

BINNY MILLS LIMITED

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A REQUEST

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

Binny Mills Ltd

BINNY MILLS LIMITED

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

DIRECTORS

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

Registered Office:

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

Auditors:

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

Binny Mills Limited

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Binny Mills Ltd will be held on Monday, the 30th September 2013 at 4 P.M. at the Registered Office at No.4, Karpagambal Nagar, Mylapore, Chennai 600004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in the place of Shri V. Sengutuvan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

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

"RESOLVED THAT M/s T. Selvaraj & Co., Chartered Accountants, Chennai, be and are hereby appointed as the auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as determined by the Board of Directors."

By Order of the Board of Directors
For Binny Mills Limited

V. Rajasekaran
Managing Director

Registered Office:
No.4, (Old No.10) Karpagambal Nagar,
Mylapore,
Chennai 600 004.

Date: 29th May 2013

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy Form, in order to be effective, must be deposited at the Registered Office of the company not later than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September 2013 to 30th September 2013 (both days inclusive).
4. Members/Proxies are requested to bring the attendance slip sent herewith, duly filled in, for attending the meeting and their copy of the Annual Report to the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members desiring to seek any information on the annual accounts or operations of the company are requested to send their queries to the Company, at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
8. Members holding shares in physical form can now avail nomination facility for the shares held by them. Members desirous of availing this facility may send in their nominations in Form 2B duly filled in and signed to the Registrar and Share Transfer Agent of the Company viz, Cameo Corporate Services Ltd., 'Subramanian Building', 5th Floor, No.1, Club House Road, Chennai 600 002. Phone: 044-2846 0390 to 2846 0394.
9. M/s Cameo Corporate Services Ltd., 'Subramanian Building', 5th Floor, No.1, Club House Road, Chennai 600 002. Phone: 044-2846 0390 to 2846 0394 is the Company's Registrar and Share Transfer Agent for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in Demat form, members may send requests or correspond through their respective Depository Participants.
10. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorising their representatives to attend and vote at the Annual General Meeting.
11. Members who have multiple folios in identical names in the same order are requested to send all the Share Certificates either to the Company addressed to the Registered Office or to the Company's Registrar and Share Transfer Agent for consolidation of such folios into one to facilitate better services.

Binny Mills Limited

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

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

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

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

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

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DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Sixth Annual Report and the Audited Accounts of your company for the year ended 31st March 2013.

FINANCIAL RESULTS

	31st March 2013 Rs.	31st March 2012 Rs.
Revenue from operations & other income	7,79,30,753	6,08,71,574
Profit / (Loss) before Depreciation	(12,70,348)	1,40,77,842
Depreciation	45,034	2,68,156
Profit / (Loss) before Tax	(13,15,382)	1,38,09,686
Provision for Tax	2,04,393	44,80,553
Profit / (Loss) after Tax	(15,19,775)	93,29,133

OPERATIONS

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

The company operates in 4 divisions viz., Warehousing, Showrooms, Agencies and Bintex. The Warehousing division has rented its warehouses and is deriving rental income from it. The Showrooms are engaged in retail selling of textile materials. The Agencies division is engaged in the business of selling Tarpaulin, rain coats and bags. The Bintex division is engaged in selling textile materials, particularly uniform materials, bed spreads, and other textile varieties.

For the year 2012-13, the Rental income from Warehousing division was Rs. 149.23 lakhs as against Rs. 128.37 lakhs in the previous year, an increase by about 16%. The sale made by the Showrooms division was Rs.21.86 lakhs as against Rs. 22.02 lakhs in the previous year, the Agencies division Rs.5.30 lakhs as against Rs. 2.87 lakhs in the previous year and the Bintex division Rs.597.83 lakhs as against Rs. 414.06 lakhs in the previous year.

The aggregate amount of revenue from Rent and Sales were Rs.777.47 lakhs as against Rs.585.95 lakhs in the previous year. However, due to some unforeseen expenses, the Company has incurred a Net Loss of Rs.15.20 lakhs as against a Net Profit of Rs.93.29 lakhs in the previous year.

PREFERENCE SHARES

The 5,88,000 (9.75%) Cumulative Redeemable Preference Shares (CRPS) of Rs.5/- each, aggregating to Rs.29,40,000/- are redeemable on or before 30th June 2016.

The 28,14,18,142 (9%) CRPS of Rs.5/- each aggregating to Rs.140,70,90,710/- are redeemable on or before 12th May 2015.

Preference dividend is payable on the CRPS from the date of original allotment of shares by Binny Ltd. The holders of the CRPS have preferential right to dividend over the equity share holders, as and when dividend is declared by the company. The Preference dividend in arrears for 9.75% CRPS, as at 31st March 2013, is Rs.19,34,888/- and for 9% CRPS it is Rs.77,11,83,382/-.

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Since the Company is in the fourth year of operation after the transfer and vesting of the Agencies and Services Undertaking of Binny Ltd in the Company, pursuant to the Demerger Scheme, the company could not find enough resources to pay dividend this year. Hence, the company is not recommending preference dividend this year.

DIVIDEND ON EQUITY SHARES

As stated for Preference Dividend, Since the Company is in the fourth year of operation after the transfer and vesting of the Agencies and Services Undertaking of Binny Ltd in the Company, pursuant to the Demerger Scheme, the company could not find enough resources to pay dividend this year. Hence, the company is not recommending dividend on the equity shares this year.

MANAGEMENT DISCUSSION AND ANALYSIS

Economic scenario

The Indian economy, being an economy that is largely driven by indigenous consumption, lower disposable income of large population had a direct bearing on its growth. In 2012-13, India continued to slide in terms of economic performance, registering an estimated GDP growth of around 5%. This was largely on account of sharp slowdown in investments, delays in policy decisions and weaker consumption from the burgeoning middle class due to high inflation.

Opportunities and threats

The Company is engaged in retail sale of textile products. The Company's future relies on the Textile industry growth. With the revival of economy and a slew of measures announced by the Government for the Textile Industry there is a good demand for the Company's products in the current year.

Risks and concerns

The company is engaged in trading business. Hence, the risks associated with the stiff competition in retail textile business are the major risk for the Company. But, the company has built up reputation among the buyers and has created a brand image for its products. Hence, it is confident of mitigating the effects of the risks.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate internal control systems commensurate with its size and nature of operations, to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported properly and that all applicable statutes and corporate policies are duly complied with.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company attaches considerable importance to Human Resource Development and harmonious industrial relations. There are senior and experienced professionals managing the operations of its divisions. The company takes all efforts to train its employees to make them a skilled employee. The overall industrial relations, during the year, were cordial.

ENVIRONMENTAL PROTECTION

The Environmental Policy of your company is maintaining clean and green environment and eco friendly atmosphere. Your company has been complying with applicable environmental regulations and preventing pollution in all operations.

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CORPORATE SOCIAL RESPONSIBILITY

Your company aims to enhance the quality of life of the community in general and has a strong sense of social responsibility. Your Company and its employees have participated in welfare activities of the community.

DIRECTORS

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

The details of his age, experience and directorship in other companies, as required under the listing agreement, is given in the Report on Corporate Governance which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the Annual Accounts, for the year ended 31st March 2013, the applicable Accounting Standards have been followed along with proper explanations for material departures, if any;
- ii) That the selected accounting policies were applied consistently and judgements and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March 2013 and of the loss of the Company for that period;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) That the annual accounts for the year ended 31st March 2013 has been prepared on a going concern basis.

AUDITORS

It is proposed to reappoint M/s T. Selvaraj & Co., Chartered Accountants, Chennai, as the Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company. The Directors recommend their appointment.

APPOINTMENT OF WHOLE TIME COMPANY SECRETARY

As per the provisions of the Companies Act, 1956 the Company should have a whole time Company Secretary. Despite the best efforts taken, the Company could not appoint a suitable person. The Company's present financial situation does not support the remuneration demanded by prospective candidates. However, the Company will endeavour to appoint a whole time Company secretary.

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ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

STATEMENT OF EMPLOYEES' PARTICULARS

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

ADMINISTRATIVE OFFICE

Your Company has an Administrative Office at No.106, Armenian Street, Chennai 600001 where the Books of Accounts of the Company are kept and maintained.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report and Corporate Governance Report forms part of this Annual Report.

A certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement is attached to this Report.

CEO CERTIFICATION OF FINANCIAL STATEMENTS

Shri V. Rajasekaran, Managing Director, has furnished the certificate as required under clause 49 of the Listing Agreement.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

**V.R. Venkataachalam
Chairman**

Registered Office:

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

Date: 29th May 2013

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REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

A.MANDATORY REQUIREMENTS:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE CODE:

The Company believes in good Corporate Governance to achieve long-term corporate goals and to enhance stake holders' value. The Company is committed to complying with the principles of the Corporate Governance Code.

BOARD OF DIRECTORS

The composition of the Board of Directors is in conformity with the Corporate Governance Code.

The present strength of the Board is five directors. The Board comprises of an optimum combination of Executive and Non-Executive directors, with four directors being Non-Executive directors, including the Non-Executive Chairman. There are two independent directors viz., Shri S. Natarajan and Shri S.Varatharajan, who exercise independent judgement in the Board's deliberations, discussions and decisions. Shri V. R. Venkataachalam is the Non-Executive Chairman and Shri V. Rajasekaran is the Managing Director.

The Directors on the Board are experienced, competent and highly respected persons in their respective field.

The Managing Director is not drawing any remuneration from the Company. The Non-Executive directors are not claiming sitting fees or other remuneration from the Company for attending the Board meetings or Committee meetings of the Company.

All the directors attended all the Board Meetings of the Company held during the year 2012-13.

None of the directors of the Board are members in more than ten committees or act as chairman of more than five committees across all companies in which they are directors.

Shri V.R. Venkataachalam, Non-Executive Chairman, holds 1,09,317 equity shares in the Company constituting 3.42% of the paid-up equity shares of the Company. No other directors hold equity shares in the Company.

Shri V. R. Venkataachalam, Non-Executive Chairman, is the father of Shri V. Sengutuvan, Director. No other directors are related to each other.

Details of Directors retiring by rotation and seeking reappointment

(Pursuant to clause 49 of the listing agreement)

Name	Shri V. Sengutuvan*
Date of Birth	7-12-1986
Date of Appointment	26-8-2009
Qualifications	Graduate
Expertise in specific functional areas	Industrial experience in the field of Textile, Chemical, Power, Engineering, etc.
Chairman/Director of other Companies	1. Thiruvalluvar Textiles P Ltd 2. Tanchem Imports & Exports P Ltd 3. TCP Hotels P Ltd 4. TCP Ltd
Chairman / Member of Committees of the Board of Companies in which he is a Director	Member of Audit Committee, Remuneration Committee and Shareholders Committee in TCP Ltd

Binny Mills Limited

*Shri V. Sengutuvan does not hold any share in the company. He is the son of Shri V.R. Venkataachalam, Chairman.

AUDIT COMMITTEE

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

Shri S. Natarajan Chairman
Shri S. Varatharajan; and
Shri V. Sengutuvan

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

All the members of the Committee attended the meetings held during the year.

SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE

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

Shri V.R. Venkataachalam Chairman
Shri V. Rajasekaran; and
Shri S. Varatharajan

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

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

All the members of the committee attended all the meetings held during the year.

Name and designation of compliance officer:

Compliance Officer: Shri V. Rajasekaran
 Managing Director
 Ph: 044-24991518
 Fax: 091-44-24991777
 Email: binnymills@bmlindia.com

Shareholders' complaints status: (1-4-2012 to 31-3-2013)

Number of shareholders' complaints received so far:	Nil
Number not solved to the satisfaction of shareholders:	Nil
Number of pending complaints:	Nil

The company's Registrar and Share Transfer agents, viz., Cameo Corporate Services Ltd., also redresses all shareholders'/Investors' complaints/grievances.

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All valid share transfers, received during the year ended 31st March 2013, have been acted upon. There are no pending share transfers, both in physical form as well as in Demat category, as on 31st March 2013.

General Body Meetings:

Location and time of the last three AGM^s:

Year	Date	Time	Location
2011-12	29-9-2012	12 Noon.	No.106, Armenian Street, Chennai 600001.
2010-11	28-9-2011	10 A.M.	No.106, Armenian Street, Chennai 600001.
2009-10	27-9-2010	10.15 A.M.	No.106, Armenian Street, Chennai 600001.

No Special Resolution was passed at the 5th AGM held on 29-9-2012.

No Special Resolution was passed last year through Postal Ballot.

No Special Resolution is proposed to be passed this year through Postal Ballot.

Disclosures:

There is no non-compliance by the company; no penalties or strictures were imposed on the company by the Stock Exchanges, SEBI or any statutory authority, on any matter relating to capital market during the last three years.

Related Party transactions:

A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee. The company has entered into related party transactions as set out in the notes to accounts which are not likely to have potential conflict with the interests of the company at large.

Disclosure of Accounting Treatment:

The financial statements are prepared on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standard) Rules, 2006.

Disclosures on Risk Management:

The company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. These procedures are periodically reviewed by the Board to ensure that executive management controls risk through means of a properly defined framework.

Whistle Blower policy:

Statement on Whistle Blower policy is given in section B "Non-Mandatory requirements." It is affirmed that no personnel has been denied access to the audit committee.

Compliance with other mandatory requirements:

Management Discussion and Analysis Report:

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on the matters specified under clause 49(IV) (F) of the listing agreement.

Subsidiary companies:

The company does not have any material non listed subsidiary company and hence it is not required to have an independent director of the company on the Board of such subsidiary company.

Binny Mills Limited

CEO/CFO Certification:

A certificate from the Managing Director of the company on the financial statements and other matters specified in Clause 49(V) has been placed before the Board.

The mandatory requirements of clause 49 are complied with as detailed in Section A "Mandatory Requirements" of this Report. The adoption of Non-Mandatory requirements is detailed in Section B "Non-Mandatory requirements" of this Report.

Means of Communication:

Quarterly results:

Newspapers wherein results normally published:	Financial Express and Malai Sudar
Website where displayed:	www.bmlindia.com
Whether the website also displays official news releases, and presentations made to Institutional investors or analysts:	No

General Shareholder Information:

1. AGM:
 - Date : 30th September 2013
 - Time : 4 PM
 - Venue : No.4 (Old No.10) Karpagambal Nagar Mylapore, Chennai 600 004
2. Financial Year : The financial year of the company is from 1st April to 31st March, each year

Key financial reporting dates for the year 2013-14:

- a. Quarterly Results : Normally published within one month from the end of each quarter.
- b. Accounts Finalisation : April – May 2014
- c. Annual General Meeting : August – September, 2014
- d. Dividend Despatch : within 30 days of the AGM.
3. Book Closure Date : 23-9-2013 to 30-9-2013 (Both days inclusive) On account of AGM.
4. Dividend payment Date : Not applicable
5. Listing on Stock Exchanges : The Shares of the company are listed on the following stock exchanges:
 - a) **BSE Limited (BSE),**
Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai 400001.

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b) **Madras Stock Exchange Ltd,**
Exchange Building,
Post Box No.183, 11, Second Line Beach,
Chennai 600 001
Phone: +44 25228951
Fax: +44 25244897
e-mail:mseed@md3.vsnl.net.in

Listing Fees for the year 2013-2014 has been paid to the above Stock Exchanges.

- Depositories : The equity shares of the company are facilitated to be traded in demat form at the following Depositories:
- 1) **National Securities Depository Ltd.,**
Trade World, 5th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai 400013.
Phone: +22 24994200
Fax: +22 24972993
e-mail: info@nsdl.co.in
website: www.nsdl.co.in
 - 2) **Central Depository Services (India) Ltd.,**
16th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400023.
Phone: +22 22723333
Fax: +22 22723199/2072
e-mail: investors@cdslindia.com
website: www.cdslindia.com
- The annual custodian fees for the financial year 2013-14 have been paid to the depositories.**
- For guidance on depository services, shareholders may write to the Registrar and Transfer Agent
6. Stock Code
- a) BSE : 535620
 - b) Demat ISIN No. in NSDL and CDSL : The International Securities Identification Number (ISIN) allotted to the company is **INE160L01011**
7. Market Price Data : Not given, as there was no trading
8. Registrar and Transfer Agents:
- M/s Cameo Corporate Services Ltd.,**
'Subramanian Building', 5th Floor,
No.1, Club House Road,
Chennai 600002.
Tel No. 044-28460390 – 28460394
Fax No. 044-28460129
e-mail ID: cameo@cameoindia.com

Binny Mills Limited

Shareholders / Investors are requested to forward share transfer documents, Dematerialisation requests and other related correspondence directly to Cameo Corporate Services Ltd at the above address for speedy response.

9. Share Transfer System:

(a) Share Transfers:

Physical share transfers are registered and returned generally within a period of seven days from the date of receipt, if the documents are correct and valid in all respects. Shareholders / Investors are requested to send share transfer related documents directly to our Registrar and Transfer Agents, viz., M/s Cameo Corporate Services Ltd., whose address is given in Para 8 of this section.

(b) Nomination facility:

Individual shareholders holding shares in physical form can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his / her name. For further details, shareholders may write to our Registrar and Transfer Agents, viz., M/s Cameo Corporate Services Ltd., whose address is given in Para 8 of this section.

(c) Correspondence regarding Change of address, etc.:

Shareholders are requested to ensure that any correspondence for change of address, change in Bank Mandates, etc., should be signed by the first named shareholder. Shareholders who hold shares in Demat form should correspond with the Depository Participant with whom they have Demat Account.

10. Distribution of shareholding as on 31st March 2013:

(A) Distribution Schedule as on 31st March 2013:

Number of Shares held	Number of Shareholders		Number of shares	
	Total	% to total shareholders	Total	% to total Share Capital
1 – 500	8,859	99.02	2,29,489	7.20
501 – 1,000	30	0.33	21,062	0.66
1,001 – 2,000	16	0.18	22,048	0.69
2,001 – 3,000	4	0.05	10,649	0.33
3,001 – 4,000	4	0.05	14,287	0.45
4,001 – 5,000	3	0.03	12,745	0.40
5,001 – 10,000	3	0.03	21,805	0.68
10,001 and above	28	0.31	28,56,389	89.59
TOTAL	8,947	100.00	31,88,474	100.00

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(B) Distribution of Shareholding (Category wise) as on 31st March 2013:

Category	Number of shares held	% of total shareholding
Promoters	23,84,193	74.78
Mutual Funds	-	-
Financial Institutions/ Banks	2,59,219	8.13
Central Government / State Government	52,654	1.65
Non Resident Indians	4,374	0.14
Bodies Corporate	41,483	1.30
Resident individuals and others	4,46,551	14.00
TOTAL	31,88,474	100.00

11. Dematerialisation of shares and liquidity:

For Dematerialisation of Equity shares, the company has entered into a tripartite agreement with the **National Securities Depository Ltd., (NSDL)** and **Central Depository Services (India) Ltd., (CDSL)**.

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

Particulars	No. of Shareholders	No. of Shares	% to Capital
NSDL	632	3,11,284	9.76
CDSL	19	547	0.02
Physical Form	8,296	28,76,643	90.22
Total	8,947	31,88,474	100.00

12. Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:

The Company has not issued any GDR^s or ADR^s. No Warrants or any Convertible Instruments are outstanding.

13. Address for Correspondence : Binny Mills Limited
No.4, (Old No.10) Karpagambal Nagar,
Mylapore,
Chennai 600 004, India.
Ph: 044-24991518
E-mail: binnymills@bmlindia.com

B. NON-MANDATORY REQUIREMENTS:

(1) **The Board:**

At present no office is maintained for the Non-Executive Chairman.

At present no specific term is fixed for the Independent Directors. Independent Directors may have tenures, exceeding a period of nine years, in the aggregate.

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(2) **Remuneration Committee:**

The Board has not set up a Remuneration Committee since no remuneration is payable to the managerial personnel.

(3) **Shareholder Rights:**

The half-yearly declaration of financial performance including summary of significant events in last six months is not sent to the Shareholders. These are published in one widely circulated English Newspaper and in one Tamil Newspaper as given in Section A of this report.

(4) **Audit qualifications:**

The company's financial statements do not contain any Audit Qualifications.

(5) **Training of Board Members:**

Presently the company does not have a training programme for Board members.

(6) **Mechanism for evaluating non-executive Board Members:**

Presently the company does not have a mechanism for evaluating the performance of non-executive Board Members.

(7) **Whistle Blower Policy:**

Presently the company does not have a Whistle Blower Policy. However, the employees are not denied access from reporting to the Audit Committee, any irregularities, which they perceive to exist, in the systems and procedures of the company.

For and on behalf of the Board

V.R. Venkataachalam
Chairman

Registered Office:

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

Date: 29th May 2013

DECLARATION BY THE MANAGING DIRECTOR (CEO)

As provided in Clause 49 of the Listing Agreement with the Stock Exchanges the Board Members and the Senior Management Personnel have confirmed compliance with Code of Conduct for the year ended March 31, 2013.

For Binny Mills Ltd

V. Rajasekaran
Managing Director (CEO)

Place: Chennai 600 004

Date: 29th May 2013

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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE

To the Members of
Binny Mills Ltd

We have examined the compliance of conditions of Corporate Governance by Binny Mills Ltd ("the Company") for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that as per the explanation given by the company and as per the records maintained by the Company/Registrars and Share Transfer agents, no investor grievances are pending against the Company for a period exceeding one month, as at 31st March 2013.

We 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.

For **T. SELVARAJ & CO**
Chartered Accountants
Firm Regn No.:003703S

M. BALAGANESH
Partner
Membership No.208781

Place: Chennai 600 004
Date: 29th May 2013

Binny Mills Limited

INDEPENDENT AUDITOR'S REPORT

To

*The Members
Binny Mills Ltd
Chennai*

Report on the Financial Statements

We have audited the accompanying financial statements of Binny Mills Ltd, 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

The Company's 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 controls relevant to the preparation and 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. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the 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 audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 the Statement of Profit or Loss, of the LOSS of the Company for the year ended on that date; and

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- c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 (the Order), 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.

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 accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance sheet, the Statement of Profit and Loss, and the Cash Flow statement comply with the accounting standards referred to sub-section (3C) of Section 211 of the Act;
- e. On the basis of the written representations 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 T.Selvaraj & Co
Chartered Accountants
Firm Registration No: 003703S

Place: Chennai
Date: 29-5-2013

M.Balaganesh
Partner
Membership No: 208781

Binny Mills Limited

ANNEXURE TO THE AUDITORS' REPORT**Referred to in Paragraph 3 of our Report of even date**

1. In respect of fixed assets, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

The fixed assets have been physically verified during the year by the management in accordance with a programme of verification, which provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

Based on our scrutiny of the records of the company and the information & explanation received by us, we report that there were sale of fixed assets during the year but the fixed assets disposed off did not constitute a substantial part of the fixed assets of the company.

2. As explained to us, the inventories of the Company have been physically verified during the year by the management at reasonable intervals.

According to the information and explanations given to us, in our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

On the basis of our examination of records of inventories, in our opinion, the Company has maintained proper records of inventories and no material discrepancies were noticed between physical stocks and book records.

3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to the companies, firms or individual, parties covered in the register maintained under section 301 of the Companies Act, 1956. The Company has taken unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956, and the year end balance of such loan was Rs. 0.62 lakhs (Rs. 0.62 lakhs as on 31.3.2012). In our opinion, since the loan was received interest free without any terms and conditions stipulated for repayment, the same is not prima-facie prejudicial to the interest of the company.

In our opinion, since the loan was received interest free without any terms and conditions stipulated for repayment, the principal portion has not fallen due for repayment.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to the purchase and sale of goods and services. Further on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control system.
5. In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956 have been so entered and the transactions during the year in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. The Company does not have a formal Internal Audit. However, from the information and explanations given to us, the existing internal control procedures are commensurate with its size and nature of its business.
8. As explained to us and as per the information and explanations given to us the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable.

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9. According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, undisputed statutory dues including Provident Fund, Pension Fund, Employees State Insurance, income tax, service tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other statutory dues were in arrears as at 31st March 2013 for a period of more than six months from the date they became payable except in respect of service tax to the tune of Rs.3,06,250/- Which is yet to be remitted.
- There are no disputed statutory dues payables as at the Balance sheet date.
10. The Company does not have any accumulated losses as at 31st March 2013 and has incurred cash loss during the financial year ended on that date. The Company has not incurred any cash loss in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution and bank. The Company has not issued any debentures.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Provisions of any special statute as specified under clause (xiii) of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities and hence Clause (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us, the company has not given any guarantee for loan taken by others from financial institutions and hence Clause (xv) of the Order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the company has not obtained any term loans during the year.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report no funds raised on short term basis have been utilized for long term investments and vice versa.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year and hence reporting under Clause (xix) of the Order is not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported during the course of our audit.

For T.SELVARAJ & CO.,
Chartered Accountants
Firm Regn No:003703S

M. Balaganesh
Partner
Membership No. 208781

Place : Chennai
Date : 29th May 2013

Binny Mills Limited

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As at 31-03-2013		As at 31-03-2012	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	3	1,441,915,450		1,441,915,450	
(b) Reserves and Surplus	4	251,634,024	1,693,549,474	253,153,800	1,695,069,250
(2) Non-current liabilities:					
(a) Long-term borrowings	5	62,616		62,616	
(b) Other Long-term liabilities	6	29,375,966		34,858,559	
(c) Long-term provisions	7	1,196,844	30,635,426	2,078,087	36,999,262
(3) Current liabilities:					
(a) Trade payables	8	9,047,739		8,154,731	
(b) Other current liabilities	9	5,667,090		5,942,071	
(c) Short-term provisions	10	867,250	15,582,079	2,504,607	16,601,409
Total			1,739,766,979		1,748,669,921
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	11	1,553,751,142		1,555,812,715	
(b) Deferred tax assets (Net)	12	204,433		408,826	
(c) Long-term loans and advances	13	861,567	1,554,817,142	802,693	1,557,024,234
(2) Current assets					
(a) Inventories	14	11,031,296		9,885,058	
(b) Trade receivables	15	4,250,265		4,741,282	
(c) Cash and cash equivalents	16	2,351,062		2,274,336	
(d) Short-term loans and advances	17	167,317,214	184,949,837	174,745,011	191,645,687
Total			1,739,766,979		1,748,669,921
Significant Accounting Policies & Notes to Accounts 1 to 40					

The Notes referred to above form an integral part of the financial statements

For and on Behalf of the Board
V.R.Venkataachalam
 Chairman

As per our report of even date
 For M/S **T.SELVARAJ & CO**
CHARTERED ACCOUNTANTS
 Firm Regn.No:003703S

V.Rajasekaran
 Managing Director
 Place : Chennai
 Date : 29.05.2013

M. BALAGANESH
 PARTNER
 M.No:208781

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

	Note	For the year ended 31-03-2013 Rs.	For the year ended 31-03-2012 Rs.
I Revenue from operations	18	77,746,848	58,595,211
II Other income	19	183,905	2,276,363
III Total Revenue		77,930,753	60,871,574
IV Expenses:			
a Cost of materials consumed	20	958,583	876,991
b Purchases of Stock-in-Trade		52,991,004	37,874,951
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(1,146,239)	(3,995,136)
d Employee benefits expenses	22	11,651,711	3,336,989
e Finance costs		1,676	-
f Depreciation and amortization expenses	11	45,034	268,156
g Other expenses	23	14,744,366	8,699,937
Total expenses		79,246,135	47,061,888
V Profit before exceptional and extraordinary items and tax		(1,315,382)	13,809,686
VI Exceptional items		-	-
VII Profit before extraordinary items and tax		(1,315,382)	13,809,686
VIII Extraordinary items		-	-
IX Profit before tax		(1,315,382)	13,809,686
X Tax expense			
(1) Current tax		-	4,370,364
(2) MAT credit Entitlement		-	-
(3) Deferred tax (Net)		204,393	110,189
XI Profit for the period from continuing operations		(1,519,775)	9,329,133
XII Profit from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit from discontinuing operations after tax		-	-
XV Profit for the period		(1,519,775)	9,329,133
XVI Basic & Diluted Earnings per share		(0.48)	2.93

The Notes referred to above form an integral part of the financial statements

For and on Behalf of the Board

V.R.Venkataachalam
Chairman

V.Rajasekaran
Managing Director
Place : Chennai
Date : 29.05.2013

As per our report of even date
For M/S **T.SELVARAJ & CO**
CHARTERED ACCOUNTANTS
Firm Regn.No:003703S

M. BALAGANESH
PARTNER
M.No:208781

Binny Mills Limited

NOTES FORMING PART OF FINANCIAL STATEMENTS**1. Corporate Information**

Binny Mills Ltd was incorporated as a Public Limited Company on 20th December, 2007. The company was issued Certificate for Commencement of Business on 6th February 2008. The CIN of the Company is U17120TN2007PLC065807.

The Company is engaged in the business activities of providing services and trading of goods. The company derives rental income by letting out on rent, its warehouses situated in Perambur, Chennai, to various tenants. Apart from this the Company buys and sells textile materials (trading in textile) including retail sales to customers, from its textile division at Chennai and from the showrooms in Bangalore and Kolkata .

2. Summary of Accounting Policies

The significant accounting policies followed by the company are as stated below:

I. SYSTEM OF ACCOUNTING

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

II. REVENUE RECOGNITION

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

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

III. USE OF ESTIMATES

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

To comply with GAAP requirements relating to impairment of assets, if any, the Management periodically determines such impairment using external and internal resources for such assessment. Loss, if any, arising out of such impairment is expensed as stipulated under the GAAP requirements. Contingencies are recorded when a liability is likely to be incurred and the amount can be reasonably estimated. To this extent the results may differ from such estimates.

IV. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation.

V. DEPRECIATION

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

VI. INVESTMENTS

There are no Investments.

VII. INVENTORIES

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

VIII. FOREIGN CURRENCY TRANSACTIONS

There are no Foreign currency transactions during the year.

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IX. PROVISION FOR TAXATION

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

X. LEASES

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

XI. RETIREMENT BENEFITS

Provident Fund & Employee State Insurance :

Contribution to Provident Fund and Employee State Insurance is as per the Rules of the respective acts.

Gratuity:

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

Leave encashment:

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

XII. 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.

XIII. CASH FLOW STATEMENT

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

XIV. EARNINGS PER SHARE

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

XV. SEGMENT REPORTING

The Company operates in only one segment.

XVI. 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.

XVII. 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.

XVIII. RELATED PARTY DISCLOSURE

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

Binny Mills Limited

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH 2013

	For the year ended 31/03/2013 Rs.	For the year ended 31/03/2012 Rs.
NOTE-3		
(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
Authorised Share Capital		
Equity Shares		
32,00,000 Equity Shares of Rs.10/= each	32,000,000	32,000,000
Preference Shares		
6,00,000 9.75% Cumulative Redeemable Preference Shares of Rs.5/- each	3,000,000	3,000,000
28,15,00,000 9% Cumulative Redeemable Preference Shares of Rs.5/- each	1,407,500,000	1,407,500,000
	1,442,500,000	1,442,500,000
Issued, Subscribed and Paid Up		
Equity Shares		
31,88,474 Equity Shares of Rs.10/= each	31,884,740	31,884,740
Preference Shares		
5,88,000 9.75% Cumulative Redeemable Preference Shares of Rs.5/- each	2,940,000	2,940,000
28,14,18,142 9% Cumulative Redeemable Preference Shares of Rs.5/- each	1,407,090,710	1,407,090,710
	1,441,915,450	1,441,915,450
Terms of Issue and Redemption		
9.75% Cumulative Redeemable Preference Shares issued on 2.6.2010 redeemable on or before 30.06.2016	2,940,000	2,940,000
9% Cumulative Redeemable Preference Shares issued on 2.6.2010 redeemable on or before 12.05.2015	1,407,090,710	1,407,090,710
(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	3,188,474	3,188,474
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	3,188,474	3,188,474

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NOTES TO THE BALANCE SHEET AS AT 31ST MARCH 2013

	For the year ended 31/03/2013 Rs.	For the year ended 31/03/2012 Rs.
(C) Shares in the company held by each shareholder holding more than 5%:		
Name of shareholder	No of shares at year end	No of shares at year end
Shri.N.P.V.Ramasamy Udayar	332831	332831
Shri.M.Ethiraj	287845	287845
	<u>620676</u>	<u>620676</u>
Name of shareholder	% as at year end	% as at year end
Shri.N.P.V.Ramasamy Udayar	10	10
Shri.M.Ethiraj	9	9
	<u>19</u>	<u>19</u>
Note: 4		
RESERVES AND SURPLUS		
a Revaluation Reserve	235,021,085	235,021,085
b Surplus in Statement of Profit and Loss		
Opening Balance	18,132,714	8,803,582
Add: Profit for the year	(1,519,775)	9,329,132
Less : Appropriations		
Proposed equity final dividend	0	0
Tax on proposed equity dividend	0	0
Closing Balance	16,612,939	18,132,714
Less: Transfer to General Reserve	0	0
	<u>16,612,939</u>	<u>18,132,714</u>
	<u>251,634,024</u>	<u>253,153,799</u>
Note-5		
LONG-TERM BORROWINGS:		
Loans and advances from related parties	62,616	62,616
	<u>62,616</u>	<u>62,616</u>
Note-6		
OTHER LONG TERM LIABILITIES		
a Security deposits received	211,626	211,626
b Advance for sale of property	29,164,340	34,646,933
	<u>29,375,966</u>	<u>34,858,559</u>
Note-7		
LONG TERM PROVISIONS		
Provision for Gratuity	1,112,950	1,826,489
Provision for Compensated Absences	83,894	251,598
	<u>1,196,844</u>	<u>2,078,087</u>

Binny Mills Limited

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH 2013

	For the year ended 31/03/2013 Rs.	For the year ended 31/03/2012 Rs.
NOTE-8		
TRADE PAYABLES		
Other than Acceptances (Refer Note 27)	9,047,739	8,154,731
	<u>9,047,739</u>	<u>8,154,731</u>
NOTE-9		
OTHER CURRENT LIABILITIES		
a Expenses payable	2,415,688	2,669,039
b Rent advance received	3,163,645	3,273,032
c Advance received from Customers	87,757	–
	<u>5,667,090</u>	<u>5,942,071</u>
NOTE-10		
SHORT TERM PROVISIONS		
a Provision for gratuity	820,281	138,511
b Provision for compensated absences	46,969	6,402
c Provision for income tax (net)	–	2,359,694
	<u>867,250</u>	<u>2,504,607</u>
NOTE-12		
DEFERRED TAX ASSETS (NET)		
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
a On difference between book balance and tax balance of fixed assets	488,742	296,111
b Employee Benefits	693,251	463,070
c Allowances U/s.40 a (ia)	73,278	73,278
d Allowances U/s.43B	39,529	
Tax effect of items constituting deferred tax liability	1,294,800	832,459
Tax effect of items constituting deferred tax assets		
a Employee benefits	538,110	322,566
b Disallowances U/s.40 a (ia)	863,400	820,996
c Service tax offered to tax as trading Receipt	56,217	56,217
d Disallowance for payments covered U/s.43B	41,506	41,506
Tax effect of items constituting deferred tax assets	<u>1,499,233</u>	<u>1,241,285</u>
Net deferred tax (liability) / asset	204,433	408,826

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH 2013

NOTE-11 : FIXED ASSETS - TANGIBLE

Description	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
	As at 1st April, 2012	Addition	Deletion	As at 1st April, 2012	Depreciation for the year	Deletion	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	1,551,813,981	-	-	1,551,813,981	-	-	-	1,551,813,981	1,551,813,981
Buildings	5,837,557	-	3,900,258	1,937,300	30,792	2,303,882	116,859	1,820,461	3,447,628
Plant & Equipment	4,279,195	-	3,893,907	385,288	8,645	3,480,110	288,393	96,895	519,337
Furniture & Fixtures	1,239,549	-	920,783	318,766	-	914,420	318,766	-	6,363
Vehicles	33,554	-	29,716	3,838	-	29,713	3,837	1	4
Office Equipments	34,525	-	-	34,525	5,597	-	14,721	19,804	25,401
	1,563,238,361	-	8,744,664	1,554,493,698	45,034	6,728,125	742,556	1,553,751,142	1,555,812,714
Previous year	1,563,028,950	209,410	-	1,563,238,360	268,156	-	7,425,647	1,555,812,713	1,555,871,459

Binny Mills Limited

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH 2013

	For the year ended 31/03/2013 Rs.	For the year ended 31/03/2012 Rs.
NOTE-13		
<u>LONG TERM LOANS AND ADVANCES</u>		
Secured Considered Good		
a Balance with Customs & Excise authorities	-	-
b Deposits	232,693	232,693
c Others	628,874	570,000
	861,567	802,693
NOTE-14		
<u>INVENTORIES</u>		
Stock in Trade	11,031,296	9,885,058
	11,031,296	9,885,058
NOTE-15		
<u>TRADE RECEIVABLES</u>		
Unsecured Considered Good		
a Trade receivables outstanding for more than six months from the date they became due for payment	46,365	-
b Trade receivables (others)	4,203,900	4,741,282
	4,250,265	4,741,282
NOTE-16		
<u>CASH AND CASH EQUIVALENTS</u>		
a Balance with banks	2,178,904	2,120,832
c Cash on hand	172,158	153,504
c Cheque in transit	-	-
	2,351,062	2,274,336
NOTE-17		
<u>SHORT TERM LOANS AND ADVANCES</u>		
Secured, Considered Good		
a Balance with Customs & Excise authorities	15,000	15,000
b Deposits	-	115,973
c Advance to related parties	132,491,084	141,149,818
d Service tax receivable	37,080	18,540
e Advance tax	1,807,387	-
f Others	32,900,000	33,308,384
Unsecured, Considered Good		
Prepaid Expenses	11,947	13,731
Advances to Staff	15,152	18,000
Advances to Suppliers	39,564	105,565
	167,317,214	174,745,011

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

	For the year ended 31/03/2013 Rs.	For the year ended 31/03/2012 Rs.
NOTE-18		
INCOME		
a Sale of Products	62,498,903	43,895,954
b Sale of Services	14,932,909	14,348,218
c Other Operating Revenues	315,036	351,039
	<u>77,746,848</u>	<u>58,595,211</u>
Less: Excise Duty	-	-
	<u>77,746,848</u>	<u>58,595,211</u>
NOTE-19		
OTHER INCOME		
d Other non-operating income	183,905	2,276,363
	<u>183,905</u>	<u>2,276,363</u>
NOTE-20		
COST OF MATERIALS CONSUMED		
a Packing Materials consumed	958,583	876,991
	<u>958,583</u>	<u>876,991</u>
NOTE-21		
CHANGES IN STOCK-IN-TRADE		
Opening		
Stock in trade (traded items)	9,885,057	5,889,921
	<u>9,885,057</u>	<u>5,889,921</u>
Closing		
Stock in trade (traded items)	11,031,296	9,885,057
	-	-
	<u>11,031,296</u>	<u>9,885,057</u>
	<u>(1,146,239)</u>	<u>(3,995,136)</u>
NOTE-22		
EMPLOYEE BENEFIT EXPENSES		
a Salaries and wages	10,235,773	2,788,308
b Contribution to PF and other funds	233,557	301,779
c Staff welfare expenses	605,348	159,902
d Gratuity	577,033	
e Compensated absences	-	87,000
	<u>11,651,711</u>	<u>3,336,989</u>

Binny Mills Limited

	For the year ended 31/03/2013 Rs.	For the year ended 31/03/2012 Rs.
NOTE-23		
OTHER EXPENSES		
a Rent	709,454	2,093,863
b Insurance	71,366	98,157
c Power and Fuel	1,925,074	535,428
d Repairs to building	837,059	287,991
e Repairs to machinery	61,357	61,237
f Rates and taxes	375,599	391,445
g Payment to statutory auditors		
for audit	206,180	125,000
for tax audit	-	25,000
for certification	-	27,575
h Legal expenses	1,028,568	412,371
i Advertisement	918	15,680
j Selling expenses	1,326,290	1,387,222
k Bad debts written off	137,064	58,645
l Bank Charges	67,162	79,717
m Loss on sale of Asset	1,686,538	
n Miscellaneous expenses	6,311,737	3,100,606
	14,744,366	8,699,937

24. Balances in sundry debtors, sundry creditors and other current assets are subject to confirmation. However, in the opinion of the Management, all current assets, debtors and loans and advances would in the ordinary course of business realize at the value stated.
25. Total Outstanding dues of Creditors to Small Scale Industrial Undertakings – Rs. Nil (Rs. Nil as on 31.3.2012).
- Total Outstanding dues of Creditors other than Small Scale Industrial Undertakings – Rs. 90.48 lakhs (Rs. 81.55 lakhs as on 31/03/2012).
26. All operating leases entered into by the company are cancellable on giving a notice of one to three months. The operating lease amount for the year are charged to revenue.
27. There are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days at the Balance Sheet Date, computed on unit wise basis. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.
28. Employee Benefits:
- A. The Company has determined the liability for employee benefits as at 31st March 2013 in accordance with Accounting Standard – 15 (revised) “Employee Benefits” issued by the ICAI and as provided in the Companies (Accounting Standard) Rules, 2006.
- B. Defined Benefit Plan – as per Actuarial Valuation as on 31st March 2013 – Gratuity & Long Term Compensated Absence

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Particulars	Gratuity Unfunded	Long term Compensated Absence
	Amount in Rs.000s	Amount in Rs.000s
Changes in the present value of obligations:		
Present value of obligation as at the beginning of the year	1965.093	257.570
Interest cost	76.865	12.562
Current service cost	133.946	13.67
Benefits paid	(581.546)	(173.226)
Actuarial loss on obligation	338.873	20.280
Present value of obligation as at the end of the year	1933.231	130.863
Changes in the fair value of plan assets:		
Fair value of plan assets as at the beginning of the year	0	0
Expected return on plan assets	0	0
Contributions	0	0
Benefits paid	0	0
Actuarial gain on plan assets	0	0
Fair value of plan assets as at the end of the year	0	0
Actual Return on Plan Assets:		
Expected return on plan assets	Not Applicable	Not Applicable
Actuarial gain on plan assets	Not Applicable	Not Applicable
Actual return on plan assets	Not Applicable	Not Applicable
Fair value of plan assets:		
Fair value of plan assets as at the beginning of the year	0	0
Actual return on plan assets	0	0
Contributions	0	0
Benefits paid	0	0
Fair value of plan assets as at the end of the year	0	0
Funded status (Liability)	0	0
Excess of Actual over Expected return on plan assets	0	0
Net Actuarial Loss:		
Actuarial loss on obligation	0	0
Actuarial gain on plan assets	0	
Net Actuarial loss at the end of the year	0	
Net Liability recognized in the Balance Sheet		
Present value of obligation as at the end of the year	1933.231	130.863
Fair value of plan assets as at the end of the year	0	0
Funded status (Liability)	0	0
Net Liability recognized in the Balance Sheet as at the end of the year	1933.231	130.863

Binny Mills Limited

Particulars	Gratuity Unfunded	Long term Compensated Absence
	Amount in Rs.000s	Amount in Rs.000s
Expense recognized in the statement of Profit & Loss for the year ended 31st March 2012		
Current service cost	76.865	12.562
Interest cost	133.946	13.677
Expected return on plan assets	0	0
Net Actuarial (Gain) / Loss to be Recognized	338.873	20.280
Expense recognized in the Statement of Profit & Loss	549.684	46.519
Movement of Net Liability		
Net Liability as at the beginning of the year	1965.093	257.570
Contributions	(581.546)	(173.226)
Expense recognized in the Statement of Profit & Loss	549.684	46.159
Net Liability as at the end of the year	1933.231	130.863
<i>Actuarial Assumptions:</i>	<i>31st March 2013</i>	<i>31st March 2012</i>
Discount rate	8%	8%
Expected rate of return on plan assets	Not Applicable	Not Applicable
Salary Escalation	4%	4%
Attrition rate	5%	5%
Mortality rate	LIC (1994-1996) Table	

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

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

29. There are no borrowing costs during the year.

30. Advances include a sum of Rs. 1324.91 lakhs (Rs.1411.50 lakhs as on 31.3.2012) towards purchase of property due from a Company in which directors are interested.

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31. Related Party Disclosures

The following are the related party transactions during the year

	Associates Amount in Rs.
<u>Preference Shares Allotted:</u>	
Transactions during the year	(-) (-)
Outstanding amount at the Balance Sheet date	1409530710 (1409530710)
<u>Loans and Advances – Advance for purchase of property:</u>	
Transactions during the year	-8658734 (9099501)
Outstanding amount at the Balance Sheet date	132491084 (141149818)
<u>Advance received for sale of Land:</u>	
Transactions during the year	-2421145 (286780)
Outstanding amount at the Balance Sheet date	32225789 (34646933)
<u>Sale of Goods:</u>	
Transactions during the year	267004 (531350)
Outstanding amount at the Balance Sheet date	605099 (338095)

Figures in bracket relate to previous years

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

Related Party Relationships:

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

Binny Mills Limited

32. The estimated amount of contracts remaining to be executed on account of Capital account as at 31st March 2013 : Rs. Nil (Rs. Nil as at 31st March 2012).

33. Provision for Wealth Tax is not made in the books as in the opinion of the management, no wealth tax is payable.

34. The Preference Dividend payable on the Cumulative Redeemable Preference Shares (CRPS) issued by the Company is as follows:

On the 5,88,000 (9.75%) CRPS of Rs.5/- each aggregating to Rs.29,40,000/-, the preference dividend payable is Rs.19,34,888/- (Rs.16,48,238/- for 31-3-2012). The Redemption date for 9.75% CRPS, which was due for redemption on or before 30th June 2011, has been extended by 5 five years, with the consent of the holders of the 9.75% CRPS.

On the 28,14,18,142 (9%) CRPS of Rs.5/- each aggregating to Rs. 140,70,90,710/-, the preference dividend payable is Rs.77,11,83,382/- (Rs. 64,45,45,218/- for 31-3-2012).

The arrears of Preference Dividend are calculated from the date of original allotment of shares by Binny Ltd. Binny Ltd was demerged on 1st January 2010 (i.e., the Appointed date) vide the Order of The Madras High Court dated 22nd April 2010. The arrears of preference dividend are to be borne by the resulting companies, viz., Binny Mills Ltd and S V Global Mill Ltd, from the date of original allotment of shares by Binny Ltd.

35. Earnings Per Share

Particulars	As at 31st March 2013	As at 31st March 2012
Profit available to Equity Share holders used as Numerator - (A)	-1519775	9329133
Number of Shares outstanding	3188474	3188474
Weighted Average Number of shares outstanding - (B)	3188474	3188474
Effect of dilution if any - (C)	NIL	NIL
Weighted Average No. of Equity Shares including potential shares - (D)	3188474	3188474
Adjusted PAT for Dilution if any (E)	-1519775	9329134
Earnings per share (Basic) - (A/ B) In Rs.	-0.48	2.93
Earnings per share (Diluted) - (E / D) In Rs.	-0.48	2.93

36. The Company had obtained in-principle approval from the Bombay Stock Exchange for listing of its equity shares. Later the Company had approached the Securities Exchange Board of India (SEBI) for obtaining relaxation under Rule 19(2)(b) of Securities Contract Regulation Rules, 1957 and the same has been obtained vide order **CFD/DIL/HB/PA/OW/6455/2013** dated 15th March, 2013.

37. Figures for the previous year have been regrouped wherever necessary to conform to the current year's classification.

38. Cash Flow Statement and Balance Sheet abstract are enclosed.

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39. **The bank statements were not verified in respect of one bank account held with Indian Bank, Chennai having a book balance of Rs. 9925.00**
40. The Revised Schedule has become effective from 1st April 2011 for preparation of Financial Statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

For and on Behalf of the Board
V.R.Venkataachalam
Chairman

V.Rajasekaran
Managing Director

Place : Chennai
Date : 29.05.2013

As per our report of even date
For M/S **T.SELVARAJ & CO**
CHARTERED ACCOUNTANTS
Firm Regn.No:003703S

M. BALAGANESH
PARTNER
M.No:208781

Binny Mills Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2013

	31.3.2013	31.3.2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit for the year before tax	(1,315,382)	13,809,687
Adjustment for Depreciation	45,034	268,156
Interest paid	1,676	-
Loss on Sale of Asset	1,686,538	-
Preliminary expenses written off	-	268,156
Operating Profit before working Capital Changes	417,866	14,077,842
Changes in Current Assets & Current Liabilities		
Decrease / (Increase) in sundry debtors	537,381	510,835
(Increase) / Decrease in inventories	(1,146,238)	(3,995,140)
(Increase) / Decrease in loans and advances	9,176,310	(9,848,405)
Decrease in Other current assets	-	-
Increase / (Decrease) in current liabilities & Provisions	(5,023,469)	2,303,587
Cash Generated from / used in Operating Activities	3,961,850	3,048,719
Direct Taxes Paid	4,167,081	3,263,803
Net Cash from Operating Activities	(a) (205,231)	(215,084)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	330,000	(209,410)
	(b) 330,000	(209,410)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Paid	(1,676)	-
	(c) (1,676)	-
Total increase in cash and equivalents during the year	(a + b + c) 123,093	(424,494)
Cash and equivalents at the beginning of the year	2,274,336	2,698,830
Cash and equivalents at the end of the year*	2,351,062	2,274,336
*Comprises:		
Cash on Hand	172158	
Balances with Bank in current accounts	2178903.5	
	2351061.5	

For and on Behalf of the Board
V.R.Venkataachalam
Chairman

As per our report of even date
For M/S **T.SELVARAJ & CO**
CHARTERED ACCOUNTANTS
Firm Regn.No:003703S

V.Rajasekaran
Managing Director

M. BALAGANESH
PARTNER
M.No:208781

Place : Chennai
Date : 29.05.2013

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

I. REGISTRATION DETAILS :-			
REGISTRATION NO.	-	U17120TN2007PLC065807	
STATE CODE	-		18
BALANCE SHEET DATE	-		31-03-2013
II. CAPITAL RAISED DURING THE YEAR :-			
PUBLIC ISSUE	-	Rs.	NIL
RIGHTS ISSUE	-	Rs.	NIL
BONUS ISSUE	-	Rs.	NIL
PRIVATE PLACEMENT	-	Rs.	NIL
G.D.R. ISSUE	-	Rs.	NIL
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :-			
TOTAL LIABILITIES	-	Rs.	1,739,766,979
TOTAL ASSETS	-	Rs.	1,739,766,979
SOURCE OF FUNDS :-			
PAIDUP CAPITAL	-	Rs.	1,441,915,450
SHARE CAPITAL PENDING ALLOTMENT	-	Rs.	-
RESERVES & SURPLUS	-	Rs.	251,634,024
SECURED LOANS	-	Rs.	-
UNSECURED LOANS	-	Rs.	62,616
DEFERRED TAX Asset (Net)	-	Rs.	204,433
APPLICATION OF FUNDS :-			
NET FIXED ASSETS	-	Rs.	1,553,751,142
INVESTMENTS	-	Rs.	NIL
NET CURRENT ASSETS	-	Rs.	169,367,758
MISCELLANEOUS EXPENDITURE	-	Rs.	NIL
ACCUMULATED LOSS	-	Rs.	NIL
IV. PERFORMANCE OF COMPANY :-			
TURNOVER	-	Rs.	77,930,753
TOTAL EXPENDITURE	-	Rs.	79,246,135
PROFIT BEFORE TAX	-	Rs.	(1,315,382)
PROFIT AFTER TAX	-	Rs.	(1,519,775)
EARNINGS PER SHARE	-	Rs.	(0.48)
DIVIDEND RATE	-		NIL
V. GENERIC NAMES OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY :-			

Item	Code No. (ITC Code)	Product Description
NIL		

For and on Behalf of the Board
V.R.Venkataachalam
 Chairman

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

V.Rajasekaran
 Managing Director

M. BALAGANESH
 PARTNER
 M.No:208781

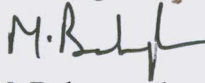
Place : Chennai
 Date : 29.05.2013

FORM - A

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

1	Name of the Company	Binny Mills Limited
2	Annual Financial Statement for the year ended	31 st March 2013
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	Not Applicable

For T. Selvaraj & Co.,
Chartered Accountants
Firm Regn No.003703S



M. Balaganesh
Partner
M. No.208781
(Auditor of the Company)

For Binny Mills Ltd



V. Rajasekaran
Managing Director (CEO)



S. Natarajan
Chairman – Audit Committee