

## **BINNY MILLS LIMITED**

<b>CONTENTS</b>	<b>Page</b>
Board of Directors and Management	2
Notice for 8 <sup>th</sup> Annual General Meeting	3
Directors' Report	12
Management Discussion and Analysis Report	41
Report on Corporate Governance	44
Independent Auditors' Report	63
Balance Sheet	67
Statement of Profit and Loss	68
Notes	69
Cash Flow Statement	83

**Members may please note that they can vote by electronic voting (remote e-voting) on the resolutions set out in the Notice by logging on to [www.evotingindia.com](http://www.evotingindia.com). The e-voting period is from 15<sup>th</sup> September, 2015, 9 A.M. to 17<sup>th</sup> September 2015, 5 P.M. Please refer Note No.20 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

<b>DIRECTORS</b>	<b>DIN</b>	
Shri V. R. Venkataachalam	00037524	Chairman
Shri V. Rajasekaran	00037006	Managing Director
Shri V. Sengutuvan	00053629	
Shri S. Natarajan	00155988	
Shri S. Varatharajan	01819133	Independent Director
Shri M. Parthasarathi	03209175	Independent Director
Shri N. Jaiganesh	06969618	Independent Director
Smt Nidhya R. Guhan	06969627	Independent Director - Woman

**Registered Office:**

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

**Works :**

No.9, Stephenson Road,  
Perambur, Chennai 600 012

**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

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## ***Binny Mills Limited***

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### **NOTICE**

NOTICE is hereby given that the Eighth Annual General Meeting of the Binny Mills Ltd will be held on Friday, the 18<sup>th</sup> September 2015 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 31<sup>st</sup> March 2015 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 S. Natarajan (DIN 00155988) 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 Registration No. :003703S) be and are hereby appointed as the auditors of the company, to hold office from the conclusion of the Eighth Annual General Meeting until the conclusion of the Ninth Annual General Meeting, on a remuneration of Rs.1,50,000/- (Rupees one lakh fifty thousand only) exclusive of service tax and reimbursement of out of pocket expenses."

#### **Special Business:**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, Article 97 of the Articles of Association of the Company and subject to the superintendence, control and direction of the Board of Directors, approval of the members be and is hereby accorded to the re-appointment of Shri V. Rajasekaran as Managing Director of the company for a further period of five years with effect from 12<sup>th</sup> May 2015 on the terms and conditions as determined by the Board of Directors from time to time."

**"RESOLVED FURTHER THAT** Shri V. Rajasekaran shall not be liable to retirement by rotation as per Article 92 of the Articles of Association of the company during his tenure as Managing Director."

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: 31<sup>st</sup> July 2015

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## **8th Annual Report 2014-2015**

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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. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL 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 Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of item no.4 is annexed to the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 12<sup>th</sup> September 2015 to 18<sup>th</sup> September 2015 (both days inclusive).
5. 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.
6. 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.
7. 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.
8. 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.
9. 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', 5<sup>th</sup> 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.
10. M/s Cameo Corporate Services Ltd., 'Subramanian Building', 5<sup>th</sup> 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.
11. 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.
12. 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.

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***Binny Mills Limited***

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13. Members may approach any Depository Participant directly for dematerialising their physical shares.
14. 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.
15. SEBI vide circular dated 7<sup>th</sup> 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.
16. 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.
17. The Annual Report of the Company sent to the members will be made available on the Company's website [www.bmlindia.com](http://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.
18. 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 (remote e-voting) in accordance with the aforesaid provisions.
19. 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 (remote e-voting) process in accordance with the provisions of the Companies Act, 2013 and Rules made there under in a fair and transparent manner and he has consented to act as such.
20. Voting through electronic means by remote e-voting:

The business set out in this Notice shall be conducted through electronic means by remote e-voting. 'Remote e-voting' means the facility of casting votes by a member using an electronic voting system from a place other than the venue of the 8<sup>th</sup> Annual General Meeting.

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## **8th Annual Report 2014-2015**

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In compliance with the provisions of 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, the Company is pleased to provide to its members facility, as an alternate, to exercise their right to vote on the resolutions set out in the Notice for the 8<sup>th</sup> Annual General Meeting by remote e-voting. Please note that the remote e-voting facility is optional. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

The members who have cast their vote by remote e-voting prior to the 8<sup>th</sup> Annual General Meeting may also attend and participate at the 8<sup>th</sup> Annual General Meeting but shall not be entitled to cast their vote again.

For the purpose of remote e-voting, the Company has entered into an agreement with the Central Depository Services (India) Ltd (CDSL) for facilitating remote e-voting to enable the shareholders to cast their votes electronically.

**The process and manner for remote e-voting, the time schedule and the time period during which votes may be cast by remote e-voting, details about the log-in ID and the process and manner for generating or receiving the password and for casting of vote in a secure manner:**

- I The procedure and instructions for the voting through electronic means are as follows:
  - (i) The remote e-voting period begins on **15<sup>th</sup> September 2015 at 9 A.M.** and ends on **17<sup>th</sup> September 2015 at 5 P.M.** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11<sup>th</sup> September 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be entitled to change it subsequently or cast the vote again.
  - (ii) The Company provides only remote e-voting facility and those members who have not cast their vote by remote e-voting by 17<sup>th</sup> September 2015 at 5 P.M. shall not be entitled to vote by electronic voting thereafter but may vote through ballot paper at the meeting.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iv) Click on Shareholders.
  - (v) 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.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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***Binny Mills Limited***

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(viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● 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 of the serial number as printed in the label of the Annual Report in the PAN field.</li> <li>● In case the sequence 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 with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB	<p>Enter the Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(viii) If you are a first time user follow the steps given below:

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of Binny Mills Ltd.

(xiii) 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

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## **8th Annual Report 2014-2015**

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implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.

(xix) **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](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 depository account(s) / folio numbers on which they wish to vote.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 in the paid up equity share capital of the Company as on 11<sup>th</sup> September 2015, being cut-off date.



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***Binny Mills Limited***

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- V. For the purpose of ensuring that members who have cast their votes through remote e-voting do not vote again at the 8<sup>th</sup> Annual General Meeting, the scrutiniser shall have access, after the closure of period for remote e-voting and before the start of the 8<sup>th</sup> Annual General Meeting, the details relating to members, such as their names, folios, number of shares held and such other information that the scrutiniser may require, who have cast votes through remote e-voting but not the manner in which they have cast their votes.
  - VI. The scrutiniser shall, immediately after the conclusion of voting at the 8<sup>th</sup> Annual General Meeting, first count the votes cast at the meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman who shall countersign the same. The Chairman shall declare the result of the voting forth with.
  - VII. The results declared along with the report of the scrutiniser shall be placed on the Company's website [www.bmlindia.com](http://www.bmlindia.com) and on the website of CDSL immediately after the result is declared by the Chairman. The results shall also simultaneously be forwarded to the BSE which shall place the results on its website.
21. Electronic copy of the Notice of the 8<sup>th</sup> 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 8<sup>th</sup> 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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***8th Annual Report 2014-2015***

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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 21<sup>st</sup> April 2011 and Circular No.18/2011 dated 29<sup>th</sup> 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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**Binny Mills Limited**

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**Explanatory Statement in respect of the Special Business**

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

**Item No.4 – Reappointment of Shri V. Rajasekaran as Managing Director**

Shri V. Rajasekaran was appointed as Managing Director of the company for a period of five years from 12th May 2010 by the Board of Directors and the appointment was approved by a resolution of the members at the 3<sup>rd</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September 2010.

The present term of appointment of Shri V. Rajasekaran as Managing Director of the company is up to 12<sup>th</sup> May 2015.

Board of directors at their meeting held on 29<sup>th</sup> May 2015 re-appointed Shri V. Rajasekaran as Managing Director of the company for a further term of five years from 12<sup>th</sup> May 2015 on the existing terms and conditions of appointment. The appointment was made subject to approval by a resolution of the members passed at the 8<sup>th</sup> Annual General Meeting of the Company.

Since Shri V. Rajasekaran is also a managerial person in another company, he shall not draw any remuneration from the Company in respect of this appointment as Managing Director.

Section 196 (4) and Part III of Schedule V of the Companies Act, 2013 provides that the appointment shall be approved by a resolution passed at a General Meeting of the company.

The profile of Shri V. Rajasekaran 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 re-appointment of Shri V. Rajasekaran as Managing Director.

Except for Shri V. Rajasekaran, no other director, Key Managerial Personnel and relatives thereof are concerned or interested in the passing of 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: 31<sup>st</sup> July 2015

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## 8th Annual Report 2014-2015

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### DIRECTORS' REPORT

#### To the Members

Your Directors have pleasure in presenting the Eighth Annual Report and the Audited Accounts of your company for the year ended 31<sup>st</sup> March 2015.

#### FINANCIAL RESULTS

	<b>31<sup>st</sup> March 2015 Rs.</b>	<b>31<sup>st</sup> March 2014 Rs.</b>
Revenue from operations & other income	7,19,36,770	7,04,36,939
Profit / (Loss) before Depreciation	98,86,524	12,63,551
Depreciation	2,45,946	1,04,414
Profit / (Loss) before Tax	96,40,578	11,59,137
Provision for Tax (including Deferred tax)	32,83,848	3,00,009
Profit / (Loss) after Tax	63,56,730	8,59,128

#### 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 with the Company, with effect from 1<sup>st</sup> 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 2014-15, the Rental income from Warehousing division was Rs.186.15 lakhs as against Rs. 173.91 lakhs in the previous year, an increase by about 7%. The sales made by the Showrooms division was Rs.20.95 lakhs as against Rs. 25.11 lakhs in the previous year, the Agencies division did not make any sale during the year as against Rs. 2.59 lakhs in the previous year and the Bintex division Rs.503.33 lakhs as against Rs. 495.89 lakhs in the previous year.

The aggregate amount of revenue from Rent, Sales and operating income were Rs.717.73 lakhs as against Rs. 699.74 lakhs in the previous year. The Company has earned a Net Profit of Rs.63.56 lakhs as against a Net Profit of Rs. 8.59 lakhs in the previous year.

#### PREFERENCE SHARES

The 5,88,000 (9.75%) Cumulative Redeemable Preference Shares (CRPS) of Rs.5/- each, aggregating to Rs.29,40,000/- are redeemable on or before 30<sup>th</sup> 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 12<sup>th</sup> May 2015. The Board of directors, at their meeting held on 29<sup>th</sup> May 2015, after obtaining the

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## ***Binny Mills Limited***

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consent of the 9% cumulative redeemable preference shareholders, has extended the date of redemption by five years to be redeemable on or before 12<sup>th</sup> May 2020.

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 31<sup>st</sup> March 2015, is Rs.25,08,188/- and for 9% CRPS it is Rs.102,44,59,710/-.

Since the Company is in the sixth 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 sixth 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'S 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**

While there are signs that economic growth is reviving, the concern is that investments are not as forthcoming as expected. During the last year or so, the Government has put in place a comprehensive set of measures to restore investor sentiments, ranging across the tax regime, ease of doing business, Foreign Direct Investment limits and administrative and environmental clearances. A number of large-scale initiatives have been introduced to act as magnets for investments, including Make in India, the Smart City mission and Clean Energy. Interest rates too, are on the down trend with strong expectations of further rate cuts and the macroeconomic environment has turned benign, despite moderation in global growth and trade.

### **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 customers and suppliers, your Company should achieve better performance in the year 2015-16.

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## **8th Annual Report 2014-2015**

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### **BOARD OF DIRECTORS**

#### Directors retiring by rotation:

Shri S. Natarajan, Director, (DIN 00155988), retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

#### Re-appointment of Managing Director:

The present term of appointment of Shri V. Rajasekaran as Managing Director of the Company is up to 12<sup>th</sup> May 2015. Board of directors, at their meeting held on 29<sup>th</sup> May 2015, reappointed Shri V. Rajasekaran as the Managing Director of the Company for a further term of 5 years up to 12<sup>th</sup> May 2020, subject to the approval of the shareholders of the company at the 8<sup>th</sup> Annual General Meeting of the Company.

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 the Annual Report.

### **DISCLOSURES AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(5) OF THE COMPANIES (ACCOUNTS) RULES, 2014**

#### **Extract of Annual Return:**

The extract of Annual Return in the Form No. MGT 9 is annexed to the Directors' Report as **Annexure I**.

#### **Number of meetings of the Board:**

There were four Board meetings during the year. The details of the Board meetings and committee meetings are given in the Report on Corporate Governance which forms part of the 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 134(5) of the Companies Act, 2013.

- i) That in the preparation of the Annual Accounts, for the year ended 31<sup>st</sup> March 2015, the applicable Accounting Standards had been followed along with proper explanation 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 31<sup>st</sup> March 2015 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, 2013, 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 31<sup>st</sup> March 2015 had been prepared on a going concern basis.
- v) Internal financial controls had been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and;

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## ***Binny Mills Limited***

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- vi) Proper systems to ensure compliance with the provisions of all applicable laws had been devised and that such systems were adequate and operating effectively.

### **Declaration by Independent Directors:**

The Board has received the declaration from all the Independent Directors as per the requirement of section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in section 149(6) of the Companies Act, 2013.

### **Company's policy on Directors appointment and remuneration:**

Pursuant to clause 49 (IV) (B) of the Listing Agreement, the Nomination and Remuneration Committee has put in place the policy on board diversity for appointment of directors taking into consideration the qualification and wide experience of the directors in the fields of textiles trading, banking, finance, administration and legal apart from compliance of legal requirements of the Company. The policy on Board diversity is annexed to the Directors' Report as **Annexure II** and is also uploaded on the Company's website [www.bmlindia.com](http://www.bmlindia.com)

The Nomination and Remuneration Committee has laid down remuneration criteria for the directors, key managerial personnel and other employees in the Nomination and Remuneration Policy. It has also laid down, in the Nomination and Remuneration Policy, the evaluation criteria for performance evaluation of the directors including independent directors. The Nomination and Remuneration Policy is annexed to the Directors' Report as **Annexure III** and is also uploaded on the Company's website [www.bmlindia.com](http://www.bmlindia.com).

### **Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made in the Auditors' Report and in the Secretarial Audit Report:**

The Auditors' Report to the Shareholders for the year under review does not contain any qualification, reservation, or adverse remark or disclaimer. The Secretarial Audit Report, given by a Company Secretary in practice, does not contain any qualification, observation, reservation, or adverse remark or disclaimer.

### **Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013:**

There are no loans made, guarantees given or security provided or securities of any other body corporate acquired, during the year, under section 186 of the Companies Act, 2013.

### **Particulars of contracts or arrangements with related parties:**

The Related Party Transactions (RPT's) entered into by the Company are given in Note No.32 of the Notes on Accounts attached to the Financial Statements. These transactions were entered into in the ordinary course of business and on an arm's length basis and were in compliance with the provisions of the Companies Act, 2013 and the Listing Agreement. There are no contracts or arrangements with Related Parties referred to in section 188 (1) of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The statement of RPT's is placed before the Audit Committee and the Board on a quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature.

The Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website [www.bmlindia.com](http://www.bmlindia.com)

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## **8th Annual Report 2014-2015**

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None of the directors have any pecuniary relationships or transactions with the Company except for the payment of sitting fees. There are no particulars of RPT's to be disclosed in Form AOC-2.

**The state of the Company's affairs:**

The state of the Company's affairs is explained in the paragraph 'operations' in the Directors' Report.

**The amount, if any, carried to reserves:**

The Company has not transferred any amount to reserves.

**The amount, if any, which it recommends, should be paid by way of dividend:**

The Board is not recommending payment of any dividend on the Preference shares and the equity shares issued by the Company.

**Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of report:**

There are no material changes and commitments affecting the financial position of the Company, that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of report viz., for the period from 31<sup>st</sup> March 2015 to 31<sup>st</sup> July 2015.

**Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

The information pursuant to section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as follows:

- a. The Company has no activity involving conservation of energy or technology absorption.
- b. The Company does not have any foreign exchange earnings and outgo.

**Risk Management Policy:**

Pursuant to Clause 49 (VI) (C) of the Listing Agreement, as amended, the Company has re-constituted the Risk Management Committee. The details of the Committee and its term of reference are set out in the Report on Corporate Governance. The Company has framed a Risk Management Policy to identify, communicate and manage material risks across the organisation. The policy also ensures that responsibilities have been appropriately delegated for risk management. Key Risk and mitigation measures are provided in the Management Discussion and Analysis Report annexed to the Directors' Report.

**The details about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year:**

The provisions of section 135 of the Companies Act, 2013 are not applicable to the Company. Hence, the Company has no Corporate Social Responsibility Policy. However, pursuant to good corporate governance practice, your company 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.



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## ***Binny Mills Limited***

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**Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors:**

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as the evaluation of the working of its various Committees in the manner laid down in the Nomination and Remuneration Policy of the Company.

**The financial summary or highlights:**

The financial summary is given in the Paragraph 'Financial Results' in the Directors' Report.

**The change in the nature of business, if any:**

There is no change in the nature of business.

**The details of directors or key managerial personnel who were appointed or have resigned during the year:**

Shri P. Laxmidhar Prusty, Company Secretary, has resigned during the year.

**The names of companies which have become or ceased to be Subsidiaries, joint ventures or associate companies during the year:**

There are no companies which have become or ceased to be Subsidiaries, joint ventures or associate companies during the year.

**The details relating to deposits, covered under Chapter V of the Companies Act, 2013 and details of deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013:**

The company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

**The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**The details in respect of adequacy of internal financial controls with reference to the Financial Statements:**

The Company's well defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations. Moreover, the Company continuously upgrades its systems and undertakes review of policies. The internal financial control is supplemented by regular reviews by management and standard policies and guidelines to ensure reliability of financial data and all other records to prepare the financial statements and other data. The Audit Committee reviews the internal financial controls and also monitors the implemented suggestions.

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## **8th Annual Report 2014-2015**

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### **DISCLOSURES BY A LISTED COMPANY UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

#### **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:**

Since no director of the Company is in receipt of remuneration from the Company there are no particulars to be furnished.

#### **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

There is no increase in the remuneration to the aforesaid personnel in the financial year 2014-15.

#### **The percentage increase in the median remuneration of employees in the financial year:**

There is no increase in the median remuneration of employees in the financial year 2014-15.

#### **The number of permanent employees on the rolls of the Company:**

There are 17 permanent employees on the rolls of the Company as at 31<sup>st</sup> March 2015.

#### **The explanation on the relationship between average increase in remuneration and company performance:**

The increase in revenue from operations in the financial year 2014-15 is 2.57% whereas there is no increase in remuneration during the year.

#### **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

The revenue from operations of the company during the year is Rs.717.73 lakhs as against the remuneration of the Key Managerial Personnel of Rs.1.69 lakhs.

#### **Variations in the market capitalisation of the Company:**

- a) The market capitalisation of the Company has decreased by 35.59% as on 31<sup>st</sup> March 2015 to Rs.108.53 crores from Rs.168.50 crores as at 31<sup>st</sup> March 2014.
- b) Price Earnings Ratio of the Company was 171.05 as at 31<sup>st</sup> March 2015 and was 1,957.22 as at 31<sup>st</sup> March 2014.
- c) Percent increase over / decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:

The Company has not made any public offer of equity shares. Pursuant to the Demerger Scheme of Binny Ltd, Binny Mills Ltd, as a resulting company, issued and allotted to the shareholders of Binny Ltd – the demerged company, one equity share of Rs.10/- each in Binny Mills Ltd, credited as fully paid-up, for every 7 equity shares of Rs.5/- each, fully paid up, held in Binny Ltd. (share entitlement ratio specified in the demerger scheme). Accordingly, 28<sup>th</sup> May 2010 was fixed as the record date. On 2<sup>nd</sup> June 2010, as per the share entitlement ratio, the company issued and allotted 31,88,474 equity shares of Rs.10/- each in Binny Mills Ltd, credited as fully paid up, aggregating to Rs.3,18,84,740/- to the shareholders of Binny Ltd. With effect from 28<sup>th</sup> May

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## ***Binny Mills Limited***

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2013, the aforesaid equity shares of Binny Mills Ltd (Scrip Code: 535620) were listed and admitted to dealings on the Bombay Stock Exchange in the list of 'T' Group Securities.

An amount of Rs.10/- per share invested in the company, as per the aforesaid demerger scheme, has traded at the Bombay Stock Exchange at a market price of Rs.340.40 per share as on 31<sup>st</sup> March 2015.

**Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year viz., 2014-15 and its comparison with the percentile increase in the managerial remuneration:**

There is no managerial remuneration paid during the financial year 2014-15. There was no increase in the salaries of employees during the financial year 2014-15.

**The key parameters for any variable component of remuneration availed by the directors:**

The directors were not paid any remuneration during the financial year 2014-15.

**The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

The directors were not paid any remuneration during the financial year 2014-15.

It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

**STATEMENT OF EMPLOYEES' PARTICULARS**

The particulars required to be furnished under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is as follows:

During the year, there are no employees drawing remuneration of Rs.60 lakhs or more per annum or Rs.5 lakhs or more per month, or was in receipt of remuneration which, neither in the aggregate nor at a rate, which in the aggregate, is in excess of that drawn by the Managing Director or holding, either by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

**AUDITORS**

M/s T. Selvaraj & Co., Chartered Accountants, Chennai, (Firm Registration No. : 003703S) 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 2015-2016. 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.

**SECRETARIAL AUDIT**

The Board had appointed Shri K. Elangovan, M/s Elangovan Associates, Company Secretaries in Practice, Chennai, (Certificate of Practice No.3552) Membership No. (FCS 1808) to carry out Secretarial Audit under the provisions of section 204 of the Companies Act, 2013 for the financial year 2014-15. The Secretarial Audit Report is annexed to this report as **Annexure IV**.

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## **8th Annual Report 2014-2015**

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### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

Pursuant to clause 49 (II) (F) of the Listing Agreement, the Company has framed a Whistle Blower Policy / Vigil Mechanism providing a mechanism under which an employee / director of the Company may report violation of personnel policies of the Company, unethical behavior, suspected or actual fraud, violation of Company's code of conduct or ethics policy.

The Vigil Mechanism provides for adequate safeguards against victimization of directors / employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. It also ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy / Vigil Mechanism is uploaded on the Company's website [www.bmlindia.com](http://www.bmlindia.com)

### **ATTACHMENTS**

#### **The Management Discussion and Analysis Report**

The Management Discussion and Analysis Report, pursuant to clause 49 (VIII) (D) (1) of the listing agreement, is given as a separate Report and this report is part of the Directors' Report.

#### **The Report on Corporate Governance**

The Report on Corporate Governance, pursuant to clause 49 (X) (A) of the Listing Agreement, 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 31<sup>st</sup> March 2015 as submitted to the Board of Directors at their meeting held on 29<sup>th</sup> May 2015 and the declaration by the Managing Director regarding compliance by the Board members and senior management personnel with the Company's Code of Conduct is included as a separate section in the Annual Report.

### **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. Venkatachalam**  
Chairman

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

Date: 31<sup>st</sup> July 2015

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**Binny Mills Limited**

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**ANNEXURE I**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on 31.03.2015

*[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.]***1. REGISTRATION & OTHER DETAILS:**

i.	CIN	L17120TN2007PLC065807
ii.	Registration Date	20-12-2007
iii.	Name of the Company	BINNY MILLS LIMITED
iv.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
v.	Address of the Registered office & contact details	No 4, Karpagambal Nagar, Mylapore, Chennai, 600004 Telephone: 044 24991518
vi.	Whether Listed Company	Listed in BSE Ltd (Bombay Stock Exchange Limited) Scrip Code:- 535620; Scrip ID:- BINNYMILLS; ISIN:- INE160L01011
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Cameo Corporate Services Limited "Subramanian Building" No. 1, Club House Road Chennai 600 002 - India. Ph : 91-44 - 2846 0390 (5 lines) Fax : 91-44 - 2846 0129

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Warehousing & Storage	6302	25
2	Trading of Textile materials	171	75

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

The company does not have holding or subsidiary or associate companies.

**8th Annual Report 2014-2015**

**4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A.</b>	<b>Shareholding Of Promoter And Promoter Group</b>									
1.	Indian									
a.	Individuals/Hindu Undivided Family	17,08,439	-	17,08,439	53.5817	17,08,439	-	17,08,439	53.5817	0
b.	Central Government/ State Government(S)	-	-	-	0.0000	-	-	-	0.0000	0
c.	Bodies Corporate	6,78,297	-	6,78,297	21.2734	6,78,297	-	6,78,297	21.2734	0
d.	Financial Institutions/Banks	-	-	-	0.0000	-	-	-	0.0000	0
e.	Any Other									0
	Sub - Total (A)(1)	23,86,736	-	23,86,736	74.8551	23,86,736	-	23,86,736	74.8551	0
2.	Foreign									
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	0.0000	-	-	-	0	0
b.	Bodies Corporate	-	-	-	0.0000	-	-	-	0	0
c.	Institutions	-	-	-	0.0000	-	-	-	0	0
d.	Qualified foreign investor	-	-	-	0.0000	-	-	-	0	0
e.	Any other								0	0
	Sub - Total (A)(2)	-	-	-	0.0000	-	-	-	0	0
	Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)	23,86,736	-	23,86,736	74.8551	23,86,736	-	23,86,736	74.8551	0.0000
<b>B.</b>	<b>Public shareholding</b>									
1.	Institutions									
a.	Mutual Funds/UTI	-	-	-	0.0000	-	-	-	0.0000	0.0000
b.	Financial Institutions/ Banks	2,57,617	1,602	2,59,219	8.1298	2,48,957	1,602	2,50,559	7.8582	-0.2716
c.	Central Government/ State Government(S)	-	52,654	52,654	1.6513	-	52,654	52,654	1.6513	0
d.	Venture Capital Funds	-	-	-	0	-	-	-	0	0
e.	Insurance Companies	-	-	-	0	-	-	-	0	0
f.	Foreign Institutional Investors	-	-	-	0	-	-	-	0	0

**Binny Mills Limited**

	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>B.</b>	<b>Public shareholding</b>									
g.	Foreign Venture Capital Investors	-	-	-	0	-	-	-	0.0000	0
h.	Qualified Foreign Investor	-	-	-	0	-	-	-	0.0000	0
i.	Any Other									
	Sub - Total (B)(1)	2,57,617	54,256	3,11,873	9.7812	2,48,957	54,256	3,03,213	9.5096	-0.2716
2.	Non-Institutions									
a.	Bodies Corporate	14,015	24,797	38,812	1.2172	15,765	23,599	39,364	1.2345	0.0173
b.	Individuals -									
i.	Individual Shareholders Holding Nominal Share Capital up to Rs. 1 lakh	55,493	1,95,036	2,50,529	7.8573	76,719	1,81,730	2,58,449	8.1057	0.2483
ii.	Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 lakh	1,31,711	-	1,31,711	4.1308	1,31,711	-	1,31,711	4.1308	0
c.	Qualified Foreign Investor	-	-	-	0.0000	-	-	-	0.0000	0
d.	Any Other									
	Clearing Members	21	-	21	0.0006	151	-	151	0.0047	0.0040
	Hindu Undivided Families	855	-	855	0.0268	2,162	-	2,162	0.0678	0.0409
	Non Resident Indians	65,682	2,255	67,937	2.1307	64,428	2,255	66,683	2.0913	-0.0393
	Trusts	-	-	-	0	5	-	5	0.0001	0.0001
		66,558	2,255	68,813	2.1581	66,746	2,255	69,001	2.1640	0.0058
	Sub - Total (B)(2)	2,67,777	2,22,088	4,89,865	15.3636	2,90,941	2,07,584	4,98,525	15.6352	0.2716
	Total Public Shareholding(B) = (B)(1)+(B)(2)	5,25,394	2,76,344	8,01,738	25.1448	5,39,898	2,61,840	8,01,738	25.1448	0
	Total (A)+(B)	29,12,130	2,76,344	31,88,474	100	29,26,634	2,61,840	31,88,474	100	0
<b>C.</b>	<b>Shares Held By Custodians And Against Which Depository Receipts Have Been Issued</b>									
	Promoter and Promoter Group	-	-	-	0	-	-	-	0	0
	Public	-	-	-	0	-	-	-	0	0
	Total Custodian (C)	-	-	-	0	-	-	-	0	0
	Grand Total (A)+(B)+(C)	29,12,130	2,76,344	31,88,474	100	29,26,634	2,61,840	31,88,474	100	0

**8th Annual Report 2014-2015**

**ii) Shareholding of promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares			
1	V R Venkatachalam	15,40,254	48.3069	0	15,40,254	48.3069	0	0	0	0
2	Arthos Breweries Limited	1,50,000	4.7044	0	1,50,000	4.7044	0	0	0	0
3	Sheetala Credit And Holdings Private Limited	1,21,428	3.8083	0	1,21,428	3.8083	0	0	0	0
4	Satluj Credit And Holdings Private Limited	1,20,000	3.7635	0	1,20,000	3.7635	0	0	0	0
5	Rajat Chakra Credit And Holdings Private Limited	1,20,000	3.7635	0	1,20,000	3.7635	0	0	0	0
6	Calcom Credit And Holdings Private Limited	1,20,000	3.7635	0	1,20,000	3.7635	0	0	0	0
7	Rajalakshmi N	82,571	2.5896	0	82,571	2.5896	0	0	0	0
8	V Sengutuvan	74,600	2.3396	0	74,600	2.3396	0	0	0	0
9	Twentieth Century-Apco Leasing Private Limited	41,205	1.2923	0	41,205	1.2923	0	0	0	0
10	Dr Andal Arumugam	8,987	0.2818	0	8,987	0.2818	0	0	0	0
11	TCP Limited	5,664	0.1776	0	5,664	0.1776	0	0	0	0
	TCP Limited	2,922	0.0916	0	-	0.0000	0	0	0	0
12	Nandagopal M	1,615	0.0506	0	1,615	0.0506	0	0	0	0
13	Ethiraj M	391	0.0122	0	391	0.0122	0	0	0	0
14	Namitha Shanmugam	21	0.0006	0	21	0.0006	0	0	0	0

**(iii) Change in Promoters' Shareholding**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	V R VENKATACHALAM				
	At the beginning of the year 01-Apr-2014	15,40,254	48.3069	15,40,254	48.3069
	At the end of the Year 31-Mar-2015	15,40,254	48.3069	15,40,254	48.3069



**Binny Mills Limited**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
2	ARTHOS BREWERIES LIMITED				
	At the beginning of the year 01-Apr-2014	1,50,000	4.7044	1,50,000	4.7044
	At the end of the Year 31-Mar-2015	1,50,000	4.7044	1,50,000	4.7044
3	SHEETALA CREDIT AND HOLDINGS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	1,21,428	3.8083	1,21,428	3.8083
	At the end of the Year 31-Mar-2015	1,21,428	3.8083	1,21,428	3.8083
4	SATLUJ CREDIT AND HOLDINGS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	1,20,000	3.7635	1,20,000	3.7635
	At the end of the Year 31-Mar-2015	1,20,000	3.7635	1,20,000	3.7635
5	RAJAT CHAKRA CREDIT AND HOLDINGS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	1,20,000	3.7635	1,20,000	3.7635
	At the end of the Year 31-Mar-2015	1,20,000	3.7635	1,20,000	3.7635
6	CALCOM CREDIT AND HOLDINGS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	1,20,000	3.7635	1,20,000	3.7635
	At the end of the Year 31-Mar-2015	1,20,000	3.7635	1,20,000	3.7635
7	RAJALAKSHMI N				
	At the beginning of the year 01-Apr-2014	82,571	2.5896	82,571	2.5896
	At the end of the Year 31-Mar-2015	82,571	2.5896	82,571	2.5896
8	V SENGUTUVAN				
	At the beginning of the year 01-Apr-2014	74,600	2.3396	74,600	2.3396
	At the end of the Year 31-Mar-2015	74,600	2.3396	74,600	2.3396
9	TWENTIETH CENTURY-APCO LEASING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2014	41,205	1.2923	41,205	1.2923
	At the end of the Year 31-Mar-2015	41,205	1.2923	41,205	1.2923
10	DR ANDAL ARUMUGAM				
	At the beginning of the year 01-Apr-2014	8,987	0.2818	8,987	0.2818
	At the end of the Year 31-Mar-2015	8,987	0.2818	8,987	0.2818

**8th Annual Report 2014-2015**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
11	TCP LIMITED				
	At the beginning of the year 01-Apr-2014	5,664	0.1776	5,664	0.1776
	At the end of the Year 31-Mar-2015	5,664	0.1776	5,664	0.1776
	TCP LIMITED				
	At the beginning of the year 01-Apr-2014	2,922	0.0916	2,922	0.0916
	Sale 30-May-2014	(2,922)	0.0916	-	0.0000
	At the end of the Year 31-Mar-2015	-	0.0000	-	0.0000
12	NANDAGOPAL M				
	At the beginning of the year 01-Apr-2014	1,615	0.0506	1,615	0.0506
	At the end of the Year 31-Mar-2015	1,615	0.0506	1,615	0.0506
13	ETHIRAJ M				
	At the beginning of the year 01-Apr-2014	391	0.0122	391	0.0122
	At the end of the Year 31-Mar-2015	391	0.0122	391	0.0122
14	NAMITHA SHANMUGAM				
	At the beginning of the year 01-Apr-2014	21	0.0006	21	0.0006
	At the end of the Year 31-Mar-2015	21	0.0006	21	0.0006

**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	STATE BANK OF INDIA				
	At the beginning of the year 01-Apr-2014	1,38,714	4.3504	1,38,714	4.3504
	At the end of the Year 31-Mar-2015	1,38,714	4.3504	1,38,714	4.3504
2	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year 01-Apr-2014	88,170	2.7652	88,170	2.7652
	At the end of the Year 31-Mar-2015	88,170	2.7652	88,170	2.7652

**Binny Mills Limited**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
3	RAMANATHAN SRINIVASAN				
	At the beginning of the year 01-Apr-2014	63,256	1.9838	63,256	1.9838
	At the end of the Year 31-Mar-2015	63,256	1.9838	63,256	1.9838
4	SADAYAVEL KAILASAM				
	At the beginning of the year 01-Apr-2014	62,285	1.9534	62,285	1.9534
	At the end of the Year 31-Mar-2015	62,285	1.9534	62,285	1.9534
5	GOVERNOR OF TAMIL NADUJT1 : REPRESENTING GOVT OF TAMIL NADU				
	At the beginning of the year 01-Apr-2014	48,705	1.5275	48,705	1.5275
	At the end of the Year 31-Mar-2015	48,705	1.5275	48,705	1.5275
6	SAKTHIVEL J				
	At the beginning of the year 01-Apr-2014	40,856	1.2813	40,856	1.2813
	At the end of the Year 31-Mar-2015	40,856	1.2813	40,856	1.2813
7	NATIONAL INSURANCE COMPANY LTD				
	At the beginning of the year 01-Apr-2014	23,100	0.7244	23,100	0.7244
	Sale 13-Jun-2014	(7,548)	0.2367	15,552	0.4877
	Sale 19-Dec-2014	(1,112)	0.0348	14,440	0.4528
	At the end of the Year 31-Mar-2015	14,440	0.4528	14,440	0.4528
8	V N MUNISAMY				
	At the beginning of the year 01-Apr-2014	14,285	0.4480	14,285	0.4480
	At the end of the Year 31-Mar-2015	14,285	0.4480	14,285	0.4480
9	R APPAJI				
	At the beginning of the year 01-Apr-2014	14,285	0.4480	14,285	0.4480
	At the end of the Year 31-Mar-2015	14,285	0.4480	14,285	0.4480
10	THE ORIENTAL INSURANCE COMPANY LTD				
	At the beginning of the year 01-Apr-2014	4,331	0.1358	4,331	0.1358
	At the end of the Year 31-Mar-2015	4,331	0.1358	4,331	0.1358

**8th Annual Report 2014-2015**

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares at the beginning and at the end of the year	% of total shares of the company	No of shares	% of total shares of the company
1	V.R. Venkatachalam	15,40,254	48.3069	15,40,254	48.3069
2	V. Sengutuvan	74,600	2.3396	74,600	2.3396
3	V Rajasekaran	71	0.002	71	0.002

**5. INDEBTEDNESS:**

The indebtedness of the Company including interest outstanding/accrued but not due for payment are as follows:

	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	62,616	NIL	62,616
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	62,616		62,616
Change in Indebtedness during the financial year			
Additions	-	-	-
Reduction	-	-	-
Net Change			
Indebtedness at the end of the financial year			
i) Principal Amount	62,616	-	62,616
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	62,616		62,616

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

No Remuneration was paid to the Managing Director during the year.

**Binny Mills Limited**

B. Remuneration to other directors

The directors are not paid any remuneration except sitting fees of Rs.5,000/- for attending Board meetings and Committee meetings with effect from the meetings held after 1<sup>st</sup> October 2014

C. Remuneration to Key Managerial Personnel (other than Managing Director)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	1,63,775	-	1,63,775
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>		1,63,775		1,63,775

**7. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**POLICY ON BOARD DIVERSITY**

**1. Purpose**

In accordance with clause 49 of the Listing Agreement, the Company has framed a formal policy on Board Diversity which sets out a framework to promote diversity on Company's Board of Directors (the 'Board').

**2. Vision**

The Company recognizes the importance and benefits of having a diverse Board to enhance quality of its performance.

**3. Policy Statement**

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge, etc of the members of the Board, necessary for achieving sustainable and balanced development. For appointments of persons to office of directors and deciding composition of the Board, the Nomination and Remuneration Committee and the Board shall also have due regard to this policy on Board Diversity. In this process, the Nomination and Remuneration Committee and the Board will take into consideration qualification and wide experience of the directors in the fields of textiles, manufacturing, finance, regulatory, administration and legal segment apart from compliance of legal and contractual requirements of the Company.

The total number of directors constituting the Board shall be in accordance with the Articles of Association of the Company. The Board of Directors of the Company shall have optimum combination of executive and non-executive directors with at least one woman director and the composition of the Board shall be in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, the Listing Agreement and the statutory, regulatory and contractual obligations of the Company.

**4. Review of Policy**

The Nomination and Remuneration Committee will review the policy from time to time and make recommendations on any required changes to the Board for consideration and approval.

**5. Disclosure of the Policy**

This policy will be posted on the Company's website. The necessary disclosure about the policy will also be made as per requirements of the Listing Agreement and the Companies Act, 2013.

**BINNY MILLS LIMITED**

CIN: L 17120TN2007PLC065807

REGISTERED OFFICE: No.4, Karpagambal Nagar, Mylapore, Chennai 600004

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**BINNY MILLS LIMITED – NOMINATION AND REMUNERATION POLICY RELATING TO THE REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

**Approved by the Board of Directors at its meeting held on 30<sup>th</sup> January 2015**

**Principle and Rationale:**

Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and the provisions of Clause 49 of the Listing Agreement with Stock Exchanges requires the Board of Directors of every company having turnover of Rs.100 crores or more or having outstanding loans or borrowings or deposits aggregating to Rs.50 crores or more, as on the date of last audited financial statements, among other classes of companies, to

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Carry out evaluation of every director's performance.
- Formulate the criteria for evaluation of Independent Directors on the Board.

Accordingly, in adherence to the above said requirements and in line with the Company's philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of Binny Mills Limited herein below recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:

**Company Philosophy:**

Binny Mills Ltd is an organisation committed to paying fair remuneration to its employees matching the responsibilities and performance. The organisation does not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. The Company's committed workforce, spread across its corporate office and factory locations, which has, over the years, transformed Binny Mills Ltd into a consistent growing organisation, forms the backbone of the Company.

Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future.

Employee recognition schemes in the form of Production incentive and Service award have also been introduced as successful tools in acknowledging their contribution.

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## **8th Annual Report 2014-2015**

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The endeavour of the company is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately rewards performance in line with the regulatory and industry best practices.

### **Guiding Principles:**

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavoured to ensure the guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and the section on Responsibilities of Board under clause 49 of the Listing Agreement, are summarized hereunder:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- d) Facilitating effective shareholder participation in key Corporate Governance decisions such as the nomination and election of board members;
- e) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders;
- f) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

### **Nomination of the Directors:**

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

#### General Criteria

- a) The background and qualifications of the Directors considered as a group should provide a significant combination of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.
- b) Directors should be so selected such that the Board of Directors should remain as a diverse body, with diversity reflecting gender, ethnic background and professional experience. Because a mix of viewpoints and ideas enhances the Board's ability to function effectively, the Committee shall consider the diversity of the existing Board when considering potential nominees, so that the Board maintains a body of directors from diverse professional and personal backgrounds.
- c) Potential nominees shall not be discriminated against on the basis of race, religion, national origin, sex, disability, or any other basis prohibited by law.



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## ***Binny Mills Limited***

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- d) Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a director.
- e) Commitment of the nominee to understanding the Company and its industry, embracing the Company's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- f) Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in Board meetings and its Committee meetings.

### Specific Criteria

- a) Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large or medium sized, multifaceted, Indian Company.
- b) The nominee reflects the right corporate tone and culture and excels at board-management relationships.
- c) Experience in strategic planning and managing multidisciplinary responsibilities, the ability to navigate among diverse professional groups and points of view, a track record of communicating effectively in a global environment, and high standards of integrity and professional conduct.
- d) Nominees understand and endeavour to balance the interests of shareholders and / or other stakeholders and put the interests of the company above self-interest. He/she has demonstrated a commitment to transparency and disclosure.
- e) He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/or regulatory governance requirements to enhance, not just protect, shareholder value.
- f) Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

### **Remuneration of the Directors:**

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other similar sized companies.

The remuneration payable to the directors of the company, shall at all times be determined, in accordance with the provisions of Companies Act, 2013.

### Appointment and Remuneration of Managing Director and Whole time- Director:

The terms and conditions of appointment and remuneration payable to the Managing Director and the Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

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## **8th Annual Report 2014-2015**

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In terms of the provisions of Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 5 (years) at a time. The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- \* Financial and operating performance of the Company
- \* Relationship between remuneration and performance
- \* Industry/ sector trends for the remuneration paid to similar executives.

Annual Increments to the Managing/ Whole Time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

### Insurance Premium as Part of Remuneration:

Where any insurance is taken by a company on behalf of its managing director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### Remuneration of Independent Directors:

Independent Directors may receive remuneration by way of

- \* Sitting fees for participation in the Board and other meetings
- \* Reimbursement of expenses for participation in the Board and other meetings
- \* Commission as approved by the Shareholders of the Company

Independent Directors shall not be entitled to any stock options

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

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## ***Binny Mills Limited***

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### Remuneration to Directors in other capacity:

The remuneration payable to the directors including managing or whole-time director or manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

- (a) The services rendered are of a professional nature; and
- (b) In the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

### **Evaluation of the Directors:**

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178 (2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of an independent professional consultant.

### **Nomination and Remuneration of the Key Managerial Personnel (other than Managing / whole time directors), key executives and senior management:**

The executive management of a company is responsible for the day to day management of a company. The Companies Act, 2013 has used the term "key managerial personnel" (KMP) to define the executive management.

The KMPs are the point of first contact between the company and its stakeholders. While the Board of Directors are responsible for providing the oversight, it is the key managerial personnel and the senior management who are responsible for not just laying down the strategies but for its implementation as well.

The Companies Act, 2013 has, for the first time, recognized the concept of Key Managerial Personnel. As per section 2(51) "key managerial personnel", in relation to a company, means—

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The whole-time director;
- (iii) The Chief Financial Officer;
- (iv) The company secretary; and
- (v) Such other officer as may be prescribed.

Among the KMPs, the remuneration of the CEO or the Managing Director and the Whole time Director(s), shall be governed by the Section on **Remuneration of the Directors** of this Policy dealing with "Remuneration of Managing Director and Whole time- Director".

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## **8th Annual Report 2014-2015**

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Apart from the directors, the remuneration of

- \* All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and
- \* “Senior Management” of the Company defined in the clause 49 of the Listing Agreement with the Stock Exchanges i.e. personnel who are members of its core management team excluding the Board of Directors. Senior executives one level below the Board i.e. President cadre

Shall be determined by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole time Director.

The remuneration determined for all the above said senior personnel shall be in line with the Company's philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company, and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided by the Company's HR department.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department in consultation with the Managing Director and/ or the Whole time Director of the Company.

### **Remuneration of other employees:**

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to provide incentives to the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the employee.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package. The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the Head of Departments of various departments.

Decisions on Annual Increments shall be made on the basis of this annual appraisal.

### **General:**

This Policy shall apply to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time.

Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

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**Binny Mills Limited**

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**ANNEXURE IV**

**Form No.MR-3**

**Secretarial Audit Report**

**For the Financial Year ended 31<sup>st</sup> March, 2015**

*(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)*

To  
The Members  
Binny Mills Limited  
CIN L17120TN2007PLC065807  
Chennai.

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s BINNY MILLS LIMITED (hereinafter referred to as the company). Secretarial Audit was conducted with reference to the required books and records made available to me, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
2. Based on my verification of the Company's Books, records, papers, minutes books, various forms and returns filed and other records and returns maintained by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I on the basis and strength of such records, and information so provided, hereby report that in my opinion and understanding, the Company has during the audit period covering the financial year ended 31<sup>st</sup> March 2015, appears to have complied with the statutory provisions listed hereunder and also in my limited review, that the company has proper and adequate Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the forms and returns as filed, books including minutes books, papers and other records maintained by the Company and made available to me, for the audit period up to the financial year ended 31<sup>st</sup> March, 2015 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder as applicable;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and Rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. The following guidelines and regulations stipulated under the Securities and Exchange Board of India Act, 1992 (SEBI ACT)
  - i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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## **8th Annual Report 2014-2015**

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- iii) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - iv) The Securities and Exchange Board of India ( Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - v) The Securities and Exchange Board of India( Issue and Listing of Debt Securities) Regulations,2008;
  - vi) The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - vii) The Securities and Exchange Board of India(Delisting of Equity Shares)Regulations, 2009; and
  - viii) The Securities and Exchange Board of India (Buyback of Securities)Regulations, 1998
5. Other applicable laws on the operation of the company and the rules made thereunder  
I have examined the systems and procedures of the company as placed to ensure the compliance with general laws like Labour Laws, Employees Provident Funds Act, Employees State Insurance Act, considering and relying upon representations made by the company and its Officers for systems and mechanisms formed by the company for compliance under these laws and other applicable sector specific Acts, Laws, Rules and Regulations applicable to the company and its observance by them.
- I have examined the compliance with the applicable clauses of:
1. Secretarial Standards issued by The Institute of Company Secretaries of India.
  2. The Listing Agreements as entered into by the Company with Bombay Stock Exchange Limited (BSE Limited)

The company has generally complied with the applicable provisions of the Act, Rules, Regulations, Standards, Guidelines etc., mentioned above during the period under review.

I further report that the related documents that I have come across show that the Board of Directors of the company is constituted as per applicable provisions with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and adequate notices have been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. I also report that board's decisions have been arrived at and recorded in the Minutes Book in line with the stipulations prescribed by the Companies Act, 2013, Rules made thereunder and the Secretarial Standards in operation.

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***Binny Mills Limited***

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I further report that there appears to be adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review, the Company has sought the approval of members for alteration of articles of association of the company, by passing special resolution.

I further report that my audit is subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the company and I am not responsible for any lapse in compliance on the part of the company.

Place: Chennai  
Date: 31-07-2015

K.ELANGOVAN  
FCS 1808  
CP NO. 3522

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

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**8th Annual Report 2014-2015**

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**Annexure A**

To  
The Members,  
Binny Mills Limited

My report of even date is to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of Management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required , I have consulted the Management and Officers of the company about the compliance of laws, rules and regulations and happenings of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the company nor an attestation of the efficacy or effectiveness with which the management conducted the affairs of the company

Place: Chennai  
Date: 31-07-2015

**K.ELANGOVAN**  
FCS 1808  
CP NO. 3522



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## ***Binny Mills Limited***

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### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

(Pursuant to clause 49 (VIII) (D) (1) of the listing agreement)

This report is part of the Directors' Report

#### **Economic scenario**

The year 2014-15 was a challenging year for the global economy. In the financial year 2014-15, the world economy faced various challenges across many economies of countries. The International Monetary Fund (IMF) has trimmed its forecast for global economic growth for this year to take into account the impact of recent weaknesses in the United States of America. But the IMF has said that the growth prospects for next year remain undimmed, despite the debt crisis in Greece and recent volatility in China's financial markets. The IMF has said that the global economy should expand 3.3 percent this year.

The Union Minister of State for Finance Shri Jayant Sinha has said that the Indian economy, on its path of economic growth, is at least a year ahead of plan and it is out of the macroeconomic trough. He said that the pace of recovery of Indian economy had been aided by dropping oil and commodity prices. According to him, in May 2014, when the present Government assumed office, the fiscal deficit, the current account deficit, investment ratio and savings rate were in terrible shape. But now, with the fiscal deficit, current account deficit and inflation reined in and financial savings reviving, the focus was on growth. A robust foundation is in place and the Government will push hard to ensure 8% to 9% sustained economic growth. The Government was confident that this growth will be of high quality and will be sustainable.

#### **Opportunities and threats**

The Company is engaged in retail sale of textile products. The Company's future relies on the Textile industry growth. It has been reported that the Central Government will soon unveil a new national textiles policy that seeks to create 350 lakhs new jobs by attracting foreign investments. The Tamil Nadu Government has also announced that a new Textile Policy to attract investments is on the anvil. The Minister for Handlooms and Textiles has said that the Tamil Nadu Government was planning to introduce suitable tax concessions and the single window system for the approval of the investment proposals. The threats to the textiles industry are in the form of lack of enough skilled workforce and urgent need for labour reforms in this sector. There is a need for attracting more investments in the industry. The technology up gradation of the textile mills is another area of serious concern.

#### **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,

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## **8th Annual Report 2014-2015**

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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.

### **Risk Management**

Risk Management is an ongoing process. The Board of directors has constituted a Risk Management Committee of three members, all of whom are directors on the Board. The Risk Management Committee has approved the revised Risk Management Policy. The Board has defined the roles and responsibilities of the Risk Management Committee and has delegated the monitoring and reviewing of the Risk Management Plan to the Committee. The terms of reference of the Risk Management Committee include review of Risk Management Policy, approval of Risk Management Plan, implementing, monitoring and reviewing the Risk Management Plan.

The Company maintains Risk Register listing all the risks likely to affect the achievement of the business goals set by the Company. Significant risks are identified using a scoring methodology. The process of Risk Management includes Risk Identification and Categorization, Risk Description and Risk Mitigation. The Risk Owners are accountable to the Risk Management Committee for identification, assessment, aggregation, reporting and monitoring of the risks related to their respective areas / functions.

The key implementation areas for Risk Mitigation are as follows:

For Finance function:	Treasury operations and fund transfers
For Computer systems and Data maintenance	Data Security
For purchase and sales functions	Credit Administration

The Company is exposed mainly to Credit Risk and Cash Management Risk in its business operations. The Company has taken over the business of erstwhile Binny Ltd along with the respective business division employees. Their expertise in dealing with suppliers and customers has helped to mitigate the Credit Risk. The sales collections at the showrooms of the Company are mainly in the form of cash. This exposes our Company to cash management risk. In order to mitigate the same, the Company ensures

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***Binny Mills Limited***

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efficient and secured collection at its showrooms. The cash collections are deposited in the Company's bank account the next day. The Company has also adopted stringent checks and internal controls at its showrooms. At the Head Office of the Company, each day's collections are monitored and reconciled on a daily basis. Such procedures and internal controls has helped to mitigate Cash Management Risk.

**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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## 8th Annual Report 2014-2015

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### REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 (X) (A) of the Listing Agreement)

#### 1. Company's Philosophy on Corporate Governance Code:

The Company's philosophy on Corporate Governance Code aims at enhancing the shareholders' value in the Company in the long-term through assisting the Board and the senior management in taking prudent business decisions and prudent financial management. It also aims at transparency and professional approach in all decisions and activities of the Company. The Company's philosophy is also for achieving excellence in Corporate Governance by conforming to the prevalent guidelines on Corporate Governance and excelling, wherever it is possible. It also provides for periodical review of the existing systems and controls for further improvements.

#### 2. Board of Directors:

##### Composition:

The composition of the Board of Directors is in conformity with clause 49 (II) (A) of the Listing Agreement.

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. Not less than fifty percent of the Board comprises of Non-Executive directors. The regular Non-Executive Chairman is a Promoter of the Company and consequently one-half of the Board comprises of Independent Directors.

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 of the Company.

##### Independent Directors:

The Company has appointed four Independent Directors and they have affirmed compliance with the requirements of clause 49 (II) (B) of the Listing Agreement. Their appointment is for a term of five consecutive years on the Board of the Company. They shall be eligible for reappointment for another term of five consecutive years on passing of a special resolution by the Company.

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.

As provided in clause 49 (II) (B) (4) of the Listing Agreement, the Company has issued a formal letter of appointment to the Independent Directors in the manner provided in the Companies Act, 2013. The terms and conditions of appointment are uploaded on the website of the Company at [www.bmlindia.com](http://www.bmlindia.com)

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## ***Binny Mills Limited***

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### Performance evaluation of Independent Directors:

As provided in clause 49 (II) (B) (5) of the Listing Agreement, the Board has carried out an annual performance evaluation of the Independent Directors along with the other Directors. The details of the evaluation procedures are given under the heading 'Performance Evaluation' in this Report.

### Separate meeting of the Independent Directors:

As provided in clause 49 (II) (B) (6) of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 30<sup>th</sup> January 2015 to evaluate the performance of Non-Independent Directors and the Board as a whole and performance of Chairman, who were evaluated on parameters such as attendance, level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders.

The Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, individual Non-Independent Board members, Independent Directors and the Chairman. They also expressed satisfaction with the quality, quantity and timeliness of flow of information between the Company management and the Board.

### Familiarisation Programme for Independent Directors:

Pursuant to clause 49 (II) (B) (7) of the Listing Agreement, the Company had familiarisation programmes for the Independent Directors, on a continuous basis, about the operations of the Company and other details from time to time, inter alia, as follows:

1. The Independent Directors were informed about their roles, responsibilities and duties under the Companies Act, 2013 and the listing agreement through Board papers and appointment letter given to them.
2. Presentations were made and discussions were held from time to time on major developments in the areas of the Companies Act 2013 and the revised Clause 49 of the Listing Agreement.
3. The Directors, including Independent Directors, were updated about the industry, the Company's business model, various business activities, competition faced by the Company and such other issues through presentations at the Board meetings.

The details of such familiarisation programmes has been disclosed on the Company's website [www.bmlindia.com](http://www.bmlindia.com)

### 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

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## **8th Annual Report 2014-2015**

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reviews compliance reports of all laws applicable to the company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board satisfies itself that plans are in place for orderly succession for appointments to the Board and to senior management positions. 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 X to the Listing Agreement, is placed before 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:

As prescribed in clause 49 (II) (D) (1) of the Listing Agreement, during the year four Board Meetings were held on 30<sup>th</sup> May 2014, 31<sup>st</sup> July 2014, 31<sup>st</sup> October 2014 and 30<sup>th</sup> January 2015.

The maximum time gap between any two meetings was not more than four months (120 days). The Seventh Annual General Meeting was held on 19<sup>th</sup> September 2014.

### Membership in Committees:

As prescribed in Clause 49 (II) (D) (2) of the Listing Agreement, as of 31<sup>st</sup> March, 2015, 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 Stakeholders' Relationship committee alone are considered and committees in Public Limited companies alone are considered.

### Code of conduct:

The Board has laid down the Code of Conduct ("Code") for the Board members and Senior Management Personnel of the Company as required under Clause 49 (II) (E) 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 31<sup>st</sup> March 2015. 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](http://www.bmlindia.com).

The Code suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The Code also lays down that an Independent Director shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in the Listing Agreement.

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***Binny Mills Limited***

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**The names and categories of Directors, their attendance at the 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, 2015**

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 DIN: 00037524	Non- Executive Chairman – Non- Executive and Non Independent	4	Yes	17 (Public: 3 Private: 14)	2
Shri V. Rajasekaran DIN: 00037006	Managing Director – Executive and Non Independent	4	Yes	4 (Public: 2 Private: 2)	-
Shri V. Sengutuvan DIN: 00053629	Non- Executive and Non Independent	4	Yes	15 (Public: 3 Private: 12)	2
Shri S. Natarajan DIN: 00155988	Non- Executive and Non Independent	4	Yes	15 (Public: 5 Private: 10)	2
Shri S. Varatharajan DIN: 01819133	Non- Executive and Independent	4	Yes	4 (Public: 1 Private: 3)	-
Shri M. Parthasarathi DIN: 03209175	Non- Executive and Independent	4	Yes	2 (Public: 1 Private: 1)	-
Shri N. Jaiganesh DIN: 06969618	Non- Executive and Independent	4	Yes	1 (Public: 1 Private: -)	-
Smt Nidhya R. Guhan DIN: 06969627	Non- Executive and Independent – Woman Director	4	Yes	1 (Public: 1 Private: -)	-

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## 8th Annual Report 2014-2015

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**Note:**

1. While considering the total number of directorships of directors, their directorships in private companies and Section 8 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. Shri V. R. Venkataachalam, Non-Executive Chairman, is the father of Shri V. Sengutuvan, Director. No other directors are related to each other.

**INFORMATION OF DIRECTOR RETIRING BY ROTATION AND SEEKING REAPPOINTMENT  
(PURSUANT TO CLAUSE 49 (VIII) (E) OF THE LISTING AGREEMENT)**

Name	Shri S. Natarajan
Date of Birth	1 <sup>st</sup> November, 1947
Date of Appointment	12 <sup>th</sup> May 2010
Qualifications	Chartered Accountant
Expertise in specific functional areas	Finance, Accounts, Audit and legal functions
Chairman/Director of other Companies	<ol style="list-style-type: none"> <li>1. Binny Limited</li> <li>2. Satluj Credit And Holdings Private Limited</li> <li>3. Calcom Credit And Holdings Private Limited</li> <li>4. Rajat Chakra Credit And Holdings Private Limited</li> <li>5. Sheetala Credit And Holdings Private Limited</li> <li>6. Saranga Investments And Consultancy Private Limited</li> <li>7. Shriram Properties Private Limited</li> <li>8. Sipping Spirits Private Limited</li> <li>9. Ucal Fuel Systems Limited</li> <li>10. Shriram Properties Holdings Private Limited</li> <li>11. Envestor Ventures Limited</li> <li>12. Shriram Financial Ventures (Chennai) Private Limited</li> <li>13. Novus Cloud Solutions Private Limited</li> <li>14. Chennai Properties &amp; Investments Ltd</li> <li>15. Integrated Enterprises (India) Limited</li> </ol>
Chairman / Member of Committees of the Board of Companies in which he is a Director	Chairman of Audit Committee in UCAL Fuel Systems Ltd; and Member of Audit Committee in Binny Ltd

Shri S. Natarajan, Director, does not hold any shares in the Company.



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**Binny Mills Limited**

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INFORMATION OF MANAGING DIRECTOR SEEKING REAPPOINTMENT  
(PURSUANT TO CLAUSE 49 (VIII) (E) OF THE LISTING AGREEMENT)

Name	Shri V. Rajasekaran
Date of Birth	6 <sup>th</sup> November, 1952
Date of Appointment	20 <sup>th</sup> December 2007 As Managing Director from 12 <sup>th</sup> May 2010
Qualifications	B.E. (Chemical), M.Tech, MBA
Expertise in specific functional areas	Production, Marketing, Sales and Administration functions
Chairman/Director of other Companies	1. TCP Limited 2. Tanchem Imports and Exports Private Limited 3. TCP Hotels Private Limited 4. The Egmore Benefit Society Limited
Chairman / Member of Committees of the Board of Companies in which he is a Director	Nil

Shri V. Rajasekaran, Managing Director, holds 71 equity shares in the Company and 1,000 shares of 9% Cumulative Redeemable Preference Shares of Rs.5/- each aggregating to Rs.5,000/-.

Policy for prohibition of Insider Trading:

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations 2015, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, board of directors of the company has formulated the Code of practices and procedures for fair disclosure of unpublished price sensitive information for Directors/Officers and Designated employees of the Company, relating to dealings by them in the shares of the Company and have disclosed it on the website of the company viz., [www.bmlindia.com](http://www.bmlindia.com)

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

Performance Evaluation:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually (including Independent Directors) as well as the evaluation of the working of its Committees. The evaluation process was carried out through a structured evaluation procedures covering various aspects of the functioning of the Board and its Committees viz., The sufficiency of the existing Committees in relation to the existing size and nature of operations, their roles in decision making, frequency of their meetings, the level of participation at the meetings, the exercise of independence of judgement, performance of their duties and obligations and implementation of good Corporate Governance practices.

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## **8th Annual Report 2014-2015**

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The Board expressed its satisfaction of the performance of all the Directors, Board and its Committees which reflected the overall engagement of the Board and its Committees with the Company.

### **3. Audit Committee:**

The Audit Committee of the Company is reconstituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 (III) of the Listing Agreement.

The following Non-Executive directors are the members of the Audit Committee:

Shri S. Varatharajan, Chairman of the Committee

Shri M. Parthasarathi;

Shri N. Jaiganesh; and

Smt Nidhya R. Guhan

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 to 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 Clause 49 (III) of the listing agreement.

#### Meetings and attendance during the year:

During the year four Audit Committee Meetings were held on 30<sup>th</sup> May 2014, 31<sup>st</sup> July 2014, 31<sup>st</sup> October 2014 and 30<sup>th</sup> January 2015. All the members of the Committee attended the meetings held during the year.

The 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 Board is constituted in accordance with Section 178 (1) of the Companies Act, 2013 and Clause 49 (IV) (A) of the Listing Agreement.

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## ***Binny Mills Limited***

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The following Non-Executive directors are the members of the Nomination and Remuneration Committee:

Shri S. Varatharajan, Chairman of the Committee

Shri M. Parthasarathi;

Shri N. Jaiganesh; and

Smt Nidhya R. Guhan

The Chairman of the Committee is an Independent Director. All the other members of the Committee are also Independent Directors. The Company Secretary acts as the secretary to the Committee.

### Functions of the Committee:

- i. It shall formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment or removal.
- iii. It shall formulate criteria for evaluation of Independent Directors and the Board.
- iv. It shall carry out an evaluation of every directors' performance.
- v. It shall devise a policy on Board diversity.
- vi. It shall recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees. (Nomination and Remuneration Policy)

Pursuant to the provisions of section 178(3) and (4) of the Companies Act, 2013 and clause 49 (IV) (B) (4) of the Listing Agreement, the Committee has recommended to the Board a Policy relating to the remuneration for the directors, key managerial personnel and other employees which is laid down in the Nomination and Remuneration Policy and was approved at the Board Meeting held on 30<sup>th</sup> January 2015. The Nomination and Remuneration Committee has also laid down, in the Nomination and Remuneration Policy, the evaluation criteria for evaluation of directors including independent directors. The Nomination and Remuneration Policy is disclosed in the **Annexure III** to the Directors' Report and is also uploaded on the Company's website [www.bmlindia.com](http://www.bmlindia.com)

### Disclosures under clause 49 (VIII) (C) of the Listing Agreement:

#### Remuneration of directors:

The Non-Executive and independent directors do not have any pecuniary relationship or transactions with the company.

At present no remuneration is paid to the Managing Director or any other director.

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## 8th Annual Report 2014-2015

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*Payment of sitting fees to directors:*

The Non-Executive Directors are paid sitting fees of Rs.5,000/- per meeting for attending the meetings of the Board or Committee with effect from the meetings held from 1<sup>st</sup> October 2014. The details of sitting fees paid in the year 2014-15 are as follows:

Director	Sitting fees paid (Rs.)
Shri V. R. Venkataachalam	10,000
Shri V. Sengutuvan	10,000
Shri S. Varatharajan	20,000
Shri M. Parthasarathi	20,000
Shri N. Jaiganesh	20,000
Smt Nidhya R Guhan	20,000
Total	1,00,000
Service tax @12.36% on reverse charge	12,360
Total Sitting fees paid	1,12,360

Since the Company does not pay any remuneration to any of its directors, there are no disclosures to be made on the remuneration of directors with regard to elements of remuneration package of individual directors and details of fixed component and performance linked incentives. The Company has not entered into any service contract with any director which provides for notice period and severance fees.

*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 Stock Option Scheme.

*Disclosure of shares held by Non- executive directors:*

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.

### **5. Stakeholders Relationship Committee:**

During the year the nomenclature of the 'Shareholders'/Investors' Grievance Committee' was changed to 'Stakeholders Relationship Committee' as required under Section 178(5) of the Companies Act, 2013 and clause 49 (VIII) (E) (4) of the Listing Agreement. The Stakeholders Relationship Committee of the Board is constituted in accordance with Section 178(5) of the Companies Act, 2013 and clause 49 (VIII) (E) (4) of the Listing Agreement.

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## ***Binny Mills Limited***

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The following Non-Executive directors are the members of the Stakeholders Relationship Committee:

Shri S. Varatharajan, Chairman of the Committee

Shri M. Parthasarathi; and

Smt Nidhya R. Guhan

The Chairman of the Committee is a Non-executive, Independent director. The company secretary acts as the secretary to the committee.

The Stakeholders Relationship Committee was constituted to consider and resolve the grievances of shareholders and other security holders of the Company. The Committee shall 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 Stakeholders Relationship Committee meetings are placed before the Board.

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 and resolve the grievances.
- 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 (SCORES) /Stock Exchanges.
- 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.

### Meetings of the committee:

There were twelve meetings of the Stakeholders Relationship Committee during the year held on 28<sup>th</sup> April 2014, 26<sup>th</sup> May 2014, 30<sup>th</sup> June 2014, 25<sup>th</sup> July 2014, 18<sup>th</sup> August 2014, 22<sup>nd</sup> September 2014, 27<sup>th</sup> October 2014, 10<sup>th</sup> November 2014, 23<sup>rd</sup> December 2014, 30<sup>th</sup> January 2015, 18<sup>th</sup> February 2015 and 27<sup>th</sup> March 2015. 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 (SCORES) / 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.

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## **8th Annual Report 2014-2015**

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Name and designation of compliance officer:

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

Shareholders' complaints status: (1-4-2014 to 31-3-2015)

Number of shareholders' complaints received so far: 2  
Number solved to the satisfaction of shareholders: 2  
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 31<sup>st</sup> March 2015, have been acted upon. There are no pending share transfers, both in physical form as well as in Demat category, as on 31<sup>st</sup> March 2015.

### **Risk Management Committee:**

Pursuant to clause 49 (VI) (C) of the Listing Agreement, Board has reconstituted the Risk Management Committee.

The following directors are the members of the Risk Management Committee:

Shri V.R. Venkataachalam Director, Chairman of the Committee  
Shri V. Rajasekaran Managing Director  
Shri V. Sengutuvan Director

The terms of reference of the Risk Management Committee are as follows:

1. Review of Risk Management Policy
2. Approval of Risk Management Plan, implementing, monitoring and reviewing the Risk Management Plan.
3. Such other matters as may be delegated by the Board from time to time.

### **6. General Body Meetings:**

Location and time of the last three Annual General Meetings:

Year	Date	Time	Location
2013-14	19-9-2014	3.30 P.M.	'TCP Sapthagiri Bhavan', No.4, (Old No.10), Karpagambal Nagar, Mylapore, Chennai 600004
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.

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## ***Binny Mills Limited***

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One Special Resolution was passed at the 7<sup>th</sup> AGM held on 19-9-2014 for adoption of new Articles of Association.

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:**

(a) There are no materially significant related party transactions with the Company's promoters, directors, key managerial personnel, or their relatives, which may have potential conflict with the interests of the Company at large. Disclosures on transactions with related parties, as required under the Indian Accounting Standard 18, have been included in Note No.32 in the Notes on Accounts attached to the Financial Statements. A statement in summary form of transactions with related parties in the ordinary course of business is placed before the Audit Committee and the Board on quarterly basis. Omnibus approval has been obtained for transactions of repetitive nature.

As required by clause 49 (VIII) (A) (2) of the Listing Agreement, the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website [www.bmlindia.com](http://www.bmlindia.com)

None of the directors have any pecuniary relationships or transactions with the Company except the payment of sitting fees.

(b) There are no instances of 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 markets during the last three years.

(c) Pursuant to clause 49 (II) (F) of the Listing Agreement, the Company has framed the Whistle Blower Policy and has established the necessary mechanism in accordance with clause 49 of the Listing Agreement, under which an employee / director of the Company may report violation of personnel policies of the Company, unethical behavior, suspected or actual fraud, violation of Company's code of conduct or ethics policy. It is affirmed that no personnel has been denied access to the audit committee.

The Vigil Mechanism provides for adequate safeguards against victimization of directors / employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. It also ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy / Vigil Mechanism is uploaded on the Company's website [www.bmlindia.com](http://www.bmlindia.com).

(d) The Company does not have any material listed/unlisted subsidiary company as defined in clause 49 (V) (E) of the Listing Agreement. Hence, the Company has not formulated a Policy for determining 'material' subsidiaries.

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## 8th Annual Report 2014-2015

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(e) In accordance with clause 49 (XI) (B) of the Listing Agreement, disclosure is hereby made that the Company has complied with all the mandatory requirements as stipulated in clause 49 of the Listing Agreement and the adoption / non-adoption of the non-mandatory requirements are as follows:

1. **The Board:** The Company has a non-executive Chairman and Chairman's office is maintained at the Company's expense.
2. **Shareholder Rights:** The half yearly financial performance and a summary of the significant events in the last six-months are not sent to each household of shareholders.
3. **Audit qualifications:** The Company's financial statements are unqualified.
4. **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director.
5. **Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee.

### 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 has been carried out. 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 (India) Limited (CDSL) with 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](http://www.bmlindia.com)

Whether the website also displays official news releases, and presentations made to Institutional investors or analysts: No

### 9. General Shareholder Information:

**As at 31<sup>st</sup> March 2015**

#### 1. 8<sup>th</sup> Annual General Meeting:

Date	:	18 <sup>th</sup> September 2015
Time	:	3.30 PM
Venue	:	No.4 (Old No.10) Karpagambal Nagar Mylapore, Chennai 600 004

2. Financial Year : 2014-15



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## ***Binny Mills Limited***

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3. Book Closure Date : 12-9-2015 to 18-9-2015 (Both days inclusive)  
On account of AGM.
4. Dividend payment Date : Not applicable
5. Financial Calendar : 2015-16  
Annual General Meeting : September 2016  
Unaudited results for 1<sup>st</sup> quarter : last week of July, 2015  
Unaudited results for 2<sup>nd</sup> quarter : last week of October, 2015  
Unaudited results for 3<sup>rd</sup> quarter : last week of January, 2016  
Audited results for 31<sup>st</sup> March 2016 : last week of May, 2016
5. Listing on Stock Exchanges : The equity shares of the company are listed on  
The BSE Limited
6. Stock Code
- a) BSE : 535620
- b) Demat ISIN No. in NSDL and CDSL : INE160L01011

The Company has paid the annual listing fee and custodian fees for the year 2015-16 to the BSE Ltd and to the Depositories.

The equity shares of the Company are facilitated to be traded in the demat form at the National Securities Depository Ltd and Central Depository Services (India) Ltd.

### 7. Market Price Data

The high and low market price and volume of shares traded during each month of the financial year ended 31<sup>st</sup> March 2015 are given below:

Months	BSE Limited		
	Share Prices		Volume
	High (Rs.)	Low (Rs.)	
April 2014	621.60	472	3,224
May 2014	552	412.10	4,938
June 2014	550.55	422.10	16,495
July 2014	497	371	4,388
August 2014	435	352	1,056
September 2014	475	300.05	12,714
October 2014	374.90	301	4,128
November 2014	373	300.10	6,082
December 2014	686.80	316.25	89,460
January 2015	489	355	9,078
February 2015	442	351.10	4,956
March 2015	433.90	299	10,225

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## 8th Annual Report 2014-2015

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8. Binny Mills Ltd Share Price performance in comparison to BSE Sensex:

### Binny Mills Ltd Share Price at the BSE and BSE Sensex

Month	Binny Mills Ltd . Share price at close Rs	BSE Sensex at close
April 2014	500.05	22,417.80
May 2014	441.00	24,217.34
June 2014	479.10	25,413.78
July 2014	387.70	25,894.97
August 2014	388.95	26,638.11
September 2014	340.35	26,630.51
October 2014	321.35	27,865.83
November 2014	335.00	28,693.99
December 2014	426.10	27,499.42
January 2015	379.90	29,182.95
February 2015	365.50	29,361.50
March 2015	340.40	27,957.49

9. Registrar and Transfer Agents: **M/s Cameo Corporate Services Ltd.,**  
'Subramanian Building', 5<sup>th</sup> Floor,  
No.1, Club House Road,  
Chennai 600002.  
Tel No. 044-28460390 – 28460394  
Fax No. 044-28460129  
e-mail ID: [cameo@cameoindia.com](mailto: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.

10. Share Transfer System:

- (a) Share Transfers:

The authority to approve share transfers has been delegated by the Board to the Stakeholders' Relationship Committee. 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 9 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

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***Binny Mills Limited***

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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 9 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.

11. Distribution of shareholding as on 31<sup>st</sup> March 2015:

- (A) Distribution Schedule as on 31<sup>st</sup> March 2015:

Number of Shares held	Number of Shareholders		Number of shares	
	Total	% to total shareholders	Total	% to total Share Capital
1 – 500	8,867	99.11	2,41,203	7.57
501 – 1,000	36	0.40	25,133	0.79
1,001 – 2,000	15	0.17	21,173	0.66
2,001 – 3,000	3	0.03	7,942	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	2	0.02	14,651	0.46
10,001 and above	18	0.21	28,55,054	89.54
<b>TOTAL</b>	<b>8,947</b>	<b>100.00</b>	<b>31,88,474</b>	<b>100.00</b>

- (B) Distribution of Shareholding (Category wise) as on 31<sup>st</sup> March 2015:

Category	Number of shares held	% of total shareholding
Promoters	23,86,736	74.86
Mutual Funds	-	-
Financial Institutions/ Banks	2,50,559	7.86
Central Government / State Government	52,654	1.65
Non Resident Indians	66,683	2.09
Bodies Corporate	39,364	1.23
Resident individuals and others	3,92,478	12.31
<b>TOTAL</b>	<b>31,88,474</b>	<b>100.00</b>

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## 8th Annual Report 2014-2015

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12. 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 31<sup>st</sup> March 2015:**

Particulars	No. of Shareholders	No. of Shares	% to Capital
NSDL	1,108	28,94,545	90.78
CDSL	432	32,089	1.01
Physical Form	7,407	2,61,840	8.21
Total	8,947	31,88,474	100.00

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

The Company has not issued any GDR<sup>s</sup> or ADR<sup>s</sup>. No Warrants or any Convertible Instruments are outstanding.

14. Plant locations : Binny Mills Ltd  
No.9, Stephenson Road,  
Perambur, Chennai 600 012.

15. 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](mailto:binnymills@bmlindia.com)

### **DECLARATION BY THE MANAGING DIRECTOR (CEO) (Under Clause 49 (II) (E) of Listing Agreement)**

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 31<sup>st</sup> March, 2015.

For Binny Mills Ltd

**V. Rajasekaran**  
**Managing Director (CEO)**

Place : Chennai 600 004  
Date : 31<sup>st</sup> July 2015

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***Binny Mills Limited***

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE**  
**(Under Clause 49(XI) (A) of Listing Agreement)**

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 2015, 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 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 : 31<sup>st</sup> July 2015

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**8th Annual Report 2014-2015**

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**CEO/CFO CERTIFICATION TO THE BOARD**  
(Under Clause 49(IX) 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 31<sup>st</sup> March 2015 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

Place : Chennai  
Date : 29<sup>th</sup> May 2015

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**Binny Mills Limited**

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**INDEPENDENT AUDITOR'S REPORT**

To

The Members  
Binny Mills Limited  
Chennai

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Binny Mills Limited**, (herein after referred to "the Company") which comprises the Balance Sheet as at March, 31 2015, 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 (herein after referred to as "Financial Statements").

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (herein after referred to as "the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, effectively implementation and maintenance of adequate financial internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

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## **8th Annual Report 2014-2015**

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### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its Profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and 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 it 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 aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director, in terms of section 164(2) of the Act;
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

Place : Chennai  
Date : 29<sup>th</sup> May 2015

**S Vidya**  
Partner  
Membership No: 217934



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**Binny Mills Limited**

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**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification
2. a. Physical verification of inventory has been conducted at reasonable intervals by the management
- b. The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
- c. The Company is maintaining proper records of inventory no material discrepancies were noticed on physical verification
3. a. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act,2013
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. No major weaknesses in internal control system were observed during the course of audit.
5. The Company has not accepted any deposits from public during the year.
6. The Company is not required to maintain cost records as per Section 148(1) of the Companies Act, 2013.
7. a. According to the information and explanations given to us and on the basis of our examination of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- b. According to the information and explanations given to us, no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute.
- c. No amount was required to be transferred to Investor education and Protection Fund in accordance with the provisions of the Act during the year.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. The Company did not have any outstanding dues to financial institutions, banks or debentures.
10. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.

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**8th Annual Report 2014-2015**

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11. The Company did not apply for any term loans during the year.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of audit.

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

Place : Chennai  
Date : 29<sup>th</sup> May 2015

**S Vidya**  
Partner  
Membership No: 217934

**Binny Mills Limited**

**BALANCE SHEET AS AT 31ST MARCH, 2015**

	Note No.	As at 31-03-2015		As at 31-03-2014	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds:</b>					
(a) Share Capital	3	1,441,915,450		1,441,915,450	
(b) Reserves and Surplus	4	258,863,694		252,493,152	
			1,700,779,144		1,694,408,602
<b>(2) Non-current liabilities:</b>					
(a) Long-term borrowings	5	62,616		62,616	
(b) Other Long-term liabilities	6	15,417,632		15,417,632	
(c) Long-term provisions	7	1,698,267	17,178,515	2,014,924	17,495,172
<b>(3) Current liabilities:</b>					
(a) Trade payables	8	11,742,095		8,756,441	
(b) Other current liabilities	9	9,249,985		5,901,908	
(c) Short-term provisions	10	580,915	21,572,995	465,158	15,123,507
Total			1,739,530,654		1,727,027,281
<b>II. ASSETS:</b>					
<b>(1) Non-current assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible assets	11	1,554,982,394		1,554,712,577	
(b) Deferred tax assets (Net)	12	959,349		977,131	
(c) Long-term loans and advances	13	999,490	1,556,941,233	862,067	1,556,551,775
<b>(2) Current assets</b>					
(a) Inventories	14	14,410,964		12,663,984	
(b) Trade receivables	15	5,108,229		3,664,829	
(c) Cash and cash equivalents	16	12,436,892		3,806,050	
(d) Short-term loans and advances	17	150,633,336	182,589,421	150,340,643	170,475,506
Total			1,739,530,654		1,727,027,281

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 : 29<sup>th</sup> May 2015

**S. VIDYA**  
 Partner  
 Membership No: 217934

## 8th Annual Report 2014-2015

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	For the year ended 31-03-2015 Rs.	For the year ended 31-03-2014 Rs.
I Revenue from operations	18	71,605,958	69,974,376
II Other income	19	163,451	462,563
III <b>Total Revenue</b>		<b>71,769,409</b>	<b>70,436,939</b>
IV Expenses:			
a Cost of materials consumed	20	1,238,377	1,361,886
b Purchases of Stock-in-Trade		42,564,598	43,172,884
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(1,010,316)	(1,632,688)
d Employee benefits expenses	22	3,719,115	8,711,288
e Finance costs		-	-
f Depreciation and amortization expenses	11	245,946	104,414
g Other expenses	23	15,371,111	17,560,018
<b>Total expenses</b>		<b>62,128,831</b>	<b>69,277,802</b>
V Profit before exceptional and extraordinary items and tax		9,640,578	1,159,137
VI Exceptional items		-	-
VII Profit before extraordinary items and tax		9,640,578	1,159,137
VIII Extraordinary items		-	-
IX <b>Profit before tax</b>		<b>9,640,578</b>	<b>1,159,137</b>
X Tax expense			
(1) Current tax		3,266,066	1,072,707
(2) MAT credit Entitlement		-	-
(3) Deferred tax (Net)		17,782	(772,698)
XI Profit for the period from continuing operations		6,356,730	859,128
XII Profit from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit from discontinuing operations after tax		-	-
XV <b>Profit for the period</b>		<b>6,356,730</b>	<b>859,128</b>
XVI Basic & Diluted Earnings per share		1.99	0.27

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

**S. VIDYA**

Partner

Membership No: 217934

Place : Chennai

Date : 29<sup>th</sup> May 2015

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## **Binny Mills Limited**

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### **NOTES FORMING PART OF FINANCIAL STATEMENTS**

#### **1. Corporate Information**

Binny Mills Ltd was incorporated as a Public Limited Company on 20<sup>th</sup> December, 2007. The company was issued Certificate for Commencement of Business on 6<sup>th</sup> February 2008. The CIN of the Company is L17120TN2007PLC065807.

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. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) to comply in all material respects with the notified Accounting Standards ('AS') under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for the change in accounting policy explained below.

##### **Current / Non-current classification of assets / liabilities**

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets / liabilities expected to be realized / settled within 12 months from the date of financial statements are classified as current and other assets / liabilities are classified as non-current.

##### **II. 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.

##### **Presentation and disclosure in financial statements:**

*For the year ended 31<sup>st</sup> March, 2015, schedule III of the Companies Act, 2013, is applicable to the company, for presentation and disclosures in financial statements. The company has reclassified the previous year's figures in accordance with the Schedule III as applicable in the current year.*

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## **8th Annual Report 2014-2015**

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### **III. 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.

### **IV. FIXED ASSETS**

#### **Tangible Fixed Assets**

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation and impairment losses, if any. All costs directly attributable to bring the fixed assets to its working condition for its intended use and borrowing costs on specified borrowings relating to the acquisition of fixed assets up to the date of commercial production are included in the cost of acquisition.

#### **Intangible Assets**

Intangible Assets are amortized over their useful life based on the provisions of AS 26

### **V. DEPRECIATION ON FIXED ASSETS**

Depreciation is provided over the useful lives of the assets as prescribed in SCHEDULE II to the Companies Act, 2013.

### **VI. INVESTMENTS**

There are no Investments made by the company

### **VII. INVENTORIES**

Stock-in-trade comprises of traded goods which 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 Rules of the respective Acts.

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## ***Binny Mills Limited***

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### Gratuity:

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

### Leave encashment:

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

## **XII BORROWING COSTS**

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

## **XIII CASH FLOW STATEMENT**

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

## **XIV EARNINGS PER SHARE**

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

## **XV SEGMENT REPORTING**

The Company operates in only one segment.

## **XVI IMPAIRMENT OF ASSETS**

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

## **XVII PROVISION AND CONTINGENCIES**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. 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.

## 8th Annual Report 2014-2015

### NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31.03.2015

	As at 31-03-2015 Rs.	As at 31-03-2014 Rs.
<b>NOTE-3</b>		
<b>(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share</b>		
<b>Authorised Share Capital</b>		
<b>Equity Shares</b>		
32,00,000 Equity Shares of Rs.10/= each	32,000,000	32,000,000
<b>Preference Shares</b>		
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
<b>Total</b>	1,442,500,000	1,442,500,000
<b>Issued, Subscribed and Paid Up share capital</b>		
<b>Equity Shares</b>		
31,88,474 Equity Shares of Rs.10/= each	31,884,740	31,884,740
<b>Preference Shares</b>		
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
<b>Total</b>	1,441,915,450	1,441,915,450
<b>Terms of Issue and Redemption</b>		
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 12.05.2020	1,407,090,710	1,407,090,710
<b>(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:</b>		
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



**Binny Mills Limited**

**NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31.03.2015**

	<b>As at 31-03-2015 Rs.</b>	<b>As at 31-03-2014 Rs.</b>
<b>(C) Shares in the company held by each shareholder holding more than 5%:</b>		
Name of shareholder	No of shares at year end	No of shares at year end
Shri.V.R.Venkataachalam	1,540,254	1,540,254
	1,540,254	1,540,254
Name of shareholder	% as at year end	% as at year end
Shri.V.R.Venkataachalam	48.31	48.31
	48.31	48.31
<b>Note: 4</b>		
<b>RESERVES AND SURPLUS</b>		
a Revaluation Reserve	235,021,085	235,021,085
b Surplus in Statement of Profit and Loss		
Opening Balance	17,472,067	16,612,939
Add: Carrying amount of assets which do not have any remaining useful life	13,812	
Add: Profit for the year	6,356,730	859,128
Closing Balance	23,842,609	17,472,067
	258,863,694	252,493,152
<b>Note-5</b>		
<b>LONG-TERM BORROWINGS:</b>		
Loans and advances from related parties	62,616	62,616
	62,616	62,616
<b>Note-6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Advance for sale of property	15,417,632	15,417,632
	15,417,632	15,417,632
<b>Note-7</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Gratuity	1,571,374	1,850,433
Provision for Compensated Absences	126,893	164,491
	1,698,267	2,014,924
<b>Note-8</b>		
<b>TRADE PAYABLES</b>		
Other than Acceptances ( Refer Note 28)	11,742,095	8,756,441
	11,742,095	8,756,441

## 8th Annual Report 2014-2015

### NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31.03.2015

	As at 31-03-2015 Rs.	As at 31-03-2014 Rs.
<b>NOTE-9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
a Expenses payable	3,755,908	2,549,453
b Rent advance received	4,550,037	3,352,455
c Advance received from Customers	944,040	-
	9,249,985	5,901,908
<b>NOTE-10</b>		
<b>SHORT TERM PROVISIONS</b>		
a Provision for gratuity	537,838	421,532
b Provision for compensated absences	43,077	43,626
	580,915	465,158
<b>NOTE-12</b>		
<b>DEFERRED TAX ASSETS (NET)</b>		
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability		
a On difference between book balance and tax balance of fixed assets	823,451	686,376
b Employee Benefits	1,256,567	1,180,113
c Admissibles U/s40 a(ia)	96,453	96,453
d Service tax offered to tax as trading Receipt earlier	53,540	53,540
e Admissibles u/s 43B	39,529	39,529
Tax effect of items constituting deferred tax liability	2,269,540	2,056,011
Tax effect of items constituting deferred tax assets		
a Employee benefits	1,356,021	1,160,274
b Disallowances U/s.40 a (ia)	1,649,583	1,649,583
c Service tax offered to tax as trading Receipt	56,217	56,217
d Disallowance for payments covered U/s.43B	1,67,068	1,67,068
Tax effect of items constituting deferred tax assets	3,228,889	3,033,142
Net deferred tax (liability) / asset	959,349	977,131
<b>NOTE-13</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured Considered Good</b>		
a Deposits	232,843	233,193
b Others	766,647	628,874
	999,490	862,067

**Binny Mills Limited**

**NOTES TO THE BALANCE SHEET AS AT 31ST MARCH 2015**

**NOTE-11 : FIXED ASSETS - TANGIBLE**

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 1st April, 2014	Additions	Deletions	As at 31st March, 2015	As at 1st April, 2014	Other Adjustments	Depreciation for the period upto 31st March '15	Deletions	As at 31st March, 2015	As at 31st March, 2014
	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	147,633	2,410	29,862	-	1,762,215	1,789,667
Plant & Equipments	385,288	-	-	385,288	297,036	7,754	18,694	-	77,313	88,252
Furniture & Fixtures	318,766	-	-	318,766	318,766	15,939	-	-	302,827	-
Vehicles	958,188	-	-	958,188	55,751	191	122,103	-	177,663	902,437
Office Equipments	146,025	501,949	-	647,974	27,784	(12,482)	75,287	-	780,525	118,241
<b>TOTAL</b>	<b>1,555,559,548</b>	<b>501,949</b>	<b>-</b>	<b>1,556,061,497</b>	<b>846,970</b>	<b>13,812</b>	<b>245,946</b>	<b>-</b>	<b>1,554,982,394</b>	<b>1,554,712,578</b>
Previous Year	1,554,493,698	1,065,850	-	1,555,559,548	742,556	-	104,414	-	1,554,712,577	1,553,751,141

Note:  
Refer Point No. 25 in Notes forming part of Financial statements for impact on account of adoption of Schedule II of Companies Act, 2013

## 8th Annual Report 2014-2015

### NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31.03.2015

	As at 31-03-2015 Rs.	As at 31-03-2014 Rs.
<b>NOTE-14</b>		
<b><u>INVENTORIES</u></b>		
Stock in Trade	14,410,964	12,663,984
	14,410,964	12,663,984
<b>NOTE-15</b>		
<b><u>TRADE RECEIVABLES</u></b>		
<b>Unsecured considered good</b>		
a Trade receivables outstanding for more than six months from the date they became due for payment	3,145	27,334
b Trade receivables (others)	5,105,084	3,637,495
	5,108,229	3,664,829
<b>NOTE-16</b>		
<b><u>CASH AND CASH EQUIVALENTS</u></b>		
a Balance with banks	12,340,205	3,536,572
b Cash on hand	96,688	269,478
	12,436,892	3,806,050
<b>NOTE-17</b>		
<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
<b>Unsecured, Considered Good</b>		
a Balance with Customs & Excise authorities	-	15,000
a Advance to related parties	115,672,079	115,371,973
b Service tax receivable	-	18,540
c Advance tax	1,907,116	1,896,745
d Interest receivable	114,088	-
e Others	32,900,000	32,900,000
f Prepaid Expenses	25,053	12,063
g Advances to Staff	15,000	15,000
h Advances to Suppliers	-	126,322
	150,633,336	150,340,643

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***Binny Mills Limited***

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**NOTES TO THE PROFIT & LOSS STATEMENT FOR THE YEAR ENDED  
31ST MARCH 2015**

	<b>For the year ended 31-03-2015 Rs.</b>	<b>For the year ended 31-03-2014 Rs.</b>
<b>NOTE-18</b>		
<b><u>INCOME</u></b>		
a Sale of Products	52,428,098	<b>52,359,796</b>
b Sale of Services	18,615,294	<b>17,391,075</b>
c Other Operating Revenues	562,566	<b>223,505</b>
	71,605,958	<b>69,974,376</b>
<b>NOTE-19</b>		
<b><u>OTHER INCOME</u></b>		
d Other non-operating income	163,451	<b>462,563</b>
	163,451	<b>462,563</b>
<b>NOTE-20</b>		
<b><u>COST OF MATERIALS CONSUMED</u></b>		
a Packing Materials consumed	1,238,377	<b>1,361,886</b>
	1,238,377	<b>1,361,886</b>
<b>NOTE-21</b>		
<b><u>CHANGES IN STOCK-IN-TRADE</u></b>		
Opening - Stock in trade (traded items)	12,663,984	<b>11,031,296</b>
Closing Stock in trade (traded items)	13,674,300	<b>12,663,984</b>
Net change	(1,010,316)	<b>(1,632,688)</b>
<b>NOTE-22</b>		
<b><u>EMPLOYEE BENEFIT EXPENSES</u></b>		
a Salaries and wages	2,947,955	<b>5,986,519</b>
b Contribution to PF and other funds	-	<b>272,314</b>
c Staff welfare expenses	340,424	<b>435,803</b>
d Gratuity	477,153	<b>1,823,543</b>
e Compensated absences	(46,417)	<b>193,109</b>
	3,719,115	<b>8,711,288</b>

## 8th Annual Report 2014-2015

	For the year ended 31-03-2015 Rs.	For the year ended 31-03-2014 Rs.
<b>NOTE-23</b>		
<b><u>OTHER EXPENSES</u></b>		
a Rent	654,296	568,288
b Insurance	97,696	81,805
c Power and Fuel	422,645	984,744
d Repairs to building	1,680,066	1,226,332
e Repairs to machinery	2,792,205	270,305
f Rates and taxes	935,375	2,311,370
g Payment to statutory auditors		
for audit	168,540	150,000
for tax audit	28,090	-
for certification	61,798	44,944
for management services	-	-
reimbursement of expenses	-	-
h VAT, PF and Secretarial Audit Fees	55,618	-
i Legal expenses	157,616	1,093,450
j Advertisement	-	651,450
k Selling expenses	1,113,621	1,406,120
l Bad debts written off	-	95,228
m Bank Charges	57,881	61,385
n Professional fees paid	872,724	1,991,046
o Retainer fees paid	1,817,921	2,515,178
p Security Charges	1,319,987	1,596,714
q Miscellaneous expenses	3,080,448	2,511,659
r Prior Period expenses	27,334	-
s Certification Fees	27,250	-
	15,371,111	17,560,018

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. Depreciation has been provided based on useful life as specified in Schedule II of the Companies Act, 2013. Depreciation charge for the year has increased by Rs. 69,118/- on account of adoption of Schedule II in place of Schedule XIV to the Companies Act, 1956.
- The company has adjusted an amount of Rs. 13,802/- from retained earnings on account of adoption of Schedule II.
26. Total outstanding dues of Creditors to Small Scale Industrial Undertakings – Rs. Nil (Rs. Nil as on 31.3.2014). Total outstanding dues of Creditors other than Small Scale Industrial Undertakings – Rs. 117.42 lakhs (Rs. 87.56 lakhs as on 31/03/2014).
27. 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.
28. 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

## ***Binny Mills Limited***

above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

### 29. Employee Benefits :

- A. The Company has determined the liability for employee benefits as at 31<sup>st</sup> March 2015 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 31<sup>st</sup> March 2015 – Gratuity & Long Term Compensated Absence

Particulars	Gratuity Unfunded	Long term Compensated Absence
	Amount in Rs.	Amount in Rs.
<b>Changes in the present value of obligations:</b>		
Present value of obligation as at the beginning of the year	22,71,965	2,08,118
Interest cost	1,53,914	14,481
Current service cost	74,007	(11,881)
Benefits paid	(6,96,085)	(54,205)
Actuarial loss on obligation	1,54,788	1,057
Present value of obligation as at the end of the year	19,58,589	1,57,570
<b>Changes in the fair value of plan assets:</b>		
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	<b>0</b>	<b>0</b>
Fair value of plan assets as at the end of the year	0	0
<b>Actual Return on Plan Assets:</b>		
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
<b>Fair value of plan assets:</b>		
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)	<b>0</b>	<b>0</b>
Excess of Actual over Expected return on plan assets	0	0

**8th Annual Report 2014-2015**

Particulars	Gratuity Unfunded	Long term Compensated Absence
	Amount in Rs.	Amount in Rs.
<b>Net Actuarial Loss:</b>		
Actuarial loss on obligation	0	0
Actuarial gain on plan assets	0	0
Net Actuarial loss at the end of the year	<b>0</b>	<b>0</b>
<b>Net Liability recognized in the Balance Sheet</b>		
Present value of obligation as at the end of the year	19,58,589	1,57,570
Fair value of plan assets as at the end of the year	0	0
Funded status (Liability)	<b>0</b>	<b>0</b>
Net Liability recognized in the Balance Sheet as at the end of the year	<b>19,58,589</b>	<b>1,57,570</b>
<b>Expense recognized in the statement of Profit &amp; Loss for the year ended 31<sup>st</sup> March 2015</b>		
Current service cost	74,007	(11,881)
Interest cost	1,53,914	14,481
Expected return on plan assets	0	0
Net Actuarial (Gain) / Loss to be Recognized	1,54,788	1,057
Expense recognized in the Statement of Profit & Loss	3,82,709	3,657
<b>Movement of Net Liability</b>		
Net Liability as at the beginning of the year	<b>22,71,965</b>	<b>2,08,118</b>
Contributions	(6,96,085)	(54,205)
Expense recognized in the Statement of Profit & Loss	3,82,709	3,657
Net Liability as at the end of the year	<b>19,58,589</b>	<b>1,57,570</b>
<i>Actuarial Assumptions:</i>	<i>31<sup>st</sup> March 2015</i>	<i>31<sup>st</sup> March 2015</i>
<b>Discount rate</b>	<b>7.50%</b>	<b>7.50%</b>
<b>Expected rate of return on plan assets</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
<b>Salary Escalation</b>	<b>5%</b>	<b>5%</b>
<b>Attrition rate</b>	<b>5%</b>	<b>5%</b>
<b>Mortality rate</b>	<b>IALM (2006-08) Ult</b>	

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.

30. There are no borrowing costs during the year.



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**Binny Mills Limited**

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31. Advances include a sum of Rs. 1,156.72 lakhs (Rs. 1,153.72 lakhs as on 31.3.2014) towards purchase of property due from a Company in which a director of the Company is also a director.

32. Related Party Disclosures

Related Parties: (Companies in which one or more directors of the Company are also directors)	TCP Limited The Thiruvalluvar Textiles Private Limited Binny Ltd
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The following are the related party transactions during the year

	Amount in Rs.
<b>Preference Shares Allotted:</b>	
Transactions during the year	(-)
Outstanding amount at the Balance Sheet date	
TCP Ltd	138,32,10,330 (135,94,26,390)
The Thiruvalluvar Textiles Private Ltd	2,63,20,380 (5,01,04,320)
Total	140,95,30,710 (140,95,30,710)
<b>Loans and Advances:</b>	
Advance given to Binny Ltd for purchase of property:	
Transactions during the year	3,00,106 (-1,70,31,354)
Outstanding amount at the Balance Sheet date	11,56,72,079 (11,53,71,973)
Advance received from TCP Ltd for sale of Land:	
Transactions during the year	- (-1,37,46,708)
Outstanding amount at the Balance Sheet date	1,54,17,632 (1,54,17,632)
Sale of Goods to TCP Ltd:	
Transactions during the year	7,53,762 (8,59,983)
Outstanding amount at the Balance Sheet date	81,410 (80,260)

Figures in bracket relate to the previous year.

All the transactions were made by the Company in the ordinary course of business and on arm's length basis. Hence, these transactions will not attract the provisions of section 188 (1) of the Companies Act, 2013

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.

## 8th Annual Report 2014-2015

33. The estimated amount of contracts remaining to be executed on account of Capital account as at 31<sup>st</sup> March 2015: Rs. Nil (Rs. Nil as at 31<sup>st</sup> March 2014).

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

35. 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.25,08,188/- (Rs.22,21,538/- for 31-3-2014).

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.102,44,59,710/- (Rs. 89,78,21,546/- for 31-3-2014).

The arrears of Preference Dividend are calculated from the date of original allotment of shares by Binny Ltd. Binny Ltd was demerged on 1<sup>st</sup> January 2010 (i.e., the Appointed date) vide the Order of the Madras High Court dated 22<sup>nd</sup> 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.

36. Earnings per Share

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014
Profit available to Equity Share holders used as Numerator - (A)	63,56,730	8,59,128
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)	63,56,730	8,59,128
Earnings per share (Basic) - (A/ B) In Rs.	1.99	0.27
Earnings per share (Diluted) - (E / D) In Rs.	1.99	0.27

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

**V. R. Venkatachalam**  
Chairman

**V. Rajasekaran**  
Managing Director

Place : Chennai  
Date : 29<sup>th</sup> May 2015

for **M/s T. Selvaraj & Co**  
Chartered Accountants  
Firm Regn No. 003703S

**S. Vidya**  
Partner  
Membership No. 217934

***Binny Mills Limited***

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2015**

	31.3.2015		31.3.2014	
	Rs.	Rs.	Rs.	Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit for the year before tax		9,640,578		1,159,137
Adjustment for Depreciation		245,946		104,414
Operating Profit before working Capital Changes		9,886,524		1,263,551
<b>Changes in Current Assets &amp; Current Liabilities</b>				
Decrease / (Increase) in sundry debtors	(1,443,400)		585,436	
(Increase) / Decrease in inventories	(1,746,980)		(1,632,688)	
(Increase) / Decrease in loans and advances	(419,745)		18,050,379	
Increase / (Decrease) in Current liabilities & Provisions	6,132,841	2,522,716	(14,583,775)	2,419,353
Cash Generated from / used in Operating Activities		12,409,240		3,682,904
Direct Taxes Paid		3,276,449		1,162,065
<b>Net Cash from Operating Activities (a)</b>		9,132,791		2,520,839
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Purchase) / Sale of Fixed Assets		(501,949)		(1,065,850)
<b>Net Cash from Investing Activities (b)</b>		(501,949)		(1,065,850)
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		-		-
Total increase in cash and equivalents during the year ( a + b )		8,630,842		1,454,989
Cash and equivalents at the beginning of the year		3,806,050		2,351,062
Cash and equivalents at the end of the year*		12,436,892		3,806,050
*Comprises:				
Cash on Hand		96,688		269,478
Balances with Bank in current accounts		12,340,205		3,536,572
		12,436,892		3,806,050

For and behalf of the Board

**V.R.Venkataachalam**  
Chairman

**V.Rajasekaran**  
Managing Director

Place : Chennai  
Date : 29th May 2015

As per Our Report of even date  
For **T.SELVARAJ & CO**  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 003703S

**S. Vidya**  
Partner  
Membership No. 217934

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***8th Annual Report 2014-2015***

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**Binny Mills Limited**

**BINNY MILLS LIMITED**

CIN: L17120TN2007PLC065807

Registered Office: NO.4, KARPAGAMBAL NAGAR, MYLAPORE, CHENNAI 600 004

**Form No. MGT-11  
PROXY FORM**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member(s): .....

Registered address: .....

E-mail Id: .....

Folio No. / Client ID No. : ..... DP ID No. ....

I / We, being the member(s) of equity Shares of Binny Mills Limited, hereby appoint.....

1. Name: .....E-mail Id: .....

Address: .....

.....Signature: .....

or failing him/ her...

2. Name: .....E-mail Id: .....

Address: .....

.....Signature: .....

or failing him/ her...

3. Name: .....E-mail Id: .....

Address: .....

.....Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighth Annual General Meeting of the company to be held on 18<sup>th</sup> September 2015 at 3.30 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2015 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 S. Natarajan (DIN 00155988) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.
4. Re-appointment of Shri V. Rajasekaran as the Managing Director of the Company for a further period of five years with effect from 12<sup>th</sup> May 2015

Signed this ..... day of ..... 2015

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix one  
Rupee  
Revenue  
Stamp

NOTES:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at NO.4, Karpagambal Nagar, Mylapore, Chennai 600 004, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Proxy.

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***8th Annual Report 2014-2015***

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***Binny Mills Limited***

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**ATTENDANCE SLIP**

**BINNY MILLS LIMITED**

**Registered Office: NO.4, KARPAGAMBAL NAGAR, MYLAPORE,  
CHENNAI 600 004**

1. Full Name of the Shareholder/proxy.....
2. Registered Folio No..... No. of Shares.....
3. If Proxy, full name of the Shareholder.....



I hereby record my presence at the 8<sup>th</sup> Annual General Meeting at No.4, (Old No.10) Karpagambal Nagar, Mylapore, Chennai 600 004 on Friday, the 18<sup>th</sup> September, 2015 at 3.30 P.M.

.....  
(Signature of shareholder/proxy)

**Important:** This attendance slip must be handed over at the entrance of the meeting hall.

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***8th Annual Report 2014-2015***

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# Binny Mills Limited

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

e-mail : binnymills@bmlindia.com  
 website : www.bmlindia.com

CIN No. L17120TN2007PLC065807

Phone: +91-44-24992115  
 Fax: +91-44-24991777



BML/ Sec-F-SE/

BSE Limited  
 Phiroze Jeejeebhoy Towers  
 Dalal Street  
 Mumbai-400 001.

Dear Sirs,

MD & CEO	MKT PLACE	SECRET	SP&P	HR	INVEST & A/C
RCD					DOT/DIT
LEGAL	BSE LTD. 09 SEP 2015 12772				DOT 3RD FLR
MS&D					DOSS
BD&M					DCS
IPF					U.S.E.
INTER'L RELA	NO. ....				
BTI	INTER SONT'L	INF. PROD	SME	ESTATE	CORP. COMM
BSE/BOOK	DIS	CSD & ICCL	ADMIN.	SECUR	LISTING

7-9-2015

**Sub:** Submission of Six copies of Annual Report 2015 along with Form A

Pursuant to Clause 31 (a) of the Listing Agreement, we are herewith enclosing Six copies of Annual Report 2015 of Binny Mills Limited along with the Form A duly signed

This may kindly be taken on record

Thanking you,

Yours faithfully,  
 for Binny Mills Limited

*V. Rajasekaran*  
 V. Rajasekaran  
 Managing Director

Encl: a/a



## **Binny Mills Limited**

**Regd Office :** No. 4 (Old No. 10), Karpagambal Nagar, Mylapore, Chennai - 600 004. INDIA

e-mail : binnymills@bmlindia.com  
website : www.bmlindia.com

**CIN No. L17120TN2007PLC065807**

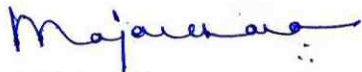
Phone: +91-44-24992115  
Fax: +91-44-24991777

### **FORM A**

Format of covering letter for the Annual Audit report of Binny Mills Ltd for the year ended 31-03-2015, to be filed with the Stock exchanges [Pursuant to Clause 31 (a) of the Listing Agreement]

1.	Name of the Company:	BINNY MILLS LIMITED (CIN No.L17120TN2007PLC065807) (BSE Ltd Scrip ID 535620)
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable

For Binny Mills Limited

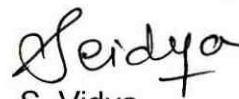


V. Rajasekaran  
Managing Director (CEO)



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)



# Binny Mills Limited

B-540  
15/09/2015

MD & CEO	MKT PLACE	SECRET	SP&P	HR	INVEST & A/C	
RCD					DOT/DIT	
LEGAL	BSE LTD.				DOT 3RD FLR	
MS & D				09 SEP 2015		DOSS
BD & M	12772				DCS	
IPF	NO.....				U.S.E.	
INTER'L RELA	BTI	INTER GONT'L	INF. PROD	SME	ESTATE	CORP. COMM
	DIS	CSD & ICCL	ADMIN.	SECUR	LISTING	

**Eighth Annual Report  
2014 - 2015**



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**8th Annual Report 2014-2015**

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**BINNY MILLS LIMITED**

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

**DIRECTORS**

Shri V. R. Venkataachalam  
Shri V. Rajasekaran  
Shri V. Sengutuvan  
Shri S. Nat̄arajan  
Shri S. Varatharajan  
Shri M. Parthasarathi  
Shri N. Jaiganesh  
Smt Nidhya R. Guhan

**DIN**

00037524  
00037006  
00053629  
00155988  
01819133  
03209175  
06969618  
06969627

Chairman  
Managing Director  
  
Independent Director  
Independent Director  
Independent Director  
Independent Director - Woman

**Registered Office:**

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

**Works :**

No.9, Stephenson Road,  
Perambur, Chennai 600 012

**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