

BINNY MILLS LIMITED

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Members may please note that they can vote by electronic voting (e-voting) on the resolutions set out in the Notice by logging on to www.evotingindia.com. The e-voting period begins on 13th September 2014 at 9.00 A.M. and ends on 15th September 2014 at 9.00 P.M. Please refer Note No.19 of the Notice for procedure for e-voting.

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	Independent Director
Shri M. Parthasarathi	Independent Director
Shri N. Jaiganesh	Independent Director
Smt Nidhya R. Guhan	Independent Director - Woman

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.

Share Transfer Agents

Cameo Corporate Services Limited
“Subramaniam Building”,
No.1, Club House Road, Chennai 600002
Phone: 044 28460390 (5 lines)
Fax: 044 28460129
E-mail: investor@cameoindia.com

Binny Mills Limited

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Binny Mills Ltd will be held on Friday, the 19th September 2014 at 3.30 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 2014 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.R. Venkataachalam (holding DIN 00037524) 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, (Firm Regn. No. : 003703S) 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."

Special Business:

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

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act, 2013, Shri M. Parthasarathi (holding DIN03209175) who was appointed as an additional director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March 2019, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act, 2013, Shri N. Jaiganesh who was appointed as an additional director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of

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the Director, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March 2019, not liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act, 2013, Smt Nidhya R. Guhan who was appointed as an additional director and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of the Director, be and is hereby appointed as an Woman Director and Independent Director of the Company to hold office up to 31st March 2019, not liable to retire by rotation.”

7. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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: 31st July 2014

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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 12th September 2014 to 19th September 2014 (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. As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them in physical form. Nomination forms can be obtained from the Registrar and Share Transfer Agents 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. Members holding shares in dematerialized form may approach their respective Depository Participant to avail and/or effect any change in the nomination facility and Share Transfer Agent of the Company
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.
12. Members may approach any Depository Participant directly for dematerialising their physical shares.

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13. SEBI has made it mandatory for every participant in the securities / capital market to furnish the details of Income tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN card, duly attested, to the Registrar and Share Transfer Agents of the Company, viz., Cameo Corporate Services Ltd, Chennai, and the members holding shares in Demat form are requested to submit the PAN to their DP with whom they are maintaining their Demat Account.
14. SEBI vide circular dated 7th January 2010 has made it mandatory for legal heirs to furnish their PAN in addition to the legal procedural document, duly attested, in the following cases in respect of shares of listed companies held in physical form:
 - Deletion of name of the deceased shareholder where the shares are held in the names of two or more shareholders.
 - Transmission of shares, in favour of legal heirs, where the shares are held in the names of two or more shareholders
 - Transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
15. As required by Rule 18(3) of the Companies (Management & Administration) Rules, 2014, members are requested to provide their e-mail id to facilitate easy and faster dispatch of Notices of the general meetings and other communications by electronic mode from time to time.
16. The Annual Report of the Company sent to the members will be made available on the Company's website www.bmlindia.com. The physical copies of the documents pertaining to the items of business transacted at the Annual General Meeting will be available for inspection at the Registered Office of the Company during normal business hours on working days.
17. Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement with the Stock Exchanges provide that every listed company shall provide to its members facility to exercise their right to vote at general meetings by electronic means. A member may exercise his right to vote at any general meeting by electronic means and company may pass shareholders' resolutions by electronic voting system (e-voting) in accordance with the aforesaid provisions. The Ministry of Corporate Affairs vide its General Circular No.20/2014 dated 17th June 2014 has clarified that the provisions on electronic voting is not mandatory till 31st December 2014. But SEBI has not brought in similar notification in respect of Clause 35B of the listing agreement. Hence, pursuant to Clause 35B of the Listing Agreement e-voting facility is provided to the members.
18. The Board of Directors has appointed Shri P. Sriram, Practising Company Secretary (Membership No. FCS 4862), Chennai, as the Scrutinizer for conducting the electronic voting (e-voting) process in accordance with the provisions of the Act and Rules made there under in a fair and transparent manner and he has consented to act as such.
19. Voting through electronic means:

The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to all its

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members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional. For this purpose, the Company has entered into an agreement with the Central Depository Services Ltd (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically.

The procedure and instructions for the voting through electronic means are as follows:

- (i) The e-voting period begins on **13th September 2014 at 9.00 A.M. and ends on 15th September 2014 at 9.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and folio number is 1 then enter RA00000001 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your Demat account or in the company records for the said Demat account in dd/mm/yyyy format or folio number.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio number. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of Binny Mills Ltd.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
 - III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communications.
 - IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd August 2014, being cut-off date (record date).
 - V. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VI. The Results shall be declared at the Annual General Meeting of the Company. The Results declared along with the Scrutinizer’s Report will be hosted on the Company’s website www.bmlindia.com and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges.
20. Electronic copy of the Notice of the 7th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 7th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent in the permitted mode.

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**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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Explanatory Statement in respect of the Special Business

(Pursuant to Section 102 of the Companies Act, 2013)

Item No.4

Shri M. Parthasarathi, who was appointed as an additional director, holds office up to the ensuing Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, ('the Act'), Shri M. Parthasarathi (holding DIN03209175) is proposed to be appointed as an Independent Director on the Board for a term of 5 consecutive years.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Shri M. Parthasarathi for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Shri M. Parthasarathi (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR -8 in terms of Rule 14 of the said Rules, to the effect that he is not disqualified under Section 164(2) of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and as required under Section 149(7) of the Act.

The ordinary resolution seeks the approval of the members for the appointment of Shri M. Parthasarathi as an Independent Director of the Company up to 31st March 2019 pursuant to Section 149 and other applicable provisions of the Act and the Rules made there under. Shri M. Parthasarathi is not liable to retire by rotation as provided in Section 149(13) of the Act.

In the opinion of the Board of Directors Shri M. Parthasarathi fulfills the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the draft letter for the appointment of Shri M. Parthasarathi as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

The Board considers that the appointment of Shri M. Parthasarathi on the Board of Directors of the Company would be of immense benefit to the Company and it would serve the best interests of the Company to avail of his services as an Independent Director.

Shri M. Parthasarathi is a member of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors of the Company.

The profile of Shri M. Parthasarathi is given in the section 'Report on Corporate Governance' which forms part of this Annual Report.

The Board of Directors commend the passing of the ordinary resolution as set out in item No.4 of the Notice in relation to appointment of Shri M. Parthasarathi as an Independent Director.

Except for Shri M. Parthasarathi, no other director, Key Managerial Personnel and relatives thereof are concerned or interested in the passing of this resolution.

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Item No.5

Shri N. Jaiganesh, who was appointed as an additional director, holds office up to the ensuing Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, ('the Act'), Shri N. Jaiganesh is proposed to be appointed as an Independent Director on the Board for a term of 5 consecutive years.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Shri N. Jaiganesh for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Shri N. Jaiganesh (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR -8 in terms of Rule 14 of the said Rules, to the effect that he is not disqualified under Section 164(2) of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and as required under Section 149(7) of the Act.

The ordinary resolution seeks the approval of the members for the appointment of Shri N. Jaiganesh as an Independent Director of the Company up to 31st March 2019 pursuant to Section 149 and other applicable provisions of the Act and the Rules made there under. Shri N. Jaiganesh is not liable to retire by rotation as provided in Section 149(13) of the Act.

In the opinion of the Board of Directors Shri N. Jaiganesh fulfills the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the draft letter for the appointment of Shri N. Jaiganesh as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

The Board considers that the appointment of Shri N. Jaiganesh on the Board of Directors of the Company would be of immense benefit to the Company and it would serve the best interests of the Company to avail of his services as an Independent Director.

Shri N. Jaiganesh is a member of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors of the Company.

The profile of Shri N. Jaiganesh is given in the section 'Report on Corporate Governance' which forms part of this Annual Report.

The Board of Directors commend the passing of the ordinary resolution as set out in item No.5 of the Notice in relation to appointment of Shri N. Jaiganesh as an Independent Director.

Except for Shri N. Jaiganesh, no other director, Key Managerial Personnel and relatives thereof are concerned or interested in the passing of this resolution.

Item No.6

Smt Nidhya R. Guhan, who was appointed as an additional director, holds office up to the ensuing Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, ('the Act'), Smt Nidhya R. Guhan is proposed to be appointed as Woman Director and Independent Director on the Board for a term of 5 consecutive years.

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The Company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Smt Nidhya R. Guhan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Smt Nidhya R. Guhan (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR -8 in terms of Rule 14 of the said Rules, to the effect that he is not disqualified under Section 164(2) of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and as required under Section 149(7) of the Act.

The ordinary resolution seeks the approval of the members for the appointment of Smt Nidhya R. Guhan as an Independent Director of the Company up to 31st March 2019 pursuant to Section 149 and other applicable provisions of the Act and the Rules made there under. Smt Nidhya R. Guhan is not liable to retire by rotation as provided in Section 149(13) of the Act.

In the opinion of the Board of Directors Smt Nidhya R. Guhan fulfills the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the draft letter for the appointment of Smt Nidhya R. Guhan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting.

The Board considers that the appointment of Smt Nidhya R. Guhan on the Board of Directors of the Company would be of immense benefit to the Company and it would serve the best interests of the Company to avail of his services as an Independent Director.

Smt Nidhya R. Guhan is a member of the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors of the Company.

The profile of Smt Nidhya R. Guhan is given in the section 'Report on Corporate Governance' which forms part of this Annual Report.

The Board of Directors commend the passing of ordinary resolution as set out in item No.8 of the Notice in relation to appointment of Smt Nidhya R. Guhan as Woman Director and Independent Director.

Except for Shri Nidhya R. Guhan, no other director, Key Managerial Personnel and relatives thereof are concerned or interested in the passing of this resolution.

Item No. 7

The present Articles of Association ("AoA") of the Company is based on the Companies Act, 1956. Pursuant to the implementation of Companies Act, 2013 [Hereinafter referred as Act] with majority of the Sections in force (barring those provisions which require sanction/ confirmation of the National Company Law Tribunal ("Tribunal"), substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Companies Act, 2013, several articles of the existing AoA of the Company require alteration or deletions. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

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A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations in the AoA would be available for inspection by the members at the Registered Office of the Company during business normal hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

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: 31st July 2014

Binny Mills Limited

DIRECTORS' REPORT**To the Members**

Your Directors have pleasure in presenting the Seventh Annual Report and the Audited Accounts of your company for the year ended 31st March 2014.

FINANCIAL RESULTS

	31st March 2014 Rs.	31st March 2013 Rs.
Revenue from operations & other income	7,04,36,939	7,79,30,753
Profit / (Loss) before Depreciation	12,63,551	(12,70,348)
Depreciation	1,04,414	45,034
Profit / (Loss) before Tax	11,59,137	(13,15,382)
Provision for Tax (including MAT credit)	3,00,009	2,04,393
Profit / (Loss) after Tax	8,59,128	(15,19,775)

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 2013-14, the Rental income from Warehousing division was Rs.173.91 lakhs as against Rs. 149.33 lakhs in the previous year, an increase by about 16%. The sale made by the Showrooms division was Rs.25.11 lakhs as against Rs. 21.86 lakhs in the previous year, the Agencies division Rs.2.59 lakhs as against Rs. 5.30 lakhs in the previous year and the Bintex division Rs.495.89 lakhs as against Rs. 597.83 lakhs in the previous year.

The aggregate amount of revenue from Rent and Sales were Rs.699.74 lakhs as against Rs. 777.47 lakhs in the previous year. The Company has earned a Net Profit of Rs.8.59 lakhs as against a Net Loss of Rs. 15.20 lakhs in the previous year.

The Company's equity shares commenced trading at the Bombay Stock Exchange from 28th May 2013.

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.

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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 2014, is Rs.22,21,538/- and for 9% CRPS it is Rs.89,78,21,546/-.

Since the Company is in the fifth 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 fifth 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.

Company' performance

Considering the difficult macro- economic conditions and challenging business environment, the Company's performance during the year under review was satisfactory.

FUTURE PLANS

The Company has plans to improve its sales performance in the Textile Division by focusing on whole sale customers while retaining the existing retail customers. The Company has plans to procure bulk orders for its Textile division in order to improve the sales and profit. The Company has plans to modernize its showrooms at Bangalore and Kolkata to attract new customers for its retail textile sale.

ECONOMIC AND BUSINESS ENVIRONMENT

The new Government, since assuming office in May 2014, has taken a slew of steps to attack price rise. Besides restrictions on exports of certain food items such as onions and potatoes, the Centre also announced in early July 2014 that hoarding of essential commodities could be made a non-bailable offence.

But inflation continues to be a drag on the economic growth of the Country. The budget documents as well as the Economic Survey tabled in the Parliament project the Real GDP growth to be in the range of 5.4% to 5.9%. The rate of inflation is projected to be in the range of 7.5% to 8%. The inflation worries persist and could be a dampener to economic growth. In times of high inflation consumption gets affected as people find it difficult to afford. When inflation moderates people start consuming. Increased consumption boosts demand and spurs economic growth.

OUTLOOK AND OPPORTUNITIES

Your directors expect that with stable government in the Centre, estimates of better GDP growth rate, the Company's strong business model, innovative fund management and marketing techniques, continued confidence and support of the lending institutions to the Company's fund mobilization activities on account of good track record of debt servicing, continued confidence and support of the customers and suppliers, your Company should achieve better performance in the year 2014-15.

BOARD OF DIRECTORS

Directors retiring by rotation:

Shri V.R. Venkataachalam, Director, (holding DIN 00037524), retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

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Appointment of Directors:

The Board of Directors has appointed Shri M. Parthasarathi as Additional Director of the Company, in the category of Non-Executive, Independent Director, Shri N. Jaiganesh as Additional Director of the Company, in the category of Non-Executive, Independent Director and Smt Nidhya R. Guhan as Additional Director of the Company, in the category of Non-Executive, Independent Director Woman Director.

The aforesaid Additional Directors shall hold office up to the date of the ensuing Annual General Meeting. These Directors are seeking approval of the members at the ensuing Annual General Meeting to continue as Non-Executive, Independent Directors for a term of 5 years.

The details of their 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 2014, 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 2014 and of the profit 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 2014 has been prepared on a going concern basis.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to section 135 of the Companies Act, 2013, the Board of directors in its meeting held on 30th May 2014, has constituted Corporate Social Responsibility Committee of three directors.

Good governance demands adherence of social responsibility coupled with creation of value in the larger interest of the society. Your company and its dedicated employees continue to contribute towards several worthwhile causes. 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.

ANNEXURES

Vide General Circular 08/2014 dated 4-4-2014, the Ministry of Corporate Affairs (MCA) has clarified that the financial statements (and documents required to be attached thereto), auditors report and Board's report in respect of financial years that commenced earlier than 1st April 2014, shall be governed by the relevant provisions/Schedules/rules of the Companies Act, 1956.

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Following Reports are attached to this Report pursuant to the provisions of the Listing Agreement with the Stock Exchange:

- i) The Management Discussion & Analysis Report as per clause 49 of the Listing Agreement is given as a separate Report forming part of the Annual Report; and
- ii) The Report on Corporate Governance as per clause 49 of the Listing Agreement forms part of the Annual Report, and is annexed herewith together with Auditors' Certificate on Corporate Governance, the certificate duly signed by the Managing Director on the Financial Statements of the Company for the year ended 31st March 2014 as submitted to the Board of Directors at their meeting held on 30th May 2014 and the declaration by the Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct.

AUDITORS

M/s T. Selvaraj & Co., Chartered Accountants, Chennai, the Statutory Auditors of the company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment for the year 2014-2015. Certificate has been received from them to the effect that their re-appointment as statutory auditors of the Company, if made, would be within the limits prescribed under Sections 139 & 141 of the Companies Act, 2013. They have also confirmed that they hold a valid peer review certificate as prescribed under clause 41(1) (h) of the Listing Agreement. The Directors recommend their reappointment. If reappointed they will hold office until the conclusion of the next Annual General Meeting of the company.

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.

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: 31st July 2014

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MANAGEMENT DISCUSSION AND ANALYSIS

Economic scenario

The year 2013 was a year of recovery for the global economy. In the financial year 2013-14, the world economy witnessed two significant changes. The first change being there was a structural shift from the developed world towards the emerging world and the cyclical climb out of a recession. The second change is that, in the developed economies, what had started as an uneven and patchy recovery began to strengthen. It has been creating jobs and its housing market improved sharply.

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 2013-14, India continued to slide in terms of economic performance, registering an estimated GDP growth of around 5% - its lowest in the past decade. This was largely on account of stagnant economy, leading to lower infusion of investments into infrastructure and core industries – also leading to lower capital expenditure and less job creation. The inflation remained on the higher side, thereby reducing the disposable income and leading to lower consumer spending.

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. Your company continues to strive for energy saving and conservation of natural reserves.

Cautionary Statement

This report contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower, economic conditions, government policies and other factors. Actual results, performance or achievements could differ materially from those expressed or implied in such forward looking statements. This report should be read in conjunction with the financial statements included herein and the notes thereto.

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REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

A. MANDATORY REQUIREMENTS:

1. Company's Philosophy on Corporate Governance Code:

The Company believes in good Corporate Governance essential 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.

The company's philosophy on Corporate Governance envisages attainment of high-level of transparency, accountability, equity, integrity in the functioning of the company, in the conduct of its business, in its relationship with employees, stakeholders, customers, suppliers, Government and the Government agencies and banks, thereby striving to achieve business excellence. Due emphasis is placed by the company on all statutory and regulatory compliances.

2. 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 eight directors. The Board comprises of an optimum combination of Executive and Non-Executive directors, with seven directors being Non-Executive directors, including the Non-Executive Chairman. There are four independent directors including one woman director, who exercise independent judgement in the Board's deliberations, discussions and decisions. Shri V.R. Venkataachalam is the Chairman of the Board and accordingly the Non-Executive Chairman of the Company and Shri V. Rajasekaran is the Managing Director.

The Independent Directors have made disclosures confirming that there is no material, financial and / or commercial transactions between Independent Directors and the Company which could have potential conflict of interest with the Company at large.

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

Shri V.R. Venkataachalam, Non-Executive Chairman, holds 15,40,254 equity shares in the Company constituting 48.31% of the paid-up equity shares of the Company and Shri V. Sengutuvan, Director, holds 74,600 equity shares in the Company constituting 2.34% of the paid-up equity shares of the Company. No other directors hold equity shares in the Company.

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.

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The names and categories of Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of other Boards or Board Committees in which the director is a member or Chairperson:

Composition of Board as of 31st March, 2014

The details are given in the Table below:

Name of Director	Category	Number of Board meetings attended during the year	Attendance at the last AGM	Number of other company Boards in which the director is a member	Number of other Board Committees in which the director is a member or chairman
Shri V.R.Venkataachalam	Non-Executive Chairman – Non-Executive and Non Independent	6	Yes	18 (Public: 4 Private: 14)	1
Shri V. Rajasekaran	Managing Director – Executive and Non Independent	6	Yes	4 (Public: 3 Private: 1)	–
Shri V. Sengutuvan	Non- Executive and Non Independent	6	Yes	15 (Public: 3 Private: 12)	1
Shri S. Natarajan	Non- Executive and Non Independent	6	Yes	18 (Public: 5 Private: 13)	2
Shri S. Varatharajan	Non- Executive and Independent	6	No	4 (Public: 1 Private: 3)	–
Shri M. Parthasarathi	Non- Executive and Independent	1	No	1 (Public: -) Private: 1)	–
Shri N. Jaiganesh	Non- Executive and Independent	1	No	–	–
Smt Nidhya R. Guhan	Non- Executive and Independent – Woman Director	1	No	–	–

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Note:

1. While considering the total number of directorships of directors, their directorships in private companies and Section 25 companies have been included and their directorship in the Company has been excluded.
2. The memberships and chairmanships of Directors in committees do not include their memberships and chairmanships in the Company.
3. The memberships and chairmanships of directors in committees include their memberships and chairmanships in the subsidiary company of the Company which is included in Public Companies.
4. Shri V. R. Venkataachalam, Non-Executive Chairman, is the father of Shri V. Sengutuvan, Director. No other directors are related to each other.

Membership in Committees:

As prescribed in Clause 49 of the Listing Agreement, as of 31st March, 2014, none of the Directors of the Board are members of more than 10 Board level committees and no such director is a Chairman of more than 5 committees across all companies in which they are directors. Further, for the purpose of reckoning the aforesaid limit only 2 committees, viz., Audit Committee and Shareholders/Investors' Grievance committee are considered and committees in public limited companies alone are considered.

Board functioning and procedure:

The Board plays a pivotal role in ensuring good governance and functioning of the company. The Board's role, functions, responsibilities and accountabilities are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the Management towards the set goals and sets accountability, with a view to ensure that the corporate philosophy and objective is accomplished. It also sets standards of corporate behaviour and ensures ethical behaviour at all times and strict compliance with the laws and regulations. The Board holds periodic meetings every year to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of the performance of the company, its future plans, strategies and other pertinent issues relating to the company. The Board periodically reviews compliance reports of all laws applicable to the company and takes appropriate action. Some of the powers of the Board have also been delegated to Committee(s), which monitors the day-to-day affairs relating to operational matters. The Board thus exercises close control over the overall functioning of the Company with a view to enhance the Shareholder value.

Information placed before Board of Directors:

The information, as required under Annexure 1A of clause 49, is made available to the Board. The agenda for the Board Meetings and the relevant notes on the agenda items, for consideration at the Board Meetings, are circulated to the directors, sufficiently in advance of each meeting, to enable the directors to have a proper study and deliberation on the agenda matters, to take appropriate decisions. In some instances, documents are tabled at the meetings and presentations are also made by the respective executives on the matters related to them at the Board or Committee meetings. The Directors have complete freedom to express their opinions at the Board Meetings and the Board takes decisions after detailed discussions.

Board Meetings held during the year and the dates on which they were held:

During the year six Board Meetings were held on 29th May 2013, 31st July 2013, 30th September 2013, 31st October 2013, 31st January 2014 and 18th March 2014.

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The maximum gap between any two meetings was not more than four months. The sixth Annual General Meeting was held on 30th September 2013.

Policy for prohibition of Insider Trading:

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code for Prohibition of Insider Trading for Directors / Officers and Designated employees of the Company, relating to dealings by them in the securities of the Company.

The Code also provides for periodical disclosures from Directors / Officers and Designated employees as well as pre-clearance of transactions by such persons.

Code of conduct:

The Company has adopted Code of Conduct ("Code") for the Board members and Senior Management Personnel of the company as required under Clause 49 of the Listing Agreement. All the Board members and Senior Management Personnel of the company have affirmed compliance of the Code for the financial year ended 31st March 2014. A declaration to this effect, duly signed by the Managing Director (CEO), is annexed to this report. The Code has also been posted on the website of the company www.bmlindia.com.

Details of Directors seeking appointment

Name	Shri M. Parthasarathi	Shri N. Jaiganesh	Smt Nidhya R Guhan
Date of Birth	4-5-1954	22-3-1978	9-10-1966
Date of Appointment	5-12-2013	5-12-2013	5-12-2013
Qualifications	Mechanical Engineering Graduate	Graduate	Graduate
Expertise in specific functional areas	Industrial experience in the field of manufacture of Material Handling Equipments, Ground Support Equipments for Airline Industry and Flexible Manufacturing Systems.	Industrial experience in varied fields	Industrial experience in varied fields
Chairman/Director of other Companies	Sudharsan Equipments P Ltd	–	–
Chairman/Member of Committees of the Board of Companies in which he is a Director	–	–	–

None of the aforesaid directors hold any shares in the Company nor are they related to any other director of the Company.

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**Details of Directors retiring by rotation and seeking reappointment
(pursuant to clause 49 of the listing agreement)**

Name	Shri V. R. Venkataachalam*
Date of Birth	9-4-1960
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	<ol style="list-style-type: none"> 1. TCP Ltd 2. The Egmore Benefit Society Ltd 3. Golden Eagle Communications Ltd 4. Thiruvalluvar Textiles P Ltd 5. TCP Hotels P Ltd 6. Trivitron Medical Systems P Ltd 7. Thirumalai Realtors P Ltd 8. Thirubalaa Realtors P Ltd 9. Mookambika Realtors P Ltd 10. Matrix Foundations P Ltd 11. Cosy Realtors P Ltd 12. Tri Cell Therapeutics P Ltd 13. East Coast Chase Apparels P Ltd 14. Fancy Steels P Ltd 15. Sripoorna Holdings P Ltd 16. Jayashree Holdings P Ltd 17. The Narasimha Mills P Ltd 18. Jagathra Holdings P Ltd
Chairman / Member of Committees of the Board of Companies in which he is a Director	—

* Shri V.R. Venkataachalam holds 15,40,254 equity shares in the company constituting 48.31% of the paid-up Share capital of the Company. Shri V. Sengutuvan, Director, is the son of Shri V.R. Venkataachalam.

3. Audit Committee:

The Audit Committee of the Company is reconstituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

Composition:

Audit Committee comprises of the following members:

Shri S. Varatharajan, Chairman of the Committee
 Shri M. Parthasarathi;
 Shri N. Jaiganesh; and
 Smt Nidhya R. Guhan

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All the members of the Audit Committee are Independent Directors. The members of the committee are financially literate with ability to read and understand the financial statement. The Chairman of the committee has related financial management expertise by way of experience in financial management in his field of business. The Company Secretary acts as the Secretary for the Audit Committee.

The Audit Committee shall have such powers, duties and responsibilities and shall function in such manner as provided in Section 177 of the Companies Act, 2013 and in the listing agreement entered into by the company with the stock exchanges.

Meetings and attendance during the year:

There were three Audit Committee meetings during the year held on 31st July 2013, 31st October 2013 and 31st January 2014. All the members of the Committee attended the meetings held during the year.

The previous chairman of the Audit Committee was present at the last Annual General Meeting of the company.

Disclosures:

- 1) The Audit Committee periodically reviews the related party transactions.
- 2) There are no other material related party transactions other than those already mentioned in the accounts.
- 3) During the year, no accounting treatment was made which is different from those prescribed in the Accounting Standards.
- 4) Even though no specific risk assessment and minimisation procedures are evolved, any business risk, which has an impact on the performance, is discussed and remedial steps taken.

4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 178 of the Companies Act, 2013.

Composition:

Nomination and Remuneration Committee comprises of the following members:

Shri S. Varatharajan, Chairman of the Committee

Shri M. Parthasarathi;

Shri N. Jaiganesh; and

Smt Nidhya R. Guhan

The Company Secretary acts as the secretary for the Remuneration Committee.

Terms of reference:

The Nomination and Remuneration Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to determination on their behalf and on behalf of the

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shareholders, with agreed terms of reference, the company's policy on specific remuneration packages for the Managing Director of the company and any compensation payment. The role of the Committee includes:

- To provide independent oversight of and to consult with management regarding the Company's compensation, bonus, pension and other benefit plans, policies and practices applicable to the Company's executives.
- To develop guidelines for and annually review and approve (a) the annual basic salary, (b) the annual incentive and bonus, including the specific goals and amount.
- To review and approve (a) employment agreements, severance agreements and change in control agreements / provisions and (b) any other benefits, compensation or arrangements for the Managing Director of the Company.
- To recommend the appointment of the Director to the Board.

The Non-Executive and independent directors do not have any material pecuniary relationships or related party transactions with the company.

At present no remuneration is paid to the Managing Director. The Non-Executive Directors are not paid any sitting fees for attending the meetings of the Board or Committee.

Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

At present the company does not have any Employee Stock Option Scheme.

5. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee is reconstituted in accordance with Section 178(5) of the Companies Act, 2013.

Share Transfer Committee & Shareholders/Investors Grievance Committee:

Composition, name of members and Chairman:

The Share Transfer Committee was reconstituted to expedite the process of share transfers. The Board has delegated the powers of registration of share transfers to the committee. Any major transfers approved at the Share Transfer Committee meetings are placed before the Board.

The Shareholders/Investors Grievance Committee was reconstituted to specifically attend to and redressal of shareholders and investors grievances and complaints.

The Committee in particular looks into:

- The listing of securities on stock exchanges
- The shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of dividends and matters related thereto.
- The matters that can facilitate better investor services and relations.
- Attending to investors' queries and complaints regarding transfer, dividend, annual reports, etc.
- Attending to complaints of investors routed by SEBI/Stock Exchanges.

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- The amounts transferable to Investor Education and Protection Fund.
- The profile of investors.
- Taking decision on waiver of requirement of obtaining the Succession Certificate/ Probate of Will, on case to case basis, within the parameters set out by the Board.
- The secretarial audits.

The following Non-Executive directors are the members of the Share Transfer Committee and the Shareholders/Investors Grievance Committee:

Shri S. Varatharajan, Chairman of the Committee
Shri M. Parthasarathi; and
Smt Nidhya R. Guhan

The company secretary acts as the secretary of the committee.

Meetings of the committee:

There were eleven meetings of the Share Transfer Committee and Investor's Grievance Committee during the year held on 29th April 2013, 27th May 2013, 24th June 2013, 29th July 2013, 28th August 2013, 30th September 2013, 31st October 2013, 29th November 2013, 30th December 2013, 31st January 2014 and 3rd March 2014. All the members of the Committee attended the meetings.

The status of investor grievances is monitored by the Committee periodically and the minutes of the Committee are made available to the Board. The complaints received from the Shareholders, SEBI, Stock Exchanges and others are reviewed and they are replied to by the Company / Registrar & Share Transfer Agents regularly. The status of the pending complaints as well as the system of redressal mechanism is reviewed by the Committee periodically.

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: (1-4-2013 to 31-3-2014)

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.

All valid share transfers, received during the year ended 31st March 2014, have been acted upon. There are no pending share transfers, both in physical form as well as in Demat category, as on 31st March 2014.

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6. General Body Meetings:

Location and time of the last three Annual General Meetings:

Year	Date	Time	Location
2012-13	30-9-2013	4 P.M.	'TCP Sapthagiri Bhavan', No.4, (Old No.10), Karpagambal Nagar, Mylapore, Chennai 600004
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.

No Special Resolution was passed at the 6th AGM held on 30-9-2013.

No Special Resolution was passed last year through Postal Ballot.

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

7. 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.

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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.

CEO/CFO Certification:

A certificate from the Managing Director and the Executive 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.

Capital Audit

The Capital Audit as required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated 31/12/2002 and SEBI Circular No. CIR/MRD/DP/30/2010, a qualified Practicing Company Secretary carries out Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services Limited (India) Limited (CDSL) and the total issued and listed equity capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors.

8. 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

9. General Shareholder Information:

1. 7th Annual General Meeting:
 - Date : 19th September 2014
 - Time : 3.30 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 2014-15:

- a. Quarterly Results : Normally published within one month from
the end of each quarter.
- b. Accounts Finalisation : May 2015
- c. Annual General Meeting : September 2015
- d. Dividend Despatch : Not applicable.

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3. Book Closure Date : 12-9-2014 to 19-9-2014
(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.
- 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
- Annual Listing Fees for the year 2014-2015 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 2014-15 have been paid to the depositories.

Binny Mills Limited

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 :

The high and low market price and volume of shares traded during each month of the financial year ended 31st March 2014 are given below:

Months	BSE Limited		
	Share Prices		Volume
	High (Rs.)	Low (Rs.)	
April 2013	–	–	–
May 2013	3,500.00	3,158.80	21
June 2013	3,000.90	1,557.65	46
July 2013	1,526.50	1,040.25	33
August 2013	1,019.45	710.55	10,49,672
September 2013	696.35	525.15	82,444
October 2013	514.65	365.45	1,771
November 2013	500.80	344.00	2,922
December 2013	575.10	460.95	4,374
January 2014	580.00	380.00	4,079
February 2014	400.15	293.10	1,225
March 2014	681.10	315.00	5,143

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

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.

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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 2014:

(A) Distribution Schedule as on 31st March 2014:

Number of Shares held	Number of Shareholders		Number of shares	
	Total	% to total shareholders	Total	% to total Share Capital
1 – 500	8,904	99.21	2,30,507	7.23
501 – 1,000	25	0.28	17,118	0.54
1,001 – 2,000	16	0.18	23,324	0.73
2,001 – 3,000	3	0.03	7,964	0.25
3,001 – 4,000	3	0.03	10,573	0.33
4,001 – 5,000	3	0.03	12,745	0.40
5,001 – 10,000	3	0.03	22,529	0.71
10,001 and above	18	0.21	28,63,714	89.81
TOTAL	8,975	100.00	31,88,474	100.00

Binny Mills Limited

(B) Distribution of Shareholding (Category wise) as on 31st March 2014:

Category	Number of shares held	% of total shareholding
Promoters	23,86,736	74.86
Mutual Funds	–	–
Financial Institutions/ Banks	2,59,219	8.13
Central Government / State Government	52,654	1.65
Non Resident Indians	67,937	2.13
Bodies Corporate	38,812	1.22
Resident individuals and others	3,83,116	12.01
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 2014:

Particulars	No. of Shareholders	No. of Shares	% to Capital
NSDL	831	28,99,359	90.93
CDSL	253	12,771	0.40
Physical Form	7,891	2,76,344	8.67
Total	8,975	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

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B. NON-MANDATORY REQUIREMENTS:

(1) **The Board:**

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

(2) **Remuneration Committee:**

The Board has set up a Nomination and Remuneration Committee. The details of the committee are given in section A of this report.

(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 unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy, which they perceive to exist, in the systems and procedures of the company.

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, 2014.

For Binny Mills Ltd

V. Rajasekaran
Managing Director (CEO)

Place : Chennai 600 004

Date : 31st July 2014

Binny Mills Limited

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 2014, 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 2014.

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

S. Vidya
Partner
Membership No: 217934

Place : Chennai 600 004
Date : 31st July 2014

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**CEO/CFO CERTIFICATION TO THE BOARD
(Under Clause 49(V) of Listing Agreement)**

We, to the best of our knowledge and belief, certify that —

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have disclosed, based on our evaluation wherever applicable, to the Auditors and the Audit Committee that:
 - There were no material deficiencies in internal controls over the financial reporting during the year;
 - All the significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
 - There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

V. Rajasekaran
Managing Director (CEO)

Place : Chennai
Date : 30th May 2014

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 2014, 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 and financial performance in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. 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:

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- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit or Loss, of the Profit of the Company for the year ended on that date; and
- 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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 : 30th May 2014

S Vidya
Partner
Membership No: 217934

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 no sale of fixed assets during the year.

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 31.3.2013). 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.

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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.
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, professional tax, urban land 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 2014 for a period of more than six months from the date they became payable except in respect of urban land tax to the tune of Rs.3,87,000/- 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 2014 and has not incurred cash loss during the financial year and also 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.

Binny Mills Limited

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 M/s T. Selvaraj & Co
Chartered Accountants
Firm Registration No: 003703S

Place: Chennai
Date : 30th May 2014

S Vidya
Partner
Membership No: 217934

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BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31-03-2014		As at 31-03-2013	
		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	252,493,152		251,634,024	
			1,694,408,602		1,693,549,474
(2) Non-current liabilities:					
(a) Long-term borrowings	5	62,616		62,616	
(b) Other Long-term liabilities	6	15,417,632		29,375,966	
(c) Long-term provisions	7	2,014,924		11,96,844	
			17,495,172		30,635,426
(3) Current liabilities:					
(a) Trade payables	8	8,756,441		9,047,739	
(b) Other current liabilities	9	5,901,908		5,579,333	
(c) Short-term provisions	10	465,158	15,123,507	867,250	15,494,322
Total			1,727,027,281		1,739,679,222
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	11	1,554,712,577		1,553,751,142	
(b) Deferred tax assets (Net)	12	977,131		204,433	
(c) Long-term loans and advances	13	862,067	1,556,551,775	861,567	1,554,817,142
(2) Current assets					
(a) Inventories	14	12,663,984		11,031,296	
(b) Trade receivables	15	3,664,829		4,250,265	
(c) Cash and cash equivalents	16	3,806,050		2,351,062	
(d) Short-term loans and advances	17	150,340,643	170,475,506	167,229,457	184,862,080
Total			1,727,027,281		1,739,679,222
Significant Accounting Policies & Notes to Accounts 1 to 37					

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 : 30th May 2014

P. LAXMIDHAR PRUSTY
 Company Secretary

S. VIDYA
 Partner
 M.No:217934

Binny Mills Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	For the year ended 31-03-2014 Rs.	For the year ended 31-03-2013 Rs.
I Revenue from operations	18	69,974,376	77,746,848
II Other income	19	462,563	183,905
III Total Revenue		70,436,939	77,930,753
IV Expenses:			
a Cos of materials consumed	20	1,361,886	958,583
b Purchases of Stock-in-Trade		43,172,884	52,991,004
c Changes in inventores of Stock-in-Trade	21	(1,632,688)	(1,146,239)
d Employee benefit expenses	22	8,711,288	11,651,711
e Finance costs		-	1,676
f Depreciation and amortization expenses	11	104,414	45,034
g Other expenses	23	17,560,018	14,744,366
Total expenses		69,277,802	79,246,135
V Profit before exceptional and extraordinary items and tax		1,159,137	(1,315,382)
VI Exceptional items		-	-
VII Profit before extraordinary items and tax		1,159,137	(1,315,382)
VIII Extraordinary items		-	-
IX Profit before tax		1,159,137	(1,315,382)
X Tax expense			
(1) Current tax		1,072,707	-
(2) MAT credit Entitlement		-	-
(3) Deferred tax (Net)		(772,698)	204,393
XI Profit for the period from continuing operations		859,128	(1,519,775)
XII Profit from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit from discontinuing operations after tax		-	-
XV Profit for the period		859,128	(1,519,775)
XVI Basic & Diluted Earnings per share		0.27	(0.48)

Significant Accounting Polices & Notes to Accounts 1 to 37

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

P. LAXMIDHAR PRUSTY
Company Secretary

S. VIDYA
Partner
M.No:217934

Place : Chennai
Date : 30th May 2014

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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.

Binny Mills Limited

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.

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 respective Rules.

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.

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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 ACCOUNTS FOR THE YEAR ENDED 31.03.2014

	As at 31-03-2014 Rs.	As at 31-03-2013 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 ACCOUNTS FOR THE YEAR ENDED 31.03.2014

	As at 31-03-2014 Rs.	As at 31-03-2013 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.V.R.Venkataachalam	1,540,254	109,317
Shri.N.P.V.Ramasamy Udayar	–	332,831
Shri.M.Ethiraj	391	287,845
	1,540,645	729,993
Name of shareholder	% as at year end	% as at year end
Shri.V.R.Venkataachalam	48.31	3.43
Shri.N.P.V.Ramasamy Udayar	–	10.44
Shri.M.Ethiraj	0.01	9.02
	48.32	22.89
 Note: 4		
RESERVES AND SURPLUS		
a Revaluation Reserve	235,021,085	235,021,085
b Surplus in Statement of Profit and Loss		
Opening Balance	16,612,939	18,132,714
Add: Profit for the year	859,128	(1,519,775)
Less : Appropriations		
Proposed equity final dividend		
Tax on proposed equity dividend		
Closing Balance	17,472,067	16,612,939
Less: Transfer to General Reserve	– 17,472,067	– 16,612,939
	252,493,152	251,634,024
 Note-5		
LONG-TERM BORROWINGS:		
Loans and advances from related parties	62,616	62,616
	62,616	62,616
 Note-6		
OTHER LONG TERM LIABILITIES		
a Security deposits received	–	211,626
b Advance for sale of property	15,417,632	29,164,340
	15,417,632	29,375,966
 Note-7		
LONG TERM PROVISIONS		
Provision for Gratuity	1,850,433	1,112,950
Provision for Compensated Absences	164,491	83,894
	2,014,924	1,196,844

Binny Mills Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2014

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
NOTE-8		
TRADE PAYABLES		
Other than Acceptances (Refer Note 27)	8,756,441	9,047,739
	8,756,441	9,047,739
NOTE-9		
OTHER CURRENT LIABILITIES		
a Expenses payable	2,549,453	2,415,688
b Rent advance received	3,352,455	3,163,645
	5,901,908	5,579,333
NOTE-10		
SHORT TERM PROVISIONS		
a Provision for gratuity	421,532	820,281
b Provision for compensated absences	43,626	46,969
	465,158	867,250
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	686,376	488,742
b Employee Benefits	1,180,113	693,251
c Admissibles U/s40 a(ia)	96,453	73,278
d Service tax offered to tax as trading Receipt earlier	53,540	-
e Admissibles u/s 43B	39,529	39,529
Tax effect of items constituting deferred tax liability	2,056,011	1,294,800
Tax effect of items constituting deferred tax assets		
a Employee benefits	1,160,274	538,110
b Disallowances U/s.40 a (ia)	1,649,583	863,400
c Service tax offered to tax as trading Receipt	56,217	56,217
d Disallowance for payments covered U/s.43B	1,67,068	41,506
Tax effect of items constituting deferred tax assets	3,033,142	1,499,233
Net deferred tax (liability) / asset	977,131	204,433

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH 2014

NOTE-11 : FIXED ASSETS - TANGIBLE

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 1st April, 2013	Addition	Deletion	As at 31st March, 2014	As at 31st March, 2013	Depreciation for the year	Deletion	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
	Rs.	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
Building	1,937,300	-	-	1,937,300	116,839	30,792	-	147,631	1,789,667	1,820,461
Plant & Equipments	385,288	-	-	385,288	288,393	8,645	-	297,038	88,252	96,895
Furniture & Fixtures	318,766	-	-	318,766	318,766	-	-	318,766	-	-
Vehicles	3,838	954,350	-	958,188	3,837	51,914	-	55,751	902,437	1
Office Equipments	34,525	111,500	-	146,025	14,721	13,063	-	27,784	118,241	19,804
TOTAL	1,554,493,698	1,065,850	-	1,555,559,548	742,556	104,414	-	846,970	1,554,712,577	1,553,751,142
Previous Year	15,632,238,361	-	8,744,664	1,554,493,698	7,425,647	45,034	6,728,125	742,556	1,553,751,142	1,555,812,714

Binny Mills Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31.03.2014

	As at 31-03-2014 Rs.	As at 31-03-2013 Rs.
NOTE-13		
<u>LONG TERM LOANS AND ADVANCES</u>		
Secured Considered Good		
c Deposits	233,193	232,693
d Others	628,874	628,874
	862,067	861,567
NOTE-14		
<u>INVENTORIES</u>		
Stock in Trade	12,663,984	11,031,296
	12,663,984	11,031,296
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	27,334	46,365
b Trade receivables (others)	3,637,495	4,203,900
	3,664,829	4,250,265
NOTE-16		
<u>CASH AND CASH EQUIVALENTS</u>		
a Balance with banks	3,536,572	2,178,904
b Cash on hand	269,478	172,158
	3,806,050	2,351,062
NOTE-17		
<u>SHORT TERM LOANS AND ADVANCES</u>		
Secured, Considered Good		
a Balance with Customs & Excise authorities	–	15,000
b Advance to related parties	115,371,973	132,403,327
c Service tax receivable	18,540	37,080
d Advance tax	1,896,745	1,807,387
e Others	32,900,000	32,900,000
Unsecured, Considered Good		
Prepaid Expenses	12,063	11,947
Advances to Staff	15,000	15,152
Advances to Suppliers	126,322	39,564
	150,340,643	167,229,457

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**NOTES TO THE PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED
31ST MARCH 2014**

	For the year ended 31-03-2014 Rs.	For the year ended 31-03-2013 Rs.
NOTE-18		
<u>INCOME</u>		
a Sale of Products	52,359,796	62,498,903
b Sale of Services	17,391,075	14,932,909
c Other Operating Revenues	223,505	315,036
	69,974,376	77,746,848
Less: Excise Duty	-	-
	69,974,376	77,746,848
NOTE-19		
<u>OTHER INCOME</u>		
d Other non-operating income	462,563	183,905
	462,563	183,905
NOTE-20		
<u>COST OF MATERIALS CONSUMED</u>		
a Packing Materials consumed	1,361,886	958,583
	1,361,886	958,583
NOTE-21		
<u>CHANGES IN STOCK-IN-TRADE</u>		
Opening		
Stock in trade (traded items)	11,031,296	9,885,057
	11,031,296	9,885,057
Closing		
Stock in trade (traded items)	12,663,984	11,031,296
	12,663,984	11,031,296
	(1,632,688)	(1,146,239)
	(1,632,688)	(1,146,239)
NOTE-22		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
a Salaries and wages	5,986,519	10,235,773
b Contribution to PF and other funds	272,314	233,557
c Staff welfare expenses	435,803	605,348
d Gratuity	1,823,543	577,033
e Compensated absences	193,109	-
	8,711,288	11,651,711

Binny Mills Limited

	For the year ended 31-03-2014 Rs.	For the year ended 31-03-2013 Rs.
NOTE-23		
<u>OTHER EXPENSES</u>		
a Rent	568,288	709,454
b Insurance	81,805	71,366
c Power and Fuel	984,744	1,925,074
d Repairs to building	1,226,332	837,059
e Repairs to machinery	270,305	61,357
f Rates and taxes	2,311,370	375,599
g Payment to statutory auditors		
for audit	150,000	125,000
for tax audit	–	25,000
for certification	44,944	56,180
for management services	–	15,000
reimbursement of expenses	–	1,000
h Legal expenses	1,093,450	1,028,568
i Advertisement	651,450	918
j Selling expenses	1,406,120	1,326,290
k Bad debts written off	95,228	137,064
l Bank Charges	61,385	67,162
m Loss on sale of Asset	–	1,686,538
n Professional fees paid	1,991,046	903,481
o Retainer fees paid	2,515,178	1,548,653
p Security Charges	1,596,714	1,333,499
q Miscellaneous expenses	2,511,659	2,510,104
	17,560,018	14,744,366

24. 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 31.3.2013). Total Outstanding dues of Creditors other than Small Scale Industrial Undertakings – Rs. 87.56 lakhs (Rs. 90.48 lakhs as on 31/03/2013).
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 is 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 2014 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 2014 – Gratuity & Long Term Compensated Absence

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Particulars	Gratuity Unfunded	Long term Compensated Absence
	Amount in Rs.	Amount in Rs.
Changes in the present value of obligations:		
Present value of obligation as at the beginning of the year	19,33,231	1,30,863
Interest cost	1,02,067	5321
Current service cost	87,231	117958
Benefits paid	(13,14,776)	(128712)
Actuarial loss on obligation	14,64,212	82688
Present value of obligation as at the end of the year	22,71,965	208118
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	22,71,965	208118
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	22,71,965	208118

Binny Mills Limited

Particulars	Gratuity Unfunded	Long term Compensated Absence
	Amount in Rs.	Amount in Rs.
Expense recognized in the statement of Profit & Loss for the year ended 31st March 2014		
Current service cost	87,231	117958
Interest cost	1,02,067	5321
Expected return on plan assets	0	0
Net Actuarial (Gain) / Loss to be Recognized	14,64,212	82688
Expense recognized in the Statement of Profit & Loss	16,53,510	205967
Movement of Net Liability		
Net Liability as at the beginning of the year	1933231	130863
Contributions	(1314776)	(128712)
Expense recognized in the Statement of Profit & Loss	1653510	205967
Net Liability as at the end of the year	2271965	208118
<i>Actuarial Assumptions:</i>	<i>31st March 2014</i>	<i>31st March 2014</i>
Discount rate	8%	8%
Expected rate of return on plan assets	Not Applicable	Not Applicable
Salary Escalation	5%	5%
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. 1153.72 lakhs (Rs.1324.03 lakhs as on 31.3.2013) 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	1,40,95,30,710 (1,40,95,30,710)
<u>Loans and Advances –</u>	
<u>Advance for purchase of property:</u>	
Transactions during the year	-1,70,31,354 (-87,46,491)
Outstanding amount at the Balance Sheet date	11,53,71,973 (13,24,03,327)
<u>Advance received for sale of Land:</u>	
Transactions during the year	-1,37,46,708 (-54,82,593)
Outstanding amount at the Balance Sheet date	1,54,17,632 (2,91,64,340)
<u>Sale of Goods:</u>	
Transactions during the year	8,59,983 (2,67,004)
Outstanding amount at the Balance Sheet date	80,260 (6,05,099)

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 2014 : Rs. Nil (Rs. Nil as at 31st March 2013).

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.22,21,538/- (Rs.19,34,888/- for 31-3-2013). 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.89,78,21,546/- (Rs. 77,11,83,382/- for 31-3-2013).

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 2014	As at 31st March 2013
Profit available to Equity Share holders used as Numerator - (A)	8,59,128	-15,19,775
Number of Shares outstanding	31,88,474	31,88,474
Weighted Average Number of shares outstanding - (B)	31,88,474	31,88,474
Effect of dilution if any - (C)	NIL	NIL
Weighted Average No. of Equity Shares including potential shares - (D)	31,88,474	31,88,474
Adjusted PAT for Dilution if any (E)	8,59,128	-15,19,775
Earnings per share (Basic) - (A/ B) In Rs.	0.27	-0.48
Earnings per share (Diluted) - (E / D) In Rs.	0.27	-0.48

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

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

V.R.Venkataachalam
Chairman

For M/S **T.SELVARAJ & CO**
CHARTERED ACCOUNTANTS
Firm Regn.No:003703S

V. Rajasekaran
Managing Director

S. VIDYA
PARTNER
M.NO.217934

PLACE : CHENNAI

DATE : 30th May 2014

Binny Mills Limited

STATEMENT OF CASH FLOWS FOR THE YEAR PERIOD ENDED MARCH 31, 2014

	31.3.2014	31.3.2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit for the year before tax	1,159,137	(1,315,382)
Adjustment for Depreciation	104,414	45,034
Interest paid	-	1,676
Loss on Sale of Asset	-	1,686,538
	104,414	-
Operating Profit before working Capital Changes	1,263,551	417,866
Changes in Current Assets & Current Liabilities		
Decrease / (Increase) in sundry debtors	585,436	537,381
(Increase) / Decrease in inventories	(1,632,688)	(1,146,238)
(Increase) / Decrease in loans and advances	18,050,379	9,264,067
Increase / (Decrease) in current liabilities & Provisions	(14,583,775)	(5,111,226)
Cash Generated from / used in Operating Activities	3,682,904	3,961,850
Direct Taxes Paid	1162065	4,167,081
Net Cash from Operating Activities	2,520,839	(a) (205,231)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Sale of Fixed Assets	-1065850	330,000
	(1,065,850)	(b) 330,000
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)	1,454,989	123,093
Cash and equivalents at the beginning of the year	2,351,062	2,274,336
Cash and equivalents at the end of the year*	3806050	2,351,062
*Comprises:		
Cash on Hand	269478	172158
Balances with Bank in current accounts	3536572	2178903.5
	3806050	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

P. LAXMIDHAR PRUSTY
Company Secretary

S. VIDYA
Partner
M.No:217934

Place : Chennai
Date : 30th May 2014

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 (CIN No.L17120TN2007PLC065807)
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable

For Binny Mills Limited



V. Rajasekaran
Managing Director (CEO)



S. Varathrajan
Chairman-Audit Committee

For M/s T.Selvaraj & Co.,
Chartered Accountants
FRN:003703S



S. Vidya
Partner
M.No: 217934
(Auditor of the Company)