (DELETION)	AS AT 30.09.2009	AS AT 31.03.2008	ADDITION (DELETION) FOR THE YEAR	UPTO 30.09.2009	AS AT 30.09.2009	AS AT 31.03.2008
LEASE HOLD LAND	1.25	0.00	1.25	1.25	0.00	1.25	0.00	0.00
BUILDINGS	163.14	0.00	163.14	99.86	5.20	105.06	58.07	63.28
RAILWAY SIDINGS	1.15	(1.15)	0.00	1.15	(1.15)	0.00	(0.00)	0.00
MACHINARIES	836.47	(564.52)	271.95	825.61	2.27	266.12	5.83	10.86
					(561.76)			
COMPUTERS	26.53	0.12	26.64	25.97	0.46	26.43	0.21	0.56
A/C PLANT	6.08	0.00	6.08	3.67	0.36	4.03	2.05	2.41
ELEC. INSTALTN.	25.48	(7.92)	17.56	19.51	1.48	12.70	4.87	5.98
WATER COOLER	0.73	(0.73)	0.00	0.58	0.02	0.00	0.00	0.15
					(0.60)			
FURNITURE & FITTINGS	19.08	0.00	19.08	17.01	0.70	17.71	1.37	2.07
VEHICLES	23.28	(23.28)	0.00	23.12	0.14	0.00	0.00	0.16
					(23.26)			
TOTAL	1103.19	0.12	505.70	1017.72	10.63	433.30	72.40	85.47
		(597.60)			(595.06)			
PREVIOUS YEAR TOTAL	1541.62	2.15	1103.19	1446.16	10.34	1017.72	85.47	95.46
		(440.57)			(438.78)			

		As At	
SCHEDULE 5 Investments at - cost Non - trade Fully paid cum. Red. Pref. Shares in S.V. sugar Mills Ltd. 20750000 Shares of Rs. 10/- face value of each	30.09.2009 Rs. in lakhs 2075.00	31.03.2008 Rs. in lakhs 0.00	

C. Cash and Bank Balances :

Cash on Hand	0.14	0.91
With Scheduled Banks on :		
Current Account	1.07	7.74
Margin Money Deposit Account	5.33	5.81
	6.54	14.51

SCHEDULE 6
Current Assets, Loans and Advances

A. Inventories :		As At	
Raw Materials	0.00	0.00	
Work In Progress	0.00	47.71	
Stores and Spares	0.00	0.88	
Tools and Equipments	—	0.00	
	0.00	48.59	

D. Other Current Assets :

Interest Accrued	0.10	0.11
------------------	------	------

E. Loans and Advances - Unsecured :

Advances Recoverable in Cash or in kind or for Value to be Received		
Considered Good	17.14	749.51
Considered Doubtful	90.40	97.71
	107.54	847.31

B. Sundry Debtors - Unsecured :

Over Six Months :		
Considered Good	89.33	141.39
Considered Doubtful	0.00	394.98
	89.33	536.37
Other Debts: Considered Good	0.00	2.57
	89.33	538.94
<u>Less: Provision for Doubtful Debts</u>	0.00	394.98
	89.33	143.96

Less: Provision for Doubtful Advances

	90.40	97.71
	17.14	749.51
Deposits	5.91	10.5
	23.05	760.1

BINNY ENGINEERING LIMITED

	30.09.2009 Rs. in lakhs	As At 31.03.2008 Rs. in lakhs
HEDULE 7		
CURRENT LIABILITIES AND PROVISIONS		
(a) Current Liabilities :		
Sundry Creditors	648.48	127.91
Deferred Sales Tax liability	755.86	755.86
Unremitted Sales Tax Liability	196.62	205.78
Customers credit balance	145.60	26.39
	<u>1746.56</u>	<u>1115.94</u>
	=====	=====
(b) Provisions:		
Gratuity & V.R.S.Amount	0.39	0.39
Fringe Benefit Tax	0.03	0.16
	<u>0.42</u>	<u>0.55</u>
TOTAL	1746.98	1116.49
	=====	=====
	Period ended 30.9.2009	Year ended 31.3.2008

HEDULE 8		
Decretion to stock :		
Opening Work-In-Progress	47.71	59.04
Closing Work-In-Progress	0.00	47.71
	<u>(47.71)</u>	<u>(11.33)</u>
	=====	=====

HEDULE 9		
Other Income :		
Interest received on Margin money	0.10	0.40
Interest received on Security	0.43	0.40
Provision for Bad & Doubtful Debts and Advances no longer required	0.00	1.11
Miscellaneous Income (Scrap Sale)	167.73	
Profit on sale of Fixed Assets	569.09	677.16
	<u>737.35</u>	<u>679.07</u>
	=====	=====

SCHEDULE 10		
Employees cost :		
Salaries, Wages & Others	9.75	19.91
Contribution to Provident fund and other funds.	0.58	10.06
Gratuity	0.00	1.47
Pension	0.08	0.08
Welfare Expenses	0.66	0.67
	<u>11.07</u>	<u>32.19</u>
	=====	=====

SCHEDULE 11		
Other costs :		
Power and fuel	19.79	28.77
Rent	0.13	0.28
Rates and taxes	1.78	1.33
Insurance	0.00	1.08
Repairs & Maintenance :		
Buildings	3.22	0.59
Machinery	0.38	1.79
Vehicle & Others	0.02	0.04
Auditors Remuneration :		
Audit Fee	0.80	0.67
Tax Audit Fee	0.20	0.20
Out of pocket expenses	0.00	0.11
Advertisement	0.00	1.87
Bank charges	0.17	0.02
Provision for Doubtful Debts & Advances	0.00	2.74
Bad debts/Advances written off Rs.402.36 lacs		
Less : Adjusted against Provisions Rs.402.36 lacs	0.00	0.00
Legal expenses	18.29	12.25
Telephone	0.42	0.96
Travelling Expenses	0.41	0.31
Conveyance and Lunch	0.42	0.89
Inspection and Testing charges	0.00	0.04
Freight Inward	0.14	1.40
Security charges - outside party	13.71	7.39
Share issue expenditure	0.00	12.44
Miscellaneous expenses	5.68	0.71
	<u>65.56</u>	<u>75.88</u>
	=====	=====

HEDULE 12
Initiative Particulars :- CAPACITIES, PRODUCTION AND TURNOVER

ARTICULARS	UNIT	CAPACITY PER ANNUM		PRODUCTION	OPENING STOCK	CLOSING STOCK	TURNOVER PERIOD ENDED 30.09.2009	
		* LICENSED	* INSTALLED				QTY	VALUE
1) STEEL STRUCTURAL	M.T.	NOT APPLICABLE	4800 PER ANNUM	NIL	NIL	NIL	L/C [1]	1.89 (11.97)
2) CAST IRON CASTINGS	M.T.	NOT APPLICABLE	3000	NIL	NIL	NIL	L/C	6.01 (33.81)
3) RICE MILL MACHINERY	Nos.	—	240	NIL	NIL	NIL	NIL	NIL (5.24)
4) OTHERS		—	—	NIL	NIL	NIL	NIL	NIL (92.49)
TOTAL TURNOVER								7.90 (143.51)

CERTIFIED BY MANAGEMENT, NOT CAPABLE OF VERIFICATION BY AUDITORS

SCHEDULE 12.1

Raw Materials and other materials Consumed:

	For the Period 30.9.2009 Rs: in lakhs	-For the year 31.03.2008 Rs: in lakhs
1. Raw Materials consumed : (Steel)		
Imported		
Indigenous		2.94
2. Consumption of Stores & Spares		14.05
		16.99

SCHEDULE – 13

I. Significant Accounting Policies:

- a) BIFR initially sanctioned a Scheme on 22/10/2003. BIFR issued an order dated 26/12/2006, citing their order dated 04/08/2005 & 07/08/2005 that the company is out of BIFR, which was challenged before Hon'ble High Court of Madras by employees union. Then Hon'ble High Court of Madras issued directions to BIFR vide order dated 07/09/2007 to consider the employees union representations. The BIFR after hearing the employees' union representations gave their directions vide their order dated 13/03/2008 to the effect that the BIFR will continue to monitor the implementation of the scheme, modify the sanctioned scheme if required, and that the company shall not dispose off any of its assets. On 28/05/2008, the company had entered into MOU with two employees unions for settlement of disputes and the labour unions agreed to withdraw all their applications / petitions filed before BIFR / AAIFR and other authorities. The company filed appeal against the above order before AAIFR. AAIFR issued order dated 05/06/2008 setting aside the order of BIFR dated 13/03/2008 and directing BIFR to consider application of the company for deregistration from the purview of SICA. Meantime, the High Court vide their order dated 07/08/2008 "made it clear that the company is ceased to be a sick industrial undertaking with effect from 30/09/2005". There are no other developments. The networth of the Company as on 30.09.2009 has become positive and the accounts are prepared on a "Going Concern Principles".
- b) Considering the above, the financial statements are prepared under the historical cost convention and applicable mandatory accounting standards. Revenue is recognized on accrual basis with provisions made for known losses and expenses.
- c) **Fixed Assets and Depreciation:**
 - i. Fixed Assets are stated at cost. Cost comprises of Cost of acquisition inclusive of duties and cost of installation / erection and interest on borrowings for qualifying fixed assets as stipulated in the Accounting Standard No.16 on borrowing cost up to the date the assets is put to use, as applicable.
 - ii. Assets acquired under hire purchase agreements are capitalized and finance charges thereon are expensed over the period of agreements.
 - iii. Depreciation is provided on straight-line method in accordance with Schedule XIV of the Companies Act, 1956.
 - iv. Leasehold improvements are written off over the period of lease.
- d) **Investments:**
Investments meant to be held for long term are accounted at cost and at Management valuation.
- e) **Inventories:**
 - i. Raw materials and stores and spare parts are valued at lower of cost and net realizable value. Cost on weighted average.
 - ii. Work-in-Progress are valued at lower of cost and net realizable value.
 - iii. Tools and Equipments are amortized over a period of four years commencing from the year of capitalization.
- f) **Revenue Recognition:**
 - i. Sales are inclusive of Excise Duty.
 - ii. In respect of engineering contracts, income is recognized on proportionate basis with reference to Progressive Bills.
- g) **Retirement Benefits:**
There are no employees covered under Gratuity Act. All the employees have been settled and the existing employees are on retainer basis.
- h) **Foreign Currency Transaction / Translation:**
Transaction in Foreign Currency are recorded at exchange rates prevailing on the date of transaction and realized exchange loss or gain are dealt within profit and loss account or capitalized where they relate to fixed assets. Current assets and current liabilities are converted at the year end exchange rates and exchange losses / gains are dealt within the profit & loss account or adjusted in the cost of fixed assets.

2. Notes on Accounts:

The Assets which are not used and not utilized for earning income have been sold. The resultant profits on sale of assets are shown under other income. Extraordinary items of income / (expenditure) comprise of the following:

	Period ended 30.09.2009 (Rs. in Lakhs)	Year ended 31.03.2008
a) Credit Balance written back due to One Time Settlement	0.22	2.56
	0.22	2.56
3. Other moneys for which the company is contingently liable.		
a) Outstanding guarantees and indemnities	5.33	5.53
b) Claim for back wages in respect of various disputes, including disputes in respect of workmen which are pending before the Courts and Industrial Tribunal Liability if any, not quantifiable		Liability if any, not quantifiable
c) Disputed claim for delayed remittance of statutory dues where the appeals are pending before EPF Appellate Authority and Principal Labour Court (ESI Court) and High Court.	96.62	96.62
d) Other claims from Customers Against these claims, the company also has counter claims aggregating Rs.1342.67 Lakhs (Rs.1342.67 Lakhs)		1212.44 1212.44
e) Amount of interest received from Nizam Sugars Ltd. (NSL) is contingently liable in case the AP High Court decides the matter in favour of NSL.		52.37 52.37
4. No provision is considered necessary in respect of the following as the Management is hopeful of getting relief / succeeding the appeals:		
a) 1) TNGST and CST Sales tax demands under appeal for the assessment years 1996-97 (Dept. appeal) pending.	22.11	22.11
2) TNGST/CST – under dispute – appeal / revision	129.00	129.00
b) Excise Demands under Appeal	122.30	122.30

5. In the year 1994, when the rehabilitation scheme was sanctioned by BIFR, deferral of sales tax commencing from the year 1994, payable in the next 5 years had been sanctioned for Binny Engineering Limited. The above exemption was valid only till 31.3.1999 and the company has sought for extension of the deferral for a further period of 5 years in the revised package submitted to Board for Industrial and Financial Reconstruction in August 2002. However, BIFR has delinked the Company from the rehabilitation scheme of Binny Limited. The deferred amount of Rs.755.86 Lakhs for the period 1994-95 to 1998-99 is yet to be remitted (Out of Rs. 755.86 Lakhs, Rs.214.03 Lakhs relates to 1994-95 in which period the Company was a division of Binny Limited).

In addition, Sales Tax collections relating to September 1999 to March, 2005 amounting to Rs.193.49 Lakhs and Bihar Sales Tax collections amounting to Rs.3.14 Lakhs relating to the period September 1996 to March 2002 is pending remittance.

- a) Sundry Debtors unsecured and considered good include Rs.82.35 Lakhs (Rs.134.46 Lakhs) which remains uncollected for more than three years and Rs.6.93 Lakhs (Rs.6.93 Lakhs) which is outstanding for more than one year but less than three years though there are no significant recoveries. However no provision has been made as according to the management all these debts are recoverable in the ordinary course of business.
- b) Provision for doubtful debts / advances as on 30 September 2009, Rs. 402.36 Lakhs has been considered as bad and written off against the provision held. There is no impact on the result of the Company for the current period.

Sundry Debtors/Creditors, Unsecured loan from Mother Meera Industries, Loans and Advances and Deposits account are subject to Confirmation / reconciliation. However, in the opinion of the Management, all current assets, debtors and loans/advances would in the ordinary course of business realize at the value stated.

During the period the surplus amount available with the company has been invested in the fully paid cum redeemable preference share capital (2,07,50,000 shares of Rs. 10 each) of M/s. S. V. Sugar Mills Limited.

	Period ended 30.09.2009 (Rupees in Lakhs)	Year ended 31-03-2008 (Rupees in Lakhs)
Value of imports on CIF basis: Raw Materials	NIL	NIL
Expenditure in Foreign Currency on account of foreign travel.	NIL	NIL
Earnings in Foreign exchange on account of Export of goods on FOB value.	NIL	NIL

Segment information:

The company primarily operates in a single segment, namely general engineering industry. Hence there are no 'Reportable Segments' to be disclosed, as required by Accounting Standard - 17 on 'Segment Reporting'.

Related Party Disclosure:

- (a) List of Related Parties :

Parties where control exists :

Holding Company: Binny Limited
 Associates: TCP Limited, S.V. Sugar Mills Ltd and
 Mohan Breweries & Distilleries Ltd

- (b) Transactions / Balances with Related Parties particulars:

	Holding Company (Rs. in Lakhs)	Associates
Advance received	46.36 (73.68)	
Outstanding balances as on 30 th September 2009:		
Debtors		6.98 (59.33)
Investment		2075.00 (Nil)
Loans and Advances		2.74 (741.38)

Earnings per Share:

Particulars	Before extra ordinary item		After extra ordinary item	
	Period Ended 2009	Year Ended 2008	Period Ended 2009	Year Ended 2008
Profit available to Equity Share holders used as Numerator - (A) (Rs. in Lakhs)	610.28	664.48	610.50	667.04
Number of Shares outstanding	2,87,48,100	2,87,48,100	2,87,48,100	2,87,48,100
Weighted Average Number of shares outstanding - (B)	2,87,48,100	2,87,48,100	2,87,48,100	2,87,48,100
Effect of dilution (C)	NIL	NIL	NIL	NIL
Weighted Average No. of Equity Shares including potential shares - (D)	2,87,48,100	2,87,48,100	2,87,48,100	2,87,48,100
Earnings per share (Basic) - (A*1,00,000 / B) in Rs.	2.12	2.31	2.12	2.32
Earnings per share (Diluted) - (D*1,00,000 / D) in Rs.	2.12	2.31	2.12	2.32

Income Tax & Deferred Taxes:

No provision for Tax is considered necessary for the year in view of the brought forward losses. In the absence of taxable profit arising in the foreseeable future, deferred tax asset has not been considered as, per Accounting Standard (AS) - 22 prescribed by the Institute of Chartered Accountants of India, arising on the timing difference on account of substantial unabsorbed depreciation and carry forward business losses available to the company under the provisions of the Income tax Act 1961.

The Post of Secretary, which fell vacant on 3rd December 1996 has not yet been filled up as required under section 383A of the Companies Act, 1956.

The post of Managing or whole-time Director has not yet been filled up as required under Section 269 of the Companies Act, 1956.

The figures in bracket relates to previous year.

Current period figures are for 18 months and hence not comparable with those of the previous accounting year of 12 months

Balance Sheet Abstract.

Previous years figures have been regrouped wherever necessary.

BINNY ENGINEERING LIMITED

Balance Sheet abstract and Company's business profile for the period ended 30th September 2009

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30th DECEMBER 2009

Registration Details

Registration No. 29734 State Code 18

Balance Sheet Date 30.09.2009

II Capital raised during the year (Amount in Rs. thousands)

Public issue, Rights issue, Bonus issue Nil Private placement 227481

III Position of mobilisation and deployment of funds (Amount in Rs. thousands)

	Total liabilities	Total assets
	297117	297117
Sources of funds	Paid up capital	Reserves and surplus
	287481	NIL
Advance towards share capital	Secured loans	Unsecured loans
NIL	NIL	9636
Application of funds	Net fixed assets	Investments
	7240	207500
Accumulated Loss	Net current assets	Misc. expenditure
245173	(-) 162796	Nil

IV Performance of the company (Amount in Rs. thousands)

Turnover	Total expenditure
(Sales including other income)	
69754	8704
+/- Profit / Loss before tax	+/- Profit / Loss after tax
61050	61050
Earning per share in Rs.	Dividend rate %
2.12	Nil

V Generic names of three principal products / services of company (As per monetary terms)

Item Code Nos. (ITC Code)	843810	848590	843700
Product Description	Sugar Manufacturing Machinery	Manufacture & Supply of machined and Unmachined Castings	Rice Mill Machinery

	Period Ended 30.09.2009	Year Ended 31.03.2008
A Cash Flow from Operating Activities		
Profit / (Loss) for the period	610.50	667.04
Adjustments for:		
Extraordinary Items / Withdrawal of revaluation reserve		
Depreciation	10.63	10.34
Interest Earned	(0.53)	(0.80)
Provision for Doubtful Debts & Advances		2.74
Profit on sale of fixed assets	(569.09)	(677.16)
Release of surplus provision for Bad & Doubtful debts		(1.11)
Operating Profit before working Capital changes	51.51	1.05
(Increase) / Decrease in Trade and other Receivables	27.31	39.86
(Increase) / Decrease in Inventories	48.59	15.78
(Increase) / Decrease Other Current Assets	-	(0.03)
(Increase) / Decrease Loans & Advances	737.05	(737.16)
Increase / (Decrease) in Current Liabilities	630.49	(36.93)
Increase / (Decrease) in Employee Benefits Payable	-	(25.46)
Net Cash from Operating activities	1,494.95	(742.89)
B Cash flow from Investing activities		
Purchase of Investment	(2,075.00)	
Sale of Fixed Assets	571.64	678.95
Purchase of Fixed Assets (Including Capital WIP)	(0.11)	(2.15)
Interest received	0.53	0.80
Dividend received		
Net Cash from investing activities	(1,502.94)	677.60
C Cash flow from financing activities		
Unsecured Loans received		73.68
Repayment of Loans from Banks / Financial institutions (Net)		
Net Cash from financing activities		73.68
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(7.99)	8.39
Cash and cash equivalent as at the beginning of the year	14.53	6.14
Cash and cash equivalent as at the end of the period	6.54	14.53

M. Ethurajan **M.E. Shanmugam** For M/s. CNGSN & Associates
 Director Director Chartered Accountants

R. THIRUMALMARUGAN
 Partner
 Membership No. 200102

Chennai
 27th November 2009

M. Ethurajan **M.E. Shanmugam** For M/s. CNGSN & Associates
 Director Director Chartered Accountants

R. THIRUMALMARUGAN
 Partner
 Membership No. 200102

Chennai
 27th November 2009

BINNY LIMITED

Registered Office : 106, Armenian Street, Chennai - 600 001.

ATTENDANCE SLIP

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

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

No. of Shares held

I hereby register my presence at the 40th Annual General Meeting of the Company at 106, Armenian Street, Chennai - 600 001 on Wednesday, the 23rd December 2009 at 10.15 a.m. . .

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

BINNY LIMITED

Registered Office : 106, Armenian Street, Chennai - 600 001.

PROXY FORM

Folio No. :

I / We of
in the District ofbeing a member/s of Binny Limited hereby appoint
..... of in the District of
or failing himof in the District of
as my/our proxy to vote for me/us on my/our behalf at the 40th Annual General Meeting
of the Company at 106, Armenian Street, Chennai - 600 001 on Wednesday, the
23rd December 2009 at 10.15 a.m. and/or at any adjournment thereof.

Signed this day of _____ 2009.

Signature

Affix
0.30 Paise
Revenue
Stamp

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

Please Note : No gifts will be distributed



BOOK-POST

To

If Undelivered please return to :

BINNY LIMITED

(Secretarial Dept.)

106, Armenian Street,

Chennai - 600 001.

Phone : 25389361