

BINNY



ANNUAL REPORT AND ACCOUNTS

MARCH 2011

BINNY LIMITED

ANNUAL REPORT
MARCH - 2011

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

BINNY LIMITED

BINNY LIMITED

ANNUAL REPORT
- MARCH 2011

CONTENTS		Page	
1.	Board of Directors	B 1	7. Profit and Loss Account B 20
2.	Notice to Members	B 3	8. Schedules forming part of Accounts B 21
3.	Directors' Report	B 7	9. Balance Sheet Abstract B 33
4.	Corporate Governance	B 10	10. Cash Flow Statement B 34
5.	Auditors' Report	B 16	11. Consolidated Financial Statement C 1
6.	Balance Sheet	B 19	12. Binny Engineering Ltd. (Subsidiary Company) BE 1

BINNY LIMITED

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the FORTY SECOND ANNUAL GENERAL MEETING of the Company will be held at 106, Armenian Street, Chennai – 600001 on Wednesday, 28th September 2011 at 10.30 A.M.

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. M. Ethurajan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. M. Nandagopal, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. M.E. Shanmugam, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. V.R. Venkataachalam, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint Statutory Auditors and fix their remuneration.

To consider and if thought fit, to pass with or without modifications the following resolution as ordinary resolution: "RESOLVED that the retiring Auditors M/s. CNGSN & Associates, Chartered Accountants, Chennai be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed in this behalf by the board of directors of the company".

Registered Office:
106, Armenian Street,
Chennai 600 001
26th August 2011

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 21-09-2011 to 28-09-2011 (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.

BINNY LIMITED

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

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT:

(In pursuance of Clause 49 of the listing agreement)

Name of Director	Date of Birth	Date of Appointment	Qualification	Expertise in functional area
Mr. M. Ethurajan	21-01-1934	08-07-1987	Matriculation	Textiles, Sugar & Chemicals
Mr. M. Nandagopal	09-06-1939	23-03-1996	B.Sc., (Agriculture)	Sugar, Breweries, Textiles & Power
Mr. M.E. Shanmugam	14-04-1967	31-03-1993	B.Com. Management Studies	Textiles, Sugar & Chemicals
Mr. V.R. Venkatachalam	09-04-1960	11-01-1988	B.A.	Textiles, Chemicals & Medical Services

Item No. 2

Mr. M. Ethurajan, is the Chairman of M/s. Thirumagal Mills Limited, M/s. S V Sugar Mills Limited and M/s. TCP Limited. He is also on the Board of several other companies. The details of his directorship in other companies are as follows:

Name of the Company	Position Held
The Thirumagal Mills Limited	Chairman
S.V. Sugar Mills Limited	Chairman
T C P Limited	Chairman
Binny Engineering Limited	Director
Binny Lorze Limited	Director
Mohan Breweries and Distilleries Limited	Director
Mira Textiles & Industries (India) P. Limited	Director
Meera Papers Limited	Director
Orissa Sugars Limited	Director
Udayar Investment & Consultancy Pvt. Ltd.	Director
Sagar Sugars & Allied Products Ltd.	Director
Artha Hotel Pvt. Ltd	Director
S.V. Global Mill Limited	Director
S.V. Technology Solutions (P) Ltd.	Director
Tiger Farms (P) Limited	Director
Sriraj Mills (P) Limited	Director
Srinidhi Finance Pvt. Limited	Director

Mr. M. Ethurajan, is a Member of Share Transfer and Shareholders / Investors Grievance Committee of Binny Limited, Chairman of Remuneration Committee, Chairman of Share Transfer and Shareholders / Investors Grievance Committee of SV Global Mill Limited and Member of Audit Committee of M/s. S V Sugar Mills Limited.

Item No. 3

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

BINNY LIMITED

Name of the Company	Position Held
Mohan Breweries and Distilleries Limited	Executive Chairman
Sagar Sugars & Allied Products Ltd.	Managing Director
DI Mohan Bio Oils Limited	Managing Director
Binny Engineering Limited	Director
Mohan Meakin Limited	Director
The Thirumagal Mills Limited	Director
T C P Limited	Director
Arthos Breweries Limited	Director
S.V. Sugar Mills Limited	Director
Vestas RRB India Limited	Director
Mira Textiles & Industries (India) Pvt. Limited	Director
Bhankerpur Distilleries Limited	Director
Golden Eagle Communications Limited	Director
Orissa Sugars Limited	Director

Mr. M. Nandagopal is not a Member of any Committee of the Company.

Item No. 4

Mr. M.E. Shanmugam is the Managing Director of M/s. S V Sugar Mills Limited and M/s. Thirumagal Mills Limited. He is also on the Board of several other companies. The details of his directorship in other companies are as follows:

Name of the Company	Position Held
The Thirumagal Mills Limited	Managing Director
S.V. Sugar Mills Limited	Managing Director
Binny Engineering Limited	Director
Binny Lorze Limited	Director
Mohan Breweries and Distilleries Limited	Director
T C P Limited	Director
Artha Hotel Pvt. Ltd	Director
S.V. Global Mill Limited	Director
S.V. Technology Solutions (P) Ltd.	Director
Tiger Farms (P) Limited	Director
Sriraj Mills (P) Limited	Director
Srinidhi Finance Pvt. Limited	Director
Solan Minerals and Metals Pvt. Limited	Director
The Adyar Property Holding Co. Pvt. Limited	Director

Mr. M.E. Shanmugam is a Member of Share Transfer and Shareholders / Investors Grievance Committee, Member of Audit Committee, Member of Assets Sale Committee and Member of Management Committee of Binny Limited and Member of Audit Committee and Member of Share Transfer and Shareholders / Investors Grievance Committee of M/s. S V Global Mill Limited.

Item No. 5

Mr. V.R. Venkataachalam is the Managing Director of M/s TCP Limited and Managing Trustee and Chancellor of Sri Ramachandra Educational and Health Trust. The details of his directorship in other companies are as follows:

Name of the Company	Position Held
T C P Limited	Managing Director
Sri Ramachandra Educational & Health Trust	Managing Trustee and Chancellor
Binny Engineering Limited	Director
Binny Lorze Limited	Director

BINNY LIMITED

Binny Mills Limited	Director
S V Sugar Mills Limited	Director
The Thirumagal Mills Limited	Director
Mohan Breweries & Distilleries Limited	Director
Arthos Breweries Limited	Director
New Horizon Sugar Mills Limited	Director
VRV Imports & Exports Pvt. Ltd	Director
Pennar Cotton Mills (P) Limited	Director
Trivitron Medical Systems (P) Ltd.	Director
Thiruvalluvar Textiles (P) Limited	Director
Viceroy Chennai Hotels Pvt. Limited	Director
Egmore Benefit Society Limited	President
Indian Membership Benefit Fund Ltd.	President
TVRRS Enterprises	Partner

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

Inspection of Documents:

The documents referred to in the Notice are available for inspection at the Registered Office of the Company on any working day between 10.00 a.m. to 12.00 noon up to the date of 42nd AGM.

Registered Office:
106, Armenian Street,
Chennai 600 001
26th August 2011

BY ORDER OF THE BOARD

G. Venkataraman
Company Secretary

BINNY LIMITED

DIRECTORS' REPORT

Your Directors present the Forty Second Annual Report and Audited Accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS

	Rs. in Lakhs	
	2010-2011 12 months	2009-2010 6 months
Operating Profit / (Loss)	543.88	85.26
Interest and Finance Charges	—	—
Profit before Depreciation & Tax	543.88	85.26
Depreciation	25.43	14.45
Impairment Loss (AS-28)	—	—
Profit / (Loss) for the year	518.45	70.81
Wealth tax paid (prior years)	—	866.44
Tax	105.00	—
	413.45	(795.63)
Extra-ordinary items	0.50	3.83
Profit / (Loss) for the year	412.95	(799.46)

REVIEW OF OPERATIONS

Textile Division

B&C Mills

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

Services Division

The performance of the container freight station was continued to be satisfactory during the financial year 2010-11. However, owing to road traffic constraints prevailing in the location of our operation, higher revenue could not be anticipated during the current year.

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

Till date, sale registration has been made to 123 allottees out of 244 allottees of 500 sq.ft. of plot of company's land each, in terms of Memorandum of Understanding (MOU) dated 28/05/2008 with workmen Unions.

Scheme of Arrangement & Demerger

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.

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

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

BINNY LIMITED

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 Rs.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. The respective resulting companies have complied with formalities for listing of the equity shares with Bombay Stock Exchange Limited and Madras Stock Exchange Limited and obtained their in-principle approval for listing subject to the approval of Securities and Exchange Board of India (SEBI) for relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The application is presently pending with SEBI and the respective resulting companies are following it up with SEBI. Upon obtaining the approval of SEBI for relaxation of Rule 19(2)(b), trading in equity shares of the respective resulting companies could be permitted and until then the shares credited to the respective shareholders demat account is kept frozen.

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.

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

The Company continues to comply with the terms of Clause 49 (C) (iv) of the Listing Agreement with Stock exchanges. Mr. M Ethurajan, Mr. M Nandagopal, Mr. M E Shanmugam and Mr. V R Venkatachalam, Directors, retire by rotation and offer themselves for reappointment.

Binny Engineering Limited

The audited accounts for the year ended 31.3.2011 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.

BINNY LIMITED

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

Directors' Responsibility Statement

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

- i. that in the preparation of annual accounts for the year ended 31st March, 2011 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year ended 31st March, 2011 and of the profit or loss of the Company for the said period under review.
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors had prepared the accounts for the year ended 31st March 2011 on a "going concern" basis.

Corporate Governance

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

Secretarial Audit

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

Directors' Clarifications to Auditors' Remarks

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

4. (f) i. The Company has received wealth tax demand for the Asst. year 2005 – 06, 2006 – 07 and 2007 – 08 for Rs.42599 thousands against which the company has filed appeals with CWT(A) and confident of fair chances of success in appeal. Therefore, no provision has been made in the accounts and stay petition has been filed.
Considering the company's fair chance of succeeding the appeal against income-tax demand for the asst. year 2008 – 09 for Rs.1921 thousands, which is disputed before CIT(A), no provision has been considered necessary.
- ii. The management of the subsidiary is exploring all possible avenues and taking efforts to obtain necessary permissions of the authorities to resume the business by utilizing the vast leasehold land at the prime location.
- iii. Efforts are being made to obtain confirmation of balances.

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.

By Order of the Board

Chennai

26th August 2011

M ETHURAJAN
Executive Chairman

BINNY LIMITED

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 of Energy – Not applicable

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

Name of the Subsidiary Company	Financial Year of the subsidiary ending on	No. of equity shares held by Binny Ltd. and / or its nominees in the subsidiary	Extent of holding	For the financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of Accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of Accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of accounts of the holding company.	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of accounts of the holding company.
				Rs. '000		Rs. '000	
Binny Engineering Ltd.	31.3.11	2,87,48,100 Equity Shares of Rs. 10 each fully paid up	100%	(1950)	Nil	(3620) as on 31-03-2010	Nil

1. CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

BOARD MEETINGS

During the year ended 31.3.2011, six board meetings of the Company were held on the following dates viz., 29.4.10, 12.5.10, 12.8.10, 25.8.10, 10.11.10 and 11.2.11. The last Annual General Meeting of the Company was held on 27th September 2010.

BINNY LIMITED

Name	Executive Promoter (EP) Non-Executive Promoter (NEP) Non-Executive Independent (NEI)	Attendance particulars		No. of Directorship / Committee Memberships other than Binny Ltd.			Date of appointment	Date of cessation
		Board Meetings	Last AGM	Other Directorship in Public Listed Companies	Committee Memberships	Committee Chairmanships		
Mr.M.Ethurajan	P	6	Yes	10	2	2	08.07.1987	-
Mr.M.Nandagopal	NEP	3	Yes	13	-	-	23.03.1996	-
Mr.R.Narayanan	NEI	6	Yes	6	1	2	20.06.1990	-
Mr.S.Matarajan	NEP	5	Yes	7	-	-	17.01.1988	-
Mr.M.E.Shanmugam	NEP	6	Yes	7	2	-	11.03.1993	-
Mr.V.R.Venkatachalam	NEP	-	Yes	9	-	-	11.01.1988	-
Mr.Arvind Nandagopal	NEP	6	Yes	8	-	-	25.03.2005	-
Mr.K.Sundareswaran	NEI	5	Yes	-	-	-	15.03.2005	-
Mr. Justice S Jagadeesan	NEI	2	NP	-	-	-	05.07.2007	-
Mr.S.Vijayaraghavan	NEI	4	Yes	-	-	-	05.07.2007	-
Mr. R. Krishnan	NEI	4	Yes	-	-	-	05.07.2007	-
Dr. Sadayavel Kailasam	NEI	-	NP	-	-	-	26.04.2010	-

3. AUDIT COMMITTEE

The Committee consists of two Non-executive Independent Directors and two Non-executive promoter directors. Five meetings were held during the year ended 31.3.2011 on 12.5.10, 12.8.10, 25.8.10, 10.11.10 and 11.2.11. 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	5
Mr.M.E.Shanmugam	Non-Independent	Member	5
Mr.K.Sundareswaran	Independent	Member	4
Dr. Sadayavel Kailasam	Independent	Member	-

The Company Secretary is the Secretary of the Audit Committee.

4.a. REMUNERATION COMMITTEE

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

4.b. SITTING FEES

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

Name of the Director	Amount paid as sitting fees
Mr.R.Narayanan	Rs.11,000

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. Ethurajan, Mr. R. Narayanan and Mr. M. E. Shanmugam. This committee would continue to look after and approve the share transfer, transmission, issue of duplicate share certificate etc. Further all the investors' / shareholders' grievances and the action taken by the Company to the satisfaction of the shareholders are brought to the attention of the Committee. The Committee had twenty one meetings during the year ended 31.3.2011 on 16.4.10, 30.4.10, 15.5.10, 28.5.10, 17.6.10, 13.7.10, 30.7.10, 16.8.10, 30.9.10, 7.10.10, 30.10.10, 15.11.10, 30.11.10, 15.12.10, 30.12.10, 19.1.11, 31.1.11, 15.2.11, 28.2.11, 16.3.11 and 30.3.11.

BINNY LIMITED

6. DETAILS OF LAST 3 ANNUAL GENERAL MEETINGS

Financial Year	Date	Venue of AGM held	Time
39 TH AGM 2007-2008	26.09.2008	Registered Office 106, Armenian Street Chennai 600001	9.30 a.m.
40 TH AGM 2008-2009	23.12.2009	Registered Office 106, Armenian Street Chennai 600001	10.15 a.m.
41 ST AGM 2009-2010	27.09.2010	Registered Office 106, Armenian Street Chennai 600001	9.30 a.m.

7) PAID-UP SHARE CAPITAL

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

DISTRIBUTION OF EQUITY SHAREHOLDING AS AT 31.03.2011

SHAREHOLDERS				NO. OF SHARES HELD	
		NOS.	%	NOS.	%
1	- 100	6,736	69.64	3,93,134	1.76
101	- 500	2,231	23.06	5,91,145	2.66
501	- 1000	401	4.15	3,10,741	1.39
1001	- 2000	171	1.77	2,48,625	1.11
2001	- 3000	35	0.36	86,933	0.39
3001	- 4000	16	0.16	54,650	0.24
4001	- 5000	13	0.13	60,848	0.28
5001	- 10000	22	0.23	1,51,594	0.68
10001	-and above	48	0.50	2,04,18,740	91.48
		9,673	100.00	2,23,19,410	100.00

DISTRIBUTION OF PREFERENCE SHAREHOLDING AS AT 31.03.2011

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

SHAREHOLDING PATTERN AS AT 31.03.2011

	Equity %	Preference %
Promoters	74.78	100
Government Holdings	1.65	—
Nationalised Banks	4.40	—

BINNY LIMITED

Insurance Companies	0.78	—
L.I.C. of India	2.77	—
Resident Individuals	14.34	—
Resident Companies	1.17	—
Non-residents	0.11	—
	100.00	100.00

8. DISCLOSURES

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

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

9. CEO/CFO Certification

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

10. MEANS OF COMMUNICATION

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

11. MANAGEMENT DISCUSSION AND ANALYSIS

The Company is engaged in the business of 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. However, owing to road traffic constraints prevailing in the location of our operation, higher revenue could not be anticipated during the current year.

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 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 Court passed order on 22nd April, 2010, sanctioning the Scheme of Arrangement with effect from 1.1.2010 and declared the Scheme to be binding on all the shareholders and creditors of the Companies.

The Order of the Court 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 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 Directors Meeting held on 12.5.2010, and upon completion of the formalities, the preference share capital allotment and reduction in preference share capital have been accounted for in the Balance Sheet as on 31.3.2011.

BINNY LIMITED

The Share certificates to the equity shareholders were allotted and issued in the respective resulting companies on 2nd June 2010. The respective resulting companies have complied with formalities for listing of the equity shares with Bombay Stock Exchange Limited and Madras Stock Exchange Limited and obtained their in-principle approval for listing subject to the approval of Securities and Exchange Board of India (SEBI) for relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The application is presently pending with SEBI and the respective resulting companies are following it up with SEBI. Upon obtaining the approval of SEBI for relaxation of Rule 19(2)(b), trading in equity shares of the respective resulting companies could be permitted and until then the shares credited to the respective shareholders demat account is kept frozen.

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

INVESTMENTS

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

SEGMENTWISE / PRODUCTWISE PERFORMANCE

	2010-2011 Rs. 000
Agencies & Warehouse undertaking	123396

12. GENERAL SHAREHOLDERS INFORMATION

42nd ANNUAL GENERAL MEETING

Date and Time	Wednesday, the 28 th September 2011 at 10.30 a.m.
Venue	106, Armenian Street, Chennai 600001
Book Closure	21-9-2011 to 28-9-2011 (both days inclusive)
Financial Year ended	31.03.2011
Dividend payment	NIL
Listing of securities in the stock exchanges:	
Stock Code	
Madras Stock Exchange Ltd	BINNY
Bombay Stock Exchange Ltd	514215
Demar ISIN No. in NSDL / CDSL	INE118K01011

Financial Calendar

Financial reporting for
the quarter ending

30 th Sep 2011	Nov '11
31 st Dec 2011	Feb '12
31 st Mar 2012	May '12
30 th Jun 2012	Aug '12

Other Details

The Company has appointed M/s Cameo Corporate Services Limited, Chennai as Registrar and Share Transfer Agents. The trading in equity shares of the company was under suspension from 7.1.2002. The Bombay Stock Exchange revoked the suspension in trading in the company's equity shares and trading was allowed to resume with effect from 23rd March 2009. Now the shares are tradable in Bombay Stock Exchange and Madras Stock Exchange Ltd. Also, NSDL 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, 2011, 10.60% of total outstanding shares have been dematerialised. Out of 56,29,990 equity shares held by the shareholders other than the promoters, 23,64,277 shares (41.99% of non-promoters' shareholding) have been dematerialised upto 31.3.2011.

BINNY LIMITED

M/s Cameo Corporate Services Limited, 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.

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

M/s CAMEO CORPORATE SERVICES LIMITED
UNIT: BINNY
5TH Floor, Subramanian Building
#1, Club House Road,
Chennai 600 002
Phone: 044-28460390(5 lines); Fax: 044-28460129
Email: investor@cameoindia.com

Contact person:
Mr. R D Ramaswamy
Designation: Director
Mr. D Narasimhan
Designation: Senior Executive (Shares)

The Company has paid the listing fees upto the year 2011-12 to the stock exchanges.

Market price data (Rs.)

MONTH		APL-10	MAY-10	JUN-10	JUL-10	AUG-10	SEP-10	OCT-10	NOV-10	DEC-10	JAN-11	FEB-11	MAR-11
BSE	HIGH	106.90	110.00	74.40	61.00	60.70	61.95	95.80	240.90	187.00	125.15	100.65	98.15
	LOW	95.05	58.75	46.70	45.00	48.50	50.30	47.70	100.55	105.10	80.35	78.40	71.10

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
26th August 2011

By Order of the Board

M.Ethirajan
Executive Chairman

REPORT ON CORPORATE GOVERNANCE

To the Members of Binny Limited

I have examined the compliance of conditions of Corporate Governance by Binny Limited for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company, with stock exchanges in India.

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

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

I state that in respect of investor grievances received during the year ended on 31st March 2011 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
26th August 2011

G.PORSELVAM
Practicing Company Secretary
CP No. 3187

BINNY LIMITED

To

The Members
Binny Limited
Chennai

1. We have audited the attached Balance Sheet of Binny Limited as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 and taken on record by the Board of Directors, we report that, none of the Directors are disqualified as on 31/03/2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Attention is drawn to the following material matters:
 - i. Non provision of wealth tax liability Rs.42599 (in '000) and Income Tax liability Rs.1921 ('000) as stated in Note 16 in Notes on accounts of Schedule 14.
 - ii. Non provision of diminution in value of investment in Subsidiary Company Rs.28748 ('000) and Loans and Advances to Subsidiary Company Rs.28894 ('000) as stated in note 5 in Notes on accounts of Schedule 14.
 - iii. Non-confirmation of balances as on 31st March, 2011 from Debtors, Loans and Advances and Sundry Creditors as stated in Note 8 in Notes on accounts of Schedule 14.
Without considering items mentioned in paragraph 4(f)(iii) above, the effect of which could not be ascertained and hence we are unable to express opinion on these matters and had the observation in Para 4 f (i) and (ii) been considered (a) the net loss for the year would have been Rs.(-)319600 ('000) as against reported profit of Rs. 41295 ('000); (b) Investments would have been Rs.403 ('000) as against reported amount of Rs.287884 ('000); (c) Loans & Advances would have been Rs.146169 ('000) against reported amount of Rs.175063 ('000); and (d) current liabilities would have been Rs.336218 ('000) as against reported sum of 291698 ('000).
 - g) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the accounting policies and notes thereon, subject to the remarks stated in Para (f) above, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - iv. In the case of Balance Sheet, of the State of Affairs of the Company as at 31st March 2011,
 - v. In the case of Profit and Loss Accounts, of the PROFIT of the Company for the year ended on that date; and
 - vi. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date;

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

R. THIRUMALMARUGAN
Partner
Membership No: 200102

Place: Chennai
Date : 26th August, 2011

BINNY LIMITED

ANNEXURE TO AUDITORS REPORT

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

1. (a) The Company is maintaining proper records of Fixed Assets, 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) There are no disposal of substantial assets during this year.
2. (a) The inventory has been physically verified by the management during this year.
(b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) According to the information and explanations given to us, the company has granted unsecured interest free loans to a Subsidiary Company, which is repayable on demand. The year-end balance of loan granted was Rs. 28894 ('000). The other clauses are not applicable.
(b) According to the information and explanations given to us, the Company has taken unsecured loan of Rs.380000 ('000) and interest free LCD of Rs.13804 ('000), repayable on demand, from a company, a party covered in the register maintained under section 301 of the Companies Act, 1956. The other clauses are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. As explained to us, the Company has not accepted deposits from public during this year.
7. The Company has an internal audit system, which needs to be strengthened to commensurate with the size of the Company and the nature of its business.
8. As per the information and explanations given to us, the 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.
9. a. According to the information and explanation given to us, the Company is depositing undisputed statutory dues, like Provident Fund, Employees Pension Fund and Employees State Insurance with some delays.
b. There are no undisputed Statutory dues like Investor Education and Protection Fund, Wealth Tax, Service Tax, Customs Duty, and other statutory dues except Excise Duty 37 ('000), and Property /Urban Land Tax Rs.27554 ('000) as at 31st March,2011 for a period of more than six months from the date they become payable.

BINNY LIMITED

- c. According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, services tax, excise duty and cess which have not been deposited on account of any dispute except Income tax demand for AY 2008-2009, Rs. 1921 ('000) disputed before CIT(A) and wealth tax demand for 2005-06, 2006-07, 2007-08 Rs. 42599 ('000) disputed before CWT(A).
10. In our opinion, the accumulated losses of the Company are not more than 50% of its net worth. The company has not incurred cash losses during the financial year covered by our audit and incurred cash losses in the immediately preceding financial year.
11. In our opinion and according to the information and explanations to us, the company has not defaulted in repayments of dues to the financial institutions, bank and debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks / financial institutions.
16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
18. According to the information given to us, the Company has made preferential allotment of shares during the year to parties covered in the register maintained under Sec.301 of the Companies Act, 1956 as per the Court Sanctioned Order as stated in Notes on accounts.
19. According to the information and explanation given to us, the Company has not issued any debentures during the year and creation of security for issue of debenture does not arise.
20. According to the information and explanation given to us, the Company has not raised money by public issue during the year and disclosure of end use of public issue does not arise.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place: Chennai
Date: 26th August, 2011

R. THIRUMALMARUGAN
PARTNER
Membership No. 200102

BINNY LIMITED

BALANCE SHEET AS AT 31.03.2011

	Schedule	31st March 2011	Rs. '000 As at	31st March 2010
SOURCES OF FUNDS				
Shareholders funds				
Share capital	1	1283762		2455977
Share pending Allotment/Reduction	1A	-		-1172215
Reserves and surplus	2	1628153		1652000
		<u>2911915</u>		<u>2935762</u>
Loan funds				
Unsecured loans	3	393804		382261
		<u>3305719</u>		<u>3318023</u>
APPLICATION OF FUNDS				
Fixed Assets				
a) Gross Block	4	3060523		3140415
b) Less: Depreciation		50143		86506
c) Net Block		3010380		3053909
d) Capital work-in-progress		-		-
		<u>3010380</u>		<u>3053909</u>
Investments	5	287884		287884
Current Assets, Loans & Advances:				
a) Inventories	6	12019		12309
b) Sundry debtors		48280		31460
c) Cash & Bank Balances		28496		23040
d) Other Current Assets		-		-
e) Loans & advances		175063		163833
		<u>263858</u>		<u>230642</u>
Less: Current Liabilities and Provisions				
a) Current Liabilities	7	291698	341502	
b) Provisions	8	10500	-	
		<u>302198</u>		<u>341502</u>
Net Current Assets				
Profit & Loss Account		-38340		110860
		45795		87090
		<u>3305719</u>		<u>3318023</u>
Notes on accounts				
	14			

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
26th August 2011

R. THIRUMALMARUGAN
Partner
Membership No, 200102

BINNY LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 2011

	Schedule		Year Ended 31st March 2011	Rs. '000	Period ended 31st March 2010
INCOME					
Sales	13.1				9917
Accretion to stocks	9				501
Agency Commission and other income for service rendered other income		74752			36493
	10	51917	126669		44544
			<u>126669</u>		<u>91455</u>
EXPENDITURE					
Purchase of Finished Goods	13.2				8377
Employees Cost	11	16122			9429
Other costs	12	56159			65123
			72281		82929
Profit/Loss before Depreciation and Taxation			54388		8526
Less: Depreciation			2543		1445
Profit/Loss before Taxation			51845		7081
Less Wealth tax			-		86644
Less: Provision for IT			10500		-
			41345		-79563
Extra-ordinary items:(Refer Note 10)			50		383
Net Profit/Loss after tax			41295		-79946
Profit/Loss brought from previous year			-87090		-7144
Profit/Loss carried to balance sheet			-45795		-87090
Earnings per share- Basic and Diluted in Rs.Face value of Rs.5					
Before extra-ordinary items			1.85		-3.56
After extra-ordinary items			1.85		-3.58

Notes on accounts 14

M. ETHURAJAN
Executive Chairman
Chartered Accountants

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

for M/s. CNGSN & ASSOCIATES
Chartered Accountants
Firm Reg. No: 0049155

Chennai
26th August 2011

R. THIRUMALMARUGAN
Partner
Membership No. 200102

BINNY LIMITED

Schedules Forming Part of Accounts

		Rs. '000	
		As at	
		31st March 2011	31st March 2010
SCHEDULE : I			
SHARE CAPITAL			
Authorised			
No. of Shares			
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
54,20,00,000	9% Cumulative Redeemable Preference Share of Rs.5/- each (Previous Year 49,00,00,000 Shares)	27,10,000	24,50,000
		28,30,000	25,70,000
Issued, Subscribed and Paid-up			
No. of Shares			
2,23,19,410	Equity Shares of Rs.5/- each fully paid up (a)	1,11,597	1,11,597
5,48,800	9.75% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up (Previous year 11,76,000 shares)	2,744	5,880
23,38,84,055	9% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up (Previous year 46,77,00,000 shares)	11,69,421	23,38,500
		(b) 11,72,165	23,44,380
		(a + b) 12,83,762	24,55,977
SCHEDULE : I A			
SHARES PENDING ALLOTMENT / REDUCTION			
9% Cumulative Redeemable Preference Shares pending Allotment:			
7,13,04,713 Nos. of 9% Cumulative Redeemable Preference shares of Rs.5 each allotment in terms of the Scheme of Arrangement (allotment effect pending as on 31.3.2010)		(a)	3,56,524
Cumulative Redeemable Preference Shares pending reduction :			
Reduction in issued capital of 6,27,200 nos. 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)		-	(3136)
Reduction in issued capital of 30,51,20,658 nos. 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)
		(b) -	(15,28,739)
Total Issued, Subscribed and Paid-up Cumulative Redeemable Preference Share Capital to be allotted (a + b)		-	(11,72,215)

BINNY LIMITED

Terms of Issue and redemptions:

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

No. of shares		Rs. in '000	Redeemable on or before
13,01,76,000	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 30/09/2005	6,50,880	30.09.2015
5,46,800	9.75% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 30/06/2006	2,744	30.06.2016
1,73,56,800	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 31/01/2007	86,784	31.01.2012
43,39,200	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 30/01/2008	21,696	30.01.2013
5,10,72,384	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 29/09/2008	2,55,362	29.09.2013
3,09,39,671	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 12/05/2010	1,54,699	12.05.2015
23,44,32,855		11,72,165	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras - Refer Note-2 Redemption due on 30.9.2010 and 30.6.2011 have been extended till 30.9.2015 & 30.6.2016 respectively

SCHEDULE : 2 RESERVES AND SURPLUS	Rs. '000	
	31st March 2011	31st March 2010
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	nil	22382
Less: Reversal in notional value	nil	22382
Share Premium Account As per last Balance Sheet	107766	107766
Capital Reserve (on demerger) As per last Balance Sheet -	1028755	1028755
Revaluation Reserve (as per Court Order) (Refer Note 3)	491632	515479
	1628153	1652000
SCHEDULE:3 UNSECURED LOANS		
From Promoters and their Group (Refer Note 4 in Schedule 14)		
as unsecured loan as per sanctioned scheme	380000	380000
as Inter corporate deposit	13804	2261
	393804	382261

BINNY LIMITED

SCHEDULE 4: FIXED ASSETS

(Rs. '000)

Description of Assets	Gross Block at Cost				Depreciation				Net block	
	As at 31.03.10	Additions	Revaluation (Je at on)	Cost Deletion	As at 31.03.2011	As at 31.03.10	Additions/Deletion	As at 31.03.2011	As at 31.03.2011	As at 31.03.10
Freehold Land	2994329		33847	9	2970473				2970473	2994329
Leasehold Land	17256			17256						17256
Buildings	69780				69780	35289	1565	36854	32926	34491
Railway sidings	993				993	993		993		
Tanks & Permanent works	3349				3349	2772	71	2843	506	577
Plant & machinery	42952	93		38906	4139	40439	160	1693	2446	2513
Deletions							(38906)			
Furniture & fittings	7239	33			7272	3142	657	3799	3473	4097
Vehicles	4517				4517	3871	90	3961	556	646
TOTAL	3140415	126	23847	56171	3060523	86506	2543 (38906)	50143	3010380	3053909
Previous year	264817	3481	2994300	70606 51577	3140415	163365	1445 (62466) (15538)	86506	3053909	101752

P&M retired from effective use, where book value is NIL have been deleted in this year.

Freehold land sale represents the sale of land to the workers as per the MOU entered into by Management with the workers and approved by Court. Leasehold Land deletion on account of Cancellation of Lease Agreement.

SCHEDULE : 5 INVESTMENTS

	No. of shares	Face value per share Rs.	As at 31.3.2011	Additions (Deductions)	As at 31.3.2010
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					
a) Fully paid equity share in Binny Engineering Limited (Wholly owned subsidiary)	28748100	10	287481		287481
b) NON-TRADE					
Fully paid Equity shares :					
Tamilnadu Chromates & Chemicals Limited	30000	10	1		1
			<u>287884</u>		<u>287884</u>
			Cost	Market value/ Book value	
Quoted			402	14072	
Unquoted			287482	287482	
			<u>287884</u>	<u>301554</u>	

BINNY LIMITED

	31st March 2011	Rs. 000 As at	31st March 2010
SCHEDULE :6			
CURRENT ASSETS, LOANS & ADVANCES;			
a) Inventories (At the lower of cost and net realisable value)			
i) Land & Buildings	12019		12019
ii) Stores and spare Parts	-		290
TOTAL	<u>12019</u>		<u>12309</u>
b) Sundry Debtors-unsecured considered good Debts exceeding six months Other debts	7429 40851 48280		7195 24265 31460
c) Cash and Bank Balances:			
Cash	352		104
With Scheduled Banks on:			
Current Account	4522	4736	
Margin Money Deposit Account	1122	18200	
Fixed deposit Account	22500		22936
	<u>28496</u>		<u>23040</u>
d) Other current assets (Interest accrued)	nil		nil
e) Loans and Advances and deposits-unsecured: Advances/deposits recoverable in cash or in kind or for value to be received:			
Subsidiary Company	28894		22136
Others	129041		138846
	<u>157935</u>		<u>160982</u>
Balances with Customs, Port trust Railways & excise authorities	17128		2851
	<u>175063</u>		<u>163833</u>
SCHEDULE :7			
CURRENT LIABILITIES			
Sundry creditors:			
Voluntary Retirement Scheme	35994		38186
Others	230757		278858
Customers credit balances	19606		19401
Provisions for gratuity	4866		4608
Provisions for Leave encashment	475		449
	<u>291698</u>		<u>341502</u>
SCHEDULE : 8			
PROVISIONS			
Provisions for Income tax	10500		nil
	<u>10500</u>		<u>nil</u>

BINNY LIMITED

	Rs. '000	
	Year Ended 31st March 2011	Period Ended 31st March 2010
SCHEDULE : 9		
ACCRETION TO STOCK		
Opening stock		5565
Traded goods		
Closing stock		6066
Traded goods (transferred to Binny Mills Ltd on 01.01.2010)		
		501
SCHEDULE : 10		
OTHER INCOME		
Interest	1642	490
Rent & lease income	48644	24685
Miscellaneous income	1517	1869
Profit on sale of assets	114	17500
	51917	44544
SCHEDULE : 11		
EMPLOYEES COST		
Salaries , wages and Bonus	13374	7324
Contribution to Provident and other Funds	1210	804
Retirement Benefits		
Gratuity	453	594
Pension	136	23
Welfare expenses	949	617
	16122	9429
SCHEDULE : 12		
OTHER COSTS		
Power and fuel	4078	2228
Rent	36	120
Rates and taxes	1434	16704
Insurance	1082	640
Repairs to		
Buildings	1391	1157
Machinery	1132	1413
	2523	2570

BINNY LIMITED

		Rs. '000	
		Year Ended 31st March 2011	Period Ended 31st March 2010
Auditors Remuneration			
Audit Fee	650		650
Tax Audit Fee	450		450
Taxation Matters			
Fee for Certification	124		15
		1224	1115
Selling expenses		34	1038
Cash Discount		2223	2171
Bank charges		122	62
Agency Services expenses		15485	7810
Bad debts/advances written off			14912
Less: Adjusted against provision			-
Security Charges		3837	2409
Legal Expenses		1543	2567
Demerger Expenses		10806	-
Miscellaneous Expenses		11732	10777
		56159	65123

SCHEDULE : 13 QUANTITATIVE PARTICULARS

I. Capacity, Production, Turnover and Stock

Rs. '000

Particulars	Unit	CAPACITY PER ANNUM			Opening Stock (Excluding Showroom Stock)	Opening Stock (Excluding Showroom Stock)	TURNOVER	
		Licensed	Installed*	Production			Quantity	Value
TEXTILES								
Productive Capacity								
Spindles	B&C Nos. BVM		2304 (Idle) (2304)					
Looms	B&C Nos. RWM		120 (148) (268)					
Processing Capacity								
Fabric	Lakh Meters		—					
Yarn	Tonnes							
* installed capacity was certified by Management								
OTHERS¹								
(i)	Handlooms/Powerloom Gonch bought out							Nil (9832)
(ii)	Tarpaulin							Nil (85)
								Nil (9917)

BINNY LIMITED

Particulars	Unit	Quantity	Year ended 31st March 2011	Period ended 31st March 2010
2. Purchase of Finished Goods				
(a) Handloom/Power loom goods			nil	8341
(b) Engineering and Agencies			nil	36
			<u>nil</u>	<u>8377</u>
3. Raw Materials Consumed			nil	nil
4. Consumption of Stores and Spare Parts Imported			nil	nil

Note : Figures in brackets are for previous year.

SCHEDULE 14

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

ACCOUNTING POLICIES

(a) Fixed assets

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

(b) Inventories

Land and Building and stores and spare parts, 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. Interest income is recognized on time proportion method and dividend income is recognized on right to receive is established.

(d) Investments

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

(e) Retirement Benefits

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

(f) Segment reporting

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

(g) Lease Rentals

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

(h) Foreign Currency Transaction/ Translation

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

BINNY LIMITED

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

(m) **Impairment of Assets**

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

(n) **Provision and Contingencies**

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

Notes on Accounts

1. As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. The Listing / Trading of Resulting Companies Shares are under process and the Resulting Companies' applications for relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 are presently pending with SEBI. Upon completion of formalities, the change in Directorship and interse transfer of shares among the Promoters shall be complied with.
2. 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.
3. During the year as per the MOU entered into with workers, 615000 sq.ft. of land has been transferred / sold to the workers as agreed. The revaluation reserve on these sales of land has now been reduced from the Fixed Assets and Revaluation Reserve account.

Revaluation Reserve is as per the Scheme of Arrangement Sanctioned by the High Court of Madras. The outstanding Revaluation Reserve Rs.491632 ('000) represents the adjusted amount of fixed assets (land) revalued as per the Sanctioned Scheme.

4. **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. As per the Sanctioned Scheme of Arrangement the company has recorded a sum of Rs.380000 thousands as unsecured loan due to promoter group. Current year a sum of Rs.11543 ('000) net has been received from them as ICD.

BINNY LIMITED

5. Binny Engineering Limited (BEL)

Investment & Advances

The investment in Binny Engineering Limited Rs.287181 thousands is shown at cost. The company has advanced a sum of Rs.28894 thousands (Previous Year Rs.22136 thousands) to Binny Engineering Limited for meeting their liabilities such as interest on PF, ESI contribution and Sales Tax etc. Considering the investments are long term in nature and advances are recoverable in the ordinary course of business and these amounts are carried at cost.

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

	31.03.2011	31.03.2010
	Rs. '000	
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 31/03/2011	64391	61571
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	53438
d) Claim for back wages in respects of various disputes		Liability, if any, not ascertainable
e) Income Tax demand for Asst. Year 2008-09	1921	Nil
f) Wealth Tax Demand for Asst. year 2005-06, 2006-07 & 2007-08	42599	Nil
7. Other Moneys for which the company is contingently liable		
a) Claims against the company not acknowledged as Debts	14960	15586
8. 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.		
9. Sundry creditors outstanding as on 31/03/2011 include dues to creditors other than Micro, Small and Medium Enterprise. There is no principal or interest due or unpaid thereon to any suppliers of Micro, Small and Medium Enterprises as at year end.		
10. Extra-ordinary items comprise of:		
VRS compensation	50	415
Less: Credit balances written back due to one time settlement	<u>-</u>	<u>32</u>
	50	383
	31.3.2011	31.3.2010
11. (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	936
(c) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009	303001	303001

BINNY LIMITED

12. (a)	Arrears of 9.75% Cumulative Preference dividend for the period 01-01-2010 to 31-03-2011	334	67
(b)	Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2011	126515	22831
13.	The Executive Chairman has waived his remuneration for the period from 11-01-1998 to 31.03.2011		
14.	Miscellaneous expenses including sitting fees paid to Non executive independent Directors	11	5
15.	Earnings in Foreign Exchange	NIL	NIL
16. a.	To comply with the Accounting Standard - 22 - Accounting for Taxes on income, the company reviewed the deferred tax assets and liabilities. The timing differences relates mainly to depreciation and carry forward losses for the period up to 31-03-2011 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.		
b.	The current year provision for Income Tax has been provided as per the provision of Income Tax Act after considering the brought forward losses.		
c.	The company has received wealth tax demand for the Asst. Year 2005-06, 2006-07 & 2007-08 for Rs.42599 thousands against which the company has filed appeals with CWT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.		
d.	The company has received Income Tax demand for asst. year 2008 - 09 Rs.1921 ('000) which is disputed before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.		
17.	Related Party Disclosure		
(a)	List of Related Parties		
(i)	Parties where control exists		
	Subsidiary		
	Binny Engineering Limited		
(ii)	Other related Parties with whom transactions have taken place during the year		
	Associates		
	S.V. Sugar Mills Ltd		
	The Thirumagal Mills Ltd		
	Mohan Breweries & Distilleries Ltd		
	TCP Ltd		
	S V Global Mill Ltd.		
	Binny Mills Ltd		
(iii)	Key Management Personnel		
	M. Lthurajan		
	M.E. Shanmugam		
	M. Nandagopal		
	V.R. Venkataachalam		
	Arvind Nandagopal		
(b)	Transactions with related parties		
		(Rs. in thousands)	
		Subsidiaries	Associates
Sales and other income		-	-
Rendering of Services			(79)
			496
			(712)
Loans to Subsidiary		6758	
		(17500)	

BINNY LIMITED

Outstanding balances as on 31/03/2011	(Rs. in thousands)			
	Subsidiaries		Associates	
Debtors	—		4020 (4117)	
Loans & Advances	28894 (22136)		—	
Creditors	—		669 (660)	
Binny Mills Limited (Advance for Sale of Property)	—		106523 (39181)	
Other Liabilities	—		— (1572)	
18. Earnings per Share:				
	Before extra ordinary item		After extra ordinary item	
	2011	2010	2011	2010
Profit available to Equity Share holders used as Numerator - (A) (Rs. '000)	41345	-79563	41295	-79946
Number of Shares outstanding	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Weighted Average Number of shares outstanding-(B)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Effect of dilution	NIL	NIL	NIL	NIL
Weighted Average No. of Equity Shares Including potential shares -(D)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Basic) (A*1,000/B) in Rs.	1.85	-3.56	1.85	-3.58
Earnings per share (Diluted) - (C*1,000/D)in Rs.	1.85	-3.56	1.85	-3.58

19. As per actuarial valuation as on 31-03-2011 and recognized in the financial statements in respect of employee benefit schemes as require under AS 15 (R) are as under:

PARTICULARS	Gratuity		Long Term Compensated Absence	
	Unfunded		Unfunded	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
(i) Assumptions				
Discount Rate - Previous Period	8.00%	7.50%	8.00%	8.00%
Discount Rate - Current Period	8.00%	8.00%	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. '000		Rs. '000

BINNY LIMITED

(ii) Table Showing Change in Benefit Obligation				
Liability at the beginning of the Period	4608	7071	449	818
Interest Cost	369	552	36	64
Current Service Cost	1682	240	77	46
Benefit Paid	149	(331)	(6)	(29)
Actuarial (gain) / Loss on obligations	(1644)	(2924)	(81)	(450)
Liability at the end of the Period	4866	4608	475	449
(iii) Table of Fair value of Plan Assets				
Fair Value of Plan Assets at the beginning of the period	0	N.A.	0	N.A.
Expected Return on Plan Assets	0	N.A.	0	N.A.
Contributions	0	N.A.	0	N.A.
Benefit Paid	0	N.A.	0	N.A.
Actuarial gain / (loss) on Plan Assets	0	N.A.	0	N.A.
Fair Value of Plan Assets at the end of the Period	0	N.A.	0	N.A.
Total Actuarial Gain / (Loss) to be Recognised	0	N.A.	0	N.A.
(iv) Actual Return on Plan Assets				
Expected Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
Actuarial gain / (loss) on Plan Assets	N.A.	N.A.	N.A.	N.A.
Actual Return on Plan Assets	N.A.	N.A.	N.A.	N.A.
(v) Amount Recognised in the Balance Sheet				
Liability at the end of the Period	4866	4608	475	449
Fair Value of plan Assets at the end of the Period	0	0	0	0
Difference	4866	4608	475	449
Amount Recognised in the Balance Sheet	(4608)	(4608)	(449)	(449)
(vi) Amount Recognised in the Income Statement				
Current Service Cost	1682	240	77	46
Interest Cost	369	552	36	64
Expected Return on Plan Assets	0	0	0	0
Net Actuarial (Gain) / Loss to be Recognised	(1644)	(2924)	(81)	(450)
Expense Recognised in Profit & Loss A/c	407	(2132)	32	(340)
(vii) Amount Recognised in the Balance Sheet				
Opening Net Liability	4608	7071	449	818
Expense as above	407	(2132)	32	340
Employers Contribution paid / Benefits Paid	(149)	(331)	(6)	(29)
Closing net Liability	4866	4608	475	449

20. Previous year figures have been regrouped wherever necessary. Current period figures are for 12 months as against previous period figures are for 6 months 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 even date
for M/s CNGSN& ASSOCIATES
Chartered Accountants
Firm Reg. No: 004915S

Chennai
Date: 26th August, 2011

R. THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED

Balance Sheet Abstract and Company's Business Profile for the year ended 31st March 2011

I	Registration Details		
	Registration No.	5736	State Code 18
	Balance Sheet Date	31.03.2011	
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	3305719	Total assets
	Paid up capital	1283762	Reserves and surplus
Sources of funds	Secured loans	Nil	1628153
Advance towards share capital/ Shares pending allotment/Reduction	[]	Unsecured Loans	393804
Application of funds	Net fixed assets	3010380	Investments
	Net current assets	-38340	287884
	Accumulated Losses	45795	Misc. expenditure
			Nil
IV	Performance of the company (Amount in Rs. thousands)		
	Turnover (Sales including other income)	126669	Total expenditure
	+/- Profit / Loss before tax	51795	74874
	Earning per share in Rs.	-1.85	+/- Profit / Loss after tax
			41295
			Dividend rate %
			NIL

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
26th August 2011

R. THIRUMALMARUGAN
Partner
Membership No. 200102

BINNY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2011

	Current Year	Previous Year
	Rs. in '000	
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	41,295	(79,946)
Adjustments for:		
Depreciation	2,543	1,445
Interest Earned	(1,642)	(490)
Profit on sale of assets	(114)	(17,500)
Bad debts written off	-	14,912
Provision for Income Tax / Wealth Tax	10,500	86,644
Operating Profit before working Capital changes	<u>52,582</u>	<u>5,065</u>
(Increase) / Decrease in Inventories	290	197,600
(Increase) / Decrease in Trade and other Receivables	(16,820)	(14,738)
(Increase) / Decrease Other Current Assets	-	8
(Increase) / Decrease Loans & Advances	(11,230)	465,527
Increase / (Decrease) in Trade Payable	<u>(49,804)</u>	<u>88,126</u>
Cash from Operating activities	<u>(24,982)</u>	<u>741,588</u>
Direct Taxes paid	-	(86,644)
Transfer as per Court Sanctioned Scheme - on demerger (net)	-	(715,906)
Net Cash from Operating activities	<u>(24,982)</u>	<u>(60,962)</u>
B Cash flow from Investing activities		
Sale of Fixed Assets (including cancellation of lease hold land)	17,379	17,500
Purchase of Fixed Assets	(126)	(3,481)
Interest received	1,642	490
Net Cash from investing activities	<u>18,895</u>	<u>14,509</u>
C Cash flow from financing activities		
Preference Shares	-	-
Unsecured loans (net of repayment)	11,543	-
Net Cash from financing activities	<u>11,543</u>	<u>-</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	5,456	(46,453)
Cash and cash equivalent as at the beginning of the year	23,040	69,493
Cash and cash equivalent as at the end of the year	<u>28,496</u>	<u>23,040</u>

- The non cash items related to the demerger are not considered in the above cash flow statement
- The working capital changes is after considering the working capital items, including the cash and cash equivalents, transferred to the resulting companies as per the Court Approved Scheme of Demerger.

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
26th August 2011

R. THIRUMALMARUGAN
Partner
Membership No. 200102

BINNY LIMITED (CONSOLIDATED)

AUDITOR'S REPORT

Auditor's 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, 2011, the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that, the Consolidated Financial Statements have been prepared by the Binny Limited in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Binny Limited and its subsidiary included in the consolidated financial statements.
4. Attention is invited to the following material matters relating to the parent and subsidiary company reported in the audited accounts:
 - i. *Non-confirmation of balances as on 31st March, 2011 from, Debtors, Loans and Advances, other Current Assets and Sundry Creditors, consequent effect, if any, on the financials are not quantifiable;*
 - ii. *Non-provision of Wealth Tax liability, Rs.42599 (000's) and Income tax liability Rs.27147 (000's)*
 - iii. *Non-Provision for (a) sales tax demands under appeal amounting to Rs.2211 thousands, (b) TNGST / CST demand under appeal / revision amounting to Rs.12900 thousands, (c) excise demands under appeal of Rs.12230 in thousands;*
 - iv. *Preparation of subsidiary company financials on the principles applicable to going concern.*
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 remarks 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 subsidiaries as at 31st March, 2011.
 - b) In the case of Consolidated Profit and Loss Account, of PROFIT for the year then ended on that date; and
 - c) In the case of Consolidated Cash Flow Statement, of the Cash Flows for the year then ended.

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

Place: Chennai
Date : 26th August, 2011

R. THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED (CONSOLIDATED)

CONSOLIDATED BALANCE SHEET AS AT 31st March 2011

		Rs. '000 As at 31st March 2011	Rs. '000 As at 31st March 2010
	Schedule		
I. SOURCES OF FUNDS			
Shareholders funds			
Share capital	1	1283762	2455977
Shares pending Allotment/Reduction	1A		1172215
Reserves & surplus	2	<u>1628153</u>	<u>1652000</u>
		2911915	2935762
Loan funds			
Unsecured loans	3	<u>398804</u>	<u>387261</u>
		398804	387261
		<u>3310719</u>	<u>3323023</u>
APPLICATION OF FUNDS			
Fixed Assets			
a) Gross Block	4	3099066	3189035
b) Less: Depreciation		<u>83234</u>	<u>128597</u>
c) Net Block		3015832	3060438
d) Capital work-in-progress		<u>—</u>	<u>—</u>
		3015832	3060438
Investments	5	<u>207903</u>	<u>207903</u>
		3223735	3268341
Current Assets, Loans & Advances			
a) Inventories	6	12019	12309
b) Sundry debtors		48280	37962
c) Cash & Bank Balances		29117	23615
d) Other Current Assets		<u>—</u>	<u>—</u>
e) Loans & advances		<u>203448</u>	<u>199717</u>
		292864	273633
Less: Current Liabilities and Provisions			
a) Current Liabilities	7	491918	554834
b) Provisions	8	<u>10500</u>	<u>—</u>
		502418	554834
Net Current Assets		<u>-209554</u>	<u>-281201</u>
Profit & Loss Account		296538	335883
		<u>3310719</u>	<u>3323023</u>
Notes on accounts	13		

As per our Report of even date

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

for M/s CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No.0049155

Chennai
26th August 2011

R. THIRUMALMARUGAN
Partner
Membership No. 200102

BINNY LIMITED (CONSOLIDATED)

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	Schedule	Rs. '000 Year Ended 31st March 2011	Rs. '000 Period Ended 31st March 2010
INCOME			
Sales			10238
Less:Excise Duty			<u>24</u>
			10214
Accretion to stocks	9		501
Agency Commission and other income for service rendered		74752	36493
other income	10	<u>61348</u>	<u>45886</u>
		136100	93094
EXPENDITURE			
Purchase of Finished Goods			8377
Employees Cost	11	16754	9780
Other costs	12	<u>65831</u>	<u>69319</u>
		82585	87476
Profit/Loss before Depreciation and Taxation		53515	5618
Less: Depreciation		<u>3620</u>	<u>2157</u>
Profit/Loss before Taxation		49895	3461
Less Wealth tax		—	86644
Less:Provision for Taxation		<u>10500</u>	<u>—</u>
		39395	-83183
Extra-ordinary items: (Refer Note 13 of Schedule 13)		<u>50</u>	<u>383</u>
Net Profit/Loss after tax		39345	-83566
Loss brought from previous year		<u>335883</u>	<u>-252317</u>
Loss carried to balance sheet		<u>-296538</u>	<u>-335883</u>
Earnings per share- Basic and Diluted in Rs.(Face value of Rs.5)			
Before extra-ordinary items		1.77	-3.73
After extra-ordinary items		1.76	-3.74
Notes on accounts	13		

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
26th August 2011

R. THIRUMALMARUGAN
Partner
Membership No. 200102

BINNY LIMITED (CONSOLIDATED)

Schedules Forming Part of Accounts

		Rs. '000	
		As at	
		31st March 2011	31st March 2010
SCHEDULE : I			
SHARE CAPITAL			
Authorised			
No. of Shares			
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
54,20,00,000	9% Cumulative Redeemable Preference Share of Rs.5/- each (Previous Year 49,00,00,000 Shares)	27,10,000	24,50,000
		28,30,000	25,70,000
Issued, Subscribed and Paid-up			
No. of Shares			
2,23,19,410	Equity Shares of Rs.5/- each fully paid up (a)	1,11,597	1,11,597
5,48,800	9.75% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up (Previous year 11,76,000 shares)	2,744	5,880
23,38,64,055	9% Cumulative Redeemable Preference Shares of Rs.5/- each fully paid up (Previous year 46,77,00,000 shares)	11,69,421	23,38,500
	(b)	11,72,165	23,44,380
	(a + b)	12,83,762	24,55,977
SCHEDULE : I A			
SHARES PENDING ALLOTMENT / REDUCTION			
9% Cumulative Redeemable Preference Shares pending Allotment:			
7,13,04,713 Nos. of 9% Cumulative Redeemable Preference shares of Rs.5 each allotment in terms of the Scheme of Arrangement (allotment effect pending as on 31.3.2010)			
	(a)	-	3,56,524
Cumulative Redeemable Preference Shares pending reduction :			
Reduction in issued capital of 6,27,200 nos. 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)			
		-	(3136)
Reduction in issued capital of 30,51,20,658 nos. 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)
	(b)	-	(15,28,739)
Total Issued, Subscribed and Paid-up Cumulative Redeemable Preference Share Capital to be allotted		(a + b)	(11,72,215)

BINNY LIMITED (CONSOLIDATED)

Terms of Issue and redemptions:

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

No. of shares		Rs. in '000	Redeemable on or before
13,01,76,000	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 30/09/2005	6,50,880	30.09.2015
5,48,800	9.75% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 30/06/2006	2,744	30.06.2016
1,73,56,800	9.00% Cumulative Redeemable Preference Shares of Rs.3/- each issued on 31/01/2007	86,784	31.01.2012
43,39,200	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 30/01/2008	21,696	30.01.2013
5,10,72,384	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 29/09/2008	2,55,362	29.09.2013
3,09,39,671	9.00% Cumulative Redeemable Preference Shares of Rs.5/- each issued on 12/05/2010	1,54,699	12.05.2015
23,44,32,855		11,72,165	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras - Refer Note-2. Redemption due on 30.9.2010 and 30.6.2011 have been extended till 30.9.2015 & 30.6.2016 respectively.

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

Less: Reversal in notional value

Share Premium Account As per last Balance Sheet

Capital Reserve (on demerger) As per last Balance Sheet -

Revaluation Reserve (as per Court Order) (Refer Note 3)

	31st March 2011	Rs. '000 As at	31st March 2010
	nil	22382	
	nil	22382	nil
	107766		107766
	1028755		1028755
	491632		515479
	1628153		1652000

BINNY LIMITED (CONSOLIDATED)

	Rs. '000 As at	
	31st March 2011	31st March 2010
SCHEDULE 3		
UNSECURED LOANS		
From Promoters and their Group (Refer Note 5 in Schedule 13) as unsecured loan as per sanctioned scheme as Intercompany deposit.	380000 16804	380000 7261
	398804	387261

SCHEDULE 4: FIXED ASSETS (Rs '00)

Description of Assets	Gross Block at Cost				Depreciation			Net Block	
	As at 31.03.2010	Additions	Revaluation (deletion)	Good Deletion	As at 31.03.2011	As at 31.03.2010	Additions/ Deductions	As at 31.03.2011	As at 31.03.2010
Freehold Land	2994329		23847	9	2970473			2970473	2994329
Leasehold Land	17381			17256	125	125		125	17256
Buildings	86094				86094	40067	2111	48178	37916
Railway sidings	993				993	993		993	
Tanks & Permanent works	3349				3349	2772	71	2043	506
Plant & machinery Inertious	73224	93		48983	24334	63736	614 (48983)	21427	2907
Furniture & fittings	9147	33			9180	4963	734	5707	3473
Vehicles	4518				4518	3871	80	3951	557
TOTAL	3189035	126	23847	66248	3099066	128597	3620 (48983)	3015832	3060438
Previous year	315387	2997781	72556 51577		3189035	236395	2157 (64416) (15538)	128597	3060438

P&M retired from effective use where book value is NIL, have been deleted in this year
 Freehold land sale represents the sale of land to the workers as per the MOU
 entered into by Management with the workers and approved by Court.
 Leasehold land deletion 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 31-3-2011	
A) AT COST				
NON-TRADE				
Fully paid equity shares :				
QUOTED				
State Bank of India	1970	10	69	69
ICICI Bank Ltd	7851	10	333	333
UNQUOTED				
a) Fully paid cumulative Redeemable Pref. shares in S V Sugar Mills Ltd	20750000	10	207500	207500

BINNY LIMITED (CONSOLIDATED)

SCHEDULE : 5 (Contd.)

	No. of Shares	Face Value per Share Rs.	Rs. '000		As at 31-3-2010
			As at 31-3-2011	Additions / Deductions	
b) NON-TRADE					
Fully paid Equity shares : Tamilnadu Chromates & Chemicals Limited	30000	10	1		1
			207903	0	207903
				Cost	Market value/ Book Value
				Quoted	
				Unquoted	
				402	14072
			207501		207501
			207903		221573

SCHEDULE : 6

CURRENT ASSETS, LOANS & ADVANCES;

a) Inventories (At the lower of cost and net realisable value)					
i) Land & Buildings					
ii) Stores and spare Parts					290
TOTAL			12019		12309
b) Sundry Debtors-unsecured considered good					
Debts exceeding six months					13697
Other debts:			40851		24265
			48280		37962
c) Cash and Bank Balances:					
Cash					119
With Scheduled Banks on:					
Current Account		4540		4763	
Margin Money Deposit Account		1705		18733	
Fixed deposit Account		22500	28745		23196
			29117		23615
d) Other current assets (Interest accrued)			nil		nil

BINNY LIMITED (CONSOLIDATED)

SCHEDULE: 6 (Contd.)	31st March 2011	Rs. '000 As at 31st March 2010
e) Loans and Advances and deposits-unsecured: Advances/deposits recoverable in cash or in kind or for value to be received:		
Considered Good	185415	196238
Considered Doubtful	<u>9040</u>	<u>9040</u>
	194455	205278
 Balances with Customs, Port trust, Railways & excise authorities Deposits	 <u>18033</u> 217488	 <u>3509</u> 208787
 Less: Provision for Doubtful Advances	 <u>9040</u> <u>203448</u>	 <u>9040</u> <u>199747</u>
SCHEDULE :7		
CURRENT LIABILITIES		
Sundry creditors:		
Voluntary Retirement Scheme	35994	38186
Deffered Sales tax liability	75586	75586
Sales tax liability under deferral	5915	19670
Others	346808	385878
Customers credit balances	22235	30417
Provisions for gratuity	4905	4648
Provisions for Leave encashment	475	449
	<u>491910</u>	<u>554834</u>
SCHEDULE :8		
Provisions for Income tax	10500	-
	<u>10500</u>	<u>-</u>
	Year Ended 31 st March 2011	Rs '000 Period Ended 31 st March 2011
SCHEDULE :9		
ACCRETION TO STOCK		
Opening stock		
Traded goods		5565
Closing stock		
Traded goods		6066
(transferred to Binny Mills Ltd on 01.01.2010)		<u>501</u>

BINNY LIMITED (CONSOLIDATED)

	Year Ended 31st March 2011	Rs. '000 Period Ended 31st March 2010
SCHEDULE : 10		
OTHER INCOME		
Interest	1716	490
Rent	48644	21685
Miscellaneous income	2924	1869
Profit on sale of assets	8064	18842
	61348	45886
SCHEDULE : 11		
EMPLOYEES COST		
Salaries , wages and Bonus	13952	7639
Contribution to Provident and other Funds	1231	821
Retirement Benefits		
Gratuity	453	594
Pension	139	25
	592	619
Welfare expenses	979	701
	16754	9780
SCHEDULE : 12		
OTHER COSTS		
Power and fuel	4757	2658
Rent	44	124
Rates and taxes	1540	16758
Insurance	1082	640
Repairs to Buildings	1391	1157
Machinery	1132	1426
	2523	2583
Auditors Remuneration		
Audit Fee	717	715
Tax Audit Fee	450	450
Taxation Matters	14	18
Fee for Certification	124	15
	1305	1198
Selling expenses	34	1038
Cash Discount	2223	2171
Bank charges	132	67
Bad debts/advances written off	6497	17344
Agency services Expenses	15485	7810
Security charges	4842	2902
Legal expenses	2743	3167
Demerger expenses	10806	—
Miscellaneous Expenses	11818	10859
	65831	69319

BINNY LIMITED (CONSOLIDATED)

SCHEDULE 13

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

ACCOUNTING POLICIES

(a) Fixed assets

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

(b) Inventories

Land and Building and stores and spare parts, 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. Interest income is recognized on time proportion method and dividend income is recognized on right to receive is established.

(d) Investments

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

(e) Retirement Benefits

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

(f) Segment reporting

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

(g) Lease Rentals

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

(h) Foreign Currency Transaction/ Translation

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".

BINNY LIMITED (CONSOLIDATED)

(k) Earnings Per Share

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

(l) Provision for Taxation

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

(m) Impairment of Assets

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

(n) Provision and Contingencies

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

Notes on Accounts

1. The financials of subsidiary company was prepared on the principles applicable to the going concern. The Management is exploring all possible avenues to commence the business by exploiting the lease hold land.
2. As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. The Listing / Trading of Resulting Companies Shares are under process and the Resulting Companies' applications for relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 are presently pending with SEBI. Upon completion of formalities, the change in Directorship and interse transfer of shares among the Promoters shall be complied with.
3. 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.
4. During the year as per the MOU entered into with workers, 615000 sq.ft. of land has been transferred / sold to the workers as agreed. The revaluation reserve on these sales of land has now been reduced from the Fixed Assets and Revaluation Reserve account.
Revaluation Reserve is as per the Scheme of Arrangement Sanctioned by the High Court of Madras. The outstanding Revaluation Reserve Rs.491632 (000's) represents the adjusted amount of fixed assets (Land) revalued as per the Sanctioned Scheme.
5. **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. As per the Sanctioned Scheme of Arrangement the company has recorded a sum of Rs.380000 thousands as unsecured loan due to promoter group. Current year a sum of Rs.11543 (000's) not has been received from them as ICD.
6. No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief/succeeding in the appeals:

BINNY LIMITED (CONSOLIDATED)

	31.03.2011	31.03.2010
	Rs. in 000's	
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 31/03/2011	64391	61571
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	53438
d) TNGST and CST Sales Tax demands under appeal for the assessment years 1996 - 97(dept.appeal) pending	2211	2211
e) TNGST / CST - under dispute - appeal / revision (For BEL)	12900	12900
f) Excise Demands under Appeal (For BEL)	12230	12230
g) I.T. Demand A.Y. 2006-2007 (For BEL)	20221	NIL
h) Claim for back wages in respects of various disputes		Liability, if any, not ascertainable
i) Income Tax demand for Asst. Year 2008-09	1921	Nil
j) Wealth Tax Demand for Asst. year 2005-06, 2006-07 & 2007-08	42599	Nil
7. Other Moneys for which the company is contingently liable	31.03.2011	31.03.2010
	Rs. in 000's	
a. Disputed claim for delayed remittance of statutory dues where the appeals are pending before EPI Appellate, Authority and Principal Labour Court (ESI Court) and High Court.	6290	6790
b. Other claims from Customers Against these claims, the company also has counter claims aggregating Rs. 134267 ('000) (Rs. 134267 ('000))	121244	121244
c. Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable in case the AP High Court decides the matter in favour of NSL.	5237	5237
d. Claims against the company not acknowledged as Debts	14960	15586
8. 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.		
9. Sundry creditors outstanding as on 31/03/2011 include dues to creditors other than Micro, Small and Medium Enterprise. There is no principal or interest due or unpaid thereon to any suppliers of Micro, Small and Medium Enterprises as at year end.		
10. In the year 1994, when the rehabilitation scheme was sanctioned by BIFR, deferral of sales tax commencing from the year 1994, payable in the next 5 years had been sanctioned for Binny Engineering Limited. The above exemption was valid only till 31.03.1999 and the company has sought for extension of the deferral for a further period of 5 years in the revised package submitted to Board for Industrial and Financial Reconstruction in August 2002. However, BIFR has delinked the Company from the rehabilitation scheme of Binny Limited. The deferred amount of Rs. 75586 ('000) for the period 1994-95 to 1998-99 is yet to be remitted (out of Rs. 75586 ('000), Rs.21403 ('000) 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.5601 ('000) and Bihar Sales Tax collections amounting to Rs. 314 ('000) relating to the period September 1996 to March 2002 is pending remittance.		

BINNY LIMITED (CONSOLIDATED)

11.	During the year an amount of Rs.6497 ('000) has been written off as bad debts.		
12.	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 year the company has not declared any preference dividend.		
13.	Extra-ordinary items comprise of:		
	VRS compensation	50	415
	Less: Credit balances written back due to one time settlement	-	32
		50	383
		31.3.2011	31.3.2010
14.	(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	936
	(c) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009	303001	303001
15.	(a) Arrears of 9.75% Cumulative Preference dividend for the period 01-01-2010 to 31-03-2011	334	67
	(b) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2011	126515	22831
16.	The Executive Chairman has waived his remuneration for the period from 11.01.1998 to 31.03.2011		
17.	Miscellaneous expenses including sitting fees paid to Non executive independent Directors	11	5
18.	Earnings in Foreign Exchange	NIL	NIL
19.	a. To comply with the Accounting Standard - 22 - Accounting for Taxes on income, the company reviewed the deferred tax assets and liabilities. The timing differences relates mainly to depreciation and carry forward losses for the period up to 31-03-2011 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.		
	b. The current year provision for Income Tax has been provided as per the provision of Income Tax Act after considering the brought forward losses.		
	c. The company has received wealth tax demand for the Asst. Year 2005-06, 2006-07 & 2007-08 for Rs.42599 thousands against which the company has filed appeals with CWT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.		
	d. The company has received Income Tax demand for asst. year 2008 - 09 Rs.1921 ('000's) which is disputed before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.		
	e. The Asst. Commissioner of Income Tax, Company circle 1(3), Chennai has passed an order u/s 143(3) and revised the said order on 23.05.2011 u/s 154, as per which an amount of Rs.20221 ('000) is payable by the subsidiary company u/s 115JB for the assessment year 2006-2007. The Subsidiary Company has filed an appeal against the order and hopeful of success in appeal, no provision has been made in the accounts.		
20.	Related Party Disclosure		
	(a) List of Related Parties		
	(i) Other related Parties with whom transactions have taken place during the year		
	Associates		
	S.V. Sugar Mills Ltd		
	The Thirumagal Mills Ltd		
	Mohan Breweries & Distilleries Ltd		
	TCP Ltd		
	S V Global Mill Ltd.		
	Binny Mills Ltd		

BINNY LIMITED (CONSOLIDATED)

(ii) Key Management Personnel M. Ethurajan M.E. Shanmugam M. Nandagopal V.R. Venkataachalam Arvind Nandagopal	(Rs. in thousands)
(b) Transactions with related parties	Associates
Sales and other income	(79)
Rendering of Services	496
	(712)
	(Rs. in thousands)
	Associates
Outstanding balances as on 31/03/2011	4020
Debtors	(4815)
Investments	207500
Loans & Advances	(207500)
Creditors	55974
Binny Mills Limited (Advance for Sale of Property)	(57718)
Other liabilities	669
	(660)
	106523
	(39181)
	(1572)

21. Earnings per Share:

	Before extra ordinary item		After extra ordinary item	
	2011	2010	2011	2010
Profit available to Equity Share holders used as Numerator – (A) (Rs. In 000's)	39395	-83183	39345	-83566
Number of Shares outstanding	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Weighted Average Number of shares outstanding-(B)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Effect of dilution	NIL	NIL	NIL	NIL
Weighted Average No. of Equity Shares including potential shares –(D)	2,23,19,410	2,23,19,410	2,23,19,410	2,23,19,410
Earnings per share (Basic)- (A*1,000/B) in Rs.	1.77	-3.73	1.77	-3.74
Earnings per share (Diluted) – (D*1,000/D) in Rs.	1.77	-3.73	1.77	-3.74

22. Previous year figures have been regrouped wherever necessary. Current period figures are for 12 months as against previous period figures are for 6 months 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 even date
for M/s CNGSN & ASSOCIATES
Chartered Accountants
Firm Registration No.0049155

Chennai
26th August 2011

R. THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED (CONSOLIDATED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	Current Year Rs. '000	Previous year Rs. '000
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	39,345	(83,566)
Adjustments for:		
Depreciation	3,620	2,157
Interest Earned	(1,716)	(490)
Profit on sale of assets	(8,064)	(18,842)
Bad debts written off	-	17,344
Provision for Income Tax / Wealth Tax	10,500	86,644
Operating Profit before working Capital changes	43,685	3,247
(Increase) / Decrease in Inventories	290	197,600
(Increase) / Decrease in Trade and other Receivables	(10,318)	(14,739)
(Increase) / Decrease Other Current Assets	-	18
(Increase) / Decrease Loans & Advances	(3,701)	427,282
Increase / (Decrease) in Trade Payable	(62,916)	126,759
Cash from Operating activities	(32,960)	740,167
Direct Taxes paid	-	(86,644)
Transfer as per Court Sanctioned Scheme - on demerger (net)	-	(715,906)
Net Cash from Operating activities	(32,960)	(62,383)
B Cash flow from Investing activities		
Sale of Fixed Assets (including cancellation of lease hold land)	25,329	18,842
Purchase of Fixed Assets	(126)	(3,481)
Interest received	1,716	490
Net Cash from investing activities	26,919	15,851
C Cash flow from financing activities		
Preference Shares	-	-
Unsecured loans (net of repayment)	11,543	-
Net Cash from financing activities	11,543	-
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	5,502	(46,532)
Cash and cash equivalent as at the beginning of the year	23,615	70,147
Cash and cash equivalent as at the end of the year	29,117	23,615

- 1 The non cash items related to the demerger are not considered in the above cash flow statement
- 2 The working capital changes is after considering the working capital items, including the cash and cash equivalents, transferred to the resulting companies as per the Court Approved Scheme of Demerger.

M. ETHURAJAN
Executive Chairman

M. NANDAGOPAL
Director

G.VENKATARAMAN
Company Secretary

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

Chennai
26th August 2011

R. THIRUMALMARUGAN
Partner
Membership No. 200102

BINNY ENGINEERING LIMITED

ANNUAL REPORT - MARCH 2011

DIRECTORS:

M. Ethirajan
M. Nandagopal
S. Natarajan
M. Shanmugam
V.R. Velupillai

Auditors:

CRISN & ASSOCIATES
20, Raja Street,
T. Nagar, Chennai - 600 017.

Bankers

Canara Bank

Registered Office

Meenampakkam
P.O. Box No. 8577,
Chennai - 600 114.

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

Plant 2,
Meenambakkam
Chennai-600 114

BINNY ENGINEERING LIMITED

DIRECTORS REPORT

Your Directors place their Directors Annual Report on the performance of the company together with the Audited Accounts of the company for the year ended 31st March 2011

FINANCIAL RESULTS

	For the year ended 31 st 03 2011 Rs. in 000s	For the 6 months period ended 31 st 03 2010 Rs. in 000s
Income from Operation	—	321
Profit / Loss before Interest & Depreciation	(672)	(2906)
Interest and Finance charges	—	—
Depreciation	1077	112
Net Income / Loss for the Year	(1950)	(3870)
Dividend & Balance Sheet	(260743)	(748703)

Your Directors do not recommend any dividend for the year.

DEPOSITS

As a Company has not been called for accepted any deposits from the public.

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

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

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

DIRECTORS

Mr. M. Chinnaiyan & Mr. M.C. Shanmugam retire by rotation and are eligible for reappointment.

DIRECTORS' CLARIFICATION TO THE AUDITOR'S REPORT

- A) Auditor Report:
 - (i) In regard to the remarks in the Auditor's Report your Directors wish to clarify as under:
 - (A) Finding relating to the audit accounts are prepared on a "going concern" basis.
 - (B) (i) As the Company has filed necessary petitions / applications before respective authorities/agencies seeking revision of the levy on ground and benefits as the case may be.
 - (ii) (A) The Company would take appropriate steps to combat the situation.
- B) Annexure To The Auditor's Report:
 - (i) Inlet of Fuel System would be strengthened as and when tendering commences.
 - (ii) As the Company is mulling up the matter with appropriate authorities.

AUDITORS

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

STATUTORY REQUIREMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of annual accounts for the year ended 31st March 2011 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) That the Directors have 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 ascertainment and recording financial and other transactions.
- (iv) That the Directors have prepared the accounts for the year ended 31st March 2011 on "going concern" basis.

PERSONNEL

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

ACKNOWLEDGEMENTS

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

BY ORDER OF THE BOARD

M. LITHURAJAN

Chairman

Chennai

25th August 2011

ANNEXURE - I

		FORM 'A'		Form 'B' -	
		Current Year	Previous Period	A. CONSERVATION OF ENERGY	
A) Power and Fuel Consumption				Reduced the demand from 723 KVA to 400 KVA.	
1. Electricity					
a) Purchased units (Rs. in 000)		53	47		
Taxes amount (Rs. in 000)		675	436		
Residual Rs.		1065	1044		
b) Own Generation					
i) Through Diesel Generation (Units)		Nil	Nil		
Unit cost in Rs. Diesel @		Nil	Nil		
Residual (Rs.)		Nil	Nil		
ii) Through Solar		Nil	Nil		
Taxes on Generation units (Rs. in 000)		Nil	Nil		
c) Units per unit of Fuel oil @ Rs. Cost/Unit		Nil	Nil		
2. Gas (Specify quantity and where mainly consumed) (Cubic Feet)					
a) Purchased		Nil	Nil		
Total Cost (Rs. in 000)		Nil	Nil		
b) Own Gas (Rs. in 000)		Nil	Nil		
3. Steam in Kg. (K. Litre)					
a) Purchased		Nil	Nil		
Total amount (Rs. in 000)		Nil	Nil		
Average Rate (Rs.)		Nil	Nil		
3. Consumption per unit of production		This division is a piping industry and hence consumption per unit of production is unascertainable.	This division is a piping 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 2011, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. 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. As required by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (1A) 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 2011 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 (in 000) (Note No. 3 (a))
 - ii. Non-provision for TNGS/ICST demand under appeal/revision amounting to Rs. 12900 (in 000) (Note No. 3 (b))
 - iii. Non-Provision for excise demands under appeal of Rs. 12730 (in 000) (Note No. 3(c))
 - iv. Non-provision of income tax demand of Rs. 20221 (in 000) (Note No. 3(ii))
 - v. The preparation of financials on principles applicable to going concern as stated in No.1 in Notes on Accounts.
 - vi. Non-Confirmation of balances referred to in Note No. 6.
Without considering items mentioned in paragraph 4(F) (v) and (vi) above, the effect of which could not be ascertained and hence we are unable to express opinion on these matters and had the observation in Para 4 F (i), (ii), (iii) & (iv) been considered, (a) the loss for the period would have been Rs. 49512 (in 000) as against the reported loss of Rs. 1950 (in 000), (b) the accumulated losses would have been Rs. 295305 (in 000) as against the reported accumulated losses of Rs. 250743 (in 000) and (c) the current liabilities would have been Rs. 247782 (in 000) as against the reported current liabilities of Rs. 260220 (in 000).
- (G) In our opinion and to the best of our information and according to the explanations given to us, read together with the accounting policies and notes thereon, subject to the remarks stated in para F. above, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2011;
 - ii. in the case of the Profit & Loss Account of the LOSS of the Company for the year ended on that date;
 - iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For M/s. TNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
mem Registration No.0049155

Place: Chennai
Date: 26th August, 2011

R. THIRUMALMARUGAN
Partner
Membership No. 200102

ANNEXURE

Re: BINNY ENGINEERING LIMITED

Referred to in paragraph 3 of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets which needs to be updated.
- (b) The Fixed assets have been physically verified by the Management and no discrepancies were noticed.
- (c) As explained to us, during the year the Company has disposed off some of the fixed assets, which in the opinion of the management has no effect on the going concern assumption.
- (ii) There are no inventories.
- (iii) (a) The company has granted interest free loans, unsecured to associate company, a party covered in the register maintained under section 301 of the Companies Act, 1956. The total number of party is one and amount involved is Rs. 559.74 (in '000)

BINNY ENGINEERING LIMITED

- (h) Neither the terms of repayment nor the interest rates to be received on the loans are specified in respect of the loans given. Therefore we are unable to comment on whether the company is regular in recovering the principal amounts as stipulated and has been regular in the receipt of interest and also any overdue is there.
- (c) The company has taken unsecured interest free loans from its holding company, a party covered in the register maintained under section 301 of the Companies Act, 1956. The total number of party is one and amount involved is Rs.288.94 (in '000).
- (d) Neither the terms of repayment nor the interest rates to be paid on the loans are specified in respect of the loans taken. Therefore we are unable to comment on whether the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of fixed assets and for sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls systems.
- (v) According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered during the year.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the year as defined under section 50A of the Companies Act, 1956.
- (vii) In our opinion, the company does not have an internal audit system to commensurate with the size and nature of its business.
- (viii) As per the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- (ix) (a) The company is depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance and income tax with some delays, wherever applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, were in arrears, as at 31st March 2011, 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	81501
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 sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of disputes:-

Name of the Statute	Nature of the Dues	Amount (in '000)	Forum where dispute is pending
Tamil Nadu General Sales Tax Act	INGST & Penalty	2211	Tamil Nadu Taxation Special Tribunal
Central Excise & Customs Act	Excise Duty	12230	High Court / CESTAT
Income Tax	Tax & Interest	20221	CIT (A)

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

For M/s. CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration No.0049155

Place : Chennai

Date : 26th August 2011

R. THIRUMALMARIUGAN

Partner

Membership No. 209102

BINNY ENGINEERING LIMITED

BALANCE SHEET AS AT 31.03.2011

I. Sources of Funds	SCHEDULE	As At	
		31.03.2011 Rs. in '000s	31.03.2010 Rs. in '000s
1. Shareholders' Funds: Share Capital	1	287481	287481
2. Loan funds: a. Secured loans b. Unsecured loans	2	Nil 33894	Nil 27156
		<u>321375</u>	<u>314617</u>
II. APPLICATION OF FUNDS			
(1) Fixed Assets:	3		
(a) Gross Block		38543	48620
(b) Less: Depreciation		33091	47091
		<u>5452</u>	<u>6529</u>
(2) Investments	4	257500	207500
(3) Current Assets, Loans and Advances:	5		
(a) Inventories		Nil	Nil
(b) Sundry Debtors		Nil	8502
(c) Cash and Bank Balances		671	575
(d) Other Current Assets		Nil	Nil
(e) Loans and Advances		57279	58050
		<u>67900</u>	<u>65127</u>
Less: Current Liabilities & Provisions	6		
(a) Current Liabilities		200220	213332
		<u>200220</u>	<u>213332</u>
Net Current Assets / Liability		(142320)	(148285)
Profit & Loss Account		250743	248793
		<u>321375</u>	<u>314617</u>
Notes on Accounts	11		

As per our report of even date

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

INCOME	SCHEDULE	Year Ended	
		31.03.2011 Rs. in '000s	31.03.2010 Rs. in '000s
Gross Sales		Nil	321
Less: Lease Duty		Nil	(24)
Net sales		Nil	297
Accretion/(Decrease) to Stock	7	Nil	Nil
Other Income	8	9431	1342
		<u>9431</u>	<u>1639</u>
EXPENDITURE			
Raw Materials and other Direct Materials			
Consumption		Nil	Nil
Employees Cost	9	652	351
Other Costs	10	9672	4196
		<u>10304</u>	<u>4547</u>
Profit/(Loss) before interest & Depreciation		(873)	(2508)
Less: Depreciation		1077	712
Profit/(Loss) for the Year		(1950)	(3620)
Loss brought forward from the previous year		(248793)	(245173)
Loss carried to Balance Sheet		(250743)	(248793)
Notes on Accounts	11		
Earnings per share: Basic and Diluted in Rs. (Face value of Rs.10)		(0.06)	(0.12)

As per our report of even date

M. Ethurajan
Director

M. F. Shanmugam
Director

For M/s. ONGSN & Associates
Chartered Accountants
Firm Registration No.0619155

M. Ethurajan
Director

M. F. Shanmugam
Director

For M/s. ONGSN & Associates
Chartered Accountants
Firm Registration No.0049155

R. THIRUMALMARUGAN
Partner
Membership No.203102

R. THIRUMALMARUGAN
Partner
Membership No.203102

Chennai
26-08-2011

Chennai
26-08-2011

BINNY ENGINEERING LIMITED

SCHEDULE 1 Share Capital	As At	
	31.03.2011 Rs. in '000s	31.03.2010 Rs. in '000s
Authorised		
300,00,000 Equity Shares of Rs. 10 each	300000	300000
Issued & Authorised		
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 & its Nominees.

SCHEDULE 3 Fixed Assets As At 31.03.2011 Rs. in '000

SCHEDULE 2 Unsecured Loans	As At	
	31.03.2011 Rs. in '000s	31.03.2010 Rs. in '000s
Mother Meera Industries	5000	5000
Due to Holding Company Binny Limited	28894	22136
	33894	27136

SCHEDULE 4	As At	
	31.03.2011 Rs. in '000s	31.03.2010 Rs. in '000s
Investment-at-cost (non trade)		
Fully paid cumulative Redeemable Preference Shares in SV Sugar Mills Ltd	207500	207500
2,07,50,000 Shares of Rs. 10/- face value of each		

DESCRIPTION	GROSS			DEPRECIATION			NET BLOCK	
	AS AT 31.03.2010	ADDITION (DELETION)	AS AT 31.03.2011	AS AT 31.03.2010	ADDITION (DELETION)	AS AT 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
LEASE HOLD LAND	125	0	125	125	0	125	0	0
BUILDINGS	16314	0	16314	15778	546	11324	4990	5536
MACHINARIES	25245	0	15168	24954	291	15168	0	291
		(10077)			(10077)			
COMPUTERS	2664	0	2664	2650	11	2664	0	11
A/C PLANT	608	0	608	418	28	446	162	190
ELEC. INSTALTN.	1756	0	1756	1332	124	1456	300	424
FURNITURE & FITTINGS	1908	0	1908	1831	77	1908	0	77
VEHICLES	0	0	0	0	0	0	0	0
		0			0		0	0
TOTAL	48620	(10077)	38543	42091	1077	33091	5452	6529
PREVIOUS YEAR TOTAL	50570	1950	48620	43330	712	42091	6529	7240
		-			(1950)			

SCHEDULE 5 Current Assets, Loans and Advances	As At	
	31.03.2011 Rs. in '000	31.03.2010 Rs. in '000
A. Inventories	Nil	Nil
B. Sundry Debtors - Unsecured :		
Over Six Months :		
Considered Good	Nil	6502
Considered Doubtful	Nil	Nil
Other Debts - Considered Good	Nil	Nil
Less : Provision for Doubtful Debts	Nil	Nil
	Nil	6502
C. Cash and Bank Balances :		
Cash on Hand	70	15
With Scheduled Banks on :		
Current Account	18	27
Margin Money Deposit Account	583	583
	621	575
D. Current Assets :		
Interest Accrued	Nil	Nil

E. Loans and Advances - Unsecured :		
Advances Recoverable in Cash or in kind or for Value to be Received		
Considered Good	56374	57392
Considered Doubtful	9040	9040
Less: Provision for Doubtful Advances	65414	66432
	9040	9040
Deposits	56374	57392
	905	658
	57279	58050

SCHEDULE 6 CURRENT LIABILITIES AND PROVISIONS

(a) Current Liabilities :		
Sundry Creditors	116051	107020
Deferred Sales Tax Liability	75586	75586
Unremitted Sales Tax Liability	5916	19670
Customers Credit Balance	2629	11016
Gratuity & VRS Amount	39	40
	200220	213332
	=====	=====

BINNY ENGINEERING LIMITED

	31.03.2011	31.03.2010		31.03.2011	31.03.2010
	Rs. in '000	Rs. in '000		Rs. in '000	Rs. in '000
SCHEDULE 7					
Decretion to stock			and other funds	21	17
Opening Work-In-Progress	NIL	NIL	Pension	3	2
Closing Work-In-Progress	NIL	NIL	Welfare Expenses	30	17
	<u>NIL</u>	<u>NIL</u>		<u>632</u>	<u>351</u>
(Decretion) / Accretion	<u>NIL</u>	<u>NIL</u>			
SCHEDULE 8			SCHEDULE 10		
Other Income :			Other costs :		
Interest received on Margin money	50	0	Power & Fuel	673	486
Interest received on Security	24	0	Rent	8	4
Provision for Bad Doubtful Debt & Advances no longer required	NIL	NIL	Rates & Taxes	106	54
Miscellaneous Income (Scrap)	1407	NIL	Repairs & Maintenance : Machinery	0	11
Profit on sale of Fixed Assets	7950	1342	Auditors Remuneration: Audit Fees	67	65
	<u>9421</u>	<u>1342</u>	U.T. Representation	14	18
			Bank Charges	10	5
SCHEDULE 9			Bad Debt Written Off	6497	2432
Employees cost :			Legal Expenses	1200	600
Salaries, Wages & Others	578	316	Telephone	6	3
Contribution to Provident fund			Travelling Expenses	0	10
			Conveyance & Lunch	19	13
			Inspection & Testing charges	3	0
			Security Charges	1065	493
			Miscellaneous Expenses	38	66
				<u>9872</u>	<u>4196</u>

BINNY ENGINEERING LIMITED

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 provision for diminution in value, if any, is made.

6. INVENTORIES

There are no inventories.

7. FOREIGN CURRENCY TRANSACTIONS

There are no foreign currency transactions.

8. RETIREMENT BENEFITS

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

9. BORROWING COSTS

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

10. LEASES

There are no lease transactions for the year.

11. EARNINGS PER SHARE

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

12. SEGMENT REPORTING

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

13. IMPAIRMENT OF ASSETS

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

14. PROVISION AND CONTINGENCIES

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

B. Notes on Accounts

1. The financials are prepared on the principles applicable to the going concern. The Management is exploring all possible avenues to commence the business by exploiting the lease hold land.

2. Other moneys for which the company is contingently liable.

BINNY ENGINEERING LIMITED

	Year ended 31.03.2011	Period ended 31.03.2010
a. Claim for back wages in respect of various disputes, including disputes in respect of workmen which are pending before the Courts and Industrial Tribunal Liability if any.	Not Quantifiable	
b. Disputed claim for delayed remittance of statutory dues where the appeals are pending before EPF Appellate Authority and Principal Labour Court (ESI Court) and High Court.	6290	6290
c. Other claims from Customers Against these claims, the company also has counter claims aggregating Rs. 1342.67 Lakhs (Rs. 1342.67 Lakhs)	121244	121244
d. Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable in case the AP High Court decides the matter in favour of NSL.	5237	5237
3.. No provision is considered necessary in respect of the following as the Management is hopeful of getting relief / succeeding the appeals:		
a. TNGST and CST Sales Tax demands under appeal for the assessment years 1996-97(dept.appeal) pending.		2211 2211
b. TNGST / CST – under dispute – appeal / revision		12900 12900
c. Excise Demands under Appeal		12230 12230
d. I.T. Demand A.Y. 2006-2007		20221 NIL
4. In the year 1994, when the rehabilitation scheme was sanctioned by BIFR, deferral of sales tax commencing from the year 1994, payable in the next 5 years had been sanctioned for Binny Engineering Limited. The above exemption was valid only till 31.03.1999 and the company has sought for extension of the deferral for a further period of 5 years in the revised package submitted to Board for Industrial and Financial Reconstruction in August 2002. However, BIFR has delinked the Company from the rehabilitation scheme of Binny Limited. The deferred amount of Rs. 75586 ('000) for the period 1994-95 to 1998-99 is yet to be remitted (out of Rs. 75586 ('000), Rs. 21403 ('000) 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 5604 ('000) and Bihar Sales Tax collections amounting to Rs. 314 ('000) relating to the period September 1996 to March 2002 is pending remittance.		
5. During the year an amount of Rs.6497 ('000) has been written off as bad debts.		
6. Sundry Creditors, Unsecured loan from Mother Meera Industries, Loans and Advances and Deposits account are subject to Confirmation/reconciliation. However, in the opinion of the Management, all current assets, loans and advances would in the ordinary course of business realize at the value stated.		
7. 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 year the company has not declared any preference dividend.		
	Year ended 31.03.2011 (Rs. in '000)	Period ended 31.03.2010 (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. Sugar Mills Ltd and Mohan Breweries & Distilleries Ltd	

BINNY ENGINEERING LIMITED

(b) Transactions / Balance with Related Parties particulars:

	Holding Company (Rs. in '000)	Associates
Advance received	28894 (22136)	
Outstanding balances as on 31.03.2011		
Debtors		nil (698)
Investment		207500 (207500)
Loans and Advances		55974 (57718)

12. Earnings per Share:
Particulars

	(Rs. in '000)	
	Before extra ordinary item	
	Year ended March 2011	Period ended March 2010
Profit available to Equity Share Holders used as Numerator - (A)	(-)1950	(-)3620
Number of Shares outstanding	2,87,48,100	2,87,48,100
Weighted Average Number of Outstanding - (B)	2,87,48,100	2,87,48,100
Effect of dilution (C)	NIL	NIL
Weighted Average No. of Equity Shares including potential shares - (D)	2,87,48,100	2,87,48,100
Earnings per share (Basic) - (A* 1,00,000/ B) in Rs.	-0.06	-0.12
Earnings per share (Diluted) - (A* 1,00,000/ D) in Rs.	-0.06	-0.12

13. Income Tax & Deferred Taxes:

- (a) 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.
- (b) The Asst. Commissioner of Income Tax, Company circle 1(3), Chennai has passed an order u/s 143(3) and revised the said order on 23.05.2011 u/s 154, as per which an amount of Rs.20221 ('000) is payable by the company u/s 115JB for the assessment year 2006-2007. The Company has filed an appeal against the order and hopeful of success in appeal, no provisions has been made in the accounts.

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. Balance Sheet Abstract and cash flow statement are attached.
18. Previous period figures have been regrouped wherever necessary.

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

M. Ethurajan
Director

M.E. Shanmugam
Director

R. Thirumalmarugan
Partner
Membership No.200102

Place : Chennai
Date :26.08.2011

BINNY ENGINEERING LIMITED

Balance Sheet abstract and Company's business profile for the year ended 31st March 2011

Registration Details

Registrar No. 29734 State Code 18

Balance Sheet Date 31.03.2011

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
	321375	321375
Sources of funds	Paid up capital	Reserves and surplus
	267461	NIL
Advance towards share capital	Secured loans	Unsecured loans
NIL	NIL	33804
Application of funds	Net fixed assets	Investments
	5452	207500
Accumulated Loss	Net current assets/Misc. expenditure	
250743	(-) 142329	NIL

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

	Turnover	Total expenditure
(Sales including other income)	8431	11361
(+ Profit / Loss before tax - (-) Profit / Loss after tax)	(-) 1950	(-) 1950
Earning per share in Rs. Dividend rate %	(-) 0.06	NIL

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

Item Code Nos. (ITC Code) 843610 848590 843700

Product Description	Sugar Mill Machinery	Manufacture & Supply of machined and Jamed metal Castings	New M/c Machinery
---------------------	----------------------	---	-------------------

M. Etharajan Director **M. E. Shanmugam** Director
 For M/s. CNGSN & Associates Chartered Accountants
 Firm Registration No. 0049155

S. THIRUMALARASAN
 Partner
 Membership No 200122

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

Year Ended: 31.03.2011 Period Ended: 31.03.2010
 Rs. in '000

A Cash flow from Operating Activities		
Profit / (Loss) for the year	(1950)	(3620)
Adjustments to:-		
Depreciation	1647	112
Interest earned	(75)	0
Profit on sale of Fixed assets	(2350)	(1942)
Operating Profit before working Capital changes	<u>1897</u>	<u>14250</u>
(Increase) / Decrease in Trade and other Payables	6902	2421
(Increase) / Decrease in Inventories		0
(Increase) / Decrease Other Current Assets		10
(Increase) / Decrease Loans & Advances	271	(5746)
Increase / (Decrease) in Trade Receivable	(13112)	26338
Net Cash from Operating activities	<u>114722</u>	<u>119921</u>
B Cash flow from Investing activities		
Purchase of investments		0
Sale of Fixed Assets	2650	1047
Purchase of Fixed Assets		0
Interest received	14	0
Net Cash from investing activities	<u>2664</u>	<u>1047</u>
C Cash flow from financing activities		
Unsecured Loans received	6158	17502
Net Cash from financing activities	<u>6158</u>	<u>17502</u>
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	123544	13740
Cash and cash equivalents at the beginning of the year	575	454
Cash and cash equivalent as at the end of the year	<u>124119</u>	<u>14194</u>

M. Etharajan Director **M. E. Shanmugam** Director
 For M/s. CNGSN & Associates Chartered Accountants
 Firm Registration No. 0049155

S. THIRUMALARASAN
 Partner
 Membership No 200102

Chennai
 26th August 2011

Chennai
 26th August 2011

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 42nd Annual General Meeting of the Company at 106, Armenian Street, Chennai - 600 001 on Wednesday, the 28th September 2011 at 10.30 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 42nd Annual General Meeting
of the Company at 106, Armenian Street, Chennai - 600 001 on Wednesday, the
28th September 2011 at 10.30 a.m. and/or at any adjournment thereof.

Signed this day of 2011.

Signature

Atlix
1.00 Rupees
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