

BINNY



ANNUAL REPORT AND ACCOUNTS

MARCH 2010

BINNY LIMITED

ANNUAL REPORT
MARCH - 2010
(6 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 Dr. Sadyavel Kailasam
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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NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the FORTY FIRST ANNUAL GENERAL MEETING of the Company will be held
at 106, Armenian Street, Chennai 600001
on Monday, 27th September 2010
at 9.30 A.M.

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the six 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. Justice S Jagadeesan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S Vijayaraghavan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Arvind Nandagopal, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. R Krishnan, 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."

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution.
RESOLVED THAT Mr. Sadayavel Kailasam, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 29th April 2010 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company whose office shall be liable to retirement by rotation.

Registered Office:
106, Armenian Street
Chennai 600 001
25th August 2010

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 20-9-2010 to 27-9-2010 (both days inclusive)

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

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

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

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, sets out all material facts relating to the business mentioned at Item No. 7 of the accompanying Notice dated 25th August 2010.

Item No. 7:

The Board of Directors, at its meeting held on 29th April 2010 appointed Dr. Sadayavel Kailasam as an Additional Director with effect from 29.4.2010, pursuant to Section 260 of the Act. Under Section 260 of the Act, Dr. Sadayavel Kailasam ceases to hold office at this Annual General Meeting but is eligible for appointment as a Director. Notice under Section 257 of the Act has been received from a member signifying his intention to propose Dr. Sadayavel Kailasam's appointment as a Director.

Dr. Sadayavel Kailasam M.B.M.S (ORTHO), D.ORTHO, is a specialist Orthopaedics Surgeon by profession. Apart from vast experience in Government and private hospitals in his profession, he has active role in many social activities which includes, a Member – Governing Body of "The Madras Seva Sadan", The Vice President of Rashtriya Life Saving Society (India), the Secretary of Madras District Aquatic Association, Vice-President of Tamil Nadu State Aquatic Association and the Secretary of Justice P.S.Kailasam Medical and Educational Research Foundation.

The Board recommends the Ordinary Resolution set out at item No.7 of the Notice for the approval of the members.

Dr. Sadayavel Kailasam is concerned or interested in Item No. 7 of the Notice.

Registered Office:
106, Armenian Street
Chennai 600 001
25th August 2010

BY ORDER OF THE BOARD

G.Venkataraman
Company Secretary

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. Justice S Jagadeesan	23-03-1941	05-09-2007	B.A., B.L.	Former Judge of the Madras High Court and the Chairman of Intellectual Property Appellate Board
Mr. S Vijayaraghavan	19-07-1942	05-09-2007	B.Sc.	Finance Management
Mr. R. Krishnan	03-07-1966	05-09-2007	B.Com, FCA, AICWA, ACS, BGL	Finance and Law
Mr. Arvind Nandagopal	06-04-1975	25-03-2005	Commerce graduate	Textile, Breweries & Chemicals

Item No. 2

Mr. Justice S Jagadeesan has been a former Judge of the High Court of Madras and former Chairman of Intellectual Property Appellate Board. He is not holding directorship in any other Company. Mr. Justice S Jagadeesan is not a member of any Committee of the Company.

Item No. 3

Mr. S Vijayaraghavan is a B.Sc. graduate and has 43 years of extensive service under various capacities in Sundaram Finance Limited. He is not holding directorship in any other Company. Mr. S. Vijayaraghavan is not a member of any Committee of the Company.

Item No. 4

Mr. Arvind Nandagopal is the Executive Director of M/s Mohan Breweries & Distilleries Limited and M/s Sagar Sugars & Allied Products Limited. The details of his directorship in other companies are as follows:

Name of the Company	Position Held
Mohan Breweries and Distilleries Limited	Executive Director
Sagar Sugars & Allied Products Limited	Executive Director
The Thirumagal Mills Limited	Director
Bankerpur Distilleries Limited	Director
S.V.Sugar Mills Limited	Director
Golden Eagle Communications Limited	Director
Meakin Alco Beverages Limited	Director
TCP Limited	Director
Bahji Breweries Pvt Limited	Director

Mr. Arvind Nandagopal is not a member of any Committee of the Company.

Item No. 5

Mr. R Krishnan is a Practicing Chartered Accountant having a wide experience and knowledge in various functional areas including finance, management, accounting and legal. The details of his directorships are given below:

Name of the Company	Position Held
Shreyas Advisory Services Pvt Ltd	Director
Shreyas Stock Broking India Pvt Ltd	Director
IOS Solutions Pvt Ltd	Director
Kerns Aero Products Pvt Ltd	Director
KE Aerocomponents Pvt Ltd	Director

Mr. R Krishnan is not a Member of any Committee of the Company.

Inspection of Documents:

The documents referred to in the Notice and explanatory statement 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 41st AGM.

Registered Office:
106, Armenian Street
Chennai 600 001
25th August 2010.

BY ORDER OF THE BOARD

G.Venkataraman
Company Secretary

DIRECTORS' REPORT

Your Directors present the Forty First Annual Report and Audited Accounts of the Company for the 6 months period ended 31st March 2010.

FINANCIAL RESULTS

	Rs. In Lakhs	
	2009-2010 6 months	2008-2009 18 months
Operating Profit / (Loss)	85.26	(1077.18)
Interest and Finance Charges	—	—
Profit before Depreciation & Tax	85.26	(1077.18)
Depreciation	14.45	104.49
Impairment Loss (AS-28)	—	915.00
Profit / (Loss) for the year	70.81	(2096.67)
Wealth tax paid (prior years)	866.44	—
Tax	—	4.00
	(795.63)	(2100.67)
Extra-ordinary items	3.83	654.00
Profit / (Loss) for the year	(799.46)	(2754.67)

REVIEW OF OPERATIONS**Textile Division****B&C Mills**

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

Service Division

The performance of the container freight station was continued to be satisfactory during the financial year 2009-10. However, owing to road traffic constraints prevailing in the location of our operation, higher revenue could not be anticipated during the current year.

BIFR

Earlier, BIFR sanctioned a Rehabilitation Scheme on 22nd October 2003. Then on 26th December 2006, BIFR passed an Order stating that the company is out of purview of BIFR, which was challenged before the Hon'ble High Court of Madras by the employees' Unions. The Madras High Court vide its order dated 7th August 2008, based on the joint memo filed by the Company and the employees' Unions, declared 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 had 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. During this period the company has demerged into three companies.

SCHEME OF ARRANGEMENT & DEMERGER

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

The Hon'ble High Court of Madras, by an order dated 1st February, 2010, convened Extra-ordinary General Meeting of the equity shareholders of the company on 10th March 2010 for approving the Scheme of Arrangement. Subsequent upon shareholders' approval of the Scheme of arrangement, a petition to sanction the scheme of arrangement under section 391 to 394 of the Companies Act, 1956 was filed with the Hon'ble High Court of Madras. The Hon'ble High Court of Madras vide its Order dated

22nd April 2010, sanctioned the Scheme of Arrangement under Sec.391 to 394 of the Companies Act, 1956 amongst Binny Limited and S V Global Mill Limited and Binny Mills Limited. A certified copy of the Scheme was filed with the Registrar of Companies on 8th May 2010. In terms of the court sanctioned Scheme of Arrangement, 8th May 2010 has become the "effective date" and 1st January 2010 the "Appointed Date".

28th May 2010 was fixed as the record date for the purpose of allotment of shares to the shareholders of the Company, in the two resulting companies, viz., S.V.Global Mill Limited and Binny Mills Limited were allotted shares in terms of the Scheme, in the ratio of :

1. In S.V.Global Mill Limited (Resulting Company I) :
 - a. 7 equity shares of face value of Rs.5/- each credited as fully paid up for every 7 equity shares of 5/- each fully paid-up
 - b. One 9.75% Cumulative Redeemable Preference Share of face value of Rs.5/- each credited as fully paid up for every Thirty 9.75% Cumulative Redeemable Preference shares of Rs.5/- each fully paid-up
 - c. 138 9% Cumulative Redeemable Preference share of face value of Rs.5/- each credited as fully paid up for every 3,125 9% Cumulative Redeemable Preference shares of Rs.5/- each fully paid up.
2. In Binny Mills Limited (Resulting Company II) :
 - a. One equity share of face value of Rs.10/- each credited as fully paid up for every 7 equity shares of Rs.5/- each fully paid-up
 - b. 15 9.75% Cumulative Redeemable Preference Share of face value of Rs.5/- each credited as fully paid up for every Thirty 9.75% Cumulative Redeemable Preference shares of Rs.5/- each fully paid-up
 - c. 1,631 9% Cumulative Redeemable Preference share of face value of Rs.5/- each credited as fully paid up for every 3,125 9% Cumulative Redeemable Preference shares of Rs.5/- each fully paid up.

The Share certificates to the equity shareholders were allotted and issued in the respective resulting companies on 2nd June 2010.

Central Depository Services (India) Limited (CDSL) has permitted the equity shares of the company for connectivity in their depository vide ISIN No: INE118K01011. The respective resulting companies have complied with formalities for listing of the equity shares with Bombay Stock Exchange Limited and Madras Stock Exchange Limited and are under process.

Formalities in respect of Increase in authorized share capital, issue of preference share capital and reduction in preference share capital in terms of the Scheme were complied with at the Board Meeting held on 12.5.2010, but the "Appointed Date" being 1st January 2010, pending these formalities the additional preference share capital and reduction in preference share capital have been accounted for in the Balance Sheet of the Company as on 31.3.2010.

Accounting entries in respect of transfer of assets and liabilities from Binny Limited to the respective resulting companies were made with effect from 1.1.2010 and the excess of the value of assets over the value of liabilities transferred pursuant to the Scheme of Arrangement amounting to Rs.10,287.54 lakhs have been credited to "Capital Reserve Account".

DIRECTORS

At the meeting of Board of Directors held on 29th April 2010, Dr. Sadayavel Kailasam, has been co-opted as an additional independent Director of the Company to hold office upto the date of the ensuing Annual General Meeting and being eligible for reappointment. With this appointment, the Company continue to comply with the terms of Clause 49 (C) (iv) of the Listing Agreement with Stock exchanges.

Mr. Justice S. Jagadeesan, Mr.S.Vijayaraghavan, Mr.R.Krishnan and Mr. Arvind Nandagopal retire by rotation and offer themselves for reappointment.

Binny Engineering Limited

The audited accounts for the 6 months period ended 31.3.2010 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 six months period ended 31st March, 2010 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 six months period ended 31st March, 2010 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 six months period ended 31st March 2010 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 2007-08 and 2008-09, the Central Government has granted exemption for the said period. The necessary application has been submitted to the Central Government for the year 2009-10 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' REMARKS

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

- 4 (f) (i) Pursuant to Clause 8 of the Scheme of Arrangement sanctioned by the Hon'ble High Court of Madras, your Directors engaged a reputed valuer to revalue the B & C Mill Compound forming part of the remaining undertaking and to restate the value of the brought forward loss.
- 4 (f) (ii) Efforts are being made to confirm the balances.
- 4 (f) (iii) The Company has filed returns with "Nil" taxable wealth and the Department has not raised any demand till 31.3.2010 and the management is of the view that there are no wealth tax liability as on 31.3.2010.

AUDITORS

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.

Chennai
25th August 2010

By Order of the Board

M ETHURAJAN
Executive Chairman

ANNEXURE

FORM 'A' Power & Fuel Consumption

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

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

FORM "B" Technology Absorption

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

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

Conservation Energy – Not applicable

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

Name of the Subsidiary Company	Financial Year of the subsidiary ending on	No. of equity shares held by Binny Ltd and / or its nominees in the subsidiary	Extent of holding	For the financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of Accounts of the holding company	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of Accounts of the holding company	Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of accounts of the holding company.
				Rs '000		Rs '000	
Binny Engineering Ltd.	31.3.10	2,87,48,100 Equity Shares of Rs. 10 each fully paid up.	100%	(3620)	Nil	61050 after extra-ordinary items as on 30-09-2009	Nil

1. CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

BOARD MEETINGS

During the 6 months period ended 31.3.2010, four board meetings of the Company were held on the following dates viz., 30.10.09, 27.11.09, 5.12.09 and 29.1.10. The last Annual General Meeting of the Company was held on 23rd December 2009.

Name	Executive Promoter (E) 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.Ethirajan	E	4	YES	10	1	-	08.07.1987	-
Mr.M.Nandagopal	NEP	3	NP	13	-	-	23.03.1996	-
Mr.R.Narayanan	NEI	3	YES	11	1	7	30.06.1990	-
Mr.S.Natarajan	NEP	4	YES	5	-	-	11.01.1980	-
Mr.M.E.Sharmugam	NEP	4	YES	7	-	-	31.03.1993	-
Mr.V.R.Venkatchalam	NEP	3	YES	4	-	-	11.01.1988	-
Mr.Arvind Nandagopal	NEP	3	NP	8	-	-	25.03.2005	-
Mr.K.Sundareswaran	NEI	4	YES	-	-	-	25.03.2005	-
Mr. Justice S Jagadaman	NEI	2	NP	-	-	-	05.09.2007	-
Mr.S.Vijayaraghavan	NEI	4	YES	-	-	-	05.09.2007	-
Mr. R. Krishnan	NEI	1	Yes	-	-	-	05.09.2007	-
Dr. Sarayudh Kalliasam #	NEI	-	-	-	-	-	29.04.2010	-

C.O. OPTED ON 29th April 2010

3. AUDIT COMMITTEE

The Committee consists of two Non-executive Independent Directors and two Non-executive promoter directors. Three meetings were held during the 6 months period ended 31.3.2010 on 30.10.09, 27.11.09 and 29.1.10. 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.R.Narayanan	Independent	Chairman	2
Mr.A.M.Sundararaj*	Independent	Member	1
Mr.M.E.Sharmugam	Non-Independent	Member	3
Mr.K.Sundareswaran	Independent	Member	3
Dr. Sadayudh Kalliasam*	Independent	Member	-

passed away on 21.11.09 * appointed on 29.4.10

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.Ethirajan, 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.5,000

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

The Committee consists of 3 directors (of which one is an independent non-executive director) viz., Mr. M. Ethirajan, Mr. R. Narayanan and Mr. M. E. Sharmugam. 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 eleven meetings during the 6 months period ended 31.3.2010 on 9.10.09, 30.10.09, 16.11.09, 30.11.09, 18.12.09, 31.12.09, 18.1.10, 5.2.10, 25.2.10, 15.3.10 and 30.3.10.

6. DETAILS OF LAST 3 ANNUAL GENERAL MEETINGS

Financial Year	Date	Venue of AGM held	Time
38th AGM 2006-2007 106, Armenian Street Chennai 600001	28.09.2007	Registered Office	10.15 a.m.
39 TH AGM 2007-2008 106, Armenian Street Chennai 600001	26.09.2008	Registered Office	9.30 a.m.
40 TH AGM 2008-2009 106, Armenian Street Chennai 600001	23.12.2009	Registered Office	10.15 a.m.

7) PAID-UP SHARE CAPITAL

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

DISTRIBUTION OF EQUITY SHAREHOLDING AS AT 31.03.2010

	SHAREHOLDERS		NO. OF SHARES HELD	
	NOS.	%	NOS.	%
1 - 100	6,733	70.44%	3,90,879	1.75%
101 - 500	2,133	22.31%	5,65,723	2.53%
501 - 1000	400	4.18%	3,10,076	1.39%
1001 - 2000	165	1.73%	2,39,080	1.07%
2001 - 3000	37	0.39%	90,862	0.41%
3001 - 4000	14	0.15%	48,200	0.22%
4001 - 5000	12	0.12%	55,700	0.25%
5001 - 10000	16	0.17%	1,07,530	0.48%
10001 -and above	49	0.51%	2,05,11,360	91.90%
	9,559	100.00%	2,23,19,410	100.00%

DISTRIBUTION OF PREFERENCE SHAREHOLDING AS AT 31.03.2010

	SHAREHOLDERS		NO. OF SHARES HELD	
	NO.	0%	SHARES HELD	0%
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 31.03.2010

	Equity %	Preference %
Promoters	75.00	100
Government Holdings	1.65	—
Nationalised Banks	4.40	—
General Insurance Companies	0.96	—
L.I.C.of India	2.77	—
Resident Individuals	13.91	—
Resident Companies	1.16	—
Non-residents	0.15	—
	100.00	100.00

6. 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.

7. CEO/CFO Certification

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

8. 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".

9. MANAGEMENT DISCUSSION AND ANALYSIS

The Company is engaged in the business of marketing textile 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. Since the time given for implementation of the textile project at the 14.50 acres of land acquired at Apparel Park, Doddabellapur, Bangalore has expired, the Karnataka Industrial Areas Development Board had terminated the lease of land to the Company and taken over the physical possession of the property.

The company has filed a writ petition in the Madras High Court upon a joint memo filed by the company and the unions The Madras High Court, upon hearing the writ petition of the Company 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, had passed an order on 7.8.2008 that the company is ceased to be a sick industrial undertaking with effect from 30.9.2005.

At the meeting of the Board of Directors of the Company held on 5th December 2009, the Board approved the Scheme of Arrangement demerging the Properties undertaking of the Company and transferring it to M/s S V Global Mill Limited, the Resulting Company -I, and Trading of textiles & engineering products, Agencies, cold storage plants at Cochin and warehousing to M/s Binny Mills Limited, the Resulting Company-II, subject to confirmation of the Hon'ble High Court of Judicature at Madras. In terms of the Scheme it was proposed that with effect from 1st January 2010 (the Appointed Date), upon the filing of the certified copies of the orders of the Hon'ble High Court of Judicature at Madras under Sections 391 and 394 of the Companies Act, 1956, with the Registrar of Companies, Tamilnadu or the date on which the last of all such consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary have been obtained, the Scheme of Arrangement shall come into effect.

In line with the Clause 24 (f) of the listing application with the stock exchange, the company filed the proposed scheme as approved by the Board of Directors before filing the Hon'ble High Court of Madras under sections 391, 394 and 101 of the Companies Act, 1956, for approval. The Company upon obtaining the approval under Clause 24 (f) of the listing application filed an application with the Hon'ble High Court of Madras with proposed scheme of arrangement.

Pursuant to an order dated 1.2.2010 passed by the Hon'ble High Court, Madras in the Company Application No.175 of 2010, a meeting of the equity shareholders of the company was convened for the purpose of obtaining the approval of the Scheme of

Arrangement to be made between the Company and M/s S V Global Mill Limited and M/s Binny Mills Limited and their respective shareholders and creditors and duly obtained the approval of the shareholders.

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

The Order of the High Court of Madras was received by the company on 7.5.2010 and as per the direction of the Order, a certified copy of the same was filed with the Registrar of Companies on 8.5.2010, which date has become the effective date of the sanctioned Scheme of Arrangement. Increase in authorized capital, issue of preference share capital, reduction in preference share capital have been complied with at the Board of Meeting held on 12.5.2010, pending the formalities, the preference share capital pending allotment and pending reduction in preference share capital have been accounted for in the Balance Sheet as on 31.3.2010.

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

	2009-2010 Rs. In lakhs
Agencies & Warehouse undertaking	99.17

12. GENERAL SHAREHOLDERS INFORMATION

41st ANNUAL GENERAL MEETING

Date and Time	Monday, the 27 th September 2010 at 9.30 a.m.
Venue	106, Armenian Street, Chennai 600001
Book Closure	20-9-2010 to 27-9-2010 (both days inclusive)
Financial Year ended (6months)	31.03.2010
Dividend payment	NIL
Listing of securities in the stock exchanges:	

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

Financial Calendar

Financial reporting for the quarter ending	
30 th Sep 2010	Nov '10
31 st Dec 2010	Feb '11
31 st Mar 2011	May '11
30 th Jun 2011	Aug '11

Other Details

M/s. Cameo Corporate Services Limited, Chennai is the Registrar and Share Transfer Agents of the Company. The Company has obtained connectivity with Central Depository Services (India) Limited (CDSL) for dematerialisation of equity shares of the company with effect from 16th June, 2010. Now the shares are tradable in Bombay Stock Exchange and Madras Stock Exchange Ltd. NSDL and CDSL had permitted the equity shares of the company for dematerialisation vide ISIN No. INE118K01011. The trading in equity shares of the company is permitted only in dematerialised form. As of March 31, 2010, 9.55% of total outstanding shares have been dematerialised. Out of 55,79,990 equity shares held by the shareholders other than the promoters, 21,32,078 shares (38.21% of non-promoters' shareholding) have been dematerialised upto 31.3.2010.

M/s Cameo Corporate Services, Chennai, is Registrar and Transfer Agent for the company providing connectivity with the NSDL /CDSL 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.

BINNY

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

M/s CAMEO CORPORATE SERVICES LIMITED UNIT: BINNY 5 th Floor, Subramanian Building #1, Club House Road, Chennai 600 002 Phone: 044-28460390(5 lines); Fax: 044-28460129 Email: investor@cameoindia.com	Contact person: Mr. R D Ramaswamy Designation: Director Mr. D Narasimhan Designation: Senior Executive (Shares)
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The Company has paid the listing fees upto the year 2010-11 to the stock exchanges.

Market price data (Rs.)

MONTH		OCT-09	NOV-09	DEC-09	JAN-10	FEB-10	MAR-10
BSE	HIGH	129.45	111.30	136.25	102.95	101.00	108.55
	LOW	59.65	66.85	88.00	75.40	69.40	76.50

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
25th August 2010

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 6 months period ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company, with stock exchanges in India.

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

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

I state that in respect of investor grievances received during the 6 months period ended on 31st March 2010 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
25th August 2010

G.PORSELVAN
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 31st March 2010 the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date annexed there to. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that
 - a) We have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
 - d) In our opinion the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt by this report, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from the Directors, as on 31/03/2010 and taken on records by the Board of Directors, we report that, none of the Directors are disqualified as on 31/03/2010 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. *Note 6 in notes on accounts of Schedule 14, with regard to the adjustment of Rs 2478626 thousands against the Revaluation Reserve;*
 - ii. *Non-confirmation of balances as on 31st March, 2010 from Debtors, Loans and Advances, and Sundry Creditors vide Note No.13 in notes on accounts of Schedule 14, consequent effect, if any, on the financials are not quantifiable; and*
 - iii. *Non provision of wealth tax liability, if any, as stated in Note 16 in notes on accounts of Schedule 14, consequent effect, if any, on the financials are not quantifiable;*
- g) Subject to above, in our opinion and to the best of our information and according to the explanations given to us the said accounts read with the accounting policies and notes thereon 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 31st March 2010,
 - ii. In the case of Profit and Loss Accounts, 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 M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

R. THIRUMALMARUGAN
PARTNER
Membership No. 200102
Firm Registration No. 0049155

Place: Chennai
Date: 25th August, 2010

ANNEXURE TO AUDITORS REPORT

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

1. (a) The Company is maintaining proper records 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 transferred some of the fixed assets to the resulting companies as per the sanctioned scheme of demerger by the High Court of Chennai and also 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 was Rs. 22136 thousands. The other clauses are not applicable.
- (b) As stated in the Note B the unsecured loans from Promoters and related parties were reconciled and as per the sanctioned scheme of demerger some of the loans were converted into Preference Shares pending allocation. As at the year end the amount outstanding is Rs.382261 thousands. The other clauses are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. As explained to us that the Company has not accepted deposits from public during this period.
7. The Company has an internal audit system, which need to be strengthened to commensurate with the size of the Company and the nature of its business.
8. There was no production activity carried out during the period. As explained to us the company is no more in the business of manufacture of textiles activity. further the company has been demerged into two other companies as per the sanctioned scheme of demerger. Based on this development it is explained that the maintenance of cost records is not applicable to the company for the period under audit.
9. a. According to the information and explanation given to us, the Company is depositing undisputed statutory dues with appropriate authorities like Provident Fund, Employees Pension Fund and Employees 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 37 Thousands, and Property/Urban Land Tax Rs.32489 Thousands as at 31st March, 2010 for a period of more than six months from the date they become payable.
- b. According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, services tax, excise duty and cess which have not been deposited on account of any dispute.

10. In our opinion, the accumulated losses of the Company are not more than 50% of its net worth. 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 advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks / financial institutions.
16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loans during the 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 the no funds raised on short-term basis have been used for long-term investment.
18. According to the information given to us, the Company has not made any preferential allotment of shares during the period to parties covered in the register maintained under Sec.301 of the Companies Act, 1956.
19. According to the information and explanation given to us, the Company has not issued any debentures during the 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 does not arise.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

R. THIRUMALMARUGAN
PARTNER
Membership No.200102
Firm Registration No.0049155

Place: Chennai
Date: 25th August, 2010

BINNY

BALANCE SHEET AS AT 31st MARCH 2010

	Schedule	31st March 2010	Rs. '000 As at	30th Sep. 2009
SOURCES OF FUNDS				
Shareholders funds:				
Share capital	1	2455977		2455977
Shares pending Allotment/Reduction	1A	(1172215)		
Reserves & surplus	2	1652000		130148
		<u>2935762</u>		<u>2586125</u>
Loan funds:				
Secured loans:				
Unsecured loans	3	382261		586
		<u>3318023</u>		<u>2586711</u>
APPLICATION OF FUNDS				
Fixed Assets:				
a) Gross Block	4	3140415		264817
b) Less: Depreciation		86506		163065
c) Net Block		3053909		101752
d) Capital work-in progress		-		-
		<u>3053909</u>		<u>101752</u>
Investments	5	287884		287897
Current Assets, Loans & Advances:				
a) Inventories	6	12309		209909
b) Sundry debtors		31460		31634
c) Cash & Bank Balances		23040		69493
d) Other Current Assets		-		8
e) Loans & advances		163833		629360
		<u>230642</u>		<u>940404</u>
Less: Current Liabilities and Provisions	7			
a) Current Liabilities		341502	253376	
b) Provisions		-	-	
		<u>341502</u>		<u>253376</u>
Net Current Assets		(110860)		687028
Profit & Loss Account		87090		1510034
		<u>3318023</u>		<u>2586711</u>
Notes on accounts	14			

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G VENKATARAMAN
Company Secretary

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

Chennai
25th August 2010.

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Registration No. 6049155

BINNY

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 2010

Rs. '000

	Schedule	Period Ended 31st March 2010	Period ended 30th Sep. 2009
INCOME			
Sales	13.1	9917	66436
Accretion to stocks	8	501	(970)
Agency Commission and other income for service rendered other income	9	28683 <u>44544</u>	77699 <u>93712</u>
		<u>83645</u>	<u>236877</u>
EXPENDITURE			
Purchase of Finished Goods	13.2	8377	54101
Employees Cost	10	9429	29682
Other costs	11	57313	<u>260812</u>
		<u>75119</u>	<u>344595</u>
Profit/Loss		8526	(107718)
Profit/Loss before Depreciation and Taxation		8526	(107718)
Less: Depreciation		<u>1445</u>	<u>10449</u>
Profit/Loss before Taxation		7081	(118167)
Less: Impairment loss(Refer Note 15)		<u> </u>	<u>91500</u>
Profit/Loss for the period		7081	(209667)
Less Wealth tax paid-prior years (Refer Note 16)		86644	<u> </u>
Add.Provision for FBT		<u> </u>	<u>400</u>
		<u>(79563)</u>	<u>(210067)</u>
Extra-ordinary items(Refer Note 17)		<u>383</u>	<u>65400</u>
Net Loss earned to balance sheet	12	<u>(79946)</u>	<u>(275467)</u>
Earnings per share- Basic and Diluted in Rs.Face value of Rs.5			
Before extra-ordinary items		(3.56)	(9.41)
After extra ordinary items		(3.58)	(12.34)
Notes on accounts	14		

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
25th August 2010

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Registration No.0049155

BINNY

Schedules Forming Part of Accounts

		Rs. '000	
		As at	
		31st March 2010	30th Sep. 2009
SCHEDULE : I			
SHARE CAPITAL			
Authorised			
2,28,70,000	Equity Shares of Rs.5/- each	1,14,100	1,14,100
14,00,000	9.75% Cumulative Redeemable Preference Shares of Rs.5/- each	5,900	5,900
49,00,00,000	9% Cumulative Redeemable Preference Share of Rs.5/- each	24,50,000	24,50,000
		<u>25,70,000</u>	<u>25,70,000</u>
Issued, Subscribed and Paid-up			
2,23,19,410	Equity Shares of Rs.5/- each fully paid up: (a)	1,11,597	1,11,597
11,76,000	9.75% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up	5,880	5,880
<u>46,77,00,000</u>	9% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up	23,38,500	23,385,00
	(b)	<u>23,44,380</u>	<u>23,44,380</u>
	(a + b)	<u>24,55,977</u>	<u>24,55,977</u>
Terms of Issue and redemptions:			
30,00,00,000	9.00% CRPS of Rs.5/- each issued on 30.9.2005 are redeemable on or before 30.9.2010		15,00,000
11,76,000	9.75% CRPS of Rs.5/- each issued on 30.6.2006 are redeemable on or before 30.6.2011		5,880
4,00,00,000	9.00% CRPS of Rs.5/- each issued on 31.1.2007 are redeemable on or before 31.1.2012		2,00,000
1,00,00,000	9.00% CRPS of Rs.5/- each issued on 30.1.2008 are redeemable on or before 30.1.2013		50,000
11,77,00,000	9.00% CRPS of Rs.5/- each issued on 29.9.2008 are redeemable on or before 29.9.2013		5,88,500
<u>46,88,76,000</u>			<u>23,44,380</u>

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought in the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities.

SCHEDULE : 1 A

SHARES PENDING ALLOTMENT / REDUCTION

		Rs. '000	
		As at	
9.75% Cumulative Redeemable Preference Shares pending Allotment:		31st Mar 2010	30th Sep 2009
	9.75% Cumulative Redeemable Preference shares of Rs 5 each allotment in terms of the Scheme of Arrangement		11,72,215
7,13,04,713	(Allotment effect pending as on 31.3.2010) (A)	3,56,574	11,72,215
Cumulative Redeemable Preference Shares pending reduction :			
	Reduction in issued capital of 9.75% Cumulative Redeemable Preference shares, in terms of the Scheme of Arrangement, subsequent to allotment of the same in the respective resulting companies as per the approved ratio, (pending effect as of 31.3.2010)	(31,368)	131
(6,27,200)			
	Reduction in issued capital of 9% Cumulative Redeemable Preference shares, in terms of the Scheme of Arrangement, subsequent to allotment of the same in the respective resulting companies as per the approved ratio, (pending effect as of 31.3.2010)	(15,25,603)	
(30,51,26,658)			
	(B)	(15,20,719)	161
21,44,32,855	Total issued, Subscribed and Paid up Cumulative Redeemable Preference Share Capital to be allotted / redeemed (A + B)	(11,72,215)	161

SCHEDULE : 2

RESERVES AND SURPLUS

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	22382	22382
Less: Reversal in notional value (Refer Note 7)	22382	
Share Premium Account As per last Balance Sheet	107766	107766
Capital Reserve (on demerger) (Refer Note 4) -	1028755	
Revaluation Reserve (as per Court Order) (Refer Note 6)	515479	
	<u>165,2000</u>	<u>130148</u>

SCHEDULE : 3

UNSECURED LOANS

From Promoters and their Group (Refer Note 6)

	382261	586
	<u>382261</u>	<u>586</u>

BINNY

SCHEDULE 4: FIXED ASSETS

(Rs. '000)

Description of Assets	Gross Block at Cost				Depreciation				Net block	
	As at 30-09-09	Revaluation	Additions	Deletion/Transfer	As at 31.03.2010	As at 30.09.09	Additions	Deletion/Transfer	As at 31.03.2010	As at 30.09.09
Freehold Land Transfer to R1 and R2	25241	2994300		194	2994329				2994329	25241
Leasehold Land Buildings	23200		1940	7945	17255	37143	820		17238	25602
Transfer to R1 and R2	75000			8850	69780			2674	35289	39547
Railway sidings, Janks & Permanent ways	395				393				393	
Plant & machinery	3315				3319		40		2772	617
Furniture & fittings	116100			62466	42952	106401	110	62466	40439	3731
Transfer to R1 and R2	18377		1024	4714	7239	11257	415	3606	3142	4007
Vehicles	4800		517	12160	4517	4509	60	8530	3871	546
Transfer to R1 and R2				630				723		294
TOTAL	264817	2994300	3461	70606	3140415	163065	1445	62466	80566	305860
Transfer to R1 and R2				51577				15538		101252
Previous year	381270		6855	123327	264817	217840	10419	95294	183905	159430

- 1 R1 & R2 refer to the Resulting Company 1 (SV Global Mill Ltd) & Resulting Company 2 (Binny Mills Ltd) (Refer Note 7)
 2 Revaluation is as per Court sanctioned Scheme (Refer Note 6)
 3 Leasehold land deletion is on account of cancellation of lease agreement

**SCHEDULE : 5
INVESTMENTS**

Rs. '000

	No. of shares	Face value per share Rs.	As at 31.12.2010	Additions (Deductions)	As at 30.9.2009
a) AT COST					
NON-TRADE					
Fully paid equity shares :					
QUOTED					
State Bank of India	1920	10	69	—	69
ICICI Bank Ltd	7851	10	333	—	333
UNQUOTED					
In Government Securities #	—	—	—	(12)	12
Fully paid equity shares in Binny Engineering Ltd. (Wholly owned subsidiary)	28748100	10	287481	—	287481
b) AT DIRECTOR'S VALUATION					
NON-TRADE					
Fully paid Equity Shares :					
Tamil Nadu Chromates & Chemicals Limited	30000	10	1	—	1
Adyar Property Holding Co. Ltd** Transferred to SV Global Mill Ltd. (as per sanctioned Scheme of Demerger Refer Note 4)	810	100	—	(1)	—
			287884	(13)	237897

Includes Securities on deposits with Government authorities

** Paid up per share Rs. 65

Quoted
Unquoted

Cost	Market Value
402	11471
287482	287491
287884	298965

	Rs. 000	
	31st March	30th Sep.
	2010	2009
SCHEDULE :6		
CURRENT ASSETS, LOANS & ADVANCES:		
a) Inventories (At the lower of cost and net realisable value)		
Stock in-trade	204054	204054
Less Transfers (Refer Note 4 & 7)	(192035)	
i) Land & Buildings at cost		204054
ii) Other stocks		
Finished stocks at lower of cost and net realisable value		5565
Stores and spare parts	290	290
TOTAL	<u>12309</u>	<u>209909</u>
b) Sundry Debtors - unsecured over six months Considered Good	2195	10211
	<u>2195</u>	<u>10211</u>
Other debts - Considered Good	24265	21423
	<u>31460</u>	<u>31634</u>
	<u>31460</u>	<u>31634</u>
c) Cash and Bank Balances:		
Cash	109	540
With Scheduled Banks on:		
Current Account	4736	38766
Money Deposit Account	18200	18323
Fixed deposit Account	22936	11764
	<u>23040</u>	<u>68853</u>
d) Other current assets (interest accrued)		69193
e) Loans and Advances and deposits - unsecured Advances/deposits recoverable in cash or in kind or for value to be received: Considered Good	138846	614140
Considered Good (Receivable from BEL)	22136	4636
	<u>160982</u>	<u>618776</u>
Balances with Customs, Port trust, Railways & excise authorities	2851	10581
	<u>163833</u>	<u>629360</u>
	<u>163833</u>	<u>629360</u>
SCHEDULE :7		
CURRENT LIABILITIES AND PROVISIONS		
a) Liabilities		
Sundry creditors:		
Voluntary Retirement Scheme	31898	33608
Others	262145	191293
Customers credit balances	19401	20585
Provisions for gratuity	4608	7071
Provisions for Leave encashment	449	818
	<u>341502</u>	<u>253376</u>

	Rs. '000	
	Period Ended 31st Mar 2010	Period Ended 30th Sept. 2009
SCHEDULE : 8		
ACCRETION TO STOCK		
Opening stock		6535
Traded goods	5565	
Closing stock	6066	5565
Traded goods	501	970
SCHEDULE : 9		
OTHER INCOME		
Dividend		230
Interest	490	4756
Rent & lease income	24685	69572
Miscellaneous income	1869	16310
Profit on sale of assets	17500	2810
	44544	95712
SCHEDULE : 10		
EMPLOYEES COST		
Salaries, wages and Bonus	7324	23637
Contribution to Provident and other Funds	804	2734
Retirement Benefits		
Gratuity	594	1769
Pension	23	
Welfare expenses	684	2039
	9429	29682
SCHEDULE : 11		
OTHER COSTS		
Power and fuel	2228	7019
Rent	120	501
Rates and taxes	16704	47723
Insurance	640	2409
Repairs to:		
Buildings	1157	6190
Machinery	1413	2666
	2570	8856
Auditors Remuneration		
Audit Fee	650	650
Tax Audit Fee	450	450
Litigation Matters		725
Fee for Certification	15	20
	1115	1845
Selling expenses	1038	3432
Cash Discount	2171	4570
Advertisement		99
Bank charges	62	181
Loss on sale of Assets		145052
Bad debts/doubtfuls written off	14912	48896
Less: Adjusted against provision	14912	48896
Security	2409	
Legal	2567	6388
Miscellaneous Expenses	10777	24643
	57313	260812
SCHEDULE : 12		
Loss brought forward from previous year	1510034	1510034
Less: Net Loss as on the date of demerger (as per the Sanctioned Scheme)	1502890	
Balance loss in P & L	7144	1510034
Add: Loss Transferred from P & L	79946	
Loss carried to balance sheet	87090	1510034

SCHEDULE : 13
QUANTITATIVE PARTICULARS
1. Capacity, Production, Turnover and Stock

Rs. 000

Particulars	Units	CAPACITY PER ANNUM		Opening Stock (Excluding Showroom Stock)	Closing Stock (Excluding Showroom Stock)	TURNOVER	
		Licensed	Installed* Production			Quantity	Value
TEXTILES							
Productive Capacity							
Spindles	BSC Nos. DWT	—	2304 (idle) (2304)				
Looms	BSC Nos. DWT	—	129 (148) (265)				
Processing Capacity							
Fibre	Lakh Hectrs	—	—				
Yarn	Tonnes	—	—				
* installed capacity as per Ministry Memorandum							
OTHERS							
(i) Handloom/Power loom Goods bought out							9012 (61924)
(ii) Turpatti							85 (1512)
							9917 (66436)

Particulars	Unit	Quantity	Period ended 31st March 2010	Period ended 30th Sept. 2009
2. Purchase of Finished Goods				
(a) Handloom/Power loom goods			8341	53177
(b) Engineering and Agencies			36	924
			8377	54101
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 14
ACCOUNTING POLICIES & NOTES ON ACCOUNTS
ACCOUNTING POLICIES

(a) Fixed assets

- 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.
- Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act 1956.
- 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

Raw materials, stores and spare parts, Finished stock, 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. 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 including lease rent income are recognized on and direct expenses related to sales are proportionately accounted for time proportion / completion of operation.

(d) Investments

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

(e) Retirement Benefits

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

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

Profit and Loss Account in accordance with AS-15 (revised).

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

(f) Segment reporting

The 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, whenever 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 on Accounts

1. BIFR sanctioned a Rehabilitation Scheme to Binny Limited on 22/10/2003. BIFR passed an order on 26/12/06 stating that the company is out of purview of BIFR, which order was challenged before Hon'ble High Court of Madras by employees union. The High Court (by 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" based on the joint memo filed by company and employees union. During this period the company has demerged into three companies as here under.
2. The Scheme of Arrangement was placed before the shareholders at their EGM held on 10.03.2010. The High Court of Judicature at Madras has approved the Scheme of Arrangement as per Section 391 & 394 along with capital reduction as per Section 101 vide order dated 22.04.2010. The order of the Court was received by the company on 07.05.2010. As per the Court direction the certified copy of the order was filed with ROC on 08.05.2010 which is the effective date of the Sanctioned Scheme of arrangement. As per the sanctioned Scheme of arrangement the Appointed date is 1st January 2010, i.e. date on which the demerger related entries have been given effect in the books of the companies. However the increase in authorized share capital, issue of preference share capital, reduction in preference share capital have been done at the Board Meeting held on 12.05.2010, pending these formalities the preference share capital pending allotment and Pending Reduction in preference share capital have been accounted for in the Balance Sheet as on 31.03.2010.
3. In terms of above Scheme of arrangement under section 391 to 394 of the Companies Act, 1956 between Binny Limited and two other companies, the Binny Limited (remaining company after demerger) has reorganized and segregated by way of demerger into two separate companies viz. S.V Global Mill Ltd. (Resulting Company 1) and Binny Mills Ltd (Resulting Company 2). All the assets and liabilities are transferred and shares were allotted as per the sanctioned order of Hon'ble High Court of Judicature at Chennai dated 22.04.2010.

As per the said scheme, in consideration of demerger, the shareholders in Binny Ltd shall get in the case of Resulting Company-1, in the ratio of

- a. 7 (seven) equity shares in the Resulting Company-1 of face value of Rs.5/- each credited as fully paid up for every 7 (seven) equity shares of Rs.5/- each fully paid-up
- b. 1 (one) 9.75% Cumulative Redeemable Preference Share of face value of Rs.5/- each credited as fully paid up for every 30 (Thirty) 9.75% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up
- c. 138 (One hundred and thirty eight) 9% Cumulative Redeemable Preference Share of face value of Rs.5/- each credited as fully paid up for every 3,125 (Three thousand one hundred and twenty five) 9% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid-up

As per the said scheme, in consideration of demerger, the shareholders in Binny Ltd shall get in the case of Resulting Company-2, in the ratio of

- a. 1 (one) equity share in the Resulting Company-2 of face value of Rs.10/- each credited as fully paid up for every 7 (seven) equity shares of Rs.5/- (Rupees five) each fully paid-up.
- b. 15 (Fifteen) 9.75% Cumulative Redeemable Preference Share of face value of Rs.5/- (Rupees five) each credited as fully paid up for every 30 (Thirty) 9.75% Cumulative Redeemable Preference Shares of Rs.5/- (Rupees five) each fully paid-up.
- c. 1,631 (One thousand six hundred and thirty one) 9% Cumulative Redeemable Preference Share of face value of Rs.5/- each credited as fully paid up for every 3,125 (Three thousand one hundred and twenty five) 9% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid-up.

4. As per the sanctioned scheme the following are the Assets and Liabilities transferred from Binny Limited to the Resulting Companies

	Rs. in 000s		
	S V Global Mill Ltd R1	Binny Milk Ltd. R2	Total
Share Capital (Preference)	119209	1409530	1528739
Reserves & Surplus	-	-	-
Unsecured	-	-	-
	<u>119209</u>	<u>1409530</u>	<u>1528739</u>
Fixed Assets	33431	2608	36039
Investment	1	-	1
Net Current Assets	<u>341891</u>	<u>122051</u>	<u>463944</u>
	<u>175323</u>	<u>124661</u>	<u>499984</u>

The excess of the value of assets over the value of liabilities transferred pursuant to the Scheme of Arrangement amounting to Rs.1028755 thousands has been credited to "Capital Reserve Account"

5. As per the sanctioned Scheme of Arrangement the company has cancelled 6,27,200 Number of 9.75% Cumulative Redeemable Preference Shares and 30,51,20,658 Number of 9% Cumulative Redeemable Preference Shares and issued further fresh 7,13,04,713 9% Cumulative Redeemable Preference Shares to the existing Preference Shareholders with the same terms and conditions. As per the Scheme of Arrangement the reduction in paid up preference share capital has been issued in the Resulting Companies with the same terms and conditions. The allotment of fresh preference share capital was done on 12.05.2010.
6. In terms of clause 8.2 of the sanctioned Scheme and in accordance with Section 391 and Section 394 of the Companies Act 1956, the Board of Directors carried out:
- revaluation of B&C Milk compound property in to Rs.2994300 thousands, (book value Rs.194 thousands), the difference being accounted as Revaluation Reserve; and
 - writing off of Miscellaneous and P & L Debit balances amounting to Rs.2478627 thousands (as per clause 8.3 of the scheme) which was adjusted against the above Revaluation Reserve.

Based on the above, the final accounts have been revalued and increased to Rs.2994300 thousands as against the Present book value of Rs.194 thousands. The difference amount Rs.2994106 thousands has been transferred to revaluation Reserve account. Against this reserve the entries relating to the amount brought in by promoters, towards expenses and unsecured loans were adjusted to the extent of Rs.591402 thousands. Expenses recognized at the time of demerger amounting to Rs.384335 thousands and P & L account Debit balances amounting to Rs.1502890 thousands have also been adjusted against the above revaluation reserve.

7. Appreciation in land value credited to Capital Reserve during 1981 - 82 on their conversion into stock in trade remaining outstanding as at the date of demerger has been reversed to bring the asset / stock in trade cost. The notional appreciation in the value of land and buildings held as stock in trade taken to credit in P&L a/c in earlier years Rs.79254 thousands has also got reversed.
8. **Unsecured Loans**

The company was receiving the loans from the Promoters individually and through their group companies since 1991, to meet the requirements of rehabilitation schemes submitted to BIFR. During this period the Unsecured Loans were reconciled and the preference share capital were issued as per the sanctioned Scheme of Arrangement. The remaining unsecured loans as on 31.05.2010 is Rs.382261 thousands represents 377241 thousands accounted as per the scheme S.1.2 and the balance are relating to earlier years.

Rs. in 000s

	31-3-2010	30-9-2009
9. Capital Work in progress represents (Expenditure under Project 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 M/s (yet to put use)	2101	2101
ii) Interest on devolved LC capitalized (fruct of waiver under BFR order)	20320	20320
iii) Capital advances & Work-in-Progress	154333	154333
	<u>176754</u>	<u>176754</u>
LESS: Impairment loss provided	176754	176754
	<u>Nil</u>	<u>Nil</u>

10. Binny Engineering Limited (BEL)

The investment in Binny Engineering Limited Rs. 287481 thousands is shown at cost. The company has advanced a sum of Rs. 22136 thousands (Rs. 16336 thousands) to Binny Engineering Limited for meeting their liabilities such as interest on P.F. ES) contribution etc. Considering the investments are long term in nature and advances are recoverable in the ordinary course of business these amounts are carried at cost.

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

a) Electricity charges on revision of tariff rates for the period from 1-12-82 to 31-12-02 consented by the company, the recovery of which is stayed by the Hon'ble High Court of Madras	11750	11750
b) Estimated surcharge on belated payment upto 31/03/2010	61571	60161
c) Sales Tax/Entry Tax demand under appeal for assessment (Sales tax dues are on BEL and the same are entirely provided for in BEL. The demand notices are issued in the name of Binny Ltd. since BEL was a unit of Binny Limited)	53438	74818
d) Claim for back wages in respects of various disputes		Liability, if any, not ascertainable

12. Other Moneys for which the company is contingently liable

a. Outstanding guarantees and indemnities given by the company (excluding performance guarantees)	425	425
b. Claims against the company not acknowledged as Debts	15586	15914

13. Balances in sundry debtors, sundry creditors and Loans and Advances are subject to confirmation/ reconciliation. However, in the opinion of the Management, all current assets, debtors and loans/ advances would in the ordinary course of business realize at the value stated.

14. Sundry creditors outstanding Rs.78239 thousands as on 31/03/2010 include dues to creditors other than Micro, Small and Medium Enterprise. There is no principal or interest due/ unpaid thereon to any suppliers of Micro, Small and Medium Enterprises as at year end.

15. The Company has already fully provided for loss on account of impairment of assets as required by AS 28 amounting to Rs. 176754 thousands (Previous Year - 176754 thousands).

16. No provision for income tax is considered necessary for the year in view of brought forward losses.

All the wealth tax pending cases were disposed off by High Court. As per the orders of High Court the AO has completed the Assessments and raised demand of Rs. 86644 thousands which was paid by the company and disputed before CWT(A). The dispute is for and upto the Assessment Year 2004 - 05. The company has filed its Wealth Tax Return for later years with Nil taxable wealth as in previous years. The Department has not raised any demands till 31.03.2010. As per the

sanctioned scheme of demerger, some of the assets got transferred to Resulting Company 1 & Resulting Company 2. As on 31.03.2010, the management is of the view that there are no wealth tax liability as on 31.03.2010.

17.	Extra-ordinary items comprise of:		
	Credit balances written back due to one-time settlement	32	22
		32	22
	Less: VRS compensation	415	6562
		383	6540
18.	(a) Arrears of 9.75% Cumulative Preference dividend for the Period 15.6.1998 to 30.06.2006	4612	4612
	(b) Arrears of 9.75% cumulative Preference dividend for the period 01-07-2006 to 31-12-2009	936	186
	(c) Arrears of 9% Cumulative Preference dividend for the period 01-10-2005 to 31-12-2009 (on demerger the proportionate arrear dividend got transferred to Resulting Company 1 & Resulting Company 2)	303001	64570
18.(A)	(a) Arrears of 9.75% Cumulative Preference dividend for the Period 15.6.1998 to 30.06.2006	4612	4612
	(b) Arrears of 9.75% cumulative Preference dividend for the period 01-01-2010 to 31-03-2010	67	
	(c) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2010	22831	
19.	The Executive Chairman has waived his remuneration for the period from 11-01-1998 to 31.03.2010		
20.	Miscellaneous expenses including sitting fees paid to Non executive independent Directors	5	
21.	Earnings in Foreign Exchange	NIL	NIL
22.	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 31-03-2010 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.		
23.	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		
	TCT Ltd		
	S.V. Global Mill Ltd	} with effect from 01.01.2010	
	Binny Mills Ltd		
	(iii) Key Management Personnel		
	M. Iithurajan		
	M.E. Snamugam		
	M. Nandagopal		
	V.R. Venkatasachalam		
	Narasimhan Nandagopal		
	Arvind Nandagopal		

(b) Transactions with related parties

	(Rs. in thousands)	
	Subsidiaries	Associates
Sales and other income	—	79 (508)
Rendering of Services	—	712 (3286)
Loans to Subsidiary	22136 (4636)	—
Outstanding balances as on 31/03/2010		(Rs. in thousands)
Debtors	Subsidiaries —	Associates 4117 (2788)
Loans & Advances	22136 (4636)	—
Creditors	—	660 (66)
Binny Mills Limited – Advance received for sale of properties	—	(39181)
Other liabilities	—	(-) (1572) (-)

24. Segment Reporting

	Rs. in 000s							
	Agriculture & Services Undertaking		Properties Undertaking		Remaining Company		Total	
	2009-2010 (3 months)	2008-2009	2009-2010 (3 months)	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
A. Primary Segment Information								
1. REVENUE								
External Sales	9917	64924	-	-	-	1512	9917	66436
Total revenue	9917	64924	-	-	-	1512	9917	66436
2. RESULTS								
Segment results	201	(299928)	913	2838	31637	(14485)	32751	(182605)
Unallocated expenditure	-	-	-	-	-	-	112804	32482
Interest expenses	-	-	-	-	-	-	-	-
Interest and dividend income	-	-	-	-	-	-	490	5020
Profit/(loss) from ordinary activities	-	-	-	-	-	-	(79563)	(210067)
Extraordinary item	-	65400	-	-	-	-	383	65400
Profit for the year	-	-	-	-	-	-	(79946)	(275467)
3. OTHER INFORMATION								
Segment assets	-	109704	-	238704	-	251473	148692	599981
Unallocated Assets	-	-	-	-	-	-	3423743	730172
Total Assets	-	-	-	-	-	-	3572435	1330053
Segment Liabilities	-	196034	-	-	-	53395	195159	249429
Unallocated Liabilities	-	-	-	-	-	-	528604	4533
Extraordinary item	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	723763	253962
Capital Expenditure	-	-	-	-	-	-	3481	6865
Depreciation	59	6783	130	172	1233	3160	1422	10115
Unallocated corporate depreciation	-	-	-	-	-	-	23	334

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 properties. Textile segment comprise of Trading Agencies. Services consist of 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.

25. Earnings per Share:

	Before extra ordinary item		After extra ordinary item	
	2010	2009	2010	2009
Profit available to Equity Share holders used as Numerator - (A) (Rs. In thousands)	(79563)	(210067)	(79946)	(275467)
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*1000/B) in Rs.	(3.56)	(9.41)	(3.58)	(12.33)
Earnings per share (Diluted) - (D*1000/D) in Rs.	(3.56)	(9.41)	(3.58)	(12.33)

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

PARTICULARS

Unfunded Liabilities	Gratuity		Long Term Compensated Absence	
	Unfunded		Unfunded	
(i) Assumptions	31.3.2010	30.9.2009	31.3.2010	30.9.2009
Discount Rate - Previous Period	7.50%	7.90%	7.50%	7.90%
Discount Rate - Current Period	8.00%	7.50%	8.00%	7.50%
Rate of Return on Plan Assets - Previous Period	N.A.	N.A.	N.A.	N.A.
Rate of Return on Plan Assets - Current Period	N.A.	N.A.	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	7071	6716	818	952
Interest Cost	522	701	47	17
Current Service Cost	240	211	36	11
Benefit Paid	(1311)	(911)	(27)	(62)
Actuarial (gain) / Loss on obligations	(2224)	45	(155)	72
Liability at the end of the Period	4608	7071	100	818
(iii) Table of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of	0	14A	0	14A
Expected Return on Plan Assets	0	14A	-0	14A
Contributions	0	14A	0	14A
Benefit Paid	0	(14A)	0	(14A)
Actuarial gain / (loss) on Plan Assets	0	(14A)	0	(14A)
Fair Value of Plan Assets at the end of the Period	0	14A	0	14A
Total Actuarial Gain / (Loss) to be Recognised	0	(14A)	0	(14A)
(iv) Actual Return on Plan Assets				
Expected Return on Plan Assets	14A	14A	14A	14A
Actuarial gain / (loss) on Plan Assets	14A	(14A)	(14A)	(14A)
Actual Return on Plan Assets	14A	(14A)	(14A)	(14A)
(v) Amount Recognised in the Balance Sheet				
Liability at the end of the Period	4608	(7071)	340	(2463)
Fair Value of plan Assets at the end of the Period	0	0	0	0
Difference	4608	(7071)	340	(2463)
Amount Recognised in the Balance Sheet	(4608)	(7071)	(340)	(2463)
(vi) Amount Recognised in the Income Statement				
Current Service Cost	240	216	37	11
Interest Cost	352	701	31	11
Expected Return on Plan Assets	0	0	0	0
Net Actuarial (Gain) / Loss to be Recognised	(2924)	49	(152)	72
Expense Recognised in Profit & Loss A/c	(2132)	(267)	(100)	(207)
(vii) Amount Recognised in the Balance Sheet				
Opening Net Liability	2074	6746	100	674
Expense as above	(2132)	1267	147	78
Employers Contribution paid - Benefits Paid	(511)	(511)	(171)	(162)
Closing net Liability	4608	7071	100	674

27. Previous period figures have been regrouped wherever necessary. The figures in brackets relate to previous period. Current period figures are for 6 months and hence not comparable with those of the previous accounting year of 18 months. Current period figures consist of 3 months before demerger and 3 months after demerger and hence not strictly comparable. All the figures are rounded off to nearest 1000's.

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G. VENKATARAMAN
Company Secretary

As per our Report of date 14/08/2010
for CHNGM & ASSO CHNGM
Chartered Accountants

Chennai
25th August 2010

R. HARIDJALMARUGAN
Partner
Membership No. 106114
Firm Registration No. 106114

Balance Sheet Abstract and Company's Business Profile for the period ended 31st March 2010

I Registration Details

Registration No.	5736	State Code	18
Balance Sheet Date	31.03.2010		

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

Public issue, Rights issue, Bonus issue

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

	Total liabilities	Total assets
	3318023	3318023
Sources of funds	Paid up capital	Reserves and surplus
Advance towards share capital/ Shares pending allotment/Reduction	2455977	1652000
-1172215	Secured loans	Unsecured Loans
	Nil	382261
Application of funds	Net fixed assets	Investments
	3053909	287884
	Net current assets	Misc. expenditure
	(110860)	Nil
	Accumulated Losses	
	87090	

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

Turnover (Sales including other income)	83645	Total expenditure	163591
+/- Profit / Loss before tax	(79946)	+/- Profit / Loss after tax	(79946)
Earning per share in Rs.	(3.56)(3.58)	Dividend rate %	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
25th August 2010

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Registration No.0049155

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2010

	Period Ended 31.03.2010	Period Ended 30.09.2009
	Rs. in '000	
A. Cash Flow from Operating Activities		
Profit / (Loss) for the year:	(77,946)	(275,486)
Adjustments for:		
Depreciation	1,445	10,450
Impairment Loss	-	91,500
Interest Earned	(490)	(4,750)
Dividend Received	-	(770)
Profit on sale of assets	(17,500)	(2,810)
Loss on Sale of assets	-	145,083
Bad debts written off	14,912	-
Provision for Wealth Tax / FBT	86,644	-
Operating Profit before working Capital changes	5,065	(36,266)
(Increase) / Decrease in Inventories	197,600	2,572
(Increase) / Decrease in Trade and other Receivables	(14,738)	940
(Increase) / Decrease Other Current Assets	8	-
(Increase) / Decrease Loans & Advances	465,527	(303,078)
Increase / (Decrease) in Trade Payable	88,126	14,114
Cash from Operating activities	741,588	(121,511)
Direct Taxes paid	(86,644)	-
Transfer as per Court Sanctioned Scheme on demerger (net)	(715,706)	-
Net Cash from Operating activities	(60,762)	(121,511)
B. Cash flow from Investing activities		
Sale of Fixed Assets	17,500	24,650
Purchase of Fixed Assets	(3,481)	(6,885)
Interest received	490	4,750
Dividend received	-	770
Net Cash from investing activities	14,509	22,885
C. Cash flow from financing activities		
Preference Shares	-	311,200
Net Cash from financing activities	-	311,200
Net Increase / (Decrease) in cash and cash equivalents (A) + B + C)	(46,253)	34,474
Cash and cash equivalent as at the beginning of the year	69,402	35,019
Cash and cash equivalent as at the end of the year	23,149	69,493

- 1 The non cash items related to the demerger are not considered in the above cash flow statement.
- 2 The net cash from operating activities is arrived after considering the net transfers, including cash and cash equivalents, transferred to the resulting companies as per the Court Sanctioned Scheme of Demerger.

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
25th August 2010

R. THIRUMALMAJUGAN
Partner
Membership No. 200192
Firm Registration No. 0019175

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 March 31, 2010, the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Binny Limited in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Binny Limited and its subsidiary included in the consolidated financial statements.
4. Attention is invited to the following material matters relating to the parent and subsidiary company reported in the Notes on Accounts:
 1. With regard to the adjustment of Rs. 2468676 thousands against the Revaluation Reserve;
 2. Non-confirmation of balances as on 31st March 2010 from Debtors, Loans and Advances, other Current Assets and Sundry Creditors, consequent effect, if any, on the financials are not quantifiable;
 3. Non-provision of wealth tax liability, if any, consequent effect, if any, on the financials are not quantifiable;
 4. Non-payment of (a) sales tax demands under appeal amounting to Rs. 1111 thousands, (b) TNGST/CSI demand under appeal amounting to Rs. 12900 thousands, (c) excise demands under appeal of Rs. 12230 in thousands; and
 5. Treatment of sundry debts of Rs. 5831 thousands as good and recoverable.
5. On the basis of information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Binny Limited and its subsidiary and subject to our observations in paragraphs 4 above, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet of the Consolidated State of Affairs of Binny Limited and its subsidiary as at 31st March, 2010;
 - 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.

Place: CHENNAI
Date: 25th August, 2010

For M/s. CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

R. THIRUMAL MARUGAN
PARTNER
Membership No.: 260102
Firm Reg. No: 0049155

CONSOLIDATED BALANCE SHEET AS AT 31st March 2010

	Schedule	Rs. '000 As at 31st March 2010	Rs. '000 As at 30th September 2009
I. SOURCES OF FUNDS			
Shareholders funds			
Share capital	1	2455977	2455977
Shares pending Allotment/Reduction	1A	(1172215)	
Reserves & surplus	2	1652000	1301481
		<u>2935762</u>	<u>2106124</u>
Loan funds			
Unsecured loans	3	387261	5586
		<u>387261</u>	<u>5586</u>
		<u>3323023</u>	<u>2591711</u>
APPLICATION OF FUNDS			
Fixed Assets			
a) Gross Block	4	3189035	315387
b) Less Depreciation		<u>128597</u>	<u>206395</u>
c) Net Block		3060438	108992
d) Capital work-in-progress		<u>3060438</u>	<u>108992</u>
Investments	5	207903	207916
		<u>3268341</u>	<u>316908</u>
Current Assets, Loans & Advances			
a) Inventories	6	12309	209909
b) Sundry debtors		37962	40567
c) Cash & Bank Balances		23615	20147
d) Other Current Assets			18
e) Loans & advances		<u>199747</u>	<u>627029</u>
		<u>273633</u>	<u>947670</u>
Less: Current Liabilities and Provisions			
a) Current Liabilities	7	554834	428072
b) Provisions		<u>—</u>	<u>—</u>
		<u>554834</u>	<u>428072</u>
Net Current Assets		(281201)	519596
Profit & Loss Account		<u>335083</u>	<u>4755207</u>
		<u>3323023</u>	<u>2591711</u>
Notes on accounts			

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G. VENKATARAMAN
Company Secretary

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

Chennai
25th August 2010

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Registration No 0049155

BINNY

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

	Schedule	Rs. '000 Period Ended 31st March 2010	Rs. '000 Period Ended 30th September 2009
INCOME			
Sales		10238	67226
Less: Excise Duty		24	
Accretion to stocks	8	501	-5741
Agency Commission and other income for service rendered other income	9	28683 15886	77699 167447
		85284	
EXPENDITURE			
Purchase of Finished Goods		8377	54101
Employers Cost	10	9780	30789
Others costs	11	61509	267368
		79666	306631
Profit / Loss		5618	(45627)
Less: Interest & Finance charges			(45627)
Profit/Loss before Depreciation and Taxation		5618	(45627)
Less: Depreciation		2157	11512
Profit/Loss for the year		3461	(57139)
Add impairment loss			91500
For the year (net of loss)		3461	(148639)
Less: Wealth tax paid (prior years) (Refer Note 16)		86644	
Less: Provision for EBT			400
		(83183)	(149039)
Extra ordinary items (Refer Note 14 of Schedule 13)		383	65378
Net Loss carried to balance sheet	12	(83566)	(214417)
Earnings per share- Basic and Diluted in Rs (Face value of Rs.5)			
Before extra-ordinary items		(3.73)	(6.68)
After extra-ordinary items		(3.74)	(9.61)
Notes on accounts	13		

M. ETHURAIAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
25th August 2010

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Registration No.0049155

Schedules Forming Part of Accounts

		Rs. '000	
		As at	
		31st March 2010	30th Sep. 2009
SCHEDULE : I			
SHARE CAPITAL			
Authorised			
2,28,20,000	Equity Shares of Rs.5/- each	1,14,100	1,14,100
11,80,000	9.75% Cumulative Redeemable Preference Shares of Rs.5/- each	5,900	5,900
49,00,00,000	9% Cumulative Redeemable Preference Share of Rs.5/- each	24,50,000	24,50,000
		<u>25,70,000</u>	<u>25,70,000</u>
Issued, Subscribed and Paid-up			
2,23,19,410	Equity Shares of Rs.5/- each fully paid up (a)	1,11,597	1,11,597
11,76,000	9.75% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up	5,880	5,880
<u>46,77,00,000</u>	9% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up	23,38,500	23,38,500
		<u>(b)</u>	<u>23,44,380</u>
		<u>(a + b)</u>	<u>24,55,977</u>
Terms of issue and redemptions:			
30,00,00,000	9.00% CRPS of Rs.5/- each issued on 30.9.2005 are redeemable on or before 30.9.2010		15,00,000
11,76,000	9.75% CRPS of Rs.5/- each issued on 30.6.2006 are redeemable on or before 30.6.2011		5,880
4,00,00,000	9.00% CRPS of Rs.5/- each issued on 31.1.2007 are redeemable on or before 31.1.2012		2,00,000
1,00,00,000	9.00% CRPS of Rs.5/- each issued on 30.1.2008 are redeemable on or before 30.1.2013		50,000
11,77,00,000	9.00% CRPS of Rs.5/- each issued on 29.9.2008 are redeemable on or before 29.9.2013		5,88,500
			<u>23,44,380</u>
<u>46,88,76,000</u>			

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities.

SCHEDULE 1 A

SHARES PENDING ALLOTMENT / REDUCTION

9.75% Cumulative Redeemable Preference Shares pending Allotment:

		31st Mar. 2010	30th Sep. 2009
		Rs 000	As at
	9.75% Cumulative Redeemable Preference shares of Rs 5 each allotment in terms of the Scheme of Arrangement		
7,13,04,715	(Allotment effect pending as on 31.3.2010) (A)	3,56,524	Nil
Cumulative Redeemable Preference Shares pending reduction :			
	Reduction in issued capital of 9.75% Cumulative Redeemable Preference shares, in terms of the Scheme of Arrangement, subsequent to allotment of the same in the respective resulting companies as per the approved ratio (pending effect as at 31.3.2010)	(3,236)	Nil
8,27,250			
	Reduction in issued capital of 9.75% Cumulative Redeemable Preference shares in terms of the Scheme of Arrangement, subsequent to allotment of the same in the respective resulting companies as per the approved ratio (pending effect as at 31.3.2010)	(15,25,603)	Nil
15,12,958			
	(B)	(15,28,719)	Nil
11,99,293			
	The said "Issued and Paid-up Cumulative Redeemable Preference Share Capital" (net of amount / redeemed) (A + B)	(11,22,215)	Nil

SCHEDULE 2

RESERVES AND SURPLUS

CAPITAL RESERVE

Appropriation of profit/loss of the Company during the year ended on 30th September 1999 (Rs. 000)		
Reserve for contingencies	22382	22382
Reserve for depreciation (Refer Note 7)	22302	
Share A/c - as per the Audited Balance Sheet		107766
Equity Reserve for dividend (Refer Note 4)		1028755
Reserve for Reserve Budget Capital Order (Refer Note 6)		515479
	1652000	130148

Rs. '000
As at
31st March 2010 30th Sept 2009

SCHEDULE 3**UNSECURED LOANS**

From Financials and their Group (Refer Note 3 of Schedule 1)

387261 5586

387261 5586

SCHEDULE 4: TANGIBLE ASSETS

Description of Assets	Gross Block of Cost			Depreciation			Net Block	
	As at 30.09.2009	Additions (Exhaustible)	As at 31.03.2010	As at 30.09.2009	Accumulated (Deductions)	As at 31.03.2010	As at 31.03.2010	As at 30.09.2009
Leaschield Loan	20241	2994200	2994241				2994241	20241
Debitors		134						
Provision for doubtful Leaschield loan	2500	29070	12181	175		175	47206	23402
Plant and Equipment	96224	1546	96264	12509	1093	9690	885	8936
Debitors		7024			2674			
Motor vehicles	162		993	960		993		
Bank A/c Investment bank	2541		3380	2542	91	2772	52	1627
Plant & machinery	152591		152591	150075	680	150095	3074	9825
Building		16611			6416			
Provision for doubtful Leaschield loan		1114			3906			
Furniture & fittings	10285	1124	9147	13026	175	4973	4174	2257
Debitors		1786			8201			
Provision for doubtful Leaschield loan	854	31	885	4534	80	3671	61	46
Debitors		834			723			
Provision for doubtful Leaschield loan		1236			6446			
TOTAL	110261	297721	210035	26034	2137	10867	83948	10867
Debitors		1236			6446			
Provision for Leaschield loan	40736	925	31039	24612	7141	25699	10891	14786
		110007			(154729)			

1 (H) & R2 refer to the lessee Company 1 (W Global Mill Ltd & Resulting Company) 2 (Binny Mills Ltd) (Refer Note 3)

2 Revaluation is as per Court sanctioned Scheme (Refer Note 6)

3 Leaschield loan provision is on account of cancellation of lease agreement.

**SCHEDULE 5
INVESTMENTS**

	No. of Shares	Face Value per Share Rs	Rs. '000	
			As at 31-3-2010	As at 30-9-2009
A) AT COST				
NON TRADE				
Fully paid equity shares:				
QUOTED				
State Bank of India	1520	10	69	69
KICV Bank Ltd	7851	10	333	333
UNQUOTED				
In Government Securities -#				12
Fully paid cumulative Redeemable P.F. shares in 20750000		10	207500	207500
S.V. Sugar Mills Ltd				

SCHEDULE : 5 (Contd.)

	No. of Shares	Face Value per Share Rs.	Rs. (Rs.)		As at 30-9-2009
			As at 31-3-2010	Additions / Deductions	
ii) AT DIRECTOR'S VALUATION					
NON-TRADE					
Fully paid Equity shares :					
Tamilnadu Chromates & Chemicals Limited	30000	10	1		1
Arya Property Holding Co. Ltd.** Transferred to SV Global Mill Ltd (as per sanctioned Scheme of Demerger Refer note 4)	810	100		1	1
			<u>207903</u>	13	<u>207916</u>

* Includes Securities on deposits with Government authorities
 ** 1000 (per share) Rs. 65

	Cost	Market value/ Book Value
Quoted	802	11471
Unquoted	207501	207494
	<u>207903</u>	<u>208965</u>

SCHEDULE : 6

CURRENT ASSETS, LOANS & ADVANCES,

a) Inventories (At the lower of cost and net realisable value)		
Stock-in-trade	12019	204054
i) Land & Buildings at market value (Note 7 in Schedule 13)		
ii) Other stocks		
Raw Materials at cost		5565
Finished stocks at lower of cost and net realisable value		5565
WIP/Engg. Contracts at cost		290
Stores and spares Parts	290	290
Tools & equipments		
TOTAL	<u>12309</u>	<u>209909</u>
b) Sundry Debtors-unsecured over six months Considered Good	<u>13697</u>	<u>19144</u>
Other debts, Considered Good	13697	19144
	<u>24265</u>	<u>21423</u>
	<u>37962</u>	<u>40567</u>
	<u>37962</u>	<u>40567</u>

SCHEDULE : 6 (Contd.)	31st March 2010	Rs. '000 As at	30th Sept 2009
c) Cash and Bank Balances:			
Cash	119		654
With Scheduled Banks on:			
Current Account	4763	36873	
Margin Money Deposit Account	18733	18856	
Fixed deposit Account	23496	11764	69493
	<u>23615</u>		<u>70147</u>
d) Other current assets : (Interest accrued)			18
e) Loans and Advances and deposits-unsecured:			
Advances/deposits recoverable in cash or in kind or for value to be received:			
Considered Good	196238		615854
Considered Doubtful	9040		9040
	<u>205278</u>		<u>624894</u>
Balances with Customs, Port trust, Railways & excise authorities:			
Deposits	3509		11475
	<u>208787</u>		<u>636069</u>
Less: Provision for Doubtful Advances	9040		9040
	<u>199747</u>		<u>627629</u>

**SCHEDULE : 7
CURRENT LIABILITIES AND PROVISIONS**

a) Liabilities:			
Sundry creditors:			
Voluntary Retirement Scheme	34998		11008
Deffered Sales tax liability	75586		75586
Sales tax liability under deferral	19670		19662
Others	389166		256143
Customers credit balances	30417		35145
Provisions for gratuity	1648		7110
Provisions for Leave encashment	449		518
Provisions for FBT	-		2
	<u>554834</u>		<u>428074</u>

**SCHEDULE : 8
ACCRETION TO STOCK :**

	Period ended 31st March 2010	Period ending 30th Sept. 2009
Opening stock:		
Stock-in-trade	5565	6535
Traded Goods		
Work in progress		
	<u>5565</u>	<u>4771</u>
Closing Stock :		
Stock-in-trade		
Traded Goods	6066	5565
Work in progress		
	<u>6066</u>	<u>5565</u>
	<u>501</u>	<u>(5741)</u>

	Rs. '000	
	Period Ended 31st March 2010	Period Ended 30th Sept. 2009
SCHEDULE : 9		
OTHER INCOME :		
Dividend		270
Interest	490	4760
Rent	24685	69572
Miscellaneous Income	1869	33126
Profit on sale of machinery	18842	59719
	<u>45886</u>	<u>167447</u>
SCHEDULE : 10		
EMPLOYEES COST		
Salaries, wages and Bonus	7639	24612
Contribution to Provident and other Funds	821	2795
Retirement Benefits		
Gratuity	594	1269
Pension	25	8
	<u>619</u>	<u>1277</u>
Welfare expenses	701	2105
	<u>9780</u>	<u>30769</u>
SCHEDULE : 11		
OTHER COSTS		
Power and fuel	2658	8998
Rent	124	914
Rates and taxes	16758	47901
Insurance	640	2409
Repairs to		
Buildings	1157	6512
Machinery	1426	2704
Vehicles & others	<u>2</u>	9218
Auditors Remuneration	2563	
Audit Fee	715	730
Tax Audit Fee	450	470
Taxation Matters	18	725
Fee for Certification	15	20
	<u>1198</u>	<u>1945</u>
Selling expenses	1030	3432
Cash Discount	2171	4570
Advertisement		99
Bank charges	67	198
Provision for Doubtful debts and advances		
Bad debts/advances written off	17344	89132
Loss/Adjusted against provision	17344	89132
Miscellaneous Expenses	<u>10859</u>	24708
Loss on sale of fixed assets	-	145082
Security charges- outside party	2902	9635
Legal expenses	3167	8217
Telephones		42
	<u>61509</u>	<u>267368</u>
SCHEDULE : 12		
Loss brought forward from previous year	1755207	1755207
Less: Net Loss as on the date of demerger (as per the Sanctioned Scheme)	1502890	
Balance loss in P & L	252317	1755207
Add: Loss Transfer from P & L	83566	-
Loss carried to balance sheet	<u>335883</u>	<u>1755207</u>

SCHEDULE 13
ACCOUNTING POLICIES & NOTES ON ACCOUNTS
ACCOUNTING POLICIES

(a) Basis of Consolidation

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

(b) 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.

(c) Inventories

Raw materials, stores and spare parts, Finished stock, and trading stock are valued at lower of cost and net realizable value. Cost is arrived at weighted average cost.

(d) Revenue Recognition

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

Agency commission is recognized on accrual basis. Income on container freight services including lease rent income are recognized on and direct expenses related to sales are proportionately accounted for time proportion / completion of operation.

(e) Investments

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

(f) 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.

(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.

BINNY

(o) 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 Ltd.	India	100%	Binny Limited

(b) Consolidation is done based on the audited financials of the above subsidiary as on 31.03.2010

Notes on Accounts

- BIFR sanctioned a Rehabilitation Scheme to Binny Limited on 22/10/2003. BIFR passed an order on 26/12/06 stating that the company is out of purview of BIFR, which order was challenged before Hon'ble High Court of Madras by employees union. The High Court (by 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" based on the joint memo filed by company and employees union. During this period the company has demerged into three companies as here under.
- The Scheme of Arrangement was placed before the shareholders at their EGM held on 10.03.2010. The High Court of Judicature at Madras has sanctioned the Scheme of Arrangement as per Section 391 & 394 along with capital reduction as per Section 101 vide order dated 22.04.2010. The order of the Court was received by the company on 07.05.2010. As per the Court direction the certified copy of the order was filed with ROC on 08.05.2010 which is the effective date of the Sanctioned Scheme of arrangement. As per the sanctioned Scheme of arrangement the Appointed date is 1st January 2010, i.e. date on which the demerger related entries have been given effect in the books of the companies. However the increase in authorized share capital, issue of preference share capital, reduction in preference share capital have been done at the Board Meeting held on 12.05.2010, pending these formalities the preference share capital pending allotment and Pending Reduction in preference share capital have been accounted for in the Balance Sheet as on 31.03.2010.
- In terms of above Scheme of arrangement under section 391 to 394 of the Companies Act, 1956 between Binny Limited and two other companies, the Binny Limited (remaining company after demerger) has reorganized and segregated by way of demerger into two separate companies viz. S V Global Mill Ltd (Resulting Company 1) and Binny Mills Ltd (Resulting Company 2). All the assets and liabilities are transferred and shares were allotted as per the approval order of Hon'ble High Court of Judicature at Chennai dated 22.04.2010. As per the said scheme, in consideration of demerger, the shareholders in Binny Ltd shall get in the case of Resulting Company-1, in the ratio of
 - 7 (seven) equity shares in the Resulting Company-1 of face value of Rs.5/- each credited as fully paid up for every 7 (seven) equity shares of Rs.5/- each fully paid-up.
 - 1 (one) 9.75% Cumulative Redeemable Preference Share of face value of Rs.5/- each credited as fully paid up for every 30 (Thirty) 9.75% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid-up.
 - 138 (One hundred and thirty eight) 9% Cumulative Redeemable Preference Share of face value of Rs.5/- each credited as fully paid up for every 3,125 (Three thousand one hundred and twenty five) 9% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid-up.

As per the said scheme, in consideration of demerger, the shareholders in Binny Ltd shall get in the case of Resulting Company 2, in the ratio of

- 1 (one) equity share in the Resulting Company of face value of Rs.10/- each credited as fully paid up for every 7 (seven) equity shares of Rs.5/- (Rupees five) each fully paid-up.
 - 15 (Fifteen) 9.75% Cumulative Redeemable Preference Share of face value of Rs.5/- (Rupees five) each credited as fully paid up for every 30 (Thirty) 9.75% Cumulative Redeemable Preference Shares of Rs.5/- (Rupees five) each fully paid-up.
 - 1,631 (One thousand six hundred and thirty one) 9% Cumulative Redeemable Preference Share of face value of Rs.5/- each credited as fully paid up for every 3,125 (Three thousand one hundred and twenty five) 9% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid-up.
4. As per the sanctioned scheme the following are the Assets and Liabilities transferred from Binny Limited to the Resulting Companies

	S V Global Mill Ltd R1	Rs. in 000s Binny Mills Ltd. R2	Total
Share Capital (Preference)	119209	1409530	1528739
Reserves & Surplus Unsecured	-	-	-
	<u>119209</u>	<u>1409530</u>	<u>1528739</u>
Fixed Assets	33431	2608	36039
Investment	1	-	1
Net Current Assets	341891	122053	463944
	<u>375323</u>	<u>124661</u>	<u>499984</u>

The excess of the value of assets over the value of liabilities transferred pursuant to the Scheme of Arrangement amounting to Rs.1028755 thousands has been credited to "Capital Reserve Account".

5. As per the sanctioned Scheme of Arrangement the company has cancelled 6,27,200 Number of 9.75% Cumulative Redeemable Preference Shares and 30,51,20,658 Number of 9% Cumulative Redeemable Preference Shares and issued further fresh 7,13,04,713 9% Cumulative Redeemable Preference Shares to the existing Preference Shareholders with the same terms and conditions. As per the Scheme of Arrangement the reduction in paid up preference share capital has been issued in the Resulting Companies with the same terms and conditions. The allotment of fresh preference share capital was done on 12.05.2010.
6. In terms of clause 8.2 of the sanctioned Scheme and in accordance with Section 391 and Section 394 of the Companies Act 1956, the Board of Directors carried out:
- revaluation of B&C Mill compound property in to Rs.2994300 thousands, (book value Rs.194 thousands), the difference being accounted as Revaluation Reserve; and
 - writing off of Miscellaneous and P & L Debit balances amounting to Rs.2478626 thousands (as per clause 8.3 of the scheme) which was adjusted against the above Revaluation Reserve;

Based on the above, the final accounts have been revalued and increased to Rs.2994300 thousands as against the Present book value of Rs.194 thousands. The difference amount Rs.2994106 thousands has been transferred to revaluation Reserve account. Against this reserve the entries relating to the amount brought in by promoters, towards expenses and unsecured loans were adjusted to the extent of Rs.591402 thousands. Expenses recognized at the time of demerger amounting to Rs.384334 thousands and P & L account Debit balances amounting to Rs.1502890 thousands have also been adjusted against the above revaluation reserve.

7. Appreciation in land value credited to Capital Reserve during 1981 - 82 on their conversion into stock in trade remaining outstanding as at the date of demerger has been reversed to bring the asset / stock in trade cost. The notional appreciation in the value of land and buildings held as stock in trade taken to credit in P&L a/c in earlier years Rs.78254 thousands has also got reversed.

8. 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. During this period the Unsecured Loans were reconciled and the preference share capital were issued as per the sanctioned Scheme of Arrangement. The remaining unsecured loans as on 31.03.2010 is Rs.387261 thousands represents 372241 thousands accounted as per the scheme 5.1.2 and the balance are relating to earlier years Rs. 5000 thousands relating to Mother Mira Industries.

	Rs. in '000s	
	31-3-2010	30-9-2009
9. 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 use	2101	2101
ii) Interest on devolved LC capitalized.(net of waiver under BIFR order)	20320	20320
iii) Capital advances & Work-in-Progress	154333	154333
	176754	176754
	176754	176754
LESS: Impairment loss provided	Nil	Nil
10. No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief/ succeeding in 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	11750	11750
b) Estimated surcharge on belated payment above upto 31/03/2010	61571	60161
c) Sales Tax/Entry Tax demand under appeal for assessment (Sales tax dues are on BEL and the same are entirely provided for in BEL. The demand notices are issued in the name of Binny Ltd., Since BEL was a unit of Binny Limited)	53438	74818
d) Claim for back wages in respects of various disputes		Liability, if any, not ascertainable
11. Other Moneys for which the company is contingently liable		
a. Outstanding guarantees and indemnities given by the company (excluding performance guarantees)	958	958
b. Claims against the company not acknowledged as Debts	15586	15914
c. Other moneys for which the company is contingently liable.		

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	Period ended 31.03.2010	Period ended 30.09.2009
a. 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	6290	9662
b. Other claims from Customers Against these claims: the company also has counter claims aggregating Rs. 134267 Thousand (Rs. 134267 Thousand)	121244	121244
c. Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable in case the AP High Court decided the matter in favour of NSL.	5237	5237
d. 1. TNGST and CST Sales Tax demands under appeal for the assessment years 1996 - 97(dept.appeal) pending.	2211	2211
2. TNGST / CST - under dispute - appeal / revision	12900	12900
3. Excise Demands under Appeal	12230	12230
12. In the year 1994, when the rehabilitation scheme was sanctioned by BIFF, deferral of sales tax commencing from the year 1994, payable in the next 5 years had been sanctioned for Binny Engineering Limited. The above exemption was valid only till 31.03.1999 and the company has sought for extension of the deferral for a further period of 5 years in the revised package submitted to Board for Industrial and Financial Reconstruction in August 2002. However, BIFR has delinked the Company from the rehabilitation scheme of Binny Limited. The deferred amount of Rs. 75586 thousands for the period 1994-95 to 1998-99 is yet to be remitted (out of Rs. 75586 thousands, Rs. 21403 thousands 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. 19349 thousands and Bihar Sales Tax collections amounting to Rs. 314 thousands relating to the period September 1996 to March 2002 is pending remittance.		
13. Balances in sundry debtors, sundry creditors unsecured loan from Mother Meera Industries and Loans and Advances are subject to confirmation/ reconciliation. However, in the opinion of the Management, all current assets, debtors and loans advances would in the ordinary course of business realize at the value stated.		
14. The Company has already fully provided for loss on account of impairment of assets as required by AS 28 amounting to Rs. 176754 thousands (Previous Year 176754 thousands).		
15. No provision for income tax is considered necessary for the year in view of brought forward losses. All the wealth tax pending cases were disposed off by High Court. As per the orders of High Court the AO has completed the Assessments and raised demand of Rs.86644 thousands which was paid by the company and disputed before CWT(A). The dispute is for and upto the Assessment Year 2004 - 05. The company has filed its Wealth Tax Return for later years with Nil taxable wealth as in previous years. The Department has not raised any demands till 31.03.2010. As per the approved scheme of demerger some of the assets got transferred to companies as at 31.03.2010, the management is of the view that there are no wealth tax liability as on 31.03.2010.		
16. Extra-ordinary items comprise of:		
Credit balances written back due to one time settlement	54	220
	54	220
Less: VRS compensation	115	65620
	361	65400
17. a) Sundry Debtors unsecured and considered goods include Rs. 5804 thousands (Rs. 8235 thousands) which remain uncollected for more than three years and Rs. 698 thousands (Rs. 698 thousands) 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) During the period an amount of Rs. 2432 thousands has been written off as bad debts.		
18. Investment represents fully paid cumulative redeemable preference share capital (2,07,50,000 shares of Rs. 10 each) of M/s S.V. Sugar Mills Limited, associate company. For the period the company has not declared any preference dividend.		

19. (a) Arrears of 9.75% Cumulative Preference dividend for the Period 15.6.1998 to 30.06.2006	4612	4612
(b) Arrears of 9.75% cumulative Preference dividend for the period 01-07-2006 to 31-12-2009	936	1863
(c) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009 (on demerger the proportionate arrear dividend got transferred to R1 & R2)	303001	645708
19.(A) (a) Arrears of 9.75% Cumulative Preference dividend for the Period 15.6.1998 to 30.06.2006	4612	4612
(b) Arrears of 9.75% cumulative Preference dividend for the period 01-01-2010 to 31-03-2010	67	-
(c) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2010	22831	-
20. The Executive Chairman has waived his remuneration for the period from 11-01-1998 to 31.03.2010		
21. Miscellaneous expenses including sitting fees paid to Non executive independent Directors	005 NIL	007 NIL
22. Earnings in Foreign Exchange		
23. Related Party Disclosure		
(a) List of Related Parties		
(i) Parties where control exists	NIL	
(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 Ltd		
S.V Global Mill Ltd. } with effect from 01.01.2010		
Binny Mills Ltd }		
(iii) Key Management Personnel		
M. Ethurajan		
M.E. Shanmugam		
M. Nandagopal		
V.R. Venkatachalarn		
Natarajan Nandagopal		
Arvind Nandagopal		
(b) Transactions with related parties		(Rs. in thousands)
Sales and other income		79
		(508)
		712
Rendoring of Services		(3286)
Outstanding balances as on 31/03/2010		(Rs. in thousands)
Debtors		4815
		(3486)
Investment		(207500)
		57718
Loans & Advances		(274)
		660
Creditors		(66)
		39181
Binny Mills Limited – Advance for sale for properties		(-)
		1572
Other liabilities		(-)

24. To comply with the Accounting Standard - 22 - Accounting for Taxes on Income, the company reviewed the deferred assets and liabilities. The timing difference relates mainly to depreciation and carry forward losses for the period up to 31-2010 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in accounts:

25. Earnings per Share:

Particulars	Before extra ordinary item		After extra ordinary item	
	2010	2009	2010	2009
Profit available to Equity Share holders used as Numerator (A) (Rs. 000)	(83183)	(149039)	(83566)	(214417)
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				
Weighted Average No. of Equity Shares Including potential shares (D)	NIL	NIL	NIL	NIL
Earnings per share (Basic) (A*1000/B) in Rs.	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Diluted) - (D*1000/D) in Rs.	(3.73)	(6.68)	(3.74)	(9.61)
	(3.73)	(6.68)	(3.74)	(9.61)

26. The figures in brackets relate to previous period.

27. Previous period figures have been regrouped wherever necessary. Current period figures are for 6 months and hence not comparable with those of the previous accounting year of 18 months. Current period figures consists of 3 months before demerger and 3 months after demerger and hence not strictly comparable. All the figures are rounded off to nearest 1000's

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

for CNGSN & ASSOCIATES
Chartered Accountants

Chennai
25th August 2010

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Registration No 0049155

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2010

	Period Ended 31.03.2010 Rs. '000	Period Ended 30.09.2009 Rs. '000
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	(83,566)	(214,417)
Adjustments for:		
Depreciation	2,157	11,513
Impairment Loss	-	91,500
Interest Earned	(490)	(4,803)
Dividend Received	-	(270)
Profit on sale of assets	(18,842)	(59,718)
Loss on Sale of assets	-	145,083
Bad debts written off	17,344	-
Provision for Wealth Tax / FBT	86,644	-
Operating Profit before working Capital changes	3,247	(31,115)
(Increase) / Decrease in Inventories	197,600	7,431
(Increase) / Decrease in Trade and other Receivables	(14,739)	3,661
(Increase) / Decrease Other Current Assets	18	-
(Increase) / Decrease Loans & Advances	427,282	(229,373)
Increase / (Decrease) in Trade Payable	126,759	77,360
Cash from Operating activities	740,167	(172,036)
Direct Taxes paid	(86,644)	-
Transfer as per Court Sanctioned Scheme - on demerger (net)	(715,906)	-
Net Cash from Operating activities	(62,383)	(172,036)
B Cash flow from Investing activities		(207,500)
Purchase of investment	18,842	81,814
Sale of Fixed Assets	(3,481)	(6,876)
Purchase of Fixed Assets	490	4,803
Interest received	-	270
Dividend received	15,851	(127,489)
Net Cash from investing activities	-	(207,500)
C Cash flow from financing activities		333,200
Preference Shares	-	333,200
Net Cash from financing activities	-	333,200
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(46,532)	33,675
Cash and cash equivalent as at the beginning of the year	70,147	36,472
Cash and cash equivalent as at the end of the year -	23,615	70,147

- The non cash items related to the demerger are not considered in the above cash flow statement
- The net cash from operating activities is arrived after considering the net transfers, including cash and cash equivalents, transferred to the resulting companies as per the Court Sanctioned Scheme of Demerger.

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
25th August 2010

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Registration No.0049155

BINNY ENGINEERING LIMITED

ANNUAL REPORT - MARCH 2010
6 months

Chairman

Auditors

Bankers

Registered Office

DIRECTORS

M. Ethurajan

M. Nandagopal

S. Natarajan

M.E. Shanmugam

V.R. Venkatasachalam

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 Fifteenth Annual Report on the performance of the company together with the Audited Accounts of the company for the six months period ended 31st March 2010.

FINANCIAL RESULTS

	For the 6 months period ended 31.3.2010	For the year ended 30.6.2009
	Rs. in '000	Rs. in '000
Income from Operation	201	790
Profit / Loss before Interest & Depreciation	(2008)	62331
Interest and Finance charges		
Depreciation	710	1003
Extraordinary Income (Expenditure)		22
Net Profit / Loss for the period	(1627)	61050
Carried to Balance Sheet	(248703)	(245172)

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) (h) of the Companies (Disclosure of Particulars in the Report of Director) Rule 1988 is given in the Annexure 1 below.

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

DIRECTORS

Mr. S. Natarajan & Mr. M.E. Ramasudhan 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:

- Regarding starting of the unit, accounts are prepared on a "going concern" basis.
- (i) to (iv) the company has filed necessary petitions/applications before respective authorities seeking revision of the levy/charges/demand and penalties as the same may be.
- (i) to (v) The Company would take appropriate steps to collect over due bank debts and also to confirm the balances.

B) Answer to the Auditor Report

- (Internal Audit System would be strengthened as and when activity commences.
- The company is laying up the matter with appropriate authorities.

AUDITORS

Messrs. CHZSR & 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(2A) of the Companies Act, 1956 the Directors state as follows:

- That in the preparation of annual accounts for the 6 months period ended 31st March, 2010 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year ended 31st March.
- 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 interests of the Company and for providing financial and other information.
- That the Directors had prepared the accounts for the 6 months period ended 31st March, 2010 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 period under review.

ACKNOWLEDGEMENTS

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

BY ORDER OF THE BOARD

M. ETHURAJAN
CHAIRMAN

D. Mani
31st August 2010

ANNEXURE - 1

		FORM 'A'		Previous Period	Form 'B' -
		Current Period			A. CONSERVATION OF ENERGY
A)	Power and Fuel Consumption				Reduced the demand from 720 KVA to 400 KVA
1.	Electricity				
	a) Purchased Units (Rs. in '000)	42		143	
	Total amount (Rs. in '000)	435		1540	
	Rate/Unit Rs.	1044		1062	
	b) Own Generation				
	i) Through Diesel Generator (Unit)	Nil		Nil	
	Unit per lit of Diesel oil	Nil		Nil	
	Cost/Unit (Rs.)	Nil		Nil	
	ii) Through Steam	50		50	
	Turbine/Generator Unit (per hrs)	Nil		Nil	
	ii) Units per lit of fuel oil/Gas Cost/Unit	Nil		Nil	
2.	Coal (Specify quantity and where used) (Tonnes) (Qty)	Nil		Nil	
	Total Cost (Rs. lakhs)	Nil		Nil	
	Average Rate (Rs.)	Nil		Nil	
3.	Finance Oil Qty. (K. Ltrs)	Nil		Nil	
	Qty. (K. Ltrs)	Nil		Nil	
	Total amount (Rs. lakhs)	Nil		Nil	
	Average Rate (Rs.)	Nil		Nil	
5.	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	

BINNY ENGINEERING LIMITED

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 31st March 2010, 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 Director is disqualified as on 31st March 2010 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. 2211 thousands (Note No.3 (1))
 - ii. Non-provision for INGST/CST demand under appeal/revision amounting to Rs.12900 thousands (Note No. 3 (2))
 - iii. Non-Provision for excise demands under appeal of Rs. 12230 thousands (Note No : 3(3))
 - iv. Treatment of overdue debts of Rs.5831 thousands referred in Note No.5 as good and recoverable.
 - v. Non-Confirmation of balances referred to in Note No. 6
 - (G) Without considering items mentioned in paragraph 4(F) (iv) and (v) above, the effect of which could not be ascertained and hence we are unable to express an opinion on these matters and had the observation in 4(F) (i) to (iii) been considered, the loss for the period would have been Rs. 30961 thousands as against the reported loss of Rs. 3620 thousands, and the accumulated losses would be Rs.276134 thousands as against the reported accumulated losses of Rs.248793 thousands and the current liabilities would have been Rs.240633 thousands as against the reported current liabilities of Rs.213792 thousands.
 - (H) 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 31st March 2010;
 - ii. in the case of the Profit & Loss Account of the LOSS 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.

Place : Chennai
Date : 25th August, 2010

For M/s. CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

R. THIRU/MALMARUGAN
Partner
Membership No.200102
Firm Registration No.0049155

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.
- (ii) (c) During the period, the Company has disposed off some of the fixed assets, which however, has no effect on the going concern assumption.
(d) There are no inventories as at the year end.
- (iii) (a) The company has granted interest free loans, unsecured to associate company, a party covered in the register maintained under section 301 of the Companies Act, 1956. The total number of party is one and amount involved is Rs.58050 thousands.
(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 the receipts of interest and also any overdue is there.
(c) The company has taken unsecured interest free loans from its holding company. The total number of party is one and amount involved is Rs.22136 thousands.
(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 arrangements 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 as defined under section 58A of the Companies Act, 1956.
- (vii) In our opinion, the company does not have 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) (i) The company is depositing, with some delays, with appropriate authorities undeposited statutory dues including provident fund, employees' state insurance and income tax, wherever applicable to it.
 (b) According to the information and explanations given to us, no undeposited amounts payable in respect of income tax, wealth tax, sales tax, were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable except for the following:

Nature of Tax	Period	Amount ('000)
Sales tax	April 1994 to March 2005	95248
Professional Tax	April 2005 to September 2007	28
TNLWB	September 2001 to March 2006	3

- (c) According to the information and explanation given to us, the following are the dues of sales 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 '000)	Forum where dispute is pending
Tamil Nadu General Sales Tax Act	TNGST & Penalty	2211	Tamil Nadu Taxation Special Tribunal
Central Excise & Customs Act	Excise Duty	12330	Suprema Court
Employee State Insurance Act	Employee State Insurance	1265	Madras High Court
Employees Provident Fund Act	Employees Provident Fund (Contributions & Interest)	12900	Madras High Court

- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial period covered by our audit and has not incurred cash loss during the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, there is no default in the repayment of dues to the bankers / financial institutions.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a hit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us no term loans obtained during this 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 no funds raised on short-term loans have been used for long-term investments.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares during the 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 and 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 & ASSOCIATES
 CHARTERED ACCOUNTANTS

Place : Chennai.
 Date : 25th August, 2010

R. THIRUMANI MARUGAN
 Partner
 Membership No. 200102

BINNY ENGINEERING LIMITED

BALANCE SHEET AS AT 31.03.2010

I. Sources of Funds	SCHEDULE	As At	
		31.03.2010 Rs. in '000s	30.09.2009 Rs. in '000s
1. Shareholders' funds: Share Capital	1	287481	287481
2. Loan funds: a. Secured loans b. Unsecured loans	2	27136	9836
		314617	297117
(ii) APPLICATION OF FUNDS			
(1) Fixed Assets: (a) Gross Block (b) Less: Depreciation	3	48620 42091	50570 43330
		6529	7240
(2) Investments	4	207500	207500
(3) Current Assets, Loans and Advances, (a) Inventories (b) Sundry Debtors (c) Cash and Bank Balances (d) Other Current Assets (e) Loans and Advances	5	— 6502 575 — 58050	— 8933 654 10 2305
		65127	11902
Less: Current Liabilities & Provisions	6		
(a) Current Liabilities (b) Provisions		213292 40	174856 42
		213332	174698
Net Current Assets		148205	162798
Profit & Loss Account		248793	245173
		314617	297117
Notes on Accounts	11		

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2010

SCHEDULE	Period Ended	
	31.03.2010 Rs. in '000s	30.09.2009 Rs. in '000s
INCOME		
Gross Sales	321	79
Less:- Excise Duty	(24)	—
Net sales	297	79
Accretion/(Decrease) to Stock	—	(477)
Other Income	1	737
	1638	699
EXPENDITURE		
Raw Materials and other Direct Materials Consumed	—	—
Employees Cost	361	112
Other Costs	4196	668
	4547	762
Profit/(Loss) before Interest & Depreciation	(2904)	820
Less : Depreciation	712	107
Profit/(Loss) for the Year	(3620)	610
Extraordinary Income/(Expenditure) (Refer note 2)	—	—
Profit/(loss) after Extraordinary Income	(3620)	610
Loss brought forward from the previous year	(245173)	(30622)
Loss carried to Balance Sheet	(248793)	(245173)
Earnings per share- Basic and Diluted in Rs. (Face value of Rs 10)		
Before extra-ordinary items	(8.12)	2.1
After extra-ordinary items	(8.12)	2.1
Notes on Accounts	11	

As per our report of even date

As per our report of even date

M. Ethurajan
Director

M. E. Shanmugam
Director

For M/s. CNGSN & Associates
Chartered Accountants

M. Ethurajan
Director

M. E. Shanmugam
Director

For M/s. CNGSN & Associates
Chartered Accountants

R. THIRUMALMARUGAN
Partner

Membership No.200102
Firm Regn. No. 0049155

R. THIRUMALMARUGAN
Partner

Membership No.200102
Firm Regn. No. 0049155

Chennai
25-08-2010

Chennai
25-08-2010

BINNY ENGINEERING LIMITED

		As At		As At
SCHEDULE 1	31.03.2010	30.09.2009	31.03.2010	30.09.2009
Share Capital	Rs. in '000s	Rs. in '000s	Rs. in '000s	Rs. in '000s
Authorised 300,00,000 Equity Shares of Rs.10 each (300,00,000 Equity Shares of Rs.10 each)	300000	300000		
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)	287481	287481		
All the above Shares are held by Binny Limited the Holding Company and its Nominees.				
SCHEDULE 2				
Unsecured Loans				
Mother Maers Industries Ltd.	5000		5000	
Due to Holding Company - Binny Limited	22136		4636	
	27136		9636	
SCHEDULE 4				
Investment-at-cost non-trade Fully paid cumulative Redeemable Preference Shares in SV Sugar Mills Ltd 2.07,50,000 Shares of Rs. 10/- face value of each			207500	207500

SCHEDULE 3
Fixed Assets As At 31.03.2010 Rs. in '000)

DESCRIPTION	C O S T			DEPRECIATION			NET BLOCK	
	AS AT 30.09.2009	ADDITION (DELETION)	AS AT 31.03.2010	AS AT 30.09.2009	ADDITION (DELETION) FOR THE YEAR	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 30.09.2009
LEASE HOLD LAND	125	—	125	125	—	125	—	—
BUILDINGS	16314	—	16314	10506	272	10778	5536	5807
MACHINARIES	27195	(1950)	25245	26612	292 (1950)	24954	291	583
COMPUTERS	2664	—	2664	2643	10	2653	11	21
A/C PLANT	608	—	608	403	15	418	190	205
ELEC. INSTALTN.	1756	—	1756	1270	62	1332	424	487
FURNITURE & FITTINGS	1908	—	1908	1771	60	1831	77	137
TOTAL	50570	— (1950)	48620	43330	712 (1950)	42091	6529	7240
PREVIOUS YEAR TOTAL	110318	12 (59760)	50570	101772	1063 (59506)	43330	7240	8547

		As At		As At
SCHEDULE 5	31.03.2010	30.09.2009	31.03.2010	30.09.2009
Current Assets, Loans and Advances	Rs. in '000	Rs. in '000	Rs. in '000	Rs. in '000
B. Sundry Debtors - Unsecured :				
Over Six Months :				
Considered Good	6502	8933		
	6502	8933		
Other Debts: Considered Good	—	0		
	6502	8933		
	6502	8933		
C. Cash and Bank Balances :				
Cash on Hand	15	14		
With Scheduled Banks on :				
Current Account	27	107		
Margin Money Deposit Account	533	533		
	575	654		
D. Current Assets :				
Interest Accrued	—	10		
	—	10		
E. Loans and Advances - Unsecured :				
Advances Recoverable in Cash or in kind or for Value to be Received			57392	1714
Considered Good			9040	9040
Considered Doubtful				
			66432	10754
Less: Provision for Doubtful Advances			9040	9040
			57392	1714
Deposits			658	591
			58050	2305
			58050	2305
SCHEDULE 6				
CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities :				
Sundry Creditors	107020		64848	
Deferred Sales Tax liability	75586		75586	
Unremitted Sales Tax Liability	19670		19682	
Advance received from Customers	11018		14560	
	213292		174858	

	31.03.2010	30.09.2009		31.03.2010	30.09.2009
	Rs. in '000	Rs. in '000		Rs. in '000	Rs. in '000
(b) Provisions:					
Gratuity & V.R.S.Amount	40	39	Contribution to Provident fund and other funds	17	5
Fringe Benefit Tax	—	3	Pension	2	—
	40	42	Welfare Expenses	17	6
TOTAL	213332	174686		351	110
	=====	=====		=====	=====
SCHEDULE 7			SCHEDULE 10		
Decretion to stock :			Other costs :		
Opening Work-In-Progress	—	4771	Power and fuel	430	1975
Closing Work-In-Progress	—	—	Rent	4	13
	—	—	Rates and taxes	54	178
(Decretion) / Accretion	—	(4771)	Repairs & Maintenance :		
	=====	=====	Buildings	—	32
			Machinery	13	3
			Vehicle & Others	—	—
			Auditors Remuneration :		
SCHEDULE 8			Audit Fee	65	8
Other Income :			IT Representation	18	20
Interest received on Margin money	—	10	Bank charges	5	7
Interest received on Security	—	43	Bad debts written off	2432	—
Miscellaneous Income (Scrap Sale)	297	16773	Legal Expenses	600	182
Profit on sale of Fixed Assets	1342	56909	Telephone	3	4
	1639	73735	Travelling Expenses	10	4
	=====	=====	Conveyance and Lunch	13	4
SCHEDULE 9			Freight Inward	—	1
Employees cost :			Security charges - outside party	493	137
Salaries, Wages & Others	315	975	Miscellaneous expenses	56	56
				4196	658
				=====	=====

SCHEDULE - 11 : Accounting Policies and Notes on Accounts:**A. Significant Accounting Policies****1. SYSTEM OF ACCOUNTING**

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

2. REVENUE RECOGNITION

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

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

3. USE OF ESTIMATES

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

4. FIXED ASSETS AND DEPRECIATION

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

5. INVESTMENTS

Investments meant to be held for long term are accounted at cost and at Management valuation.

6. INVENTORIES

- i. Raw materials and stores and spare parts are valued at lower of cost and net realizable value. Cost on weighted average.
- ii. Works-In-Progress are valued at lower of cost and net realizable value.
- iii. Tool and Equipment are amortized over a period of four year commencing from the year after capitalization.

7. FOREIGN CURRENCY TRANSACTIONS

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 within Profit & Loss account or adjusted in cost of Fixed Assets.

8. RETIREMENT BENEFITS

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

9. BORROWING COSTS

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

10. LEASES

No lease has been taken during the period. Hence AS - 19 is not applicable.

11. EARNINGS PER SHARE

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

12. SEGMENT REPORTING

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

13. IMPAIRMENT OF ASSETS

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

14. PROVISION AND CONTINGENCIES

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

B. Notes on Accounts

- i. 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. Extra-ordinary items of income / (expenditure) comprise of the following:

BINNY ENGINEERING LIMITED

	Period ended 31.03.2010 Rs in '000	Period ended 30.09.2009 Rs in '000
3) Credit Balance written back due to Time Settlement	NIL	22
	NIL	22
4) Contingent Liabilities for which the company is contingently liable:		
	Period ended 31.03.2010	Period ended 30.09.2009
a. Outstanding guarantees and indemnities	533	533
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	533
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	6290	9662
d. Other claims from Customers Against these claims, the company also has counter claims aggregating Rs. 134267 Thousand (Rs. 134267 Thousand)	121244	121244
e. Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable in case the AP High Court decided the matter in favour of NSL.	5237	5237
5. 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 1995-97 (debt appeal) pending	2211	2211
2. TNGST / CST - under dispute - appeal / revision	12900	12900
3. Excise Demands under Appeal	12230	12230
6. 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 scheme exemption was valid only till 31.03.1999 and the company has sought for extension of the deferral for a further period of 5 years in the revised package submitted to Board for Industrial and Financial Reconstruction in August 2002. However, BIFR has de-linked the Company from the rehabilitation scheme of Binny Limited. The deferred amount of Rs. 75586 Thousand for the period 1994-95 to 1998-99 is yet to be remitted (out of Rs. 75506 Thousand, Rs. 21403 Thousand 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. 19349 Thousand and Bihar Sales Tax collections amounting to Rs. 314 Thousand relating to the period September 1996 to March 2002 is pending remittance.		
7. a. Sundry Debtors unsecured and considered goods include Rs. 5804 Thousand (Rs. 8235 Thousand) which remain uncollected for more than three years and Rs. 698 Thousand (Rs. 698 Thousand) 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. During the period an amount of Rs. 2622 Thousand has been written off as bad debts.		
8. Sundry Debtors / Creditors, Unsecured loan from Marley 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.		
9. Investment represents fully paid cumulative redeemable preference share capital (2,07,50,000 shares of Rs. 10 each) of M/s S.V. Sugar Mills Limited, associate company. For the period the company has not declared any preference dividend.		
	Period ended 31.03.2010 (Rs. in '000)	Period ended 30.09.2009 (Rs. in '000)
8. Value of imports on CIF basis Raw Materials	Nil	Nil
9. Expenditure in Foreign Currency on account of Foreign travel	Nil	Nil
10. Earnings in Foreign Exchange on account of Export of goods on FOB value.	Nil	Nil

11. Related Party Disclosure:

(a) List of Related Parties:

Parties where control exists :
 Holding Company : Binny Limited
 Associates: TCP Limited, S. V. Sagar Mills Ltd and
 Mohan Breweries & Distilleries Ltd
 The Thirumagal Mills Ltd.,

(b) Transactions / Balance with Related Parties particulars:

	Holding Company (Rs. in '000)	Associates
Advance received	22136 (4636)	
Outstanding balances as on 31.03.2010		
Debtors		698 (698)
Investment		207500 (207500)
Loans and Advances		57718 (274)

12. Earnings per Share:

Particulars	Before extra ordinary item		After extra ordinary item	
	Period ended March 2010	Period ended Sept 2009	Period ended March 2010	(Rs in '000) Period ended Sept 2009
Profit available to Equity Share				
Holder's used as Numerator - (A) (Rs. in '000)	(-) 3620	61020	(-) 3620	61050
Number of Shares outstanding	2,87,48,100	2,87,48,100	2,87,48,100	2,87,48,100
Weighted Average Number of 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* 1000/- B) in Rs. in '000	(-) 0.12	2.12	(-) 0.12	2.12
Earnings per share (Diluted) - (A* 1000/- D) in Rs. in '000	(-) 0.12	2.12	(-) 0.12	2.12

13. 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.

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

15. The Post of Managing or whole-time Director has not yet been filled up as required under section 269 of the Companies Act 1956.

16. The figures in bracket relates to previous period.

17. Current period figures are for 6 months and hence not comparable with those of the previous accounting period of 18 months.

18. Balance Sheet Abstract and cash flow statement are attached.

19. Previous period figures have been regrouped wherever necessary.

BINNY ENGINEERING LIMITED

Balance Sheet abstract and Company's business profile for the period ended 31st March 2010

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2010

Registration Details

Registration No. 29734 State Code 18

Balance Sheet Date 31.03.2010

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

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

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

	Total liabilities	Total assets
	314617	314617
Sources of funds	Paid up capital	Reserves and surplus
	287481	NIL
Advance towards share capital	Secured loans	Unsecured loans
NIL	NIL	27136
Application of funds	Net fixed assets	Investments
	6529	207500
Accumulated Loss	Net current assets	Misc. expenditure
248793	(-) 148205	Nil

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

	Turnover	Total expenditure
(Sales including other income)	1839	5259
+/- Profit / Loss before tax +/- Profit / Loss after tax	(-) 3620	(-) 3620
Earning per share in Rs. Dividend rate %	(-) 0.12	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

M. Ethurajan
Director

M. E. Shanmugam
Director

For M/s. CNGSN & Associates
Chartered Accountants

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Regn. No. 0019155

Chennai
25-08-2010

	Period Ended 31.03.2010	Period Ended 30.09.2009
	Rs. in '000	
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	(3,620)	61,050
Adjustments for:		
Depreciation	712	1,063
Interest earned	-	153
Profit on sale of fixed assets	(1,342)	195,209
Operating Profit before working Capital changes	(4,250)	5,151
(Increase) / Decrease in Trade and other Receivables	2,431	2,781
(Increase) / Decrease in Inventories	-	4,850
(Increase) / Decrease Other Current Assets	10	-
(Increase) / Decrease Loans & Advances	(85,745)	73,705
Increase / (Decrease) in Trade Payable	38,633	63,049
Net Cash from Operating activities	(18,921)	149,496
B Cash flow from Investing activities		
Purchase of Investments	-	(207,500)
Sale of Fixed Assets	1,342	57,164
Purchase of Fixed Assets	-	(13)
Interest received	-	53
Net Cash from Investing activities	1,342	(150,296)
C Cash flow from financing activities		
Unsecured Loans received	17,600	-
Net Cash from financing activities	17,600	-
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(70)	(299)
Cash and cash equivalent as at the beginning of the year	654	1,453
Cash and cash equivalent as at the end of the year	579	654

M. Ethurajan
Director

M. E. Shanmugam
Director

For M/s. CNGSN & Associates
Chartered Accountants

R. THIRUMALMARUGAN
Partner
Membership No. 200102
Firm Regn. No. 0019155

Chennai
25-08-2010

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 41st Annual General Meeting of the Company at 106, Armenian Street, Chennai - 600 001 on Monday, the 27th September 2010 at 9.30 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 of being a member/s of Binny Limited hereby appoint
..... of in the District of
or failing him, of in the District of
as my/our proxy to vote for me/us on my/our behalf at the 41st Annual General Meeting
of the Company at 106, Armenian Street, Chennai - 600 001 on Monday, the
27th September 2010 at 9.30 a.m. and/or at any adjournment thereof.

Signed this day of 2010.

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