
BINNY LIMITED
ANNUAL REPORT
MARCH 2013

DIRECTORS	M.Nandagopal – Executive Chairman S.Natarajan Arvind Nandagopal- Managing Director Justice S. Jagadeesan Dr. Sadayavel Kailasam Natarajan Nandhagopal
CFO & COMPANY	P.K.Sundaresan
SECRETARY BANKERS	State Bank of India Canara Bank State Bank of Hyderabad
AUDITORS	CNGSN & Associates 22, Flat “C” & “D” Vijayaraghava Road T.Nagar, Chennai 600017
REGISTERED OFFICE	No: 1, Cooks Road Otteri, Perambur Chennai 600 012 Tamilnadu

BINNY LIMITED

NOTICE IS HEREBY GIVEN THAT the FORTY FOURTH ANNUAL GENERAL MEETING of the Company will be held at

No:1, Cooks Road, Otteri
Perambur, Chennai – 600012
on Monday, 4th November 2013
at 11.00 A.M

to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Justice S. Jagadeesan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration.

To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:

“RESOLVED that the retiring Auditors M/s. CNGSN & Associates, (Firm Registration No: 004915S) Chartered Accountants, Chennai be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed in this behalf by the Board of Directors of the Company”.

Special Business

4. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Natarajan Nandhagopal, whose term of office as an Additional Director, pursuant to Section 161 of the Companies Act, 2013, expires at this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed a Director of the Company liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the appointment of Mr. M.Nandagopal, as Whole time Director designated as Executive Chairman of the Company for a period of five years commencing from 3rd October 2013 upon such terms and conditions as detailed in the explanatory statement annexed hereto, be and is hereby approved.

6. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the appointment of Mr. Arvind Nandagopal as Whole time Director designated as Managing Director of the

BINNY LIMITED

Company for a period of five years commencing from 3rd October 2013 upon such terms and conditions as detailed in the explanatory statement annexed hereto, be and is hereby approved.

REGISTERED OFFICE

No: 1, Cooks Road

Otteri, Perambur,

Chennai 600 001

Date: 3rd October 2013

BY ORDER OF THE BOARD

P.K. Sundaresan

CFO & Company Secretary

NOTES:

1. 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. PROXYFORMS COMPLETED 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.
2. The Register of members and the share transfer books of the company will remain closed from 28-10-2013 to 04-11-2013 (both days inclusive)
3. Members are requested to intimate changes, if any, in their registered address to the company immediately.
4. Members are requested to furnish a copy of the PAN Card to the Company / RTA for registration of transfer / transmission of shares.
5. 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.
6. 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.
7. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

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

Name of Director	Date of Birth	Date of appointment	Qualifications	Expertise in Functional Area
Justice S.Jagadeesan	23-03-1941	05-09-2007	B.A., B.L	Former Judge of Madras High Court and Chairman of Intellectual Property Appellate Board
Natarajan Nandhagopal	21-12-1968	03-10-2013	B.B.A	Breweries, Real Estate, Renewable Energy

Item No:2

Justice S. Jagadeesan is the Chairman of Audit Committee and Member of Remuneration Committee of Binny Limited. He is not a director in any other company.

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Item No: 4

Mr. Natarajan Nandhagopal is also on the Board of the following companies

Sl.No.	Name of the Companies	Position
1.	Mohan Breweries and Distilleries Limited	Director
2.	Arthos Breweries Limited	Director
3.	TCP Limited	Director
4.	Doric Real Estate Limited	Director
5.	Bhankerpur Distilleries Limited	Director
6.	Nandha Energy Limited	Director
7.	Nandha Developers Private Limited	Director
8.	Nandha Logistics Limited	Director
9.	Nandha Glass Limited	Director

Item No: 5

Mr. M. Nandagopal is also on the Board of the following companies

Sl.No.	Name of the Companies	Position
1)	Mohan Breweries and Distilleries Limited	Executive Chairman
2)	Mohan Meakin Limited	Director
3)	Arthos Breweries Limited	Director
4)	D1 Mohan Bio Oils Limited	Director
5)	Mira Textiles & Industries (India) Limited	Director
6)	Bhankerpur Distilleries Limited	Director
7)	RRB Energy Limited	Director
8)	Nandha Developers Private Limited	Director

Item No: 6

Mr. Arvind Nandagopal is also on the Board of the following companies

Sl.No.	Name of the Companies	Position
1	Mohan Breweries and Distilleries Limited	Managing Director
2	Arthos Breweries Limited	Director
3	TCP Limited	Director
4	Mother Mira Industries Limited	Director
5	Bhankerpur Distilleries Limited	Director
6	Orissa Sugars Limited	Director
7	Nandha Energy Limited	Director
8	Nandha Developers Private Limited	Director
9	Nandha Logistics Limited	Director
10	Nandha Glass Limited	Director
11	Magnum Sugars & Allied Products Pvt. Ltd.	Director

Explanatory Note as required under Section 102(1) of Companies Act 2013

ITEM NO: 4

The Board of Directors had, in order to strengthen the Board, appointed Mr. Natarajan Nandhagopal as an Additional Director of the Company under the provisions of Section 161(1) of the Companies Act,

BINNY LIMITED

2013 with effect from October 3,2013. Pursuant to Section 161 of the Companies Act, 2013 he will hold this office up to the date of the forthcoming Annual General Meeting.

Notice in writing from a member has been received by the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Natarajan Nandhagopal for appointment as Director of the Company. He, being eligible, offers himself for appointment.

None of the Directors other than Mr. Natarajan Nandhagopal, Mr.M. Nandagopal and Mr. Arvind Nandagopal are interested or concerned in the said resolutions.

ITEM NO: 5

The Board of Directors have appointed Mr. M. Nandagopal as a Whole - time Director designated as Executive Chairman for a period of five years with effect from 3rd October 2013, subject to the approval of the Company in General Meeting. The terms of appointment as approved by the Board of Directors in their meeting held on 3rd October 2013 are specified hereunder. Necessary resolutions are being proposed to the shareholders for their approval.

Mr. M. Nandagopal shall not draw any remuneration either by way of salary, allowances and perquisites or by way of Commission.

None of the Directors other than Mr.M.Nandagopal, Mr.Natarajan Nandhagopal and Mr.Arvind Nandagopal is interested or concerned in the said resolutions.

ITEM NO: 6

The Board of Directors had appointed Mr. Arvind Nandagopal as a Whole - time Director designated as Managing Director for a period of five years with effect from 3rd October 2013, subject to the approval of the Company in General Meeting. The terms of appointment as approved by the Board of Directors in their meeting held on 3rd October 2013 are specified hereunder. Necessary resolutions are being proposed to the shareholders for their approval.

Mr. Arvind Nandagopal shall not draw any remuneration either by way of salary, allowances and perquisites or by way of Commission.

None of the Directors other than Mr. Arvind Nandagopal, M.Nandagopal and Mr.Natarajan Nandhagopal is interested or concerned in the said resolutions.

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 44th AGM.

Registered Office:
No:1, Cooks Road
Otteri, Perambur
Chennai 600 012.
Date: 3rd October 2013

BY ORDER OF THE BOARD

P.K.Sundaresan
CFO & Company Secretary

BINNY LIMITED

DIRECTORS' REPORT

Your Directors present the Forty Fourth Annual Report and Audited Accounts of the Company for the year ended 31st March 2013

FINANCIAL RESULTS

	Rs. In Lakhs	
	As at 2012-2013	As at 2011-2012
Operating Profit / (Loss)	<u>493.35</u>	<u>355.40</u>
Profit before Depreciation & Tax	493.35	355.40
Depreciation	<u>25.18</u>	<u>25.37</u>
Profit / (Loss) for the year before Tax	468.17	330.03
Tax	<u>77.16</u>	<u>86.00</u>
	391.01	244.03
Extra-ordinary items	<u>48.36</u>	<u>(16.70)</u>
Profit / (Loss) for the year	<u>439.37</u>	<u>227.33</u>

REVIEW OF OPERATIONS

Services Division

The performance of the container freight station was continued to be satisfactory during the financial year 2011-12. However, owing to very difficult road traffic constraints prevailing in the location of the operation, the company ceased the operation of container freight station with effect from May 2012. Hence your company will only continue warehousing operation, and it may not be possible to scale the revenues significantly.

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

Till date, sale registration has been made to 128 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

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 Act, 1956 amongst Binny Limited and S V Global Mill Limited and Binny Mills

BINNY LIMITED

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".

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.

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 all the clarifications sought for by SEBI relating to the terms of the Scheme were submitted by the Company. The respective resulting companies are following it up with SEBI for early approval of SEBI for relaxation of Rule 19(2) (b). Soon after the Stock exchanges would permit trading in equity shares of the respective resulting companies and until then the shares credited to the respective shareholders demat account is kept frozen.*

***Key events after balance sheet date**

The shares of the resulting companies got listed on 28th May 2013 and following this Inter-Se transfer between the promoter group and other steps as enshrined in the demerger scheme were completed during the last week of September 2013. Consequent upon this development, the board of your company has been reconstituted and the details are as given below.

Directors

A. The following directors have resigned from the board

1. Mr.M.Ethiraj
2. Mr..E.Shanmugam
3. Mr.V.R.Venkataachalam.
4. Mr.K.Sundareswaran
5. Mr.S.Vijayaraghavan
6. Mr.R.Krishnan
7. Mr.R.Narayanan

Your Directors place on record their sincere appreciation for the contribution made by each one of the above listed Directors during their tenure as Directors of the Company.

B. Mr.Natarajan Nandhagopal has been appointed as an Additional Director of the Company with effect from 3rd October 2013 under Section 161(1) of Companies Act 2013.

C. Mr.M.Nandagopal has been appointed as a Whole-Time Director and designated as Executive Chairman, subject to your approval at the ensuing Annual General Meeting.

D. Mr.Arvind Nandagopal has been appointed as a Whole-Time Director and designated as Managing Director, subject to your approval at the ensuing Annual General Meeting.

The Company continues to comply with the terms of Clause 49 (C) (iv) of the Listing Agreement with Stock exchanges. Mr. Justice S. Jagadeesan retires by rotation and offers himself for reappointment. Mr.Arvind Nandagopal also retires by rotation and offers himself for reappointment as director.

Binny Engineering Limited

Considering the negative net worth, highly limited usage of the lease-hold property and on the basis of a fair valuation report, your directors decided to sell the entire 100% shareholding in the subsidiary for a sum of Rs 3.45 Cr

As Binny Engineering Limited was a 100% subsidiary of your Company, the audited accounts for the year ended 31.3.2013 and other reports of the company as required under section 212 of the Companies Act is attached.

Statutory Requirements

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

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

Directors' Responsibility Statement

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

- i. that in the preparation of annual accounts for the year ended 31st March, 2013 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, 2013 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 2013 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:

- i. The Company has received wealth tax demand for the Asst. year 2005 – 06, 2006 – 07, 2007 – 08, 2008 – 09, 2009 -10, 2010 – 11 and 2011 – 12 for Rs.977.24 lakhs 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.
- ii. The entire shareholding in the subsidiary, has since been sold as aforementioned under the paragraphs on Key Events after the Balance Sheet date. Hence the remarks in this regard are no longer applicable.
- iii. Efforts are being made to obtain confirmation of balances of the receivables, payables, loans & advances etc pending over 3 years..

In case of Auditors observations under Emphasis of Matter on the income tax demand made for Asst Year 2010-11, your company has filed an appeal before CIT(appeals) and is confident of succeeding.

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Auditors

M/s CNGSN & Associates, (Firm Registration No: 004915S) 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.

Registered Office:
No :1, Cooks Road
Perambur
Chennai 600 012
Date: 03.10.2013

BY ORDER OF THE BOARD

M. NANDAGOPAL
EXECUTIVE CHAIRMAN

ANNEXURE

FORM 'A' Power & Fuel Consumption

B & C Mill – since the Mill is not functioning, this is not applicable. B W Mill – since the Mill is not functioning, this is not applicable. **FORM "B" Technology Absorption**

B & C Mill – since the Mill is not functioning, this is not applicable. B W Mill – since the Mill is not functioning, this is not applicable. Conservation of Energy – Not applicable

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

Name of the Subsidiary Company	Financial Year of the subsidiary ending on	No. of equity shares held by Binny Ltd and / or its nominees in the subsidiary	Extent of holding	For the financial year of the subsidiary		For the previous financial years since it became a subsidiary	
				Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of accounts of the holding company	Profits/(Loss) so far it concerns the members of the holding company and dealt within the books of accounts of the holding company	Profits/(Loss) so far it concerns the members of the holding company and not dealt within the books of accounts of the holding company	Profits / (Loss) so far it concerns the members of the holding company and dealt within the books of accounts of the holding company
				Rs. Lakhs		Rs. Lakhs	
Binny Engineering Ltd	31.3.13	287,48,100 Equity shares of Rs.10 each fully paid up	100%	(44.19)	NIL	(552.15) as on 31.3.2012	NIL

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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 31.3.2013, five board meetings of the Company were held on the following dates viz., 14.05.12, 13.08.12, 01.09.12, 02.11.12 and 06.02.13. The last Annual General Meeting of the Company was held on 29th September 2012.

Name	Executive Promoter (P) Non-Executive Promoter (NEP) Non-Executive Independent (NEI)	Attendance particulars		No. of Directorship, Committee Membership / Chairmanship other than Binny Ltd			Date of appointment	Date of cessation
		Board Meetings	Last AGM	Other Directorship in Public Limited Companies	Committee Membership	Committee Chairmanship		
Mr. M. Ethiraj	P	4	NP	10	2	2	08.07.1987	-
Mr. M. Nandagopal	NEP	2	Yes	13	-	-	23.03.1996	-
Mr.R.Narayanan	NEI	1	Yes	5	2	2	30.06.1990	-
Mr. S. Natarajan	NEP	3	NP	4	1	1	11.01.1988	-
Mr. E. Shanmugam	NEP	5	Yes	7	2	-	31.03.1993	-
Mr. V.R.Venkataachalam	NEP	3	Yes	9	-	1	11.01.1988	-
Mr. Arvind Nandagopal	NEP	-	NP	8	-	-	25.03.2005	-
Mr. K. Sundareswaran	NEI	4	Yes	-	-	-	25.03.2005	-
Mr. Justice S Jagadeesan	NEI	-	NP	1	2	-	05.09.2007	-
Mr. S. Vijayaraghavan	NEI	1	Yes	-	-	-	05.09.2007	-
Mr. R. Krishnan	NEI	5	Yes	-	5	-	05.09.2007	-
Dr. Sadayavel Kailasam	NEI	-	NP	-	-	-	29.04.2010	-

3. AUDIT COMMITTEE

The Committee consists of three Non-executive Independent Directors and one Non-executive promoter director. Five meetings were held during the year ended 31.3.2013 on 14.05.12, 13.08.12, 01.09.12, 02.11.12 and 06.02.13. 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.

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Name of Member	Category of Members	Designation	Attended
Mr. R. Narayanan	Independent	Chairman	1
Mr. 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. Ethiraj, 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. 2,000/-

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. Ethiraj, Mr. R. Narayanan and Mr. 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 five meetings during the year ended 31.3.2013 on 16.04.12, 30.04.12, 15.05.12, 31.05.12, 15.06.12, 29.06.12, 16.07.12, 31.07.12, 16.08.12, 31.08.12, 14.09.12, 01.10.12, 10.10.12, 26.10.12, 26.11.12, 05.12.12, 13.12.12, 21.12.12, 04.01.13, 18.01.13, 01.02.13, 11.02.13, 22.02.13, 13.03.13 and 29.03.13.

6. DETAILS OF LAST 3 ANNUAL GENERAL MEETINGS

Financial Year	Date	Venue of AGM held	Time
41st AGM 2009-2010	27.09.2010	Registered Office 106, Armenian Street Chennai 600001	9.30 a.m.
42nd AGM 2010-2011	28.09.2011	Registered Office 106, Armenian Street Chennai 600001	10.30 a.m.
43rd AGM 2011-2012	29.09.2012	Registered Office 106, Armenian Street Chennai 600001	11.15 a.m.

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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% Cumulative Redeemable 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 31.03.2013

	Shareholders		No. of shares held		
	Nos.	%	Nos.	%	
1	5000	8,794	92.22	9,76,370	4.37
5001	10000	414	4.34	3,21,486	1.44
10001	20000	186	1.95	2,75,796	1.24
20001	30000	40	0.42	1,01,503	0.45
30001	40000	19	0.20	65,839	0.30
40001	50000	14	0.15	65,701	0.29
50001	100000	22	0.23	1,51,541	0.68
100001	and above	47	0.49	2,03,61,174	91.23
		9,536	100.00	2,23,19,410	100.00

DISTRIBUTION OF PREFERENCE SHAREHOLDING AS AT 31.03.2013

	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 31.03.2013

Category	No. of Holders	Equity	Preference
		%	%
Promoters	15	51.04	100.00
Corporate Body - Promoters	9	23.74	---
Nationalised Banks	15	4.40	---
Insurance Companies	5	3.45	---
Corporate Bodies	139	2.49	---

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NRI	52	0.16	---
Clearing Member	2	0.00	
Trusts	2	0.00	---
Resident Individuals	9297	14.73	---
TOTAL	9536	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 primarily engaged in the business warehousing. During the current year, performance of the Container Freight station continues to face more and more difficulties owing the road and traffic restrictions and hence effective May 2012, the operation of Container Freight Station was ceased to continue. However, the business of warehousing continues and more prospects expanding the operation by utilization of more space is explored. However, owing to road traffic constraints prevailing in the location of our operation, higher revenue could not be anticipated during the current year.

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 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-principal 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 necessary clarifications sought for by SEBI as well as the Department of Corporate Affairs on certain terms of the Hon. High Court sanctioned Scheme were duly submitted by the Company. The company as well the respective resulting companies are following it up with SEBI for obtaining early approval for relaxation of Rule 19(2)(b). Upon obtaining such approval the stock exchanges would permit trading in equity shares of the respective resulting companies and until then the shares credited to the respective shareholders demat account is kept frozen.

BINNY LIMITED

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 7.8 and 13 has still not been given effect.

Please refer to Key Events after Balance Sheet as given in the Directors' Report for updates on the above.

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.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

2012-2013

Rs. in Lakhs

Agencies & Warehouse undertaking	793.12
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12. GENERAL SHAREHOLDERS INFORMATION

44th ANNUAL GENERAL MEETING

Date and Time	Monday, the 4th November 2013 at 11.00 a.m.
Venue	1, Cooks Road, Otteri, Perambur, Chennai 600012.
Book Closure	28th October 2013 to 4th November 2013 (both days inclusive)
Financial Year ended	31.03.2013
Dividend payment	NIL
Listing of securities in the stock exchanges:	

Stock Code

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

Financial Calendar

Financial reporting for
the quarter ending

30 th Sep 2013	Nov '13
31 st Dec 2013	Feb '14
31 st Mar 2014	May '14
30 th Jun 2014	Aug' 14

Other Details

M/s Cameo Corporate Services Limited, Chennai are the Registrar and Share Transfer Agents. 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, 2013, 10.88% of total outstanding shares have been dematerialised. Out of 56,29,990 equity shares held by the shareholders other than the promoters, 24,28,867 shares (43.14% of non-promoters' shareholding) have been dematerialised upto 31.03.2013.

BINNY LIMITED

Details of shares in Demat and Physical Form as on 31st March 2013

Particulars	No. of Shareholders	No. of Shares	% to Capital
NSDL	1031	2277860	10.21
CDSL	395	151007	0.67
Physical Form	8110	19890543	89.12
Total	9536	22319410	100.00

M/s Cameo Corporate Services Limited, Chennai, is Registrar and Transfer Agent for the company providing connectivity with the NSDL / CDSL for demat services, also undertake share transfer in physical format and other related services. 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 annual listing fees for the relevant period to the Stock Exchanges where its equity shares are listed.

Market price data (Rs.)

MONTH	APL-12	MAY-12	JUN-12	JUL-12	AUG-12	SEP-12	OCT-12	NOV-12	DEC-12	JAN-13	FEB-13	MAR-13
BSEHIGH	43.40	38.05	39.30	38.00	34.00	37.00	37.95	32.40	33.10	32.40	35.95	34.15
LOW	26.00	33.20	30.95	29.50	28.40	27.55	28.85	28.05	28.35	28.00	28.45	28.95

ADDRESS FOR COMMUNICATION

Name : P.K.Sundaresan

Designation : CFO & Company Secretary

Address : Binny Limited, 1 Cooks Road, Otteri, Perambur, Chennai 600 012

E mail : binny@binnyltd.in

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
3rd October 2013

By Order of the Board

M. Nandagopal
Executive Chairman

BINNY LIMITED

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 2013 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 2013 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
29TH May 2013

G. PORSELVAM
Practicing Company Secretary
CP No. 3187

INDEPENDENT AUDITOR'S REPORT

To
The Members
Binny Limited
Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of Binny Limited (the Company), which comprises the Balance Sheet as at March, 31 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion:

Attention of is drawn to the following material matters:

- i. The Wealth Tax Officer has passed an Assessment Order for the Asst years 1993-94 to 2010-11 demanding a sum of Rs.2553.77 lakhs treating some of the assets of the company are subject to taxable wealth as per the provisions of the Wealth Tax Act. However the management has disputed the same and filed the Appeals on the Assessment Orders before the appellate authorities and there has also been payment of Rs.648.66 lakhs under protest, which are shown as Other Current Assets. Considering the disputed demands the Company has not provided for these Wealth Tax demands in the financial statements;*
- ii. The company holds Investments Rs.2874.81 lakhs in the Equity Shares of a Subsidiary Company and Loans and Advances made to the same Company Rs.1148.52 lakhs. The management considers*

the investment as a long term investment and has not provided for the diminution in value of these investments and carrying value of loans and advances at cost. However it is seen that the Networth of the Subsidiary Company has eroded, no operational activities carried on for few years, and other related factors indicates the material uncertainty about the going concern of the Subsidiary and possible permanent diminution in carrying these investments and loans and advances at cost.

- iii. Non-confirmation of balances as on 31st March, 2013 from trade receivables, trade payables, loans and advances, Other long term borrowings, Other Loans and Advances, wherein the outstanding balances are due for more than three years and any adjustment to be made for the carrying amount at the year end is not ascertainable.*

Without considering items mentioned in paragraph (iii) the effect of which could not be ascertained and had the observation in Para (ii) and (iii) been considered, (a)the net profit for the year would have been Net Loss of Rs.(-)6137.73 lakhs as against reported profit of Rs.439.37 lakhs; (b)Non-Current Investments would have been Rs.4.03 lakhs as against reported amount of Rs.2878.84 lakhs; (c) Long Term Loans & Advances would have been Rs.784.16 lakhs as against reported amount of Rs.1932.68 lakhs; and (d) Short Term Provisions would have been Rs.2657.26 lakhs as against reported amount of Rs. 103.49 lakhs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except to the possible effects of matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March, 31, 2013;
- b) In the case of Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to Note 23.11 in notes to the financials with regard to the Income Tax demands disputed before the authorities, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order), as amended, issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to sub-section (3C) of Section 211 of the Act;

- e. on the basis of written representation received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director, in terms of clause (g) of sub-section (1) of section 274 of the Act;
- f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S**

Place: Chennai
Date : 29th May, 2013

**R.THIRUMALMARUGAN
Partner
Membership No: 200102**

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements
in our Independent Auditors' Report of even date)

1. (a) The Company has to update the schedule of Fixed Assets.
(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 disposals 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.1148.52 lakhs. The other clauses are not applicable.
(b)According to the information and explanations given to us, the Company has taken unsecured interest free loan from two group companies, repayable on demand, the party covered in the register maintained under section 301 of the Companies Act, 1956. The balance outstanding is Rs.5323.53 lakhs. The other clauses are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchases of 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.

BINNY LIMITED

- (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 company has to update the cost records, for the process activities, as 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 Rs.0.37 lakhs and Property /Urban Land Tax Rs.173.21 lakhs as at 31st March, 2013 for a period of more than six months from the date they become payable.
 - c. According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, services tax, excise duty and cess which have not been deposited on account of any dispute except Income Tax demand for AY 2008-2009 Rs.19.21 lakhs and Rs.11464.23 lakhs for AY 2010-11 disputed before CIT(A) and Wealth Tax demand for the asst year 2004-05 to 2010-11 Rs.1060.18 lakhs disputed before CWT(A) and asst year 1993-94 to 2003-04 Rs.1493.59 lakhs disputed before ITAT, Chennai.
 10. In our opinion, there are no accumulated losses of the Company as at the year end. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
 11. In our opinion and according to the information and explanations 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.

BINNY LIMITED

18. According to the information given to us, the Company has not made preferential allotment of shares during the year to parties covered in the register maintained under Sec.301 of the Companies Act, 1956.
19. According to the information and explanation given to us, the Company has not issued any debentures during the year and creation of security for issue of debenture does not arise.
20. According to the information and explanation given to us, the Company has not raised money by public issue during the year and disclosure of end use of public issue does not arise.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 29th May, 2013

R.THIRUMALMARUGAN
Partner
Membership No: 200102

BINNY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Rs.in lakhs

Chennai
Date :29.05.2013

	Note No.	As at 31-03-2013	
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	2	12837.62	
(b) Reserves and Surplus	3	16480.58	
(c) Money Received against Share warrants			29318.20
(2) Share application money pending allotment			
(3) Non-current liabilities:			
(a) Long-term borrowings	4	4098.82	
(b) Deferred tax liabilities (Net)			
(c) Other Long-term liabilities	5	1876.89	
(d) Long-term provisions	6	<u>438.80</u>	6414.51
(4) Current liabilities:			
(a) Short-term borrowings			
(b) Trade payables	7	221.00	
(c) Other current liabilities	8	317.12	
(d) Short-term provisions	9	<u>103.49</u>	<u>641.61</u>
Total			<u><u>36374.32</u></u>
II. ASSETS:			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10	30044.72	
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under developemnt			
(b) Non-current investments	11	2878.84	
(c) Deferred tax assets (Net)			
(d) Long-term loans and advances	12	1932.68	
(e) Other non-current assets	13	<u>218.54</u>	35074.78
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables	14	141.36	
(d) Cash and cash equivalents	15	238.06	
(e) Short-term loans and advances	16	60.03	
(f) Other current assets	17	<u>860.09</u>	<u>1299.54</u>
Total			<u><u>36374.32</u></u>

See accompanying notes to the financial statements

As at 31-03-2012

133.88
360.30
58.91
859.89 1412.98
35848.37

12837.62
16045.09

_____ 28882.71

As per our Report of even date
for M/s CNGSN & ASSOCIATES
Chartered Accountants
Firm Regn No 004915S

3930.12

1758.10
431.13 6119.35

R. THIRUMALMARUGAN
Partner
Membership No.200102

191.23
569.08
86.0 846.31
35848.37

30073.78

2878.84
1252.82
229.95 34435.39

BINNY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Rs.in lakhs

	Note No	For the year ended 31-03-2013	For the year ended 31-03-2012
I Revenue from operations	18	793.12	853.66
II Other income	19	<u>51.53</u>	<u>23.50</u>
III Total Revenue (I + II)		844.65	877.16
IV Expenses:			
a Cost of materials consumed			
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
d Employee benefits expenses	20	75.51	152.20
e Finance costs		3.44	
f Depreciation and amortization expenses	10	25.18	25.37
g Other expenses	21	<u>272.35</u>	<u>369.56</u>
Total expenses		376.48	547.13
V Profit before exceptional and extraordinary items and tax (III - IV)		468.17	330.03
VI Exceptional items	22	<u>48.36</u>	<u>-16.42</u>
VII Profit before extraordinary items tax (V - VI)		516.53	313.61
VIII Extraordinary items	22	<u>-</u>	<u>-0.28</u>
IX Profit before tax (VII - VIII)		516.53	313.33
X Tax expenses			
(1) Current tax		103.49	86.00
(2) Excess Provision no longer required		(26.33)	
Profit / (loss) for the year from continuing operations (IX - X - XIV)		<u>439.37</u>	<u>227.33</u>
XII Profit / (loss) from discontinuing operations			
XIII Tax expenses of discontinuing operations			
Profit / (loss) from discontinuing operations (after tax) (XII - XIII)			
XIV Profit / (loss) for the year (XI + XIV)		<u>439.37</u>	<u>227.33</u>
XVI Earnings per share:			
(1) Basic		1.97	1.02
(2) Diluted		1.97	1.02
See accompanying notes to the financial statements			

As per our Report of even date
for **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Executive Chairman

M.Nandagopal
Director

G.Venkataraman
Company Secretary

R.THIRUMALMARUGAN
Partner

Chennai
Date:29.05.2013

Membership No.200102

BINNY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

		Rs in Lakhs	
		31-03-2013	31-03-2012
A	Cash Flow from Operating Activities		
	Profit / (Loss) for the year	439.37	227.33
	Adjustments for:		
	Depreciation	25.18	25.37
	Interest Earned	(37.08)	(4.60)
	Dividend Income	(1.97)	(1.67)
	Profit on sale of assets	(0.76)	(0.03)
	Finance cost	3.44	
	Provision for Income Tax (net)	<u>77.16</u>	<u>86.00</u>
	Operating Profit before working Capital changes	505.34	332.40
	Increase / (Decrease) in Long Term Liabilities	118.79	225.89
	Increase / (Decrease) in Long Term Provisions	7.67	17.78
	Increase / (Decrease) in Trade Payables	29.77	(134.64)
	Increase / (Decrease) in Other Liabilities	(251.96)	(76.46)
	(Increase) / Decrease Long Term Loans & Advances	(679.86)	(96.12)
	(Increase) / Decrease in Non current assets	11.41	(75.77)
	(Increase) / Decrease in Trade Receivables	(7.48)	314.93
	(Increase) / Decrease Short Term Loans and Advances	(1.12)	1.47
	(Increase) / Decrease Other Current Assets	<u>(0.20)</u>	<u>(326.35)</u>
	Cash from Operating activities	(267.64)	183.13
	Direct Taxes paid (net)	<u>(59.67)</u>	<u>(105.00)</u>
	Net Cash from Operating activities	<u>(327.31)</u>	<u>78.13</u>
B	Cash flow from Investing activities		
	Sale of Fixed Assets (including cancellation of lease hold land)	0.76	0.03
	Purchase of Fixed Assets	-	(1.17)
	Dividend received	1.97	1.67
	Interest received	<u>37.08</u>	<u>4.60</u>
	Net Cash from investing activities	<u>39.81</u>	<u>5.13</u>
C	Cash flow from financing activities		
	Interest Paid	(3.44)	
	Unsecured loans (net of repayment)	<u>168.70</u>	<u>(7.92)</u>
	Net Cash from financing activities	<u>165.26</u>	<u>(7.92)</u>
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(122.24)	75.34
	Cash and cash equivalent as at the beginning of the year	<u>360.30</u>	<u>284.96</u>
	Cash and cash equivalent as at the end of the year	<u>238.06</u>	<u>360.30</u>

As per our Report of even date
for **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Ethiraj

M.Nandagopal

G. Venkataraman

R. Thirumalmarugan

Executive Chairman

Director

Company Secretary

Partner
Membership No.200102

Chennai

Date:29th May, 2013

B 24

Note 1: SIGNIFICANT 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

Inventories consisting of Land and Building 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.

Services - Agency commission is recognized on accrual basis. Rental income from properties is recognised on accrual basis as per the agreements entered. Interest income is recognized on time proportion method and dividend income is recognized when the 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 Statement of 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

There are no foreign currency transactions.

(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.

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(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 TO THE FINANCIAL STATEMENTS

(Rs. in lakhs)

As at 31/03/2013 As at 31/03/2012

Note 2 - Share Capital

Authorised

2,28,20,000 Equity shares of Rs.5 each	1141.00	1141.00
11,80,000 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each	59.00	59.00
54,20,00,000 (9%) Cumulative Redeemable Preference Shares of Rs.5 each	<u>27100.00</u>	<u>27100.00</u>
	<u>28300.00</u>	<u>28300.00</u>

Issued, Subscribed & Paid-up

2,23,19,410 Equity Shares of Rs. 5 each fully paid up (a)	1115.97	1115.97
5,48,800 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	27.44	27.44
23,38,84,055 (9%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	<u>11694.21</u>	<u>11694.21</u>
	<u>11721.65</u>	<u>11721.65</u>
(b)	<u>12837.62</u>	<u>12837.62</u>
(a+b)	<u>12837.62</u>	<u>12837.62</u>

Terms of Issue and redemptions of Cumulative Redeemable Preference Shares (CRPS):

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

13,01,76,000 (9%) CRPS of Rs. 5 each issued on 30.9.2005	6508.80	30.09.2015
5,48,800 (9.75%) CRPS of Rs.5 each issued on 30.6.2006	27.44	30.06.2016
1,73,56,800 (9%) CRPS of Rs.5 each issued on 31.1.2007	867.84	31.01.2017

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* 43,39,200 (9%) CRPS of Rs.5 each issued on 30.1.2008	216.96	30.01.2018
5,10,72,384 (9%) CRPS of Rs.5 each issued on 29.9.2008	2553.62	29.09.2013
3,09,39,671 (9%) CRPS of Rs.5 each issued on 12.5.2010	<u>1546.99</u>	12.05.2015
	<u>11721.65</u>	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras

* Redemption due on 30.01.2013 have been extended till 30.01.2018.

Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Mr. M Ethiraj	2,014,920	9.03%	2,014,920	9.03%
Mr. V R Venkataachalam	3,095,040	13.87%	3,095,040	13.87%
Cumulative Redeemable Preference Shares 9.75% CRPS of Rs.5 each				
TCP Limited	274,400	50.00%	274,400	50.00%
Mohan Breweries and Distilleries Limited	274,400	50.00%	274,400	50.00%
9% CRPS of Rs.5 each				
TCP Limited	113,734,155	48.63%	113,734,155	48.63%
Mohan Breweries and Distilleries Limited	101,472,192	43.39%	101,472,192	43.39%

NOTE 3

RESERVES AND SURPLUS

Rs in Lakhs
As at
31 st March 2013 As at
31 st March 2012

CAPITAL RESERVE (on Demerger)

As per balance sheet	<u>10287.55</u>	<u>10287.55</u>
a)	<u>10287.55</u>	<u>10287.55</u>

Securities Premium Account

As per balance sheet	<u>1077.66</u>	<u>1077.66</u>
b)	<u>1077.66</u>	<u>1077.66</u>

Revaluation reserve (as per Court Order)

As per balance sheet	4910.50	4916.32
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Additions

deductions	<u>3.88</u>	<u>5.82</u>
c)	<u>4906.62</u>	<u>4910.50</u>

Profit and Loss account

As per balance sheet	-230.62	-457.95
Profit for the year	439.37	227.33
Less: Proposed dividends		
Tax on distributed profits		
Balance of Profit / Loss	208.75	-230.62
Less: Transfer to General Reserve	<u>-</u>	<u>-</u>
d)	<u>208.75</u>	<u>-230.62</u>
(a+b+c+d)	16480.58	16045.09

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Note-4	LONG-TERM BORROWINGS:	Rs in Lakhs	
		As at 31 st March 2013	As at 31 st March 2012
	Unsecured		
	a Loans and advances from related parties	3,998.62	3829.92
	b Others	<u>100.20</u>	<u>100.20</u>
		<u>4,098.82</u>	<u>3930.12</u>
Note-5	OTHER LONG TERM LIABILITIES		
	Unsecured		
	a Trade payable	496.48	541.62
	b Due to related parties	1,324.91	1160.95
	c Others	<u>55.50</u>	<u>55.53</u>
		<u>1,876.89</u>	<u>1758.10</u>
Note-6	LONG TERM PROVISIONS		
	a Employee Benefits	<u>438.80</u>	<u>431.13</u>
		<u>438.80</u>	<u>431.13</u>
Note-7	TRADE PAYABLE		
	a Sundry Creditors for trade	221.00	191.23
	b Dues to Micro, Small, Medium Enterprises	nil	nil
		<u>221.00</u>	<u>191.23</u>
Note-8	OTHER CURRENT LIABILITIES		
	a Rates and taxes payable	173.21	239.91
	b Electricity dues payable	76.60	201.23
	c Other payables	59.37	98.08
	d Service Tax payable	<u>7.94</u>	<u>29.86</u>
		<u>317.12</u>	<u>569.08</u>
Note-9	a Provision for income tax	<u>103.49</u>	<u>86.00</u>
		<u>103.49</u>	<u>86.00</u>

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Note-10 :FIXED ASSETS - TANGIBLE

in Rs. Lakhs

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land	29698.91		*3.88	29695.03					29695.03	29698.91
Factory Buildings	741.22			741.22	423.28	16.35		439.63	301.59	317.94
Plant & Equipment	41.39			41.39	18.59	1.65		20.24	21.15	22.80
Furniture & Fixtures	73.89			73.89	44.46	6.36		50.82	23.07	29.43
Vehicles	45.17		32.68	12.49	40.47	0.82	32.68	8.61	3.88	4.70
	30600.58	-	36.56	30564.02	526.80	25.18	32.68	519.30	30044.72	30073.78
Previous year	30605.23	1.17	5.82	30600.58	501.43	25.37		526.80	30073.78	30103.80

* Deletion- represents the sale of land to workers as per the MOU entered into by Management with the workers and approved by Court.

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Note 11

	No. of shares	Face value per share Rs.	As at 31/3/2013	Rs in lakhs As at 31/3/2012
INVESTMENTS				
a) AT COST				
NON-TRADE				
Fully paid equity shares :				
QUOTED				
State Bank of India	1920	10	0.69	0.69
ICICI Bank Ltd	7851	10	3.33	3.33
UNQUOTED				
a) Fully paid equity shares in Binny Engineering Ltd. (Wholly owned subsidiary)	28748100	10	2874.81	2874.81
b) NON-TRADE				
Fully paid Equity shares :				
Tamilnadu Chromates & Chemicals Limited	30000	10	0.01	0.01
			<u>2878.84</u>	<u>2878.84</u>

	Cost	Market value/ Book value
Quoted	4.02	121.86
Unquoted	<u>2874.81</u>	-
	<u>2878.83</u>	<u>121.86</u>

	As at 31-03-2013	Rs in lakhs As at 31-03-2012
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Note-12 LONG TERM LOANS AND ADVANCES

(Unsecured-considered good)

a) Security Deposits	0.80	0.81
b) Loans and advances		
i) Due from subsidiary- BEL	1,148.52	435.49
ii) Others	783.36	816.52
	<u>1,932.68</u>	<u>1252.82</u>

Note-13 OTHER NON CURRENT ASSETS

a) Long-term Trade Receivables-
(unsecured and considered good)

b) Stock in trade (Land)	98.35	109.76
	120.19	120.19
	<u>218.54</u>	<u>229.95</u>

Note-14 TRADE RECEIVABLE

(Unsecured-considered good)

a) i) Trade receivables outstanding for more than six months from the date they became due for payment	124.86	124.31
b) Trade receivables (others)	16.50	9.57
	<u>141.36</u>	<u>133.88</u>

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	As at 31-03-2013	As at 31-03-2012
Rs in lakhs		
Note-15 CASH AND CASH EQUIVALENTS		
a Balance with banks	231.29	5.56
b Cash on hand	2.68	1.28
c Bank balances held as margin money for gurantees	4.09	11.46
d Bank Deposits with more than 12 months maturity	-	342.00
	<u>238.06</u>	<u>360.30</u>
Note-16 SHORT TERM LOANS AND ADVANCES		
(Unsecured-considered good)		
a other loans and advances	60.03	58.91
	<u>60.03</u>	<u>58.91</u>
Note-17 OTHER CURRENT ASSETS		
a Interest accrued and due on investments	0.04	0.04
b wealth tax paid under protest	648.66	535.13
c Prepaid expenses	-	1.54
d TDS & Service tax	158.90	152.18
e Deposits with Govt.Dept	52.49	171.00
	<u>860.09</u>	<u>859.89</u>
Rs in lakhs		
	For the year ended 31.03.2013	For the year ended 31.03.2012
Note-18 INCOME		
a Agencies commission	37.07	298.15
b Lease rental	756.05	555.51
	-	
	<u>793.12</u>	<u>853.66</u>
Note-19 OTHER INCOME		
a Interest income	37.08	4.60
b Dividend income	1.97	1.67
c Net gain on sale of fixed assets	0.76	0.03
d Other non-operating income	11.72	17.20
	<u>51.53</u>	<u>23.50</u>
Note-20 EMPLOYEE BENEFIT EXPENSES		
a Salaries and wages	53.47	125.68
b Contribution to PF and other funds	7.89	10.48
c Staff welfare expenes	4.56	10.57
d others	9.59	5.47
	<u>75.51</u>	<u>152.20</u>

BINNY LIMITED

Note-21 OTHER EXPENSES

a	Rent	0.70	0.88
b	Insurance	3.34	3.48
c	Power and Fuel	26.13	39.33
d	Repairs to building	14.93	9.70
e	Repairs to machinery	14.85	4.31
f	Rates and taxes	10.65	12.17
g	Payment to statutory auditors	14.43	13.78
h	Legal, Professional and consultancy	47.80	4.38
i	Cash discount and sales promotion	0.13	6.09
j	Security charges -outside party	26.35	37.10
k	Bad debts written off	4.97	
l	Agency services expenses	9.11	125.79
m	Miscellaneous expenses	98.96	112.55
		<u>272.35</u>	<u>369.56</u>

Note-22 OTHER ITEMS

Details of exceptional items

a	Prior period items-IT Paid for earlier years	-	16.42
b	Details of extraordinary items-VSS	-	0.28
c	Prior period income	48.36	

NOTE: 23 OTHER NOTES ON ACCOUNTS

1. As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. SEBI has approved the Relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 of Resulting Companies' during March, 2013. The Listing / Trading of Resulting Companies' shares are under process. Upon completion of formalities, the change in Directorship and interse transfer of shares among the Promoters shall be complied with.
2. Revaluation Reserve is as per the Scheme of Arrangement Sanctioned by the High Court of Madras. The outstanding Revaluation Reserve Rs.4906.62 lakhs (P.Y. 4910.50 lakhs) represents the adjusted amount of fixed assets (Land) revalued as per the Sanctioned Scheme effective from 01.01.2010. As per the MOU entered into with workers during the year 1000 sq.ft. of land (P.Y. 1500 sq. ft) 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.

3. Long Term Borrowings: Unsecured

The company was receiving the loans from the Promoters individually and through their group companies since 1994, to meet the requirements of rehabilitation schemes submitted to BIFR. As per the Sanctioned Scheme of Arrangement of Hon'ble High Court of Madras the company has recorded a sum of Rs.3998.62 lakhs as unsecured loan due to promoter group. The balance sum of Rs.100.20 lakhs has been received from promoters group are shown separately, for which the confirmation of balance are pending. All the loans are interest free and repayable on demand.

4. Binny Engineering Limited (BEL)

Investment & Advances to subsidiary company - BEL

The investment in subsidiary are considered to be long term in nature. The Management has not provided for diminution in value for the carrying amount as at the balance sheet date.

The company has advanced a sum of Rs.1148.52 lakhs (Previous Year Rs.435.49 lakhs) to Binny Engineering Limited for meeting their liabilities such as interest on PF, ESI contribution, Sales Tax

BINNY LIMITED

etc. Considering the advances are recoverable in the ordinary course of business, the Management decided to carry these amounts at cost and no provision has been made.

5. Contingent Liabilities

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

	31.03.2013	31.03.2012
	(Rs. Lacs)	
a) Electricity charges on revision of Tariff rates for the period from 1-12-82 to 31-12-87 contested by the company, the recovery of which is stayed by the Hon'ble High Court of Madras	117.50	117.50
b) Estimated surcharge on belated payment above upto 31/03/2013	700.31	672.11
c) Claim for back wages in respects of various disputes	Liability, if any, not ascertainable	
d) Income Tax demand for Asst. Year 2008-09	19.21	19.21
e) Wealth Tax Demand for Asst. year 1993-94 to 2010-11	2553.77	2553.77
f) Income Tax demand for Asst. Year 2010 – 2011	11464.23	Nil
6. Other Moneys for which the company is contingently liable		
a) Claims against the company not acknowledged as Debts	131.32	156.43
7. Balances in Trade receivable, Trade payable 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.		
	(Rs. Lacs)	
	31.3.2013	31.3.2012
8. (a) Arrears of 9.75% Cumulative Preference dividend for the period 01-07-2006 to 31-12-2009	9.36	9.36
(b) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009	3030.01	3030.01
(c) Arrears of 9.75% Cumulative Preference dividend for the period 01-01-2010 to 31-03-2013	8.70	6.02
(d) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2013	3370.11	2317.63
9. Foreign Exchange inflow and outflow	NIL	NIL
10. 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 31-03-2013 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.		
11. a. The company has received wealth tax demand for the Asst. Year 2004-05 to 2010 – 2011 Rs.1060.18 lakhs against which the company has filed appeals with CWT (A). A/Y 1993-94 to 2003-04 Rs.1493.59 lakhs against the company has filed appeals with ITAT, Chennai. Against these demands a sum of Rs.648.66 lakhs has been paid under protest. Considering the company's chance of success in appeal no provision has been made in the accounts.		

BINNY LIMITED

- b. The company has received Income Tax demand for asst. year 2008 – 09 Rs.19.21 lakhs which is disputed before CIT (A). Company also received Income Tax demand for Asst. Year 2010 – 2011 demanding a sum of Rs.11464.23 Lakhs, additions were made on flimsy grounds, and company has filed appeals before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.

12. Related Party Disclosure

(a) List of Related Parties

- (i) Parties where control exists Subsidiary

Binny Engineering Limited (BEL)

- (ii) Other related Parties with whom transactions have taken place during the year Associates

S.V. Sugar Mills Ltd (SVSM)

The Thirumagal Mills Ltd (TML)

Mohan Breweries & Distilleries Ltd

(MBDL) TCP Ltd

S V Global Mill Ltd. (SVG)

Binny Mills Ltd (BML)

- (iii) Key Management

Personnel M. Ethiraj

E. Shanmugam

M. Nandagopal

V.R. Venkataachalam

Arvind Nandagopal

TRANSACTIONS DURING THE YEAR	Current year 31/03/2013 (Rs. in lakhs)	Previous year 31/03/2012 (Rs. in lakhs)
With Related Parties		
Loans to Subsidiary --- BEL	713.03	146.55
Outstanding balances - BML	163.96	95.72
Outstanding as at year end:		
Loans & Advances --- BEL	1148.52	435.49
Advance for Sale of Property - BML	1324.91	1160.95
Debtors --- BML		0.80
--- MBDL		0.75
Unsecured Loan from Promoters-MBDL	3998.62	3829.92

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13. Earnings per Share:

	Before extra ordinary item		After extra ordinary item	
	2013	2012	2013	2012
Profit available to Equity Share holders used as Numerator – (A) (Rs. lakhs)	487.73	244.03	439.37	227.33
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 & diluted A/B (A*1,00,000/B) in Rs.	2.18	1.09	1.97	1.02

14 Payment to Auditors

Statutory Audit Fees	8.43	8.43
Tax Audit Fees	2.81	2.81
Certification Fees	1.69	0.84
Other Services	1.50	1.70

15. As per actuarial valuation as on 31-03-2013 and recognized in the financial statements in respect of employee benefit schemes as require under AS 15 (R) are as under:

PARTICULARS	Gratuity		Long Term Compensated Absence	
	Unfunded	Unfunded	Unfunded	Unfunded
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(i) Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
	Rs. lakhs		Rs. lakhs	
(ii) Table Showing Change in Benefit Obligation				
Liability at the beginning of the Period	54.73	48.66	4.95	4.75
Interest Cost	4.31	3.89	0.38	0.38
Current Service Cost	2.34	2.66	0.32	0.94
Benefit Paid	(1.78)	(5.72)	(0.32)	(0.74)
Actuarial (gain) / Loss on obligations	(7.55)	5.24	(1.04)	(0.38)
Liability at the end of the Period	52.05	54.73	4.29	4.95

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	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(iii) Amount Recognised in the Income Statement				
Current Service Cost	2.34	2.66	0.32	0.94
Interest Cost	4.31	3.89	0.38	0.38
Expected Return on Plan Assets	-	0	0	0
Net Actuarial (Gain) /Loss to be Recognised	(7.55)	5.24	(1.04)	(0.38)
Expenses Recognised in Profit & Loss A/c	(0.90)	11.79	(0.34)	0.94
(iv) Amount Recognised in the Balance Sheet				
Opening Net Liability	54.73	48.66	4.95	4.75
Expenses as above	(0.90)	11.79	(0.34)	0.94
Employers Contribution paid / Benefits Paid	(1.78)	(5.72)	(0.32)	(0.74)
Closing net Liability	52.05	54.73	4.29	4.95

16. Previous year figures have been regrouped wherever necessary to conform to current year classifications.

M. Ethiraj 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: 29th May, 2013			R. Thirumalmarugan Partner Membership No: 200102

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Binny Limited, Chennai

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Binny Limited (the Company), and its subsidiary, which comprises the Balance Sheet as at March, 31 2013 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the consolidated financial statements. These procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified audit opinion.

Basis for Qualified Opinion

Attention is drawn to the following material matters:

- a. *The Wealth Tax Officer has passed an Assessment Order for the Asst years 1993-94 to 2010-11 demanding a sum of Rs.2553.77 lakhs treating some of the assets of the company are subject to taxable wealth as per the provisions of the Wealth Tax Act. However the management has disputed the same and filed the Appeals on the Assessment Orders before the appellate authorities and there has also been payment of Rs.648.66 lakhs under protest, which are shown as Other Current Assets. Considering the disputed demands the Company has not provided for these Wealth Tax demands in the financial statements;*
- b. *Non-confirmation of balances as on 31st March, 2013 from Trade receivables, trade payables, loans & advances, Other long term borrowings, Other Loans and Advances, wherein the outstanding*

BINNY LIMITED (CONSOLIDATED)

balances are due for more than three years and any adjustment to be made for the carrying amount at the yearend is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, except to the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the 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 State of Affairs of Binny Limited and its subsidiary as on March 31, 2013;
- b) In the case of consolidated Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c) In the case of consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to Note 23.1 with regard to the preparation of subsidiary company accounts on going concern and Note 23.11.b with regard to the Income Tax demands disputed before the authorities, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

for M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 29th May, 2013

R.THIRUMALMARUGAN
Partner Membership No:
200102

BINNY LIMITED (CONSOLIDATED)

BALANCE SHEET AS AT 31ST MARCH, 2013

Rs in lakhs

	Note No.	As at 31-03-2013		As at 31-03-2012	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	2	12837.62		12837.62	
(b) Reserves and Surplus	3	13376.81		12985.51	
(c) Money Received against Share warrants			26214.43		25823.13
(2) Share application money pending allotment					
(3) Non-current liabilities:					
(a) Long-term borrowings	4	5133.44		5024.32	
(b) Deferred tax liabilities (Net)					
(c) Other Long-term liabilities	5	2011.61		1876.25	
(d) Long-term provisions	6	<u>439.19</u>	7584.24	<u>432.61</u>	7333.18
(4) Current liabilities:					
(a) Short-term borrowings					
(b) Trade payables	7	221.00		191.23	
(c) Other current liabilities	8	368.41		1801.75	
(d) Short-term provisions	9	<u>103.49</u>	<u>692.90</u>	<u>86.00</u>	<u>2078.98</u>
Total			<u><u>34491.57</u></u>		<u><u>35235.29</u></u>
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	10	30085.28		30121.32	
(ii) Intangible assets					
(iii) Capital work-in-progress					
(iv) Intangible assets under developemnt					
(b) Non-current investments	11	2079.03		2079.03	
(c) Deferred tax assets (Net)					
(d) Long-term loans and advances	12	808.04		1391.88	
(e) Other non-current assets	13	<u>218.54</u>	33190.89	<u>229.95</u>	33822.18
(2) Current assets					
(a) Current investments					
(b) Inventories					
(c) Trade receivables	14	141.36		133.88	
(d) Cash and cash equivalents	15	239.20		360.43	
(e) Short-term loans and advances	16	60.03		58.91	
(f) Other current assets	17	<u>860.09</u>	<u>1300.68</u>	<u>859.89</u>	<u>1413.11</u>
Total			<u><u>34491.57</u></u>		<u><u>35235.29</u></u>

See accompanying notes to the financial statements

As per our Report of even date
for **CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Executive Chairman
Chennai
29th MAY 2013

M.Nandagopal
Director

G.Venkataraman
Company Secretary

R.THIRUMALMARUGAN
Partner
Membership No.200102

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BINNY LIMITED (CONSOLIDATED)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

		Rs.in lakhs	
	Note No	For the year ended 31-03-2013	For the year ended 31-03-2012
I Revenue from operations	18	793.12	853.66
II Other income	19	<u>52.69</u>	<u>28.17</u>
III Total Revenue (I + II)		845.81	881.83
IV Expenses:			
a Cost of materials consumed			
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
d Employee benefits	20	81.51	158.41
e Finance costs		3.44	
f Depreciation and amortization	10	32.16	32.35
g Other expenses	21	<u>304.72</u>	<u>913.19</u>
Total expenses		421.83	1103.95
V Profit before exceptional and extraordinary items and tax (III - IV)		423.98	-222.12
VI Exceptional items	22	<u>48.36</u>	<u>-16.42</u>
VII Profit before extraordinary items and tax (V - VI)		472.34	-238.54
VIII Extraordinary items	22	<u> </u>	<u>-0.28</u>
IX Profit before tax (VII - VIII)		472.34	-238.82
X Tax expenses			
(1) Current tax		103.49	-86.00
(2) Excess provision no longer required		<u>-26.33</u>	
XI Profit / (loss) for the year from continuing operations (IX - X)		395.18	-324.82
XII Profit / (loss) from discontinuing operations			
XIII Tax expenses of discontinuing operations			
XIV Profit / (loss) from discontinuing operations (after tax) (XII - XIII)			
XV Profit / (loss) for the year (XI + XIV)		<u>395.18</u>	<u>-324.82</u>
XVI Earnings per share:			
(1) Basic		1.77	-1.46
(2) Diluted		1.77	-1.46

See accompanying notes to the financial statements

As per our Report of even date
for **CNGSN & ASSOCIATES**
Firm Regn No 004915S
Chartered Accountants

M.Ethiraj
Executive Chairman
Chennai
29th MAY 2013

M.Nandagopal
Director

G.Venkataraman
Company Secretary

R.THIRUMALMARUGAN
Partner
Membership No.200102

BINNY LIMITED (CONSOLIDATED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	Rs in Lakhs	
	31-03-2013	31-03-2012
A Cash Flow from Operating Activities		
Profit / (Loss) for the year	395.18	(324.82)
Adjustments for:		
Depreciation	32.16	32.35
Interest Earned	(37.08)	(5.78)
Dividend Income	(1.97)	(1.67)
Finance cost	3.44	
Profit on sale of assets	(0.76)	(0.47)
Provision for Income Tax	<u>77.16</u>	<u>86.00</u>
Operating Profit before working Capital changes	468.13	(214.39)
Increase / (Decrease) in Long Term Liabilities	135.36	225.89
Increase / (Decrease) in Long Term Provisions	6.58	17.78
Increase / (Decrease) in Trade Payable	29.77	(134.64)
Increase / (Decrease) in Other Liabilities	(1,433.34)	286.73
(Increase) / Decrease in Long Term Loans & Advances	583.84	(97.88)
(Increase) / Decrease in Non Current Assets	11.41	(75.77)
(Increase) / Decrease in Trade Receivables	(7.48)	314.96
(Increase) / Decrease in Short Term Loans & Advances	(1.12)	1.47
(Increase) / Decrease in Other Current Assets	<u>(0.20)</u>	<u>(245.73)</u>
Cash from Operating activities	<u>(207.05)</u>	<u>78.42</u>
Direct Taxes paid	<u>(59.67)</u>	<u>(105.00)</u>
Net Cash from Operating activities	<u><u>(266.72)</u></u>	<u><u>(26.58)</u></u>
B Cash flow from Investing activities		
Sale of Fixed Assets (including cancellation of lease hold land)	0.76	0.47
Purchase of Fixed Assets		(1.17)
Dividend received	1.97	1.67
Interest received	<u>37.08</u>	<u>5.78</u>
Net Cash from investing activities	<u><u>39.81</u></u>	<u><u>6.75</u></u>
C Cash flow from financing activities		
Unsecured loans (net of repayment)	109.12	23.19
Interest Paid	<u>(3.44)</u>	
Net Cash from financing activities	<u><u>105.68</u></u>	<u><u>23.19</u></u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(121.23)	3.36
Cash and cash equivalent as at the beginning of the year	<u>360.43</u>	<u>357.07</u>
Cash and cash equivalent as at the end of the year	<u><u>239.20</u></u>	<u><u>360.43</u></u>

As per our Report of even date
for **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Executive Chairman

M.Nandagopal
Director

G. Venkataraman
Company Secretary

R. Thirumalmarugan
Partner
Membership No.200102

Chennai
Date:29th May, 2013

Note 1: SIGNIFICANT 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

Inventories consisting of Land and Building 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.

Services - Agency commission is recognized on accrual basis. Rental income from properties is recognised on accrual basis as per the agreements entered. Interest income is recognized on time proportion method and dividend income is recognized when the 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 Statement of 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

There are no foreign currency transactions.

(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

BINNY LIMITED (CONSOLIDATED)

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 TO THE FINANCIAL STATEMENTS

(Rs. in lakhs)

As at 31/03/2013 As at 31/03/2012

Note 2 - Share Capital

Authorised

2,28,20,000 Equity shares of Rs.5 each	1141.00	1141.00
11,80,000 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each	59.00	59.00
54,20,00,000 (9%) Cumulative Redeemable Preference Shares of Rs.5 each	27100.00	27100.00
	<u>28300.00</u>	<u>28300.00</u>

Issued, Subscribed & Paid-up

2,23,19,410 Equity Shares of Rs. 5 each fully paid up	(a) 1115.97	1115.97
5,48,800 (9.75%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	27.44	27.44

BINNY LIMITED (CONSOLIDATED)

23,38,84,055 (9%) Cumulative Redeemable Preference Shares of Rs.5 each fully paid up	11694.21	11694.21
(b)	<u>11721.65</u>	<u>11721.65</u>
(a+b)	<u>12837.62</u>	<u>12837.62</u>

Terms of Issue and redemptions of Cumulative Redeemable Preference Shares (CRPS):

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

13,01,76,000 (9%) CRPS of Rs. 5 each issued on 30.9.2005	6508.80	30.09.2015
5,48,800 (9.75%) CRPS of Rs.5 each issued on 30.6.2006	27.44	30.06.2016
1,73,56,800 (9%) CRPS of Rs.5 each issued on 31.1.2007	867.84	31.01.2017
* 43,39,200 (9%) CRPS of Rs.5 each issued on 30.1.2008	216.96	30.01.2018
5,10,72,384 (9%) CRPS of Rs.5 each issued on 29.9.2008	2553.62	29.09.2013
3,09,39,671 (9%) CRPS of Rs.5 each issued on 12.5.2010	1546.99	12.05.2015
	<u>11721.65</u>	

The above CRPS are allotted to the promoters, their nominees and bodies corporate against their unsecured loan brought into the Company to meet out the commitments under the sanctioned scheme of BIFR and other statutory liabilities and also in terms of the Scheme of Arrangement sanctioned by the High Court of Madras

* Redemption due on 30.01.2013 have been extended till 30.01.2018.

Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Mr. M Ethiraj	2,014,920	9.03%	2,014,920	9.03%
Mr. V R Venkataachalam	3,095,040	13.87%	3,095,040	13.87%
Cumulative Redeemable Preference Shares				
9.75% CRPS of Rs.5 each				
TCP Limited	274,400	50.00%	274,400	50.00%
Mohan Breweries and Distilleries Limited	274,400	50.00%	274,400	50.00%
9% CRPS of Rs.5 each				
TCP Limited	113,734,155	48.63%	113,734,155	48.63%
Mohan Breweries and Distilleries Limited	101,472,192	43.39%	101,472,192	43.39%

BINNY LIMITED (CONSOLIDATED)

NOTE 3

		Rs.lakhs	
RESERVES AND SURPLUS		As at 31 st March 2013	As at 31 st March 2012
CAPITAL RESERVE (on Demerger)			
As per balance sheet		<u>10287.55</u>	<u>10287.55</u>
	a)	<u>10287.55</u>	<u>10287.55</u>
Securities Premium Account			
As per balance sheet		<u>1077.66</u>	<u>1077.66</u>
	b)	<u>1077.66</u>	<u>1077.66</u>
Revaluation reserve (as per Court Order)			
As per balance sheet		4910.50	4916.32
Additions			
Deductions		<u>3.88</u>	<u>5.82</u>
	c)	<u>4906.62</u>	<u>4910.50</u>
Profit and Loss account			
As per balance sheet		-3290.20	-2965.38
Profit for the year		395.18	-324.82
Less: Proposed dividends			
Tax on distributed profits			
Balance of Profit / Loss		-2895.02	-3290.20
Less: Transfer to General Reserve			
	d)	<u>-2895.02</u>	<u>-3290.20</u>
	(a+b+c+d)	13376.81	12985.51
Note-4	LONG-TERM BORROWINGS:		
	Unsecured		
a	Loans and advances from related parties	4983.24	4874.12
b	Other loans and advances	<u>150.20</u>	<u>150.20</u>
		<u>5133.44</u>	<u>5024.32</u>
Note-5	OTHER LONG TERM LIABILITIES		
	Unsecured		
a	Trade payable	631.20	659.77
b	Due to related parties	1324.91	1160.95
c	Others	<u>55.50</u>	<u>55.53</u>
		<u>2011.61</u>	<u>1876.25</u>
Note-6	LONG TERM PROVISIONS		
a	Employee Benefits	439.19	431.52
b	Others		1.09
		<u>439.19</u>	<u>432.61</u>
Note-7	TRADE PAYABLE		
a	Sundry Creditors for trade	221.00	191.23
b	Dues to Micro, Small, Medium Enterprises Developments	nil	nil
		<u>221.00</u>	<u>191.23</u>
Note-8	OTHER CURRENT LIABILITIES		
a	Rates and taxes payable	173.21	239.91
b	Electricity dues payable	76.60	201.23
c	Sales Tax payable	110.66	152.55
d	Service Tax payable	7.94	29.86
e	Other payables		<u>1178.20</u>
		<u>368.41</u>	<u>1801.75</u>
Note-9	SHORT TERM PROVISIONS		
a	Provision for income tax	<u>103.49</u>	<u>86.00</u>
		<u>103.49</u>	<u>86.00</u>

BINNY LIMITED (CONSOLIDATED)

Note-10 : FIXED ASSETS - TANGIBLE

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land	29698.91		*3.88	29695.03					29695.03	29698.91
Land (Leasehold)	1.25			1.25	1.25			1.25		
Factory Buildings	904.36			904.36	541.97	21.80		563.77	340.59	362.39
Plant & Equipment	195.06			195.06	169.18	3.18		172.36	22.70	25.88
Furniture & Fixtures	92.97			92.97	63.54	6.36		69.90	23.07	29.43
Vehicles	45.18		32.69	12.49	40.47	0.82	32.69	8.60	3.89	4.71
	30937.73	-	36.57	30901.16	816.41	32.16	32.69	815.88	30085.28	30121.32
Previous year	30990.66	1.17	54.10	30937.73	832.34	32.35	48.28	816.41	30121.32	30158.32

* Deletion - represents the sale of land to workers as per the MOU entered into by management with the workers and approved by court.

BINNY LIMITED (CONSOLIDATED)

Note 11

INVESTMENTS	No. of shares	Face value per share Rs.	As at 31/3/2013	As at 31/3/2012
a) AT COST				
NON-TRADE				
Fully paid equity shares :				
QUOTED				
State Bank of India	1920	10	0.69	0.69
ICICI Bank Ltd	7851	10	3.33	3.33
UNQUOTED				
Fully paid Cumulative				
Rededdmable				
Pref. shares in SV Sugar Mills Ltd	20750000	10	2075.00	2075.00
b) NON-TRADE				
Fully paid Equity shares :				
Tamilnadu Chromates &				
Chemicals Limited				
	30000	10	0.01	0.01
			<u>2079.03</u>	<u>2079.03</u>

	Cost	Market value/ Book value
Quoted	4.02	121.86
Unquoted	2075.01	-
	<u>2079.03</u>	<u>121.86</u>

	As at 31-03-2013	As at 31-03-2012
		Rs.in lakhs

Note-12 LONG TERM LOANS AND ADVANCES

(unsecured-considered good)

a Security Deposits	12.28	10.52
b Loans and advances		
c i) Due from related parties		559.74
ii) Others	795.76	821.62
	<u>808.04</u>	<u>1391.88</u>

Note-13 OTHER NON CURRENT ASSETS

a Long-term Trade Receivables-(unsecured&considered good)	98.35	109.76
b Stock in trade (Land)	120.19	120.19
	<u>218.54</u>	<u>229.95</u>

Note-14 TRADE RECEIVABLE

(unsecured-considered good)

a i) outstanding for more than six months	124.86	124.31
b Trade receivables (others)	16.50	9.57
	<u>141.36</u>	<u>133.88</u>

BINNY LIMITED (CONSOLIDATED)

	As at 31-03-2013	Rs.in lakhs As at 31-03-2012
Note-15 CASH AND CASH EQUIVALENTS		
a Balance with banks	232.07	5.64
b Cash on hand	2.99	1.28
c Bank balances held as margin money for gurantees	4.14	11.51
d Bank Deposits with more than 12 months maturity		342.00
	<u>239.20</u>	<u>360.43</u>
Note-16 SHORT TERM LOANS AND ADVANCES		
a Other Loans and advances	60.03	58.91
	<u>60.03</u>	<u>58.91</u>
Note-17 OTHER CURRENT ASSETS		
a Interest accrued and due on investments	0.04	0.04
b Wealth tax	648.66	535.13
c Prepaid insurance		1.54
d TDS,Service tax, sales tax	158.90	152.18
e Deposits with Govt Dept	52.49	171.00
	<u>860.09</u>	<u>859.89</u>
		Rs in lakhs
	For the year ended 31/03/2013	For the year ended 31/03/2012
Note-18 INCOME		
a Agencies commission	37.07	298.15
b Lease rental	756.05	555.51
	<u>793.12</u>	<u>853.66</u>
Note-19 OTHER INCOME		
a Interest income	37.08	5.78
b Dividend income	1.97	1.67
c Net gain on sale of fixed assets	0.76	0.47
d Other non-operating income	12.88	20.25
	<u>52.69</u>	<u>28.17</u>
Note-20 EMPLOYEE BENEFIT EXPENSES		
a Salaries and wages	58.84	131.28
b Contribution to PF and other funds	8.10	10.69
c Staff welfare expenses	4.98	10.96
d others	9.59	5.48
	<u>81.51</u>	<u>158.41</u>

BINNY LIMITED (CONSOLIDATED)

	Rs in lakhs	
	For the year ended 31/03/2013	For the year ended 31/03/2012
Note-21 OTHER EXPENSES		
a Rent	0.78	0.96
b Insurance	3.34	3.48
c Power and Fuel	32.39	45.63
d Repairs to building	14.93	9.70
e Repairs to machinery	14.85	4.31
f Rates and taxes	11.72	522.98
g Payment to statutory auditors	15.33	14.74
h Legal, Professional and consultancy	59.80	18.10
i Cash discount and sales promotion	0.13	6.09
j Security charges	37.50	48.00
k Bad debts written off	4.97	
l Agency services expenses	9.11	125.79
m Miscellaneous expenses	99.87	113.41
	<u>304.72</u>	<u>913.19</u>

Note-22 OTHER ITEMS

Details of exceptional items

a Prior period items-IT paid for earlier years		16.42
b Details of extraordinary items-VSS		0.28
c Prior period income	48.36	

NOTE: 23 OTHER 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. As per the Sanctioned Scheme of Arrangement by the High Court of Madras dated 22/04/2010 the management has implemented all the terms of the Scheme. SEBI has approved the Relaxation of Rule 19 (2) (b) of the Securities Contracts (Regulation) Rules, 1957 of Resulting Companies' during March, 2013. The Listing / Trading of Resulting Companies' shares are under process. Upon completion of formalities, the change in Directorship and interse transfer of shares among the Promoters shall be complied with.
3. Revaluation Reserve is as per the Scheme of Arrangement Sanctioned by the High Court of Madras. The outstanding Revaluation Reserve Rs.4906.62 lakhs (P.Y. 4910.50 lakhs) represents the adjusted amount of fixed assets (Land) revalued as per the Sanctioned Scheme effective from 01.01.2010. As per the MOU entered into with workers during the year 1000 sq.ft. of land (P.Y. 1500 sq. ft) 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.

4. Long Term Borrowings: Unsecured

The company was receiving the loans from the Promoters individually and through their group companies since 1994, to meet the requirements of rehabilitation schemes submitted to BIFR. As per the Sanctioned Scheme of Arrangement of Hon'ble High Court of Madras the company has recorded a sum of Rs.3998.62 lakhs as unsecured loan due to promoter group. The balance sum of Rs.100.20 lakhs has been received from promoters group are shown separately, for which the confirmation of balance are pending. All the loans are interest free and repayable on demand.

BINNY LIMITED (CONSOLIDATED)

5. Contingent Liabilities

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

	31.03.2013	31.03.2012
	(Rs. Lacs)	
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 HighCourt of Madras	117.50	117.50
b) Estimated surcharge on belated payment above upto 31/03/2013	700.31	672.11
c) Claim for back wages in respects of various disputes if any,	Liability not ascertainable	
d) 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.	62.90	62.90
e) Claims from Customers against performance, which is not acknowledged as debt.	1212.44	1212.44
f) Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable for refund in case the AP High Court decides the matter in favour of NSL.	52.37	52.37
g) Excise Demands under Appeal (Appeal filed by Central Excise Dept. Before Hon'ble High Court of Madras)	2.99	2.99
h) Income Tax demand for Asst. Year 2008-09	19.21	19.21
i) Wealth Tax Demand for Asst. year 1993-94 to 2010-11	2553.77	2553.77
j) Income Tax demand for Asst. Year 2010 – 2011	11464.23	Nil
6. Other Moneys for which the company is contingently liable		
a) Claims against the company not acknowledged as Debts	131.32	156.43
7. Balances in Trade receivable, Trade payable 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.		
	(Rs. Lacs)	
	31.3.2013	31.3.2012
8. (a) Arrears of 9.75% Cumulative Preference dividend for the period 01-07-2006 to 31-12-2009	9.36	9.36
(b) Arrears of 9% Cumulative Preference dividend for the period 01.10.2005 to 31.12.2009	3030.01	3030.01
(c) Arrears of 9.75% Cumulative Preference dividend for the period 01-01-2010 to 31-03-2013	8.70	6.02
(d) Arrears of 9% Cumulative Preference dividend for the period 01.01.2010 to 31.03.2013	3370.11	2317.63

BINNY LIMITED (CONSOLIDATED)

9. Foreign Exchange inflow and outflow NIL NIL
10. 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 31-03-2013 resulting in a Net Deferred Tax asset. As a prudent measure, this net deferred tax asset has not been recognized in the accounts.
11. a. The company has received wealth tax demand for the Asst. Year 2005-06 to 2010 - 2011 for Rs.1060.18 lakhs against which the company has filed appeals with CWT (A). A/Y 1994-95 to 2003-04 for Rs.1493.59 lakhs against which the company has filed appeals with ITAT, Chennai. Against these demands a sum of Rs.648.66 lakhs has been paid under protest. Considering the company's chance of success in appeal no provision has been made in the accounts.
- b. The company has received Income Tax demand for asst. year 2008 – 09 Rs.19.21 lakhs which is disputed before CIT (A). Company also received Income Tax demand for Asst. Year 2010 – 2011 demanding a sum of Rs.11464.23 Lakhs, additions were made on flimsy grounds, and company has filed appeals before CIT (A). Considering the company's chance of success in appeal no provision has been made in the accounts.

12. Related Party Disclosure

(a) List of Related Parties

(i) Parties where control exists Subsidiary

Binny Engineering Limited (BEL)

(ii) Other related Parties with whom transactions have taken place during the year Associates

S.V. Sugar Mills Ltd (SVSM)

The Thirumagal Mills Ltd (TML)

Mohan Breweries & Distilleries Ltd

(MBDL) TCP Ltd

S V Global Mill Ltd. (SVG)

Binny Mills Ltd (BML)

(iii) Key Management

Personnel M. Ethiraj

E. Shanmugam

M. Nandagopal

V. R. Venkataachalam

Arvind Nandagopal

	Current year 31/03/2013 (Rs. in lakhs)	Previous Year 31/03/2012 (Rs. in lakhs)
Rendering of Services ---	-	-
Outstanding balances - BML	(163.96)	(95.72)
Debtors --- BML	-	0.80
--- MBDL	-	0.75
Outstanding as at year end:		
Loans & Advances --- BEL	-	-
Advance for Sale of Property - BML	1324.91	1160.95
Unsecured Loan from Promoters-MBDL	3998.62	3829.92

BINNY LIMITED (CONSOLIDATED)

13. Investment represents fully paid cumulative redeemable preference share capital (2,07,50,000 shares of Rs. 10each) in M/s S.V. Sugar Mills Limited, associate company. The company has not declared any dividend for this year.

14. Earnings per Share:

	Before extra ordinary item		After extra ordinary item	
	2013	2012	2013	2012
Profit available to Equity Share holders used as Numerator – (A) (Rs. lakhs)	318.02	-308.12	395.18	-324.82
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 & diluted A/B (A*1,00,000/B) in Rs.	1.43	-1.38	1.77	-1.46

15. As per actuarial valuation as on 31-03-2013 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	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(i) Assumptions				
Discount Rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
	Rs. lakhs		Rs. lakhs	
(ii) Table Showing Change in Benefit Obligation				
Liability at the beginning of the Period	54.73	48.66	4.95	4.75
Interest Cost	4.31	3.89	0.38	0.38
Current Service Cost	2.34	2.66	0.32	0.94
Benefit Paid	(1.78)	(5.72)	(0.32)	(0.74)
Actuarial (gain) / Loss on obligations	(7.55)	5.24	(1.04)	(0.38)
Liability at the end of the Period	52.05	54.73	4.29	4.95
(iii) Amount Recognised in the Income Statement				
Current Service Cost	2.34	2.66	0.32	0.94
Interest Cost	4.31	3.89	0.38	0.38
Expected Return on Plan Assets	0	0	0	0
Net Actuarial (Gain) /Loss to be Recognised	(7.55)	5.24	(1.04)	(0.38)
Expenses Recognised in Profit & Loss A/c	(0.90)	11.79	(0.34)	0.94

BINNY LIMITED (CONSOLIDATED)

	31.3.2013	31.3.2012	31.3.2013	31.3.2012
(iv) Amount Recognised in the Balance Sheet				
Opening Net Liability	54.73	48.66	4.95	4.75
Expenses as above	(0.90)	11.79	(0.34)	0.94
Employers Contribution paid / Benefits Paid	(1.78)	(5.72)	(0.32)	(0.74)
Closing net Liability	52.05	54.73	4.29	4.95

16. Previous year figures have been regrouped wherever necessary to conform to current year classifications.

M. Ethiraj 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: 29th May, 2013			R. Thirumalmarugan Partner Membership No: 200102

BINNY ENGINEERING LIMITED
ANNUAL REPORT
MARCH 2013

DIRECTORS	M. Ethiraj M. Nandagopal S. Natarajan E. Shanmugam V. R. Venkataachalam
BANKERS	Canara Bank
AUDITORS	CNGSN & Associates 22, Flat "C" & "D" Vijayaraghava Road T.Nagar, Chennai 600017
REGISTERED OFFICE	Meenambakkam, P.O. Box No. 8677, Chennai 600 114.

BINNY ENGINEERING LIMITED

Directors' Report

Your Directors place their 18th Annual Report on the performance of the company together with the audited accounts of the company for the year ended 31st March 2013.

Financial Results

	Rs in Lakhs	
	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Income from Operation	-	-
Profit / Loss before interest & depreciation	(37.21)	(545.17)
Interest and Finance Charges	-	-
Depreciation	6.98	6.98
Extraordinary Income (Expenditure)	-	-
Net Profit / Loss for the year	(44.19)	(552.15)
Carried to Balance Sheet	(3103.77)	(3059.58)

Dividend

Your Directors do not recommend any dividend for the year

Deposits

Your company has neither invited nor accepted any deposits from the Public.

Conservation of energy, technology absorption and foreign exchange earning / outgo

Information relating to the conservation of energy, technology absorption and foreign exchange earning / outgo with the provision of section 217 (1) (e) of the companies (disclosure of particulars in the report of director) Rule 1988 is given in the annexure 1 below.

The particulars required under section 217 (a) 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 this section.

Directors clarification to the auditors report

A) Auditors report

In regard to the remarks in the auditors report, your directors wish to clarify as under.

- a) Pending starting of the unit, accounts are prepared on a "going concern" basis.
- b) The company would take appropriate steps to confirm the balances

Auditors

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

Statutory requirements

Directors responsibility statement

As required under section 217 (2AA) of the companies act 1956 the directors state as follows.

- 1) That in the preparation of annual accounts for the year ended 31st March 2013 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 2) That the directors had 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.

BINNY ENGINEERING LIMITED

- 3) 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.
- 4) That the directors had prepared the accounts for the year ended 31st March 2013, on "going concern" basis.

Personnel

Your directors are thankful to the employees of the company for the co-operation. The industrial relations cordial during the year under review.

Acknowledgements

Your directors wish to express sincere thanks to the bankers and also acknowledge the cooperation extended by various associates and the employees of the company for their contribution to the performance of the company.

By order of the
board M. Ethiraj
Director

Chennai
29.05.2013

	Annexure I	
	Current Year	Previous Year
A) Power and Fuel Consumption		
1. Electricity		
a) Purchase units (in '000)	59	59
Total Amount (Rs in '000)	626	630
Rate / Unit Rs	10.66	10.66
b) Own Generation		
i. Through Diesel Generator (Unit)	NIL	NIL
Unit / Litre of Diesel Oil	NIL	NIL
Cost / Unit Rs.	NIL	NIL
ii. Through Steam		
Turbine Generator Units (Lakhs)	NIL	NIL
iii. Units / Litre of Fuel Oil /		
Gas Cost / Unit	NIL	NIL
2. Coal (Specify Quantity and where used) (Tonnes) (Qty)		
Quantity (Tonnes)	NIL	NIL
Total Cost (Rs in Lakhs)	NIL	NIL
Average Rate (Rupees)	NIL	NIL
3. Furnace Oil Qty (K Litres)		
Quantity (K Ltrs)	NIL	NIL
Total Coast (Rs in Lakhs)	NIL	NIL
Average Rate (Rupees)	NIL	NIL
B) Consumption per Unit of Production	This division is a jobbing Industry and hence consumption per unit of Production is unassertainable	This division is a jobbing Industry and hence consumption per unit of Production is unassertainable

INDEPENDENT AUDITOR'S REPORT

To
The Members
Binny Engineering
Limited Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of Binny Engineering Limited (the Company), which comprises the Balance Sheet as at March, 31 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. These procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion:

Attention is drawn to the following material matters:

- a. Note 15.1 in financial statements, with regard to the preparation of financial statements on going concern. No operational income for the year, dependence on financial and administrative support from holding Company and other related factors indicate that existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
- b. Note No.15.3 in financial statements, with regard to pending confirmation of balances as on 31st March, 2013 from Long Term Borrowings, Trade payable and Long Term Loans and advances, any adjustment to be made on the carrying amount, for any shortfall, at the yearend is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except to the possible effects of matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March, 31, 2013;
- b) In the case of Statement of Profit and Loss, of the LOSS for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to Note 15.11 in notes to the financials with regard to the Income Tax demands disputed before the authorities, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order), as amended, issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to sub-section (3C) of Section 211 of the Act;
 - e. on the basis of written representation received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director, in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Place: Chennai
Date : 29th May, 2013

R. THIRUMALMARUGAN
Partner
Membership No: 200102

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

- (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 affect on the going concern assumption.
- (ii) There are no inventories.
- (iii) (a) The company has not granted interest free loans, unsecured to associate company, a party covered in the register maintained under section 301 of the Companies Act, 1956. Hence other clause are not applicable.
- (b) The company has taken unsecured interest free loans from its holding company and associate companies, the parties covered in the register maintained under section 301 of the Companies Act, 1956. The total number of party are four and amount of outstanding is Rs.2133.14 lakhs.
- (c) 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 58A of the Companies Act, 1956.
- (vii) In our opinion, the company does not have an internal audit system to commensurate with the size and nature of its business.
- (viii) As per the information and explanations given to us, the company has no operational activity carried out during the year and hence it is informed to us that the maintenance of cost records as prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 are not applicable for the year.
- (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 2013 for a period of more than six months from the date they became payable except for the following:-

Nature of Tax	Period	Amount in lakh
Professional Tax	April 2005 to September 2007	0.28
TNLWB	September 2001 to march 2006	0.03

BINNY ENGINEERING LIMITED

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

Name of the Statute	Nature of the Dues	Amount in lakhs	Forum where dispute is pending
Tamil Nadu General Sales Tax Act	TNGST & Penalty	22.11 (settled in April & May, 2012)	Tamil Nadu Taxation Special Tribunal

- (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 nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us no term loans obtained during this 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: 004915S

Place: Chennai
Date : 29th May, 2013

R.THIRUMALMARUGAN
Partner

Membership No: 200102

BINNY ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

		Rs.in lakhs	
	Note No.	As at 31-03-2013	As at 31-03-2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	2	2874.81	2874.81
(b) Reserves and Surplus	3	-3103.77	-3059.58
(c) Money Received against Share warrants		-228.96	-184.77
(2) Share application money pending allotment			
(3) Non-current liabilities:			
(a) Long-term borrowings	4	2183.14	1529.69
(b) Deferred tax liabilities (Net)			
(c) Other Long-term liabilities	5	134.72	118.15
(d) Long-term provisions	6	<u>0.39</u>	<u>1.48</u>
(4) Current liabilities:			
(a) Short-term borrowings			
(b) Trade payables			
(c) Other current liabilities	7	51.29	1232.67
(d) Short-term provisions		<u>51.29</u>	<u>1232.67</u>
		<u>2140.58</u>	<u>2697.22</u>
II. ASSETS:			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	8	40.56	47.54
(ii) Intangible Assets			
(iii) Capital Work-in-progress			
(iv) Intangible Assets under development			
(b) Non-current investments	9	2075.00	2075.00
(c) Deferred tax assets (Net)			
(d) Long-term loans and advances	10	23.88	574.55
(e) Other non-current assets		<u>2139.44</u>	<u>2697.09</u>
(2) Current assets			
(a) Current investments			
(b) Inventories			
(c) Trade receivables			
(d) Cash and cash equivalents	11	1.14	0.13
(e) Short-term loans and advances			
(f) Other current assets		<u>1.14</u>	<u>0.13</u>
		<u>2140.58</u>	<u>2697.22</u>

As per our Report of even date
for CNGSN & ASSOCIATES

Chartered Accountants
Firm Regn No 004915S

See accompanying notes to the financial statements

M.Ethiraj
Director

E.Shanmugam
Director

R.THIRUMALMARUGAN
Partner
Membership No.200102

Chennai
Date :29.05.2013

BINNY ENGINEERING LIMITED

PROFIT AND LOSS STATEMENT OF FOR THE YEAR ENDED 31ST MARCH 2013

Rs in lakhs

	Note No	For the year ended 31-03-2013	For the year ended 31-03-2012
I Revenue from operations			
II Other income	12	<u>1.16</u>	<u>4.67</u>
III Total Revenue (I + II)		1.16	4.67
IV Expenses:			
a Cost of materials consumed			
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade			
d Employee benefits expenses	13	6.00	6.21
e Finance costs			
f Depreciation and amortization expenses	8	6.98	6.98
g Other expenses	14	<u>32.37</u>	<u>543.63</u>
Total expenses		45.35	556.82
V Profit before exceptional and extraordinary items and tax (III - IV)		-44.19	-552.15
VI Exceptional items			
VII Profit before extraordinary items and tax (V - VI)		-44.19	-552.15
VIII Extraordinary items			
IX Profit before tax (VII - VIII)		<u>-44.19</u>	<u>-552.15</u>
X Tax expenses			
(1) Current tax			
(2) Deferred tax			
XI Profit / (loss) for the year from continuing operations (IX - X - XIV)		<u>-44.19</u>	<u>-552.15</u>
XII Profit / (loss) from discontinuing operations			
XIII Tax expenses of discontinuing operations			
XIV Profit / (loss) from discontinuing operations (after tax) (XII - XIII)			
XV Profit / (loss) for the year (XI + XIV)		<u>-44.19</u>	<u>-552.15</u>
XVI Earnings per share:			
(1) Basic & Diluted		-0.15	-1.92

See accompanying notes to the financial statements

As per our Report of even date
for **CNGSN & ASSOCIATES**

Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Director

E. Shanmugam
Director

R.THIRUMALMARUGAN
Partner
Membership No.200102

Chennai
Date: 29th May 2013

BINNY ENGINEERING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

31-03-2013 31-03-2012

Rs in Lakhs

A Cash Flow from Operating Activities

Profit / (Loss) for the year	(44.19)	(552.15)
Adjustments for:		
Extraordinary Items / Withdrawal of revaluation reserve		
Depreciation	6.98	6.98
Interest Paid		
Dividend Income		
Interest Earned	-	(1.18)
Profit on sale of assets	-	(0.44)
Deferred Revenue expenses written off	-	-
Operating Profit before working Capital changes	(37.21)	(546.79)
Increase / (Decrease) in Long Term Liabilities	16.57	-
Increase / (Decrease) in Long Term Provisions	(1.09)	-
Increase / (Decrease) in Other Current Liabilities	(1,181.38)	363.19
(Increase) / Decrease Long Term Loans & Advances	550.67	(1.76)
Cash from Operating activities	(652.44)	(185.36)
Direct Taxes paid	-	-
Net Cash from Operating activities	<u>(652.44)</u>	<u>(185.36)</u>

B Cash flow from Investing activities

Encashment / Redemption of Investment		
Purchase of fixed assets (Including Capital Work in Progress)		
Sale of Fixed Assets	-	0.44
Dividend received	-	1.18
Interest received	-	-
Dividend received		
Net Cash from investing activities	-	<u>1.62</u>

C Cash flow from financing activities

Long Term Borrowings	653.45	177.66
Repayment of Loans from Banks / Financial institutions (Net)		
Cash Credit accounts		
Interest Paid	-	-
Net Cash from financing activities	<u>653.45</u>	<u>177.66</u>
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	1.01	(6.08)
Cash and cash equivalent as at the beginning of the year	0.13	6.21
Cash and cash equivalent as at the end of the year	<u>1.14</u>	<u>0.13</u>

As per our Report of even date
for M/s CNGSN & ASSOCIATES

Chartered Accountants
Firm Regn No 004915S

M.Ethiraj
Director

E.Shanmugam
Director

R. Thirumalmarugan
Partner
Membership No.200102

Chennai

Date :29th May 2013

B E 10

Note: 1. 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.

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.

BINNY ENGINEERING LIMITED

10. LEASES

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

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.

NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2013

	As at 31-03-2013 Rs in lakhs	As at 31-03-2012 Rs in lakhs
Note: 2 (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
Authorised Share Capital 30000000		
Equity Shares of Rs...10/= each	3,000.00	3,000.00
Issued, Subscribed and Paid Up 28748100 Equity Shares of Rs.10/= each	2,874.81	2,874.81
	2,874.81	2,874.81
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:		
Number of equity shares outstanding as at the beginning of the year	28,748,100	28,748,100
Add: Number of Shares allotted during the year	-	-
Less: Number of Shares bought back	-	-
Number of equity shares outstanding as at the end of the year	28,748,100	28,748,100
(C) Rights, preferences and restrictions attaching to various classes of shares	NIL	NIL
(D) Shareholding in the company of the holding company and ultimate holding company and their subsidiaries / associates	NIL	NIL
(E) Shares in the company held by each shareholder holding more than 5%: Name of shareholder No of shares at year end Binny Limited (100 %)	28,748,100	28,748,100

BINNY ENGINEERING LIMITED

	(F) Shares reserved for issue under options and contracts:	NIL	NIL
	(G) Commitments for sale of shares/ divestment	NIL	NIL
	(H) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back	NIL	NIL
	(I) Details of securities convertible into equity / preference shares	NIL	NIL
Note: 3	RESERVES AND SURPLUS		
	Profit & Loss Account as per last B/S	(3,059.58)	(2,507.43)
	Profit/Loss for the period - From P & L	(44.19)	(552.15)
	LESS Proposed Dividends	-	-
	Tax on Distributed Profit	-	-
	Balance of Profit / Loss	(3,103.77)	(3,059.58)
	Less : Transfer to General Reserve	-	-
	Closing Balance	<u>(3,103.77)</u>	<u>(3,059.58)</u>
Note:4	LONG TERM BORROWINGS:		
	a. Mother Meera Industries	50.00	50.00
	b. Binny Limited - Holding Company	1,148.52	435.49
	c. Associate Companies	<u>984.62</u>	<u>1,044.20</u>
		<u>2,183.14</u>	<u>1,529.69</u>
Note:5	LONG TERM LIABILITIES:		
	Trade Payable	134.72	118.15
	Others	-	-
		<u>134.72</u>	<u>118.15</u>
Note:6	LONG TERM PROVISIONS:		
	Employee Benefits	0.39	0.39
	Others	-	1.09
		<u>0.39</u>	<u>1.48</u>
Note:7	OTHER CURRENT LIABILITIES		
	Sales Tax payable		1,178.20
	Others	51.29	54.47
		<u>51.29</u>	<u>1,232.67</u>
Note:9	NON CURRENT INVESTMENTS (Unquoted and Valued at Cost)		
	Fully paid cumulative Redeemable	<u>2,075.00</u>	<u>2,075.00</u>
	Preference Shares in S V SUGAR MILLS LTD (20750000 shares @ Rs.10/- face value)	<u>2,075.00</u>	<u>2,075.00</u>
Note:10	LONG TERM LOANS AND ADVANCES - UNSECURED- CONSIDERED GOOD		
	Loans and advances - Deposits	11.48	9.71
	Others	12.40	5.10
	Other loans and advances - Associates	-	559.74
	Loans and advances - Considered doubtful	89.31	89.31
	Less: Provision for doubtful loans and advances	<u>(89.31)</u>	<u>(89.31)</u>
		<u>23.88</u>	<u>574.55</u>
Note-11	CASH AND CASH EQUIVALENTS		
	Balance with banks	0.78	0.08
	Cash on hand	0.31	-
	Deposit with Banks for guarantees	0.05	0.05
		<u>1.14</u>	<u>0.13</u>

BINNY ENGINEERING LIMITED

Note-8 :FIXED ASSETS - TANGIBLE

Rs in Lakhs

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land - Leasehold	1.25			1.25	1.25			1.25	0.00	0.00
Factory Buildings	163.14			163.14	118.69	5.45		124.14	39.00	44.45
Plant & Equipment	153.67		-	153.67	150.58	1.53	-	152.11	1.56	3.09
Office Equipments	19.08			19.08	19.08			19.08	-	-
	337.14	-	-	337.14	289.60	6.98	-	296.58	40.56	47.54
Previous year	385.43		(48.29)	337.14	330.91	6.98	(48.29)	289.60	47.54	54.52

BINNY ENGINEERING LIMITED

NOTES TO THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	For the year ended 31.03.2013 Rs in lakhs	For the year ended 31.03.2012 Rs in lakhs
Note-12 OTHER INCOME		
a Interest income	-	1.18
b Net gain/Assets - Sale of Machinery & Plants	-	0.44
c Other income	1.16	3.05
	<u>1.16</u>	<u>4.67</u>
Note-13 EMPLOYEE BENEFIT EXPENSES		
a Salaries and wages	5.37	5.60
b Contribution to PF and other funds	0.21	0.21
c Staff welfare expenses	0.42	0.39
d others	-	0.01
	<u>6.00</u>	<u>6.21</u>
Note-14 OTHER EXPENSES		
a Rent	0.08	0.08
b Power and Fuel	6.26	6.30
c Rates and taxes	1.07	510.81
d Payment to statutory auditors		
as Statutory Auditors	0.72	0.82
for taxation matters	0.18	0.14
e Legal, Professional and consultancy	12.00	13.72
f Security Charges	11.15	10.90
g Miscellaneous expenses	0.91	0.86
	<u>32.37</u>	<u>543.63</u>

NOTE : 15. OTHER 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.

	Year ended 31.03.2013 Rs in lakhs	Year ended 31.03.2012 Rs in lakhs
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.	62.90	62.90
c. Claims from Customers against performance, which is not acknowledged as debt.	1212.44	1212.44
d. Amount of interest received from Nizam Sugars Ltd (NSL) is contingently liable for refund in case the AP High Court decides the matter in favour of NSL.	52.37	52.37

BINNY ENGINEERING LIMITED

3. Unsecured loan (other than related Parties), Trade Payable and other Loans and Advances 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.
4. Investment represents fully paid cumulative redeemable preference share capital (2,07,50,000 shares of Rs. 10each) in M/s S.V. Sugar Mills Limited, associate company. The company has not declared any dividend for this year.

	Year ended 31.03.2013 Rs in lakhs	Year ended 31.03.2012 Rs in lakhs
5. Value of imports on CIF basis:	Nil	Nil
6. Expenditure in Foreign Currency	Nil	Nil
7. Earnings in Foreign Exchange	Nil	Nil
8. 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 The Thirumagal Mills Ltd, Srinidhi Finance P Ltd Tiger Farms P Ltd	
(b) Transactions with Related Parties:		
Borrowing from :Holding Company	713.03	146.55
Associates Companies	1544.36	NIL
(c) Outstanding balances		
Investment in Preference Share Capital in S V Sugar Mills Ltd	2075.00	2075.00
Long Term Borrowings		
From Associate Companies	984.62	1044.20
From Holding Company	1148.52	435.49
Long Term Loans and Advances		
To Associate Company	Nil	559.74

9. Earnings per Share:

Particulars	(Rs In lakhs)	
	Before extra ordinary item Year ended March 2013	Year ended March 2012
Profit available to Equity Share Holders used as Numerator - (A) (Rs. in Lakhs)	(-)44.19	(-)552.15
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.	-0.15	-1.92
Earnings per share (Diluted) - (A* 1,00,000/ D) in Rs.	-0.15	-1.92

BINNY ENGINEERING LIMITED

10. Income Tax & Deferred Taxes:

No provision for tax is considered necessary for the year. 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 unabsorbed depreciation and carry forward business losses available to the company under the provisions of the Income Tax Act 1961.

11. The Asst. Commissioner of Income Tax, Company circle I(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.2,02,20,760/- is payable by the company u/s 115JB for the assessment year 2006-2007. The Company has filed an appeal against the order before ITAT, which set aside the matter to A.O. for fresh consideration. The A.O. has not yet completed the Assessment. Hence there are no disputed tax payable as on date. The Dept. has raised demand for a total amount of Rs.352.14 Lakhs for the Assessment Years 2007-08, 2008-09 and 2009-10 against which the Company has filed Appeal. Considering the chances of success in appeal no provision has been made in the Accounts.
12. 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.
13. The Post of Managing or whole-time Director has not yet been filled up as required under section 269 of the Companies Act 1956.
14. Previous year figures have been regrouped wherever necessary.

As Per our report of even date
For M/s CNGSN & Associates
Chartered Accountants
Firm Registration No.004915S

M. Ethiraj
Director

E. Shanmugam
Director

R. Thirumalmarugan
Partner
Membership No.200102

Place : Chennai
Date :29th May, 2013

BINNY LIMITED

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

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. / D.P. ID 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 here by register my presence at the 44th Annual General Meeting of the Company at No. 1, Cooks Road, Otteri, Perambur, Chennai - 600 012 on Monday the 4th November 2013 at 11:00am.

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

BINNY LIMITED

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

PROXY FORM

Folio No. :
DP ID 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 44th Annual General Meeting of the Company at No. 1, Cooks Road, Otteri, Perambur, Chennai - 600 012 on Monday the 4th November 2013 at 11:00am and / or at any adjournment thereof.

Signed this day of 2013.

Signature

Affix
Re. 1/-
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



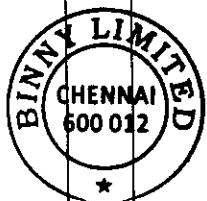
BINNY LIMITED

Estd 1799

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Binny Limited
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit qualification	Qualified..../Subject to...../ Except for
4	Frequency of qualification	Whether appeared first time .../Repetitive..../since how long period – <i>For the past 10 years.</i>
5	Draw attention to relevant notes in the annual financial statements and Management response to the qualification in the Directors Report	<p><u>Gist of qualifications/headings</u></p> <p><i>Annual Report-Page B17:Qualified Opinion: (i) <u>Non –provision of Wealth Tax Liability for various years</u>; The Wealth Tax Officer has passed an Assessment Order for the Asst years 1993-94 to 2010-11 demanding a sum of Rs.2553.77 lakhs treating some of the assets of the company are subject to taxable wealth as per the provisions of the Wealth Tax Act. However the management has disputed the same and filed the Appeals on the Assessment Orders before the appellate authorities and there has also been payment of Rs.648.66 lakhs under protest, which are shown as Other Current Assets. Considering the disputed demands the Company has not provided for these Wealth Tax demands in the financial statements;</i></p> <p><i>Page B17 & B18 Qualified Opinion (ii) <u>Non-provisioning of diminution of value of investments in Subsidiary</u> : The company holds Investments Rs.2874.81 lakhs in the Equity Shares of a Subsidiary Company and Loans and Advances made to the same Company Rs.1148.52 lakhs. The management considers the investment as a long term investment and has not provided for the diminution in value of these investments and carrying value of loans and advances at cost. However it is seen that the Networth of the Subsidiary Company has eroded, no operational activities carried on for few years, and other related factors indicates the material uncertainty about the going concern of the Subsidiary and possible permanent diminution in carrying these investments and loans and advances at cost.</i></p>



B18 Page B18 Qualified Opinion**(iii) Non-Confirmation of Balances of Receivables, Payables and Advances**

Non-confirmation of balances as on 31st March, 2013 from trade receivables, trade payables, loans and advances, Other long term borrowings, Other Loans and Advances, wherein the outstanding balances are due for more than three years and any adjustment to be made for the carrying amount at the year end is not ascertainable.

Management's response:

Annual Report-Page B 8 :

Directors' Clarifications to Auditors' Remarks :

i : The Company has received wealth tax demand for the Asst. year 2005 - 06, 2006 - 07, 2007 - 08, 2008 - 09, 2009 -10, 2010 - 11 and 2011 - 12 for Rs.977.24 lakhs 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.

ii. The entire shareholding in the subsidiary, has since been sold as aforementioned under the paragraphs on Key Events after the Balance Sheet date. Hence the remarks in this regard are no longer applicable.

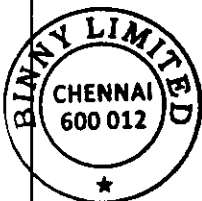
iii. Efforts are being made to obtain confirmation of balances of the receivables, payables, loans & advances etc pending over 3 years..

Relevant Notes in the Financial Statements**Page:B33-Note-23.5 Contingent Liabilities**

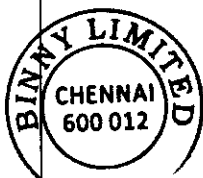
No provision is considered necessary in respect of the following contingent liabilities as the management is hopeful of getting relief / succeeding in the appeals-

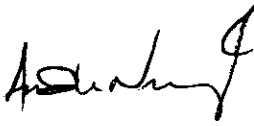
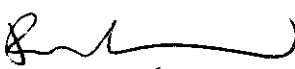
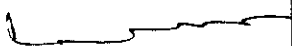

Under sub note (e): Wealth Tax Demand for Asst. year 1993-94 to 2010-11 is Rs 2553.77 Lakhs.

Page B33-Note 23.11(a) Appeal against wealth Tax demand: *The company has received wealth tax demand for the Asst. Year 2004-05 to 2010 - 2011 Rs.1060.18 lakhs against which the company has filed appeals with CWT (A). A/Y 1993-94 to 2003-04 Rs.1493.59 lakhs against the company has filed appeals with ITAT, Chennai. Against these demands a sum of Rs.648.66 lakhs has been paid under protest. Considering the company's chance of success in appeal no provision has been made in the accounts.*



		<p><i>Page B32 & B33: Note 23.4 :</i> <i>Binny Engineering Limited (BEL)-Investment & Advances to subsidiary company – BEL.</i></p> <p><i>The investment in subsidiary are considered to be long term in nature. The Management has not provided for diminution in value for the carrying amount as at the balance sheet date.</i></p> <p><i>The company has advanced a sum of Rs.1148.52 lakhs (Previous Year Rs.435.49 lakhs) to Binny Engineering Limited for meeting their liabilities such as interest on PF, ESI contribution, Sales Tax etc. Considering the advances are recoverable in the ordinary course of business, the Management decided to carry these amounts at cost and no provision has been made.</i></p> <p><i>Page B33- Note 23.7 :</i> <i>Balances in Trade receivable, Trade payable 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.</i></p>
6	Additional comments from the Board/Audit Committee Chair.	<p>This may relate to nature of the qualification including materiality, agreement/ disagreement on the qualification, steps taken to resolve the qualification, etc.</p> <ul style="list-style-type: none"> • <i>Consequent upon the reconstitution of Board and Audit Committee, conscious efforts and focus are being made to effectively deal with the audit qualifications.</i> • <i>On the qualification relating to wealth tax, the Company is approaching all available forums in order to find an early solution. It is hopeful of a possible outcome.</i> • <i>As regards the divestment of entire shareholding (during the last week of Sept'13) in the Subsidiary Binny Engineering Limited, the decision was taken after considering the negative net worth, lack of possibility of revival in the medium term and the land being a leasehold. There would be a 2 way impact in the books of the company during 2013-14, namely loss on sale on investment of Rs 25.3 Cr and provisioning for the amount (Rs 11.5 Cr) that has been advanced by the Company to the subsidiary.</i> • <i>The Audit Committee when it meets to consider the unaudited results for the quarter ending September 30, 2013, would review the</i>



		<p><i>provisioning requirements not only on account of Binny Engineering Ltd, but also the other long overdue receivables, payables and loans & advances. A new impetus and direction would be provided by the Audit Committee to avoid recurrence an also strengthen the over all control system in the Company.</i></p> <ul style="list-style-type: none"> • <i>As regards the Income Tax Demand made for the Asst Year 2010-11, mentioned by the Auditor under Emphasis of Matter, the company has filed an appeal before CIT(appeals) and is confident of succeeding considering the basis of the demand.</i>
7	<p>To be signed by :-</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the Company. • Audit Committee Chairman 	<p>Name and Signature</p> <p> (Arvind Nandagopal)</p> <p> (P.K.Sundaresan) For M / s. CNGSN & ASSOCIATES CHARTERED ACCOUNTANTS FIRM REGN.NO. 04916 S</p> <p> R. THIRUMALMARUGAN PARTNER MEMB. No. 200102</p> <p> (Justice.S.Jagadeesan)</p>

