

# BINNY MILLS LIMITED

Regd Office : No. 4 , Karpagambal Nagar, Mylapore, Chennai - 600 004. Tamilnadu INDIA

e-mail : [binnymills@bmlindia.com](mailto:binnymills@bmlindia.com)  
website : [www.bmlindia.com](http://www.bmlindia.com)

CIN.:L17120TN2007PLC065807

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

**Through:** BSE Listing Centre

03-09-2019

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

Dear Sir/Madam,

**Sub: Submission of Annual Report 2018-19.**

Pursuant to Regulation 34(1)(a) of SEBI LODR Regulations 2015 we are submitting herewith the Annual Report for the year 2018-19 for your references and records.

Thanking you,

Yours faithfully,  
For Binny Mills Limited



V. Rajasekaran  
Managing Director



Encl: a/a

Admn. Office: No. 9, Stephenson Road, Perambur, Chennai-600 012.

E-mail: [binnymills.chennai@gmail.com](mailto:binnymills.chennai@gmail.com) Tel No. +91-44-26621055 Mobile: +91-9600078319.

## **BINNY MILLS LIMITED**

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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 **24<sup>th</sup> September 2019 at 9 A.M. to 26<sup>th</sup> September 2019 at 5 P.M** Please refer Note No.25 of the Notice for procedure for remote e-voting. Members holding shares either in physical form or in dematerialized form, as on the cut-off date of **20<sup>th</sup> September 2019**, may cast their vote by remote e-voting.

Members are requested to read item nos.19 and 20 of the Notes to the AGM Notice which contains important information.

## **BINNY MILLS LIMITED**

Corporation Identity Number [CIN]: L17120TN2007PLC065807

### **BOARD OF DIRECTORS**

	<b>DIN</b>	
Shri V. R. Venkataachalam	00037524	Chairman
Shri V. Rajasekaran	00037006	Managing Director
Shri V. Sengutuvan	00053629	Director
Smt. V. Samyuktha	02691981	Director – Woman Director
Shri S. Natarajan	00155988	Director
Shri S. Varatharajan	01819133	Independent Director
Shri M. Parthasarathi	03209175	Independent Director
Shri N. Jaiganesh	06969618	Independent Director

### **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:**

**NSR & Co.,**  
Chartered Accountants  
Flat No.6, Meenakshi Sundaram Flats,  
Old No. 11, New No.33, Sivaji Street,  
T. Nagar, Chennai 600 017.

### **Registrar and Share Transfer Agent**

**Cameo Corporate Services Limited**  
“Subramanian Building”,  
No.1, Club House Road, Chennai 600 002.  
Phone : 044 28460390 (5 lines)  
Fax: 044 28460129  
E-mail: investor@cameoindia.com

### **Internal Auditors :**

**Sankaran & Krishnan**  
Chartered Accountants  
1E, Marble Arch Apartments,  
4 & 5, Bishop Wallers Avenue East,  
Mylapore, Chennai 600 004.

### **Listed at:**

BSE Ltd.

### **Bank:**

**Indian Bank**  
East Abhirampuram Branch,  
Chennai 600 004.

### **Secretarial Auditor:**

Shri K. Elangovan,  
Company Secretary in Practice

**Binny Mills Limited**

**NOTICE**

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of Binny Mills Ltd will be held on **Friday, the 27<sup>th</sup> September 2019 at 3.30 P.M.** at the Registered Office of the Company at No.4, Karpagambal Nagar, Mylapore, Chennai 600004 to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the company for the Financial Year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri V. Sengutuvan (DIN 00053629), who retires by rotation under section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**.

**“RESOLVED THAT** Shri V. Sengutuvan (DIN 00053629), Director, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

**Special Business:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri. S. Varatharajan, (DIN:01819133) be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of five consecutive years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri. M. Parthasarathi, (DIN:03209175) be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of five consecutive years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri. N. Jaiganesh (DIN:06969618) be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of five consecutive years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.”

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.

CIN: L17120TN2007PLC065807

E mail Id: binnymills@bmlindia.com

Date : 30<sup>th</sup> July 2019

Place : Chennai

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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 ON A POLL TO 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, SHOULD BE DULY COMPLETED, SIGNED AND STAMPED AND SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
3. 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. **The proxy holder shall prove its identity at the time of attending the meeting.** The proxies shall be available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
4. 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.
5. 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.
6. Notice is also given that, pursuant to section 91 of the Companies Act, 2013, and Rule 10 of the Companies (Management and Administration) Rules, 2014, as amended, the **Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21<sup>st</sup> September 2019 to Friday, 27<sup>th</sup> September 2019 (both days inclusive).**
7. The Statutory Registers will be available for inspection by the members at the Annual General Meeting at the registered office of the Company during business hours, except on holidays up to and including the date of the Annual General Meeting of the Company.
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 the Company. 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. **Members holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company.**
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

## ***Binny Mills Limited***

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.
13. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. 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. As provided in Rule 18(2) of the Companies (Management & Administration) Rules, 2014, **the notice of the meeting has been sent by e-mail to those shareholders whose registered e-mail address is available with the Company.**
18. Regulation 36(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provides that a listed company shall send soft copies of full annual report to all those shareholders who have registered their e-mail address for the purpose. Accordingly, **the Company has sent by e-mail the soft copy of the Annual Report to those shareholders whose registered e-mail address is available with the Company.**

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19. Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 in point no.12 (ii) of the Annexure to the Circular has mandated all listed companies to update the Permanent Account Number (PAN) and Bank account details of all shareholders who are holding shares in physical form and for this purpose to send communication to all such shareholders through their Registrars and Transfer Agent (RTA). Accordingly, our Registrar and Transfer Agent (RTA) M/s Cameo Corporate Services Ltd has sent to each of those shareholders who are holding shares in physical form a letter to this effect dated 6<sup>th</sup> December 2018 enclosing to the letter a form to be duly filled in and sent to the RTA along with copies of documents stated in the letter. A second letter, as a reminder, was sent on 18<sup>th</sup> January 2019. For obtaining PAN, members may contact our Registrar and Transfer Agent M/s Cameo Corporate Services Ltd who would help you to obtain your PAN.
20. Securities and Exchange Board of India (SEBI) vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which states that “except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a Depository.” **As such, SEBI has mandated transfer of shares in dematerialised form alone. The regulation comes into effect on the 180<sup>th</sup> day of the Notification (i.e.) from December 4, 2018.** Members are requested to note this and take necessary steps to dematerialise their physical form shares. For opening aDemat Account, members may contact our Registrar and Transfer Agent M/s Cameo Corporate Services Ltd who would help you in this regard.
21. 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.
22. Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provide that every listed company shall provide to its members facility to exercise their right to vote at general meetings by electronic means. A member may exercise his right to vote at any general meeting by electronic means and company may pass shareholders' resolutions by electronic voting system (e-voting) in accordance with the aforesaid provisions.
23. The members may exercise their right to vote on the resolutions to be passed at this Annual General Meeting by remote e-voting. The Company may pass shareholders' resolutions by remote e-voting in accordance with the aforesaid provisions
24. The Board of Directors has appointed Shri P. Sriram, Practising Company Secretary (Membership No. FCS 4862), Chennai, as the Scrutinizer for conducting the electronic voting (e-voting) process in accordance with the provisions of the Act and Rules made there under in a fair and transparent manner and he has consented to act as such.
25. 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 12<sup>th</sup> Annual General Meeting.

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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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 12<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 12<sup>th</sup> Annual General Meeting may also attend and participate at the 12<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 e-voting to enable the shareholders to cast their votes electronically.

**The process and manner of 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 of 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 **24<sup>th</sup> September 2019 at 9 A.M.** and ends on **26<sup>th</sup> September 2019 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 20<sup>th</sup> September 2019**, 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 **26<sup>th</sup> September 2019 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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(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 sequence number 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>

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

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- (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 Custodians 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 **20<sup>th</sup> September 2019**, being cut-off date.
- V. For the purpose of ensuring that members who have cast their votes through remote e-voting do not vote again at the 12<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 12<sup>th</sup> Annual General Meeting, the details relating to members, such as their names, folios, number of shares held and such

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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 12<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.
26. Electronic copy of the Notice of the 12<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 12<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.

**INFORMATION AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SS 2 – SECRETARIAL STANDARD ON GENERAL MEETINGS IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING 12<sup>th</sup>AGM**

<b>Name of Director</b>	Shri V. Sengutuvan
<b>Date of Birth</b>	7 <sup>th</sup> December 1986
<b>DIN</b>	00053629
<b>Date of Appointment</b>	1 <sup>st</sup> June 2009
<b>Expertise in specific functional areas</b>	Experience in management and administration functions
<b>Qualifications</b>	Graduate
<b>Directorship held in other companies</b>	<ol style="list-style-type: none"> <li>1. TCP Ltd.</li> <li>2. Indian Members Benefit Fund Ltd.</li> <li>3. TCP Hotels Private Ltd.</li> <li>4. Tanchem Imports &amp; Exports Private Ltd.</li> <li>5. The Thiruvalluvar Textiles Private Ltd.</li> <li>6. Transworld Pharma (Madras) Private Ltd.</li> <li>7. The Narashimha Mills Private Ltd.</li> <li>8. Thirumalai Realtor Private Ltd.</li> <li>9. Thirubalaa Realtors Private Ltd.</li> </ol>

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	<ul style="list-style-type: none"> <li>10. Mookambika Realtors Private Ltd.</li> <li>11. Matrix Foundations Private Ltd.</li> <li>12. Cosy Realtors Private Ltd.</li> <li>13. Transworld Beverages Private Ltd.</li> <li>14. East Coast Chase Apparels Private Ltd.</li> <li>15. Transworld Medical Corporation Private Ltd.</li> <li>16. Axiom Therapeutics Private Ltd.</li> <li>17. Thirumagal Realtors Private Ltd.</li> </ul>
<b>Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders' Relationship Committee)</b>	Nil
<b>Shareholdings in the Company</b>	74,600 Equity shares; and 32,000 9% Cumulative Redeemable Preference Shares
<b>Disclosure of inter-se relationships between directors and Key Managerial Personnel</b>	He is the son of Shri V.R. Venkataachalam, Chairman and brother of Mrs. V. Samyuktha, Woman Director.
<b>Name of Director</b>	Shri S. Varatharajan
<b>Date of Birth</b>	5 <sup>th</sup> February 1963
<b>DIN</b>	01819133
<b>Date of Appointment</b>	12 <sup>th</sup> May 2010
<b>Expertise in specific functional areas</b>	Experience in management and administration functions
<b>Qualifications</b>	Graduate
<b>Directorship held in other companies</b>	<ul style="list-style-type: none"> <li>1. TCP Ltd.</li> <li>2. Nagoorar Enterprises Private Ltd.</li> <li>3. Agro Carbonic Gases Private Ltd.</li> <li>4. Transworld Beverages Private Ltd.</li> </ul>
<b>Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders' Relationship Committee)</b>	Nil
<b>Shareholdings in the Company</b>	Nil
<b>Disclosure of inter-se relationships between directors and Key Managerial Personnel</b>	Nil

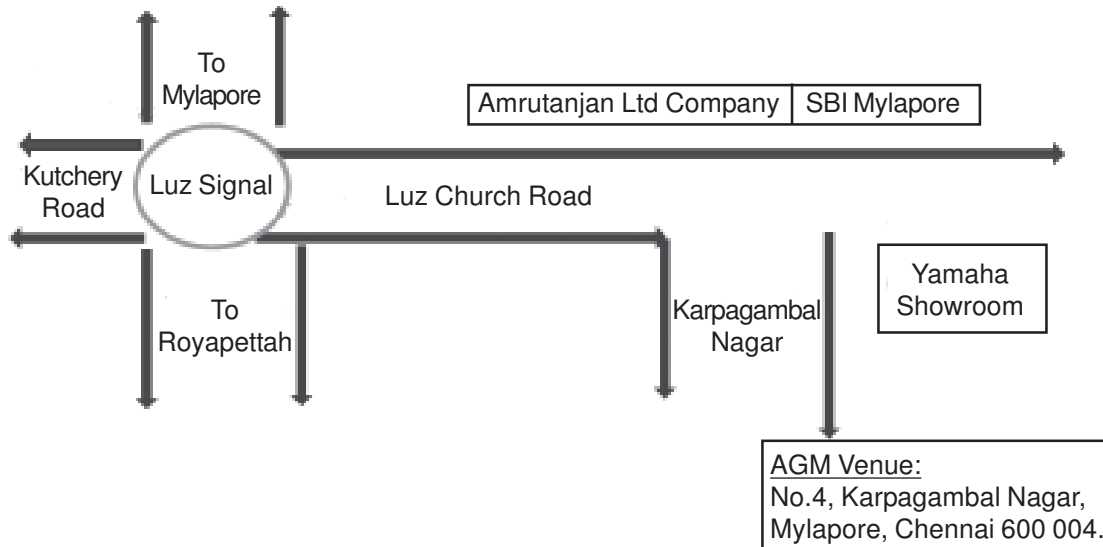
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<b>Name of Director</b>	Shri M. Parthasarathi
<b>Date of Birth</b>	4 <sup>th</sup> May 1954
<b>DIN</b>	03209175
<b>Date of Appointment</b>	5 <sup>th</sup> December 2013
<b>Expertise in specific functional areas</b>	Experience in management and administration functions
<b>Qualifications</b>	Graduate
<b>Directorship held in other companies</b>	1. TCP Ltd. 2. Tri Electric Private Ltd. 3. Sudharsan Equipments Private Ltd.
<b>Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders' Relationship Committee)</b>	Nil
<b>Shareholdings in the Company</b>	Nil
<b>Disclosure of inter-se relationships between directors and Key Managerial Personnel</b>	Nil

<b>Name of Director</b>	Shri N. Jaiganesh
<b>Date of Birth</b>	22 <sup>nd</sup> March 1978
<b>DIN</b>	06969618
<b>Date of Appointment</b>	5 <sup>th</sup> December 2013
<b>Expertise in specific functional areas</b>	Experience in management and administration functions
<b>Qualifications</b>	Graduate
<b>Directorship held in other companies</b>	1. TCP Ltd.
<b>Membership/ Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders' Relationship Committee)</b>	Nil
<b>Shareholdings in the Company</b>	Nil
<b>Disclosure of inter-se relationships between directors and Key Managerial Personnel</b>	Nil

## Binny Mills Limited

Map Route to AGM Venue:



### Explanatory Statement in respect of the Special Business (Pursuant to Section 102 of the Companies Act, 2013)

**Item No.3: To appoint Shri. S. Varatharajan, [DIN:01819133] as an Independent director of the Company, not liable to retire by rotation, for a second term of five consecutive years from 1<sup>st</sup> April 2019.**

Shri S. Varatharajan, [DIN: 01819133], who was already a director, was classified as an Independent Director of the Company from 1<sup>st</sup> April 2014 to hold office up to 31<sup>st</sup> March 2019, not liable to retire by rotation.

As per section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term of up to 5 consecutive years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. Section 149(11) provides that no independent director shall hold office for more than two consecutive terms.

Board of Directors, at their meeting held on 28<sup>th</sup> May 2019, re-appointed, subject to the approval of the shareholders by passing a special resolution, Shri S. Varatharajan [DIN: 01819133] as an independent director on the Board of the Company for a second term of 5 consecutive years to hold office from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

Regulation 25(2) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 provides that the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

Board has carried out Performance Evaluation of the Director during his tenure as Independent Director and has expressed its satisfaction over the performance. The details of Performance Evaluation is given in the Report on Corporate Governance attached to the Directors' Report.

Board of Directors recommend the passing of the resolution set out as item no.3 in the Notice as a **special resolution**.

## **12th Annual Report 2018-2019**

**Item No.4: To appoint Shri. M. Parthasarathi [DIN: 03209175] as an Independent director of the Company, not liable to retire by rotation, for a second term of five consecutive years from 1<sup>st</sup> April 2019.**

Shri M. Parthasarathi [DIN: 03209175], who was already a director, was classified as an Independent Director of the Company from 1<sup>st</sup> April 2014 to hold office up to 31<sup>st</sup> March 2019, not liable to retire by rotation.

As per section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term of up to 5 consecutive years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. Section 149(11) provides that no independent director shall hold office for more than two consecutive terms.

Board of Directors, at their meeting held on 28<sup>th</sup> May 2019, re-appointed, subject to the approval of the shareholders by passing a special resolution, Shri M. Parthasarathi [DIN: 03209175] as an independent director on the Board of the Company for a second term of 5 consecutive years to hold office from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

Regulation 25(2) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 provides that the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

Board has carried out Performance Evaluation of the Director during his tenure as Independent Director and has expressed its satisfaction over the performance. The details of Performance Evaluation is given in the Report on Corporate Governance attached to the Directors' Report.

Board of Directors recommend the passing of the resolution set out as item no.4 in the Notice as a **special resolution**.

**Item No.5: To appoint Shri. N. Jaiganesh [DIN: 06969618] as an Independent director of the Company, not liable to retire by rotation, for a second term of five consecutive years from 1<sup>st</sup> April 2019.**

Shri N. Jaiganesh [DIN: 06969618], who was already a director, was classified as an Independent Director of the Company from 1<sup>st</sup> April 2014 to hold office up to 31<sup>st</sup> March 2019, not liable to retire by rotation.

As per section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term of up to 5 consecutive years on the Board of the Company but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. Section 149(11) provides that no independent director shall hold office for more than two consecutive terms.

Board of Directors, at their meeting held on 28<sup>th</sup> May 2019, re-appointed, subject to the approval of the shareholders by passing a special resolution, Shri N. Jaiganesh [DIN: 06969618] as an independent director on the Board of the Company for a second term of 5 consecutive years to hold office from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

## ***Binny Mills Limited***

Regulation 25(2) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 provides that the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

Board has carried out Performance Evaluation of the Director during his tenure as Independent Director and has expressed its satisfaction over the performance. The details of Performance Evaluation is given in the Report on Corporate Governance attached to the Directors' Report.

Board of Directors recommend the passing of the resolution set out as item no.5 in the Notice as a **special resolution**.

By Order of the Board of Directors  
For Binny Mills Limited

**V. Rajasekaran**  
**Managing Director**

Date : 30<sup>th</sup> July 2019  
Place : Chennai

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

### **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 shareholder'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.



## 12th Annual Report 2018-2019

### DIRECTORS' REPORT

To,

#### The Members

Your Directors have pleasure in presenting the Twelfth Annual Report and the Audited Financial Statements of your Company for the financial year ended 31<sup>st</sup> March, 2019.

**FINANCIAL SUMMARY** [pursuant to Rule 8(5)(i) of the Companies (Accounts) Rules, 2014]

#### Based on Ind AS compliant Financial Statements

Particulars	31 <sup>st</sup> March 2019 (In Rs. lakhs)	31 <sup>st</sup> March 2018 (In Rs. lakhs)
Revenue from operations	910.16	717.84
Other income	61.47	82.31
Profit / (loss) before Finance cost, Depreciation and Exceptional item	244.82	192.76
Finance costs	1,599.60	1,599.62
Profit / (loss) before Depreciation and Exceptional item	(1,354.78)	(1,406.86)
Depreciation	2.89	2.96
Profit / (loss) before Tax and Exceptional item	(1,357.67)	(1,409.82)
Exceptional item*	155.18	-
Profit / (loss) after Exceptional item before Tax	(1,512.85)	(1,409.82)
Provision for Tax (including Deferred tax)	(45.29)	(30.70)
Profit / (loss) after Tax	(1,558.14)	(1,440.52)
Other comprehensive income (loss)	(0.11)	0.80
Total comprehensive income / (loss) for the year	(1,558.25)	(1,439.72)

\* Exceptional item of expense pertains to prior period electricity charges paid during the current financial year.

#### OPERATIONS

The members may be aware that pursuant to the Demerger Scheme of Binny Ltd, the Agencies and Services Undertaking of Binny Ltd was transferred to and vested in the Company, with effect from 1<sup>st</sup> January 2010, the Appointed Date as per the Demerger Scheme.

The company operates in 4 divisions viz., Warehousing, Showrooms, Agencies and Textiles. 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 Textiles division is engaged in selling textile materials, particularly uniform materials, bed spreads, and other textile varieties.

## **Binny Mills Limited**

For the year 2018-19, the Rental income from Warehousing division was Rs.249.83 lakhs as against Rs. 204.86 lakhs in the previous year, an increase by about 22%. The sales made by the Showrooms division was Rs.208.88 lakhs as against Rs. 169.25 lakhs in the previous year, an increase by about 23%, the Agencies division did not make any sale during the year as also in the previous year and the Textiles division Rs.449.98 lakhs as against Rs. 342.33 lakhs in the previous year.

The aggregate amount of revenue from Rent, Sales and operating income were Rs.910.16 lakhs as against Rs. 717.84 lakhs in the previous year.

The warehouse division has made a net profit of Rs.193.32 lakhs as against Rs.176.27 lakhs in the previous year, the showrooms division has earned a net profit of Rs.9.55 lakhs, as against a Net Loss of Rs. 1.91 lakhs in the previous year and the textiles division has earned a net profit of Rs.15.74 lakhs as against a Net loss of Rs.3.58 lakhs in the previous year.

At the Board Meeting held on 28<sup>th</sup> May 2019, Board passed resolutions to close down the business of the Kolkata showroom, as the rented premises, in which it was functioning, was sought possession by the Landlord.

The Companies (Indian Accounting Standards), Rules, 2015 (Ind AS) had become applicable to the Company from the financial year 2017-18 onwards. Accordingly, the financial statements for the year ended 31<sup>st</sup> March 2019 have been prepared and presented after complying with the applicable Ind AS requirements.

### **PREFERENCE SHARES**

The 28,14,18,142 (9%) Cumulative Redeemable Preference Shares (CRPS) of Rs.5/- each aggregating to Rs.140,70,90,710/- are redeemable on or before 12<sup>th</sup> May 2020.

The preference shareholders and the shares held by them are as follows:

Name of the shareholder	Number of shares
TCP Ltd	27,60,54,066
The Thiruvalluvar Textiles Private Ltd	52,64,076
Shri V. R. Venkataachalam	32,000
Smt Radha	32,000
Shri V. Sengutuvan	32,000
Shri V. Rajasekaran	1,000
Shri D. Prasannamoorthy	1,000
Shri S. Varatharajan	1,000
Smt B. Meenakumari	1,000
<b>Total</b>	<b>28,14,18,142</b>

## **12th Annual Report 2018-2019**

Preference share 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.

In accordance with the Ind AS requirements, the Paid-up Preference Share Capital on the 9% Cumulative Redeemable Preference Shares of Rs.140,70,90,710/- which was earlier classified as Share Capital has now been reclassified as Borrowings as Financial Liabilities under Non-current liabilities.

Pursuant to this classification, the preference dividend amount of Rs.12,66,38,164/- and the Dividend Distribution Tax on it for an amount of Rs.2,57,83,530/- aggregating to Rs.15,24,21,694/- has been charged to Profit and Loss statement as Finance Cost for the year ended 31<sup>st</sup> March 2019 as against the same amount of Rs.15,24,21,694/- in the previous year ended 31<sup>st</sup> March 2018.

During the year, on 5-9-2018, 9% Preference dividend amount of Rs.1,24,22,433/- was paid to TCP Ltd in part payment of the arrears of preference dividend to TCP Ltd. Dividend distribution tax at 20.36% amounting to Rs.25,28,835/- was paid on the payment of the dividend.

The amount of Preference dividend payable has increased from Rs.14,015.11 lakhs in the previous year to Rs.15,157.27 lakhs in the current year. The Dividend Distribution tax payable on the Preference dividend is Rs.3,086.03 lakhs. This has been shown under other current financial liabilities.

Since the Company has incurred loss, the company cannot 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 has incurred loss, the company cannot 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 attract new customers for its retail textile sale.

### **ECONOMIC AND BUSINESS ENVIRONMENT**

The World Bank, in its 'Global Economic Prospects' report presented a somewhat dismal outlook for the world economy. India, however, stood out for its growth promise. With a projection of 7.5% growth per annum in GDP over the next three years, India is expected to retain its mantle as the fastest growing major economy in the world. The World Bank believes that India's growth prospects remain solid, supported by improved confidence, slowing inflation, as well as robust investments spurred by a fresh policy impetus. Downside risks, however, remain in terms of impact of a global slowdown, volatility in crude oil prices and the progress of monsoon.

## ***Binny Mills Limited***

India is expected to emerge as the world's fifth largest economy in the near future. The World Economic Forum estimates that India could become the world's third largest consumer market by 2030. Consumer spending in India is expected to grow exponentially to \$ 6 trillion from \$ 1.5 trillion today, with private consumption accounting for 60% of the GDP. Notwithstanding the recent slowdown in consumer uptake, structural drivers of growth are in place. Given the Government's strong policy direction, demand can be expected to pick up over time. While this portends well for the country's future, India also mirrors the global socio-economic challenges that can impede progress.

### **OUTLOOK AND OPPORTUNITIES**

The Government's flag ship programmes such as Jan Dhan Yojana, Ayuhman Bharat, Direct Benefit Transfer, Swachh Bharat, Doubling Farmer incomes and Make in India together with reforms such as GST have laid the foundations of a progressive future. The Government's clarion call to revitalise agriculture and conserve water resources as well as speedy action taken by the Government in the implementation of schemes like PM-KISAN, formation of a Jal Shakti Ministry, new initiatives like Nal se Jal, setting up of PM-led Cabinet Committees on Investment & Growth as well as Employment & Skill Development augurs well for the economy.

The Union Budget 2019 addresses multi-dimensional issues. The Budget commendably presented a comprehensive road map to achieve the Prime Minister's vision of a \$ 5 trillion economy. With a sharp focus on 'Gaon, Garib and Kisan', the proposals provide a structural thrust to infrastructure development, the MSME sector and job creation. This will indeed go a long way in shaping a New India with social equity and climate resilience.

### **BOARD OF DIRECTORS**

#### Director's retirement by rotation:

Shri V. Sengutuvan, non-executive and non-independent Director, (DIN 00053629), retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

#### Director appointment made during the year:

There was no change in the composition of the Board of Directors during the period under purview.

#### Present term of office 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 2020.

#### Reappointment of Independent Directors for a second term of five consecutive years:

In accordance with the provisions of section 149(10) of the Companies Act, 2013 the Board of Directors, at their meeting held on 28<sup>th</sup> May 2019, re-appointed the 3 Independent directors on the Board, viz., Shri S. Varatharajan [DIN: 01819133], Shri M. Parthasarathi [DIN: 03209175] and Shri N. Jaiganesh [DIN: 06969618] for a second term of 5 consecutive years to hold office from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024, subject to the approval of the members by passing special resolutions at the ensuing 12<sup>th</sup> Annual General Meeting.

The above re-appointments by the Board of Directors are based on the recommendation of the Nomination and Remuneration Committee which has carried out Performance Evaluation of the functioning of the directors including their contribution to the Board process and decision making process and has expressed

## **12th Annual Report 2018-2019**

its satisfaction over their performance. The resolutions for the aforesaid re-appointments together with requisite disclosures are set out in the Notice of the ensuing 12<sup>th</sup> Annual General Meeting. The Board recommends all the resolutions for your approval.

### Independent Directors' meeting:

The independent directors met on 1<sup>st</sup> February, 2019 without the presence of other directors or members of Management. All the independent directors were present at the meeting. In the meeting, the independent directors reviewed performance of non-independent directors, the Board as a whole and Chairman. They assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

### **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 the Annual Return in the Form MGT 9 pursuant to the provisions of Section 92 (3) read with Rule 12 (1) of the Companies (Management and administration) Rules, 2014 is annexed to this report as "**Annexure 1**". In accordance with the provisions of section 134 (3) (a) of the Companies Act, 2013, the Annual Return will be placed on the website of the Company at the web address [www.bmlindia.com](http://www.bmlindia.com)

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

There were five Board meetings held during the year. The details of the Board meetings and the 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 2019, the applicable Accounting Standards had been followed along with proper explanation for material departures, if any;
- ii) That the Directors had selected accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent 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 2019 and of the loss of the Company for that period;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 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 2019 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;
- 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.

## ***Binny Mills Limited***

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

The Board has received the declaration from all the Independent Directors as per Section 149(6) of the Companies Act, 2013 (the Act) and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the Board is satisfied that all the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Conduct for Directors and senior management personnel.

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

In accordance with section 178(4) of the Companies Act, 2013 and pursuant to Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (henceforth referred to as 'the Listing regulations'), the Nomination and Remuneration Committee has put in place the policy on diversity of Board of directors 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 diversity of Board of directors is annexed to the Directors' Report as **Annexure II**.

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** pursuant to section 178(4) of the Companies Act, 2013.

### **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, states that the Company is advised to appoint two more Independent Directors. The Company is taking all effective steps to appoint the Independent Directors.

### **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 the Notes on Accounts attached to the Financial Statements forming part of this Annual Report. 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 Regulation 23 of the Listing Regulations. 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. 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.

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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)

**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 2019 to 30<sup>th</sup> July 2019.

**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:

- |                                                |   |                 |
|------------------------------------------------|---|-----------------|
| <b>(A) Conservation of energy</b>              | : | Not Applicable. |
| <b>(B) Technology absorption</b>               | : | Not Applicable. |
| <b>(C) Foreign exchange earnings and Outgo</b> | : | NIL             |

**Risk Management Policy:**

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 not constituted the Corporate Social Responsibility Committee and 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

## ***Binny Mills Limited***

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.

### **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 regulation 17(10) of the Listing Regulations, 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. The manner in which the evaluation has been carried out has been explained in the Report on Corporate Governance.

### **The financial summary or highlights:**

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

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

There is no change in the nature of business during the year under review.

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

Shri A. Sampath, who was appointed as the Company Secretary and Chief Financial Officer of the Company from 30<sup>th</sup> March 2018 has submitted his resignation to be relieved from his duties by 31<sup>st</sup> July 2019. There were no directors or other key managerial personnel who were appointed or have 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 and all other records to



## 12th Annual Report 2018-2019

prepare the financial statements and other data. The Audit Committee reviews the internal financial controls and also monitors the implemented suggestions.

### **Disclosure as to whether maintenance of cost records is required by the Company and whether such accounts and records are made and maintained**

The Company is not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

### **Disclosure under section 22 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

During the year under review, there were no cases filed under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **Disclosure as to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has a policy for prevention of sexual harassment of women at the workplace in accordance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the year:

a) Number of complaints pending at the beginning of the year	Nil
b) Number of complaints received during the year	Nil
c) Number of complaints disposed of during the year	Nil
d) Number of cases pending at the end of the year	Nil

### **Other Disclosures:**

1. No equity shares were issued with differential rights as to dividend, voting or otherwise.
2. No equity shares (including sweat equity shares) were issued to the employees of the Company under any Scheme.
3. The Company has not resorted to any buy-back of its equity shares during the year.
4. There was no fraud reported by the Auditors of the Company to the Audit Committee under section 143(2) of the Companies Act, 2013.
5. Composition of Audit Committee: (pursuant to section 177(8) of the Companies Act, 2013): The Audit Committee comprised of the following directors namely, Shri S. Varatharajan, Chairman, Shri M. Parthasarathi and Shri N. Jaiganesh. There was no change in the composition of the Audit Committee.
6. The disclosures on the composition of committees constituted by the Board under the Companies Act, 2013 and the Listing Regulations, as well as changes in their composition, if any, during the year is given in the Report on Corporate Governance attached to the Directors' Report.

## ***Binny Mills Limited***

### **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 2018-19.

#### **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 2018-19.

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

There are 11 permanent employees on the rolls of the Company as at 31<sup>st</sup> March 2019.

#### **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year viz., 2017-18 and its comparison with the percentile increase in the managerial remuneration:**

There is no managerial remuneration paid during the financial year 2018-19. There was no increase in the salaries of employees during the financial year 2018-19.

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

The directors were not paid any remuneration during the financial year 2018-19.

#### **Compliance with the applicable Secretarial Standards:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, General Meetings and Dividend.

### **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.1 core and 2 lakhs or more per annum in the aggregate, if employed throughout the financial year, or Rs.8.50 lakhs or more per month, in the aggregate, if employed for a part of the financial year 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.

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Names of top 10 employees in terms of remuneration drawn during the year 2018-19:

	Name of the employee	Gross salary Rs.		Name of the employee	Gross salary Rs.
1	Shri A. Sampath	4,80,000	6	Shri S. Sridhar	1,47,574
2	Shri R. Kannan	3,36,740	7	Smt K. Vijayalakshmi	1,40,698
3	Shri S. Krishnaraj	3,22,695	8	Shri V. Ravichandran	1,35,574
4	Shri M. Daniel	1,64,148	9	Smt G.V. Pushpalatha	1,28,948
5	Shri S.K. Alauddin	1,56,691	10	Smt K. Sangeetha	1,25,667

There are no employees who are posted and working in a country outside India, not being directors, or their relatives, drawing more than Rs. 60 lakhs per year or Rs.5 lakhs per month, as the case may be.

### AUDITORS

M/s. NSR & Co., Chartered Accountants, Chennai (Firm Registration No. 010522S) the Statutory Auditors of the Company, were appointed as auditors at the Tenth Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2017 for a period of five years and they shall hold office till the conclusion of the 15<sup>th</sup> Annual General Meeting to be held in the year 2022.

The Companies (Amendment) Act, 2017, has amended section 139 of the Companies Act, 2013 by omitting the first proviso to section 139 (1) which provided for ratification of appointment of auditor by the members at every Annual General Meeting. The amendment has been notified to have come into effect from 7<sup>th</sup> May 2018. Due to this, there is no need for ratification by the members the appointment of auditors at every Annual General Meeting till the completion of the five year term.

### SECRETARIAL AUDIT

The Board has 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 2018-19. The Secretarial Audit Report is annexed to this report as **Annexure IV**.

### WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to section 177 (9) and (10) of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and regulation 22 of the Listing regulations, the Company has formulated and established a Whistle Blower Policy / Vigil Mechanism for providing a mechanism under which an employee and director of the Company may report their genuine concerns or grievances about 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)

## ***Binny Mills Limited***

### **ANNEXURES TO THE DIRECTORS' REPORT**

1. The Extract of Annual Return in Form MGT-9 – Annexure I
2. The Policy on Board Diversity – Annexure II
3. The Nomination and Remuneration Policy – Annexure III
4. Secretarial Audit Report – Annexure IV; and
5. Auditors' Certificate on Corporate Governance Compliance – Annexure V

### **ATTACHMENTS TO THE DIRECTORS' REPORT**

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

The Management Discussion and Analysis Report, pursuant to regulation 34 (2) (e) and Schedule V of the listing regulations, 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 regulation 34 (3) and Schedule V of the listing regulations, 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 2019 as submitted to the Board of Directors at their meeting held on 28<sup>th</sup> May 2019 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 and this Report is part of the Directors' 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. Venkataachalam**  
**Chairman**

[DIN: 00037524]

#### **Registered Office:**

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

CIN: L17120TN2007PLC065807

E mail Id: [binnymills@bmlindia.com](mailto:binnymills@bmlindia.com)

Date : 30<sup>th</sup> July 2019

Place : Chennai

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**ANNEXURE I**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31.03.2019

[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.

**Binny Mills Limited**

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

**i) Category-wise Share Holding**

A.	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	
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	-	-	-	0.0000	-	-	-	0.0000	0
	<b>Sub - Total (A)(1)</b>	<b>23,86,736</b>	<b>-</b>	<b>23,86,736</b>	<b>74.8551</b>	<b>23,86,736</b>	<b>-</b>	<b>23,86,736</b>	<b>74.8551</b>	<b>0</b>
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	-	-	-	0.0000	-	-	-	0.0000	0
	<b>Sub - Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
	<b>Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)</b>	<b>23,86,736</b>	<b>-</b>	<b>23,86,736</b>	<b>74.8551</b>	<b>23,86,736</b>	<b>-</b>	<b>23,86,736</b>	<b>74.8551</b>	<b>0.0000</b>
B.	<b>Public shareholding</b>									
1.	Institutions									
a.	Mutual Funds/UTI	-	-	-	0.0000	-	-	-	0.0000	0.0000
b.	Financial Institutions/ Banks	2,41,381	1,602	2,42,983	7.6207	1,47,668	1,602	1,49,270	4.6816	-2.9391
c.	Central Government/ State Government(S)	-	52,654	52,654	1.6514	2,520	50,190	52,710	1.6531	0.0017
d.	Venture Capital Funds	-	-	-	0	-	-	-	0	0
e.	Insurance Companies	-	-	-	0	-	-	-	0	0
f.	Foreign Institutional Investors	-	-	-	0	-	-	-	0	0

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	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	-	-	-	0.0000	-	-	-	0.0000	0
	<b>Sub - Total (B)(1)</b>	<b>2,41,381</b>	<b>54,256</b>	<b>2,95,637</b>	<b>9.2721</b>	<b>1,50,188</b>	<b>51,792</b>	<b>2,01,980</b>	<b>6.3347</b>	<b>-2.9374</b>
2.	Non-Institutions									
a.	Bodies Corporate	11,494	23,297	34,791	1.0912	16,392	20,506	36,898	1.1572	0.0660
b.	Individuals -									
i.	Individual Shareholders Holding Nominal Share Capital up to Rs. 1lakh	1,05,876	1,62,292	2,68,168	8.4105	1,74,843	1,51,081	3,25,924	10.2220	1.8115
ii.	Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 lakh	1,31,711	-	1,31,711	4.1308	1,59,495	-	1,59,495	5.0022	0.8714
c.	Qualified Foreign Investor	-	-	-	0.0000	-	-	-	0.0000	0
d.	Any Other									
	Clearing Members	1,149	-	1,149	0.0360	117	-	117	0.0037	-0.0323
	Foreign Nationals	56	-	56	0.0018	-	-	-	-	-0.0018
	Hindu Undivided Families	3,389	-	3,389	0.1063	9,870	14	9,884	0.3100	0.2037
	Non Resident Indians	64,834	1,998	66,832	2.0960	65,452	1,941	67,393	2.1136	0.0176
	Trusts	5	-	5	0.0002	47	-	47	0.0015	0.0013
		<b>69,433</b>	<b>1,998</b>	<b>71,431</b>	<b>2.2403</b>	<b>75,486</b>	<b>1,955</b>	<b>77,441</b>	<b>2.4288</b>	<b>0.1885</b>
	<b>Sub - Total (B)(2)</b>	<b>3,18,514</b>	<b>1,87,587</b>	<b>5,06,101</b>	<b>15.8728</b>	<b>4,26,216</b>	<b>1,73,542</b>	<b>5,99,758</b>	<b>18.8102</b>	<b>2.9374</b>
	<b>Total Public Shareholding(B) = (B)(1)+(B)(2)</b>	<b>5,59,895</b>	<b>2,41,843</b>	<b>8,01,738</b>	<b>25.1449</b>	<b>5,76,404</b>	<b>2,25,334</b>	<b>8,01,738</b>	<b>25.1449</b>	<b>0.0000</b>
	<b>Total (A)+(B)</b>	<b>29,46,631</b>	<b>2,41,843</b>	<b>31,88,474</b>	<b>100</b>	<b>29,63,140</b>	<b>2,25,334</b>	<b>31,88,474</b>	<b>100</b>	<b>0.0000</b>
<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
	<b>Total Custodian (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>29,46,631</b>	<b>2,41,843</b>	<b>31,88,474</b>	<b>100</b>	<b>29,63,140</b>	<b>2,25,334</b>	<b>31,88,474</b>	<b>100</b>	<b>0.0000</b>

**Binny Mills Limited**

**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
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-2018	15,40,254	48.3069	15,40,254	48.3069
	At the end of the Year 31-Mar-2019	15,40,254	48.3069	15,40,254	48.3069



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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-2018	1,50,000	4.7044	1,50,000	4.7044
	At the end of the Year 31-Mar-2019	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-2018	1,21,428	3.8083	1,21,428	3.8083
	At the end of the Year 31-Mar-2019	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-2018	1,20,000	3.7635	1,20,000	3.7635
	At the end of the Year 31-Mar-2019	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-2018	1,20,000	3.7635	1,20,000	3.7635
	At the end of the Year 31-Mar-2019	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-2018	1,20,000	3.7635	1,20,000	3.7635
	At the end of the Year 31-Mar-2019	1,20,000	3.7635	1,20,000	3.7635
7	RAJALAKSHMI N				
	At the beginning of the year 01-Apr-2018	82,571	2.5896	82,571	2.5896
	At the end of the Year 31-Mar-2019	82,571	2.5896	82,571	2.5896
8	V SENGUTUVAN				
	At the beginning of the year 01-Apr-2018	74,600	2.3396	74,600	2.3396
	At the end of the Year 31-Mar-2019	74,600	2.3396	74,600	2.3396
9	TWENTIETH CENTURY-APCO LEASING PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	41,205	1.2923	41,205	1.2923
	At the end of the Year 31-Mar-2019	41,205	1.2923	41,205	1.2923
10	DR ANDAL ARUMUGAM				
	At the beginning of the year 01-Apr-2018	8,987	0.2818	8,987	0.2818
	At the end of the Year 31-Mar-2019	8,987	0.2818	8,987	0.2818

**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
11	TCP LIMITED				
	At the beginning of the year 01-Apr-2018	5,664	0.1776	5,664	0.1776
	At the end of the Year 31-Mar-2019	5,664	0.1776	5,664	0.1776
12	NANDAGOPAL M				
	At the beginning of the year 01-Apr-2018	1,615	0.0506	1,615	0.0506
	At the end of the Year 31-Mar-2019	1,615	0.0506	1,615	0.0506
13	ETHIRAJ M				
	At the beginning of the year 01-Apr-2018	391	0.0122	391	0.0122
	At the end of the Year 31-Mar-2019	391	0.0122	391	0.0122
14	NAMITHA SHANMUGAM				
	At the beginning of the year 01-Apr-2018	21	0.0006	21	0.0006
	At the end of the Year 31-Mar-2019	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-2018	1,38,714	4.3504	1,38,714	4.3504
	Sale on 5-10-18	-4,591	0.1439	1,34,123	4.2064
	Sale on 12-10-18	-2,739	0.0859	1,31,384	4.1205
	Sale on 19-10-18	-1,150	0.0360	1,30,234	4.0845
	Sale on 26-10-18	-933	0.0292	1,29,301	4.0552
	Sale on 2-11-18	-1,612	0.0505	1,27,689	4.0047
	Sale on 9-11-18	-2,505	0.0785	1,25,184	3.9261
	Sale on 16-11-18	-9,609	0.3013	1,15,575	3.6247
	Sale on 23-11-18	-234	0.0073	1,15,341	3.6174
	Sale on 30-11-18	-4,999	0.1567	1,10,342	3.4606
	Sale on 7-12-18	-5,142	0.1612	1,05,200	3.2993
	Sale on 14-12-18	-15,080	0.4729	90,120	2.8264
	Sale on 21-12-18	-14,529	0.4556	75,591	2.3707
	Sale on 28-12-18	-12,705	0.3984	62,886	1.9722

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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
	Sale on 4-1-19	-4,528	0.1420	58,358	1.8302
	Sale on 11-1-19	-1,307	0.0409	57,051	1.7892
	Sale on 18-1-19	-4,573	0.1434	52,478	1.6458
	Sale on 25-1-19	-1,629	0.0510	50,849	1.5947
	Sale on 1-2-19	-457	0.0143	50,392	1.5804
	Sale on 15-2-19	-790	0.0247	49,602	1.5556
	Sale on 22-2-19	-601	0.0188	49,001	1.5368
	Sale on 1-3-19	-4,000	0.1254	45,001	1.4113
	At the end of the Year 31-Mar-2019	45,001	1.4113	45,001	1.4113
2	LIFE INSURANCE CORPORATION OF INDIA At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	88,170 88,170	2.7652 2.7652	88,170 88,170	2.7652 2.7652
3	RAMANATHAN SRINIVASAN At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	62,285 62,285	1.9534 1.9534	62,285 62,285	1.9534 1.9534
4	SADAYAVEL KAILASAM At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	62,285 62,285	1.9534 1.9534	62,285 62,285	1.9534 1.9534
5	GOVERNOR OF TAMIL NADU JT1 : REPRESENTING GOVT OF TAMIL NADU At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	48,705 48,705	1.5275 1.5275	48,705 48,705	1.5275 1.5275
6	SAKTHIVEL J At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	40,856 40,856	1.2813 1.2813	40,856 40,856	1.2813 1.2813
7	NATIONAL INSURANCE COMPANY LTD At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	14,440 14,440	0.4528 0.4528	14,440 14,440	0.4528 0.4528
8	V N MUNISAMY At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	14,285 14,285	0.4480 0.4480	14,285 14,285	0.4480 0.4480
9	R APPAJI At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	14,285 14,285	0.4480 0.4480	14,285 14,285	0.4480 0.4480

**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
10	INSOTEX (INDIA) LTD At the beginning of the year 01-Apr-2018 At the end of the Year 31-Mar-2019	4,257 4,257	0.1335 0.1335	4,257 4,257	0.1335 0.1335
	<b>NEW TOP 10 AS ON 30<sup>TH</sup> MARCH 2019</b>				
11	MUKESH KANOOGA S At the beginning of the year 01-Apr-2018 Purchase on 28-12-18 At the end of the Year 31-Mar-2019	0 15,677 15,677	0 0.4916 0.4916	0 15,677 15,677	0 0.4916 0.4916

**(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
	Equity Shares				
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
	9% Cumulative Redeemable Preference Shares				
1	V.R. Venkatachalam	32,000	0.01	32,000	0.01
2	V. Sengutuvan	32,000	0.01	32,000	0.01
3	V. Rajasekaran	1,000	–	1,000	–

**5. INDEBTEDNESS:**

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

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	Unsecured Loans Rs.	Deposits Rs.	Total Indebtedness Rs.
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.

B. Remuneration to other directors

The directors are not paid any remuneration except sitting fees of Rs.5,000/- each for attending Board meetings and Committee meetings.

Sl. No.	Name of Directors	Particulars of Remuneration			
		Fee for attending board / committee meetings (in Rs)	Commission (in Rs)	Others (in Rs)	Total amount (in Rs)
1	<b>Independent Directors</b>				
	Shri S. Varatharajan	45,000	-	-	45,000
	Shri M. Parthasarathi	45,000	-	-	45,000
	Shri N. Jai Ganesh	40,000	-	-	40,000
	Total of (1)				1,30,000

**Binny Mills Limited**

Sl. No.	Name of Directors	Particulars of Remuneration			
		Fee for attending board / committee meetings (in Rs)	Commission (in Rs)	Others (in Rs)	Total amount (in Rs)
2	<b>Other Non-Executive Directors</b>				
	Shri V.R. Venkataachalam	20,000	-	-	20,000
	Shri V. Sengutuvan	20,000	-	-	20,000
	Mrs. V. Samyuktha	20,000	-	-	20,000
	Total of (2)		-	-	60,000
	Total of (1) & (2)				<b>1,90,000</b>
	Overall Ceiling as per the Act				Rs. 42 Lakhs

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO Rs.	Company Secretary Rs.	CFO Rs.	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	2,40,000	2,40,000	4,80,000
	(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>	-	<b>2,40,000</b>	<b>2,40,000</b>	<b>4,80,000</b>

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**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	-	-	-	-	-

**For and on behalf of the Board**

**V.R. Venkataachalam  
Chairman**

[DIN: 00037524]

**Registered Office:**

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

CIN: L17120TN2007PLC065807

E mail Id: binnymills@bmlindia.com

Date : 30<sup>th</sup> July 2019

Place : Chennai

**POLICY ON BOARD DIVERSITY**

**1. Purpose**

Pursuant to Part D of Schedule II of the Listing regulations (in Para A (3)), 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

**For and on behalf of the Board**

**V.R. Venkataachalam**  
**Chairman**

[DIN: 00037524]

**Registered Office:**

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

CIN: L17120TN2007PLC065807

E mail Id: binnymills@bmlindia.com

Date : 30<sup>th</sup> July, 2019

Place : Chennai



**BINNY MILLS LIMITED**

CIN: L 17120TN2007PLC065807

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

**BINNY MILLS LIMITED – NOMINATION AND REMUNERATION POLICY RELATING TO THE REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES (Pursuant to section 178 (4) of the Companies Act, 2013)**

**Constitution of Nomination and Remuneration Committee**

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 Regulation 19 and Part D of Schedule II of the Listing Regulations requires the Board of Directors of every listed company to constitute the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairperson of the Nomination and Remuneration Committee shall be an independent director..

**Principle and Rationale:**

The Role of the Nomination and Remuneration Committee shall be as follows:

- 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 performance of Independent Directors and the Board.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.

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.

## ***Binny Mills Limited***

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.

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 Part D of Schedule II of the Listing Regulations, 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

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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.
- 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

## ***Binny Mills Limited***

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.

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

## 12th Annual Report 2018-2019

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.

### 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".

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

## ***Binny Mills Limited***

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.

**For and on behalf of the Board**

**V.R. Venkatachalam**  
**Chairman**

[DIN: 00037524]

### **Registered Office:**

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

CIN: L17120TN2007PLC065807

E mail Id: binnymills@bmlindia.com

Date : 30<sup>th</sup> July, 2019

Place : Chennai

**Form No.MR-3  
Secretarial Audit Report**

**For the Financial Year ended 31<sup>st</sup> March, 2019**

*(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 600 004.

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 2019, 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, 2019 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;
  - iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

## ***Binny Mills Limited***

- 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 and 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.

I have examined the compliance with the applicable clauses of:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

The company has complied with the applicable provisions of the Act, Rules, Regulations, Standards, Guidelines etc., mentioned above during the period under review, except those matters noted hereunder:

1. The Company has to appoint adequate number of Independent Directors in order to comply with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 subject to my observation made at (i) above, 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.

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.



**12th Annual Report 2018-2019**

I further report that my audit is confined 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 : 22-07-2019

K.ELANGOVAN  
FCS 1808  
CP NO. 3522

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

***Binny Mills Limited***

**Annexure A**

To  
The Members,  
Binny Mills Limited  
(CIN: L17120TN2007PLC065807)

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. Wherever 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 of the efficacy or effectiveness with which the management conducted the affairs of the company

Place : Chennai  
Date : 22-07-2019

K.ELANGOVAN  
FCS 1808  
CP NO. 3522

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE**

*(Pursuant to Para E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015)*

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 2019, as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with the BSE Ltd.

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 Chapter IV of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, *except that the Company does not have two more Independent Directors to comply with the requirement of the Proviso to Regulation 17(1) (b) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.*

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 **M/s NSR & CO**  
Chartered Accountants  
Firm Regn No.:010522S

**N. Sowrirajan**  
Proprietor  
Membership No: 207820

Place : Chennai 600 004  
Date : 15<sup>th</sup> July, 2019

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

(Pursuant to regulation 34(2) (e) and Schedule V of the Listing Regulations)

This report is part of the Directors' Report

**Economic scenario**

In both the advanced and emerging market economies, global economy gathered momentum from the beginning of the year 2018. But, in the middle of the year, the global growth became uneven with rising trade tensions. The economic activity of emerging market economies had decelerated in the middle of the year on account of weak domestic demand, rising trade tensions, elevated oil prices, tightening of financial conditions, etc. In the latter half of the year, global economic activity showed increasing signs of weakness on rising trade tensions.

The Indian economy grew at 8% growth in the Gross Domestic Product (GDP) in April to June 18 quarter on strong performance by manufacturing sector and improved consumer spending. But in the next quarter it slowed down to 7% due to slower consumer spending and farm growth. The growth of the economy further slowed down in the third quarter to 6.60% due to weak consumer demand and lower Government spending. The second advance estimates for 2018-19 released by the Central Statistical Organisation in February 2019 revised India's real GDP growth to 7% from 7.2% in the first advance estimates.

**Opportunities and threats and Industry Structure and developments**

The Company is engaged in retail sale of textile products. The Company's future relies on the Textile industry's growth.

Government Initiatives

In the Interim Budget presented in February 2019, Finance Minister Piyush Goyal has proposed Rs 5,831.48 crore budgetary allocation for the textile ministry for 2019-20, which is 16.01 per cent lower than the financial year 2018-19.

As per the budget document the revised expenditure (RE) for the textile ministry has been pegged at Rs 6,943.26 crore during 2018-19. The original budget proposal was Rs 7,147.73 crore to fund various programmes and schemes for the textile sector.

According to the budget document, Rs 700 crore has been allocated towards the Amended Technology Upgradation Fund Scheme (ATUFS) for the next fiscal, as against Rs 622.63 crore for 2018-19. Besides, a provision of Rs 1,000 crore has been made towards the Remission of State Levies (ROSL) as compared to Rs 3,663.85 crore for 2018-19.

The low allocation for ATUF & ROSL schemes for textiles is worrisome as it is clearly not sufficient to meet obligations under the schemes, both backlog and expected fund requirements in 2019-20.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand.

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. The biggest challenge facing the Indian textile industry is competition from the other low cost neighbouring countries which attract more business

from the international market because of lower production costs, ease in doing business and easier trade routes, according to an industry expert.

**Risks and concerns**

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

**Internal control systems and their adequacy**

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

**Human Resources Development and Industrial Relations**

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

**Environmental protection**

The Environmental Policy of your company is maintaining clean and green environment and ecofriendly 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

## ***Binny Mills Limited***

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 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.

### **Segment wise and Product wise performance**

The details are given in the Para 'Operations' in the Directors' Report

### **Outlook:**

The details of outlook are given in the Para 'Outlook and Opportunities' in the Directors' Report.

### **Discussion on financial performance with respect to operational performance:**

The details are given in the Para 'Operations' in the Directors' Report.

### **Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:**

Since the Company has incurred losses in the current financial year and in the previous financial year, there is no Return on Net Worth, details to be furnished.

### **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.

**For and on behalf of the Board**

**V.R. Venkataachalam**  
**Chairman**  
[DIN: 00037524]

### **Registered Office:**

No.4, (Old No.10) Karpagambal Nagar,  
Mylapore, Chennai 600 004.  
CIN: L17120TN2007PLC065807  
E mail Id: binnymills@bmlindia.com

Date : 30<sup>th</sup> July, 2019  
Place : Chennai

## 12th Annual Report 2018-2019

### REPORT ON CORPORATE GOVERNANCE

(Pursuant to regulation 34 (3) and Para C of Schedule V of the Listing regulations)

The Report for the financial year ended 31<sup>st</sup> March, 2019 on compliance by the Company with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below.

#### 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 regulation 17 of the Listing regulations except that the company has to appoint two more independent directors. The Directors on the Board are experienced, competent and highly respected persons in their respective field.

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 three Independent Directors, 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 should comprise 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.

The day to day management of the affairs of the Company is entrusted with the senior management personnel, headed by the Managing Director, who functions under the overall supervision, direction and control of the Board of Directors of the Company.

##### Independent Directors:

The Company has three Independent Directors and they have affirmed compliance with the requirements of the Listing regulations. 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. Their reappointment for a second term of 5 consecutive financial years from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024 is placed for approval of the members of the Company at the ensuing 12<sup>th</sup> Annual General Meeting by way of a special resolution.

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.

## ***Binny Mills Limited***

As provided in the proviso under Regulation 17 (A) (1) of the Listing Regulations, as of 31<sup>st</sup> March, 2019, none of the independent directors of the company served as an independent director in more than seven listed entities and as per Regulation 26 of the Listing Regulations none of the directors is a member of more than ten committees or acting as a Chairperson of more than five committees across all listed companies in which he / she is a director.

Performance evaluation by the Board of directors of its own performance, the Directors individually and that of Independent Directors:

As provided in section 134(3) (p) of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance and that of the Directors, individually. As provided in regulation 17 (10) of the Listing regulations, the Board has carried out an annual performance evaluation of the Independent 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 regulation 25 (3) of the Listing regulations, a separate meeting of the Independent Directors of the Company was held on 1<sup>st</sup> February, 2019 to evaluate the performance of Non-Independent Directors and the Board of directors as a whole, to review the performance of the Chairman and every Independent Director, who were evaluated on parameters such as functioning of the Board, frequency of the Board Meetings and Committee Meetings, attendance, level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders. The meeting was attended by all Independent Directors.

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

Familiarisation Programme for Independent Directors:

Pursuant to regulation 25 (7) of the Listing regulations, 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 regulations 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 Listing regulations.
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.

As required to be disclosed by Para C (2) (g) of Schedule V of the Listing regulations, the details of such familiarisation programmes has been disclosed on the Company's website [www.bmlindia.com](http://www.bmlindia.com) as provided in regulation 46 (2) (i) of the Listing regulations.



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### Board functioning and procedure:

The Board plays a pivotal role in ensuring good governance and functioning of the company. The Board's role, functions, responsibilities and accountabilities are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the Management towards the set goals and sets accountability, with a view to ensure that the corporate philosophy and objective is accomplished. It also sets standards of corporate behaviour and ensures ethical behaviour at all times and strict compliance with the laws and regulations. The Board holds periodic meetings every year to discuss, review and decide upon the matters such as policy formulation, setting up of goals, appraisal of the performance of the company, its future plans, strategies and other pertinent issues relating to the company. The Board periodically reviews compliance reports of all laws applicable to the company 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 Part A of Schedule II of the Listing regulations, is placed before the Board of directors. The agenda for the Board Meetings setting out the business to be transacted at the meeting alongwith the explanatory notes on the agenda items, for consideration at the Board Meetings, are circulated to the directors, seven days before the Board Meeting date, 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.

### Number of Board Meetings held during the year and the dates on which they were held: (Pursuant to Para C (2) (d) of Schedule V of the Listing regulations)

As prescribed in regulation 17(2) of the Listing regulations, during the year five Board Meetings were held on 2<sup>nd</sup> April 2018, 29<sup>th</sup> May 2018, 31<sup>st</sup> July 2018, 31<sup>st</sup> October 2018 and 1<sup>st</sup> February 2019 with a maximum time gap of 120 days between any two meetings.

The Eleventh Annual General Meeting was held on 28<sup>th</sup> September 2018.

### Membership in Committees:

As required by Regulation 26 of Listing Regulations none of Directors is a member of more than ten committees or acting as Chairperson of more than five committees across all listed entities in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.

Further, for the purpose of reckoning the aforesaid limit only 2 committees, viz., the Audit Committee and the Stakeholders' Relationship committee alone are considered and committees in Public Limited companies alone are considered.

## Binny Mills Limited

### 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 regulation 17(5) (a) of the Listing regulations. Pursuant to regulation 26(3) of the Listing regulations, all members of the Board of directors and senior management personnel of the company have affirmed compliance with the Code for the financial year ended 31<sup>st</sup> March 2019. A declaration to this effect, duly signed by the Managing Director (CEO), as required in Para D of Schedule V of the Listing regulations, is included in the ‘Report on Corporate Governance’ which forms part of this Annual Report. The Code has also been posted on the website of the company [www.bmlindia.com](http://www.bmlindia.com) as provided in regulation 46 (2) (d) of the Listing regulations.

The Code suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013, as required under regulation 17(5) (b) of the Listing regulations. 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 as provided in regulation 25(5) of the Listing regulations.

### **Composition and category 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:**

(Pursuant to Para C (2) (a), (b) and (c) of Schedule V of the Listing regulations)

### **Composition of Board of Directors as of 31st March, 2019**

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	Promoter, Non- Executive Chairman	4	Yes	17 (Public: 2 Private: 15)	1
Shri V. Rajasekaran DIN: 00037006	Managing Director – Executive and Non Independent	4	Yes	4 (Public: 2 Private: 2)	1
Shri V. Sengutuvan DIN: 00053629	Promoter, Non- Executive	4	Yes	16 (Public: 2 Private: 14)	1

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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
Mrs. V. Samyuktha DIN: 02691981	Promoter, Non- Executive Woman Director	4	No	9 (Public: 1 Private: 8)	-
Shri S. Natarajan DIN: 00155988 (see Note 6 below)	Promoter, Non- Executive	5	No	15 (Public: 4 Private: 11)	5
Shri S. Varatharajan DIN: 01819133	Non- Executive and Independent	5	Yes	4 (Public: 1 Private: 3)	-
Shri M. Parthasarathi DIN: 03209175	Non-Executive and Independent	5	Yes	3 (Public: 1 Private: 2)	-
Shri N. Jaiganesh DIN: 06969618	Non-Executive and Independent	4	No	1 (Public: 1 Private: -)	-

**Note:**

1. While considering the total number of directorship 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 membership and chairmanship of directors in committees do not include their membership and chairmanship in the committees of the Company.
3. Shri V. R. Venkataachalam, Promoter and Non-Executive Chairman, is the father of Shri V. Sengutuvan, Promoter and Non- Executive Director and Mrs. V. Samyuktha, Promoter and Non- Executive Woman Director. The other directors are not related to any other director.
4. Shri V. R. Venkataachalam, Promoter and Non-Executive Chairman, holds 15,40,254 equity shares of Rs.10/- each aggregating to Rs.1,54,02,540/- and 32,000 9% Cumulative Redeemable Preference of Rs.5/- each aggregating to Rs.1,60,000/-, in the Company.
5. Shri V. Sengutuvan, Promoter and Non- executive Director, holds 74,600 equity shares of Rs.10/- each aggregating to Rs.7,46,000/- and 32,000 9% Cumulative Redeemable Preference of Rs.5/- each aggregating to Rs.1,60,000/-, in the Company.
6. Category of directorship and names of listed entities in which he is a director:  
Non-Executive and Non-Independent Director in Binny Ltd and UCAL Fuel Systems Ltd

## Binny Mills Limited

7. No other director is a director in any listed entity.

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations the Board of Directors has identified the following requisite skills/ expertise and competencies for the effective functioning of the Company which are currently available with the Board:

S. No.	Name of the Director and Designation	Core skills/ expertise/ competencies
1	Shri V.R. Venkataachalam Chairman and Non-executive	Industrialist. Wide experience in promoting companies. Long experience in managing companies and expertise in decision making process.
2	Shri V. Rajasekaran Managing Director & CEO	A qualified Chemical Engineer. Holds Master Degrees in M.Tech and MBA. Wide experience in managing business, arranging finance for project financing as well as working capital financing. Experienced in strategic decision making and an able administrator.
3	Shri V. Sengutuvan Promoter and Non-Executive	Industrialist. Varied experience in managing diverse businesses and in administration functions.
4	Mrs. V. Samyuktha Promoter and Non-Executive	Industrialist. Wide experience in administration functions.
5	Shri S. Natarajan Promoter and Non-Executive	Chartered Accountant. Wide and varied experience in financial services business of Companies in Shriram Group. Expertise in financing and business development.
6	Shri S. Varatharajan Independent Director	Experience in the areas of Corporate Strategy and financial services. Expertise in administration functions.
7	Shri M. Parthasarathi Independent Director	Company Executive. Wide and varied experience in business management and administration. Expertise in strategic decision making and corporate finance.
8	Shri N. Jaiganesh Independent Director	Experience in management and administration functions.

Pursuant to Clause C (2) (i) of Schedule V read with regulation 34(3) of the Listing Regulations, in the opinion of the Board all the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Performance Evaluation: (Pursuant to section 134(3) (p) of the Companies Act, 2013 and Para C (13) of Schedule V of the Listing Regulations)

As provided in section 134(3) (p) of the Companies Act, 2013, Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees for the financial year 2018-19. As provided in regulation 17 (10) of the

## 12th Annual Report 2018-2019

Listing regulations, Board has carried out an annual performance evaluation of the Independent Directors.

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, attendance at the meetings, their level of engagement and participation at the meetings, the exercise of independence of judgement, performance of their duties and obligations, their contribution in enhancing the Board's overall effectiveness and implementation of good Corporate Governance practices.

The Board has expressed its satisfaction with the evaluation process and also 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.

The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the management agreed on various action points to be implemented in subsequent meetings. The observations included those relating to further improvement in participation and deliberations at the meetings and conduct of the meetings, circulation of board presentations and its content.

### 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, the Company has adopted a Code for Prohibition of Insider Trading for Directors/ Designated persons of the Company, relating to dealings by them in the securities of the Company.

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

The Securities and Exchange Board of India (SEBI), vide notification no.EBI/LAD-NRO/GN/2018/59 has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, with effect from 1<sup>st</sup> April 2019. The Company, has, accordingly, amended its Code for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

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

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act 2013 read with Regulation 18 and Part C of schedule II of the Listing Regulations.

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

Shri S. Varatharajan, Chairman of the Committee

Shri M. Parthasarathi; and

Shri N. Jaiganesh;

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

## ***Binny Mills Limited***

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 Regulation 18(3) and Part C of Schedule II of the Listing Regulations.

### Meetings and attendance during the year:

During the year four Audit Committee Meetings were held on 29<sup>th</sup> May 2018, 31<sup>st</sup> July 2018, 31<sup>st</sup> October 2018 and 1<sup>st</sup> February 2019. All the members of the Committee attended the meetings held during the year. The maximum gap between any two meetings was not more than one hundred and twenty days. The necessary quorum was present for all the meetings.

The Statutory Auditors and Managing Director and the Head of Accounts Department of the Company and invitees, if any, attend the Audit Committee meeting to provide information and clarifications.

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

### Terms of Reference:

The terms of reference of the Audit Committee, *inter alia* includes:

- Overseeing the financial reporting process.
- To ensure proper disclosure in the quarterly, half yearly and Annual Financial Statements.
- To recommend appointment, re-appointment of auditors and the fixing of their remuneration. Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the Financial Statements before submission to the Board.
- Reviewing, with the management, performance of statutory and internal auditors, adequacies of the internal control systems.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Reviewing, with the management, the statement of uses / application of funds.
- Discussing with Internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal examinations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To discuss with the management, the senior internal audit executives and the statutory auditor/s the Company's major risk exposures and guidelines and policies to govern the processes by which risk assessment and risk management is undertaken by the Company, including discussing

## 12th Annual Report 2018-2019

the Company's major financial risk exposures and steps taken by management to monitor and mitigate such exposures and from time to time conferring with another Committee/s of the Board about risk exposures and policies within the scope of such other Committee's oversight.

- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Review and monitor the Auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- To review the financial Statements.
- Granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 4. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has been constituted by the Board as per the requirements of the provisions of Section 178 (1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

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

Shri S. Varatharajan, Chairman of the Committee  
Shri M. Parthasarathi; and  
Shri N. Jaiganesh;

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.

## Binny Mills Limited

- vi. It shall recommend to the Board of directors 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 Part D Para A (1) of Schedule II of the Listing regulations, 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 **AnnexureIII** to the Directors' Report

### 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.

### *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 and Audit Committee. The details of sitting fees paid in the year 2018-19 are as follows:

Director	Sitting fees paid Rs.
Shri V. R. Venkataachalam	20,000
Shri V. Sengutuvan	20,000
Shri S. Varatharajan	45,000
Shri M. Parthasarathi	45,000
Shri N. Jaiganesh	40,000
Mrs. V. Samyuktha	20,000
Total	1,90,000

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 of Rs.10/- each in the Company constituting 48.31% of the paid-up equity shares of the Company and 32,000 9%



## 12th Annual Report 2018-2019

Cumulative Redeemable Preference Shares of Rs.5/- each and Shri V. Sengutuvan, Director, holds 74,600 equity shares of Rs.10/- each in the Company constituting 2.34% of the paid-up equity shares of the Company and 32,000 9% Cumulative Redeemable Preference Shares of Rs.5/- each. No other Non-Executive directors hold equity shares in the Company.

### 5. Stakeholders Relationship Committee:

The "Stakeholders' Relationship Committee" is constituted in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI Regulations.

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

Shri S. Varatharajan, Chairman of the Committee and  
Shri M. Parthasarathi;

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:

All the members of the Committee attended all 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.

## Binny Mills Limited

Name and designation of compliance officer:

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

Shareholders' / Investors complaints status: (1-4-2018 to 31-3-2019)

Particulars	No. of complaints
Complaints pending as on 1 <sup>st</sup> April, 2018:	Nil
Complaints received during the period 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019	0
Complaints identified and reported under Regulation 13(3) of Listing regulation	0
Complaints disposed of during the year ended 31 <sup>st</sup> March, 2019	0
Complaints unresolved as of 31 <sup>st</sup> March, 2019	Nil

As on 31<sup>st</sup> March, 2019, no investor grievance has remained unattended/ pending for more than thirty days.

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 2019, 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 2019.

### 6. General Body Meetings:

Location and time of the last three Annual General Meetings:

Year	Date	Time	Location
2017-18	28-9-2018	3.30 P.M.	'TCP Sapthagiri Bhavan', No.4, (Old No.10), Karpagambal Nagar, Mylapore, Chennai 600004
2016-17	22-9-2017	3.30 P.M.	'TCP Sapthagiri Bhavan', No.4, (Old No.10), Karpagambal Nagar, Mylapore, Chennai 600004
2015-16	23-9-2016	3.30 P.M.	'TCP Sapthagiri Bhavan', No.4, (Old No.10), Karpagambal Nagar, Mylapore, Chennai 600004

## 12th Annual Report 2018-2019

- a) No Special Resolution was passed at the last three Annual General Meetings.
- b) No Special Resolution was passed last year through Postal Ballot.
- c) No Special Resolution is proposed to be passed this year through Postal Ballot.
- d) In compliance with the Act, all the members were given an option at the 11th AGM held on 28-9-2018, to vote through electronic means on all the resolutions of the Notice using the CDSL platform. The Board of Directors had appointed Shri. P. Sriram (Membership No. FCS 4862), a Practicing Company Secretary (PCS No.3310), Chennai, as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner and all the resolutions were passed with requisite majority.
- e) At the ensuing 12<sup>th</sup> Annual General Meeting to be held on 27<sup>th</sup> September 2019, three special resolutions are proposed to be passed namely, (1) to re-appoint Shri S. Varatharajan, (2) to re-appoint Shri M. Parthasarathi; and (3) to re-appoint Shri N. Jaiganesh – as Independent Directors for a second term of five consecutive years commencing from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024.

### 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 relevant Indian Accounting Standard, have been included 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.

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 relationship or transactions with the Company except the payment of sitting fees. The details of the transactions with Related Party are given in the Notes to the Financial Statement.

- (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, except the following instances:
  1. There was delay in submitting the unaudited financial results for the quarter ended 31<sup>st</sup> March 2014 and the shareholding pattern for the quarter ended 30<sup>th</sup> September 2015 to the BSE. BSE had levied a fine of Rs.11,800/- for the delay in the submission of the above details. The fine was paid on 31<sup>st</sup> January 2019.
  2. There was delay in submitting the unaudited financial results for the quarter ended 30<sup>th</sup> June 2017 to the BSE. BSE had levied a fine of Rs.2,79,518/- for the delay in the submission of the results. The fine was paid on 6<sup>th</sup> February 2019.
  3. There was delay in submission of shareholding pattern for the quarter ended 31<sup>st</sup> December 2018 to the BSE. BSE had levied a fine of Rs.9,440/- for the delay in the submission of the results. The fine was paid on 12<sup>th</sup> February 2019.

## Binny Mills Limited

4. The Company has to appoint two more independent directors to comply with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (c) The Company has adopted Code of Conduct ('Code') for the Members of the Board and Senior Management Personnel as required under Regulation 17(5) of the Listing Regulation. All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect signed by the Managing Director. Further, the Code of Conduct of the Company applicable to the Board and Senior Management Personnel is also posted on the website of the company.
- (d) The Company has adopted the Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulation 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)
- (e) The Company does not have any material listed/unlisted subsidiary company as defined in Regulation 24 of Listing Regulation. However, the Company has framed the Policy on Material Subsidiaries and the same is uploaded on the Company's website [www.bmlindia.com](http://www.bmlindia.com)
- (f) The Company has complied with all the mandatory requirements as stipulated in Listing Regulations and fulfilled the non-mandatory requirements as prescribed in discretionary requirements as specified in Part E of the Schedule II of Listing Regulations on the following:
  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. **Modified opinion in Audit Report:** The Company's financial statements are with unmodified audit opinion.
  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.
- (g) The Company has complied with all the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulation except that the Company has to appoint two more independent directors to comply with the requirements of regulation 17 (1) of the Listing regulations.
- (h) The Company has complied with all the requirements of Corporate Governance Report as contained in Clause C (2) to (10) of Schedule V read with Regulation 34(3) of the Listing Regulations.
- (i) No equity shares of the Company were suspended from trading during the financial year 2018-19.

## 12th Annual Report 2018-2019

- (j) A Certificate has been issued by M/s Elangovan Associates, Practising Company Secretaries , confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / the Ministry of Corporate Affairs or any such statutory authority.
- (k) The Company has not raised funds through Preferential allotments or Qualified Institutions Placement under Regulation 32 (7A) of the Listing Regulations.
- (l) In the financial year 2018-19 Board has accepted all recommendations of its Committees.
- (m) The details of total fees for all services paid by the Company to the Statutory auditors are as follows:

Particulars	Amount (in Rs. lakhs)
Statutory audit fees	1.50
Tax audit fees	0.25
Certification fees	0.31

- (n) The disclosure in relation to Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors Report.

### Share Capital Audit

#### **Share Capital Audit as required under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated 31/12/2002 and SEBI Circular No. CIR/MRD/DP/30/2010:**

A qualified Practising Company Secretary carries out Share Capital Audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and to the Board of Directors.

### 8. Means of Communication: (to shareholders)

The Audited financial results, the quarterly results and the half yearly results of the Company are published as follows:

Newspapers wherein results normally published: Financial Express (English) and Malai Sudar (Tamil)

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

Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report has been sent in electronic form to shareholders, who have provided their email Id. Physical copies of the annual report have been provided to such shareholders based on a request received from them for this purpose.

## **Binny Mills Limited**

The Company does online filing with BSE Limited (BSE) through web based application: BSE Listing Centre.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other Price Sensitive information.

The Board of Directors has approved a policy for determining materiality of events and has authorised the Managing Director for the purpose of determining materiality of an event or information and making disclosures to the Stock Exchange.

### **9. General Shareholder Information:**

**As at 31<sup>st</sup> March 2019**

1. 12<sup>th</sup> Annual General Meeting:
  - Date : 27<sup>th</sup> September 2019
  - Time : 3.30 PM
  - Venue : No.4 (Old No.10) Karpagambal Nagar  
Mylapore, Chennai 600 004
2. Financial Year : 2018-19
3. Book Closure Date : 21-9-2019 to 27-9-2019 (Both days inclusive)  
On account of AGM.
4. Dividend payment Date : Not applicable
5. Financial Calendar : 2019-20
  - Annual General Meeting : September 2020
  - Unaudited results for 1<sup>st</sup> quarter : last week of July, 2019
  - Unaudited results for 2<sup>nd</sup> quarter : last week of October, 2019
  - Unaudited results for 3<sup>rd</sup> quarter : last week of January, 2020
  - Audited results for 31<sup>st</sup> March 2019 : last week of May, 2020
6. Listing on Stock Exchanges : The equity shares of the company are listed on  
The BSE Limited, P J Towers, Dalal Street,  
Mumbai 400 001.
7. Stock Code
  - a) BSE Ltd : 535620
  - b) Demat ISIN No. in NSDL and CDSL : INE160L01011

The Company has paid the annual listing fee and custodian fees for the year 2019-20 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.

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### 8. 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 2019 are given below:

Month	BSE Limited		
	Share Prices		Volume
	High (Rs.)	Low (Rs.)	(No. of shares)
April 2018	252.00	201.15	2,256
May 2018	259.00	200.50	3,601
June 2018	228.95	151.00	3,834
July 2018	190.95	131.20	4,199
August 2018	187.40	141.15	2,742
September 2018	168.00	107.15	3,720
October 2018	129.00	67.00	21,697
November 2018	117.15	62.20	34,676
December 2018	70.80	56.10	56,857
January 2019	65.90	52.10	25,009
February 2019	62.70	56.05	9,697
March 2019	64.85	57.65	4,075

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

#### Binny Mills Ltd Share Price at the BSE in comparison to BSE Sensex

Month	Binny Mills Ltd . Share price at close (Rs.)	BSE Sensex at close
April 2018	233.00	35,160.36
May 2018	218.15	35,322.38
June 2018	167.00	35,423.48
July 2018	161.50	37,606.58
August 2018	150.50	38,645.07
September 2018	111.00	36,227.14
October 2018	75.00	34,442.05
November 2018	70.80	36,194.30
December 2018	56.70	36,068.33
January 2019	59.80	36,256.69
February 2019	58.80	35,867.44
March 2019	58.85	38,672.91

## Binny Mills Limited

10. 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.

11. Share Transfer System:

- (a) Share Transfers:

The authority to approve share transfers has been delegated by the Board to the Stakeholders' Relationship Committee (SRC). Physical share transfers are registered and returned generally within a period of fifteen days from the date of receipt, if the documents are correct and valid in all respects. The SRC considers the transfer proposals generally once in 15 days in a month. 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 10 of this section.

- (b) Nomination facility:

Individual shareholders holding shares in physical form can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his / her name. For further details, shareholders may write to our Registrar and Transfer Agents, viz., M/s Cameo Corporate Services Ltd., whose address is given in Para 10 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.

12. Distribution of shareholding as on 31<sup>st</sup> March 2019:

- (A) Distribution Schedule as on 31<sup>st</sup> March 2019:

Number of Shares held	Number of Shareholders		Number of shares	
	Total	% to total shareholders	Total	% to total Share Capital
1 – 500	8,560	98.66	2,55,481	8.01
501 – 1,000	53	0.62	38,407	1.21
1,001 – 2,000	22	0.26	32,002	1.00
2,001 – 3,000	7	0.08	17,329	0.54
3,001 – 4,000	5	0.06	17,968	0.56
4,001 – 5,000	3	0.04	13,003	0.41
5,001 – 10,000	4	0.05	26,130	0.82
10,001 and above	20	0.23	27,88,154	87.45
<b>TOTAL</b>	<b>8,674</b>	<b>100.00</b>	<b>31,88,474</b>	<b>100.00</b>



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(B) Distribution of Shareholding (Category wise) as on 31<sup>st</sup> March 2019:

Category	Number of shares held	% of total shareholding
Promoters	23,86,736	74.86
Mutual Funds	-	-
Financial Institutions/ Banks	1,49,270	4.68
Central Government / State Government	52,710	1.65
Non Resident Indians	67,393	2.11
Bodies Corporate	36,898	1.16
Resident individuals	4,85,419	15.22
Others	10,048	0.32
<b>TOTAL</b>	<b>31,88,474</b>	<b>100.00</b>

13. Dematerialisation of shares and liquidity:

For dematerialization 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 2019:**

Particulars	No. of Shareholders	No. of Shares	% to Capital
NSDL	1,469	28,71,049	90.04
CDSL	770	92,091	2.89
Physical Form	6,435	2,25,334	7.07
<b>Total</b>	<b>8,674</b>	<b>31,88,474</b>	<b>100.00</b>

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

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

15. Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable

16. Locations : Binny Mills Ltd  
No.9, Stephenson Road,  
Perambur, Chennai 600 012.

***Binny Mills Limited***

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

**For and on behalf of the Board**

**V.R. Venkataachalam  
Chairman**

[DIN: 00037524]

**Registered Office:**

No.4, (Old No.10) Karpagambal Nagar,  
Mylapore, Chennai 600 004.  
CIN: L17120TN2007PLC065807  
E mail Id: [binnymills@bmlindia.com](mailto:binnymills@bmlindia.com)

Date : 30<sup>th</sup> July, 2019  
Place : Chennai

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT  
PERSONNEL WITH THE COMPANY 'S CODE OF CONDUCT**

**(Pursuant to Regulation 26(3) and Para D of Schedule V of the Securities and Exchange Board of  
India (Listing Obligations & Disclosure Requirements) Regulations, 2015)**

The Board of Directors of Binny Mills Limited has adopted Code of Conduct to be followed by all Members of the Board and Senior Management Personnel of the Company respectively in compliance with the Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As per Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 all Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2019.

For Binny Mills Ltd

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

Place : Chennai 600 004  
Date : 28<sup>th</sup> May 2019

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**MANAGING DIRECTOR (CEO) COMPLIANCE CERTIFICATE TO THE BOARD OF DIRECTORS  
(Pursuant to Regulation 17(8), Part B of Schedule II and Para C (13) of Schedule V of the  
Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements)  
Regulations, 2015)**

To,

**The Board of Directors of Binny Mills Ltd**

I, to the best of my knowledge and belief, certify that —

- a. I have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2019 and that to the best of my 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 my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware of and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have disclosed, based on my evaluation, wherever applicable, to the Auditors and the Audit Committee that:
  - There were no significant changes in internal controls over financial reporting during the year;
  - All the significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
  - There were no instances of significant fraud of which I am aware of and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

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

Place : Chennai 600 004

Date : 28<sup>th</sup> May, 2019

***Binny Mills Limited***

**INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of *Binny Mills Limited***  
**Report on the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying IND AS financial statements of Binny Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the IND AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IND AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Basis for opinion**

We conducted our audit of the IND AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the IND AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the IND AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND AS financial statements.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the IND AS financial statements of the current period. These matters were addressed in the context of our audit of the IND AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

***Payments for contingent liabilities existed prior to demerger:***

Refer Note 37 (b) to the accompanying IND AS financial statements

The company is a resulting company pursuant to the demerger scheme of Binny Ltd vide the order of the Honourable High Court of Madras dated 22.04.2010. Subsequent to the demerger, the company was not provided with the list of contingent liabilities that were pending, for which the company may become liable.

## **12th Annual Report 2018-2019**

Hence the liability of the company, if any, arising out of the settlement of the same, will be provided for as and when the liability arises.

During the financial year under audit, the company has provided for an amount of Rs. 155.18 lakhs pertaining to the company's share of arrears of electricity charges of Rs.149.74 lakhs and Flood damage claims as per High court Order of Rs.7.32 lakhs pertaining to the period prior to the demerger, that arose out of the debit notes raised during the year by M/s Binny Ltd.

Considering the materiality of the amounts involved, this matter has been identified as a key audit matter for the current year audit.

### **How our audit addressed the key audit matter**

#### **Our procedures included, but were not limited to the following:**

- Obtained the understanding of the demerger by verification of order of the Honourable High Court of Madras and scheme of arrangement between M/s Binny limited and the resulting companies.
- Verification of debit notes raised by M/s Binny Ltd.
- Adequate disclosures in respect of the said transactions has been made in the notes to the IND AS financial statements.

### **Management's Responsibility for the IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the IND AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the IND AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the IND AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

## ***Binny Mills Limited***

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the IND AS financial statements, including the disclosures, and whether the IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the IND AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

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matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid IND AS financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The company has not provided/paid remuneration to any of its directors during the financial year.
  - h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

***Binny Mills Limited***

- iii. There are no amounts that are required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place : Chennai  
Date : 28<sup>th</sup> May 2019

**For NSR & Co.**  
Chartered Accountants  
Firm Regn. No. 010522S

**N Sowrirajan**  
Proprietor  
M. No. 207820



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Binny Mills Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BINNY MILLS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

## ***Binny Mills Limited***

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For NSR & Co.**  
Chartered Accountants  
Firm Regn. No. 010522S

Place : Chennai  
Date : 28<sup>th</sup> May 2019

**N Sowrirajan**  
Proprietor  
M. No. 207820

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Binny Mills Limited of even date)

- i. In respect of the Company's fixed assets:
  - (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 in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. The company has not given/made any loans, investments, guarantees, and securities requiring compliance with the provisions of section 185 of the Companies Act, 2013.

The Company has provided requisite disclosures in its financial statements as to the advance made to Binny Ltd. amounting to Rs.912.97 Lakhs (including unamortised interest cost Rs.434.13 lakhs) and these are in accordance with the provisions of section 186 of the Companies Act, 2013.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

***Binny Mills Limited***

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) There were no dues of income tax, sales tax, service tax, value added tax, goods and service tax outstanding on account of any dispute.
- viii. The company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Accordingly, the provisions of clause 3(viii) of the order is not applicable to the Company.
- ix. The Company did not have any term loans outstanding during the year. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. No managerial remuneration has been paid or provided during the year. Accordingly, Provisions of clause 3(xi) of the order is not applicable to the company.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. According to information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For NSR& Co.**  
Chartered Accountants  
Firm Regn. No. 010522S

Place : Chennai  
Date : 28<sup>th</sup> May 2019

**N Sowrirajan**  
Proprietor  
M. No. 207820

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**BALANCE SHEET AS AT 31ST MARCH, 2019**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Notes	As at 31 <sup>st</sup> March , 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	5.03	7.62
Investment Property	5	15,534.40	15,534.70
Financial assets			
Other non-current financial assets	6	917.33	1,090.05
Deferred Tax asset	7	30.30	19.67
Other non-current assets	8	27.80	29.81
<b>Total non-current assets</b>		<b>16,514.86</b>	<b>16,681.85</b>
<b>Current assets</b>			
Inventories	9	165.47	156.22
Financial assets			
Trade receivables	10	53.83	41.78
Cash and cash equivalents	11	57.35	53.27
Bank balances other than above	12	-	60.00
Other Current financial Assets	13	-	1.37
Other current assets	14	331.12	338.28
<b>Total current assets</b>		<b>607.77</b>	<b>650.92</b>
<b>Total Assets</b>		<b>17,122.63</b>	<b>17,332.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	318.85	318.85
Other equity	16	(15,706.87)	(14,148.62)
<b>Total equity</b>		<b>(15,388.02)</b>	<b>(13,829.77)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	14,070.91	14,070.91
Provisions	18	12.03	10.45
<b>Total non-current liabilities</b>		<b>14,082.94</b>	<b>14,081.36</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	19	129.70	162.51
Other financial liabilities	20	18,296.75	16,915.87
Other current liabilities	21	0.76	2.14
Short Term Provisions	22	0.50	0.66
<b>Total current liabilities</b>		<b>18,427.71</b>	<b>17,081.18</b>
<b>Total liabilities</b>		<b>32,510.65</b>	<b>31,162.54</b>
<b>Total Equity and Liabilities</b>		<b>17,122.63</b>	<b>17,332.77</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
**For M/s NSR & Co**  
Chartered Accountants  
(Firm Registration No.010522S)

**For and on behalf of the board**

**V.R.Venkatachalam**  
Chairman  
DIN 00037524  
Place : Chennai  
Date : 28th May 2019

**V.Rajasekaran**  
Managing Director  
DIN 00037006

**A. Sampath**  
Company Secretary and  
Chief Financial Officer

**N Sowrirajan**  
Proprietor  
Membership No.207820

**Binny Mills Limited**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note No.	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>Continuing Operations</b>			
<b>A Income</b>			
Revenue from operations	23	910.16	717.84
Other income	24	61.47	82.31
<b>Total income</b>		<b>971.63</b>	<b>800.15</b>
<b>B Expenses</b>			
Cost of materials consumed	25	15.19	10.89
Purchases of stock in trade	26	510.40	405.05
Changes in inventories of stock in trade	27	(9.25)	(11.16)
Employee Benefits Expense	28	32.62	29.14
Finance costs	29	1,599.60	1,599.62
Depreciation and amortisation expense	30	2.89	2.96
Other expenses	31	177.85	173.47
<b>Total expenses</b>		<b>2,329.30</b>	<b>2,209.97</b>
<b>C Profit before exceptional items and tax</b>		<b>(1,357.67)</b>	<b>(1,409.82)</b>
Exceptional items	32	155.18	-
<b>D Profit/ (Loss) before tax from continuing operations</b>		<b>(1,512.85)</b>	<b>(1,409.82)</b>
Income tax expense	33		
Current tax		55.86	33.68
Deferred tax charge/ (credit)		(10.57)	(2.98)
<b>Profit/ (Loss) for the year</b>		<b>(1,558.14)</b>	<b>(1,440.52)</b>
<b>E Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(0.15)	1.15
Income tax adjustment relating to these items		0.04	(0.35)
<b>Other comprehensive income for the year, net of tax</b>		<b>(0.11)</b>	<b>0.80</b>
<b>Total comprehensive Income/ (Loss) for the year</b>		<b>(1,558.25)</b>	<b>(1,439.72)</b>
<b>Earnings per share</b>			
Basic earnings per share	34	(48.87)	(45.18)
Diluted earnings per share		(48.87)	(45.18)

The accompanying notes form an integral part of the financial statements

For and on behalf of the board

As per our report of even date attached  
**For M/s NSR & Co**  
Chartered Accountants  
(Firm Registration No.010522S)

**V.R.Venkataachalam**  
Chairman  
DIN 00037524  
Place : Chennai  
Date : 28th May 2019

**V.Rajasekaran**  
Managing Director  
DIN 00037006

**A. Sampath**  
Company Secretary and  
Chief Financial Officer

**N Sowrirajan**  
Proprietor  
Membership No.207820

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**Statement of Changes in Equity for the year ended 31<sup>st</sup> March , 2019**  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**(A) Equity Share Capital**

Balance at the beginning of April 1, 2017	318.85
Changes in equity share capital during the year	-
Balance at the end of March 31, 2018	318.85
Changes in equity share capital during the year	-
Balance at the end of March 31, 2019	318.85

**(B) Other Equity**

	Capital Redemption Reserve	Other comprehensive income	Profit and Loss	Total
<b>Balance as at April 1, 2017</b>	29.40	-	(12,738.30)	(12,708.90)
<b>Additions/ (deductions) during the year</b>	-	(0.80)	-	(0.80)
Preference Dividend paid			-	-
Dividend Distribution Tax			-	-
Transfer from Other Comprehensive Income			0.80	0.80
<b>Total Comprehensive Income for the year</b>	-	0.80	(1,440.52)	(1,439.72)
<b>Balance as at March 31, 2018</b>	29.40	-	(14,178.02)	(14,148.62)
Transfer to Capital Redemption Reserve		-		-
Additions / (deductions) during the year	-	0.11		0.11
Preference Dividend paid	-	-	-	-
Dividend Distribution Tax	-	-	-	-
Transfer from Other Comprehensive Income			(0.11)	(0.11)
Total Comprehensive Income for the year	-	(0.11)	(1,558.14)	(1,558.25)
<b>Balance as at March 31, 2019</b>	29.40	-	(15,736.27)	(15,706.87)

The accompanying notes form an integral part of the financial statements

**For and on behalf of the board**

As per our report of even date attached  
**For M/s NSR & Co**  
Chartered Accountants  
(Firm Registration No.010522S)

**V.R.Venkatachalam**  
Chairman  
DIN 00037524

**V.Rajasekaran**  
Managing Director  
DIN 00037006

**A. Sampath**  
Company Secretary and  
Chief Financial Officer

**N Sowrirajan**  
Proprietor  
Membership No.207820

Place : Chennai  
Date : 28th May 2019

**Binny Mills Limited**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**  
(All amounts are in Lakhs of Indian Rupees unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>Cash Flow From Operating Activities</b>		
Profit before income tax	(1,512.85)	(1,409.82)
Adjustments for		
Depreciation and amortisation expense	2.89	2.96
Interest Income	(0.64)	(27.21)
Rental income	(249.83)	(204.86)
	(1,760.43)	(1,638.93)
Change in operating assets and liabilities		
(Increase)/ decrease in loans and advances	-	-
(Increase)/ decrease in other financial assets	172.72	27.64
(Increase)/ decrease in other assets	6.42	(6.87)
(Increase)/ decrease in inventories	(9.25)	(11.16)
(Increase)/ decrease in trade receivables	(12.05)	2.47
Increase/ (decrease) in provisions and other liabilities	1,530.27	1,374.15
Increase/ (decrease) in trade payables	(32.81)	2.92
Cash generated from operations	<b>(105.13)</b>	<b>(249.78)</b>
Less : Income taxes paid (net of refunds)	(53.12)	(34.44)
<b>Net cash from operating activities (A)</b>	<b>(158.25)</b>	<b>(284.22)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of PPE (including changes in CWIP)	-	(0.58)
Sale proceeds of PPE (including changes in CWIP)	-	-
(Investments in)/ Maturity of fixed deposits with banks	60.00	60.00
Interest received	2.01	28.37
Rent received	249.83	204.86
<b>Net cash used in investing activities (B)</b>	<b>311.84</b>	<b>292.65</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from/ (repayment of) long term borrowings	-	-
Preference Dividend paid	(124.22)	-
Dividend paid	(25.29)	-
<b>Net cash from/ (used in) financing activities (C)</b>	<b>(149.51)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>4.08</b>	<b>8.43</b>
Cash and cash equivalents at the beginning of the financial year	53.27	44.84
<b>Cash and cash equivalents at end of the year</b>	<b>57.35</b>	<b>53.27</b>
<b>Notes:</b>		
1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	56.21	51.59
Cash on hand	1.14	1.68
	57.35	53.27

For and on behalf of the board

As per our report of even date attached  
**For M/s NSR & Co**  
Chartered Accountants  
(Firm Registration No.010522S)

**V.R.Venkatachalam**  
Chairman  
DIN 00037524  
Place : Chennai  
Date : 28th May 2019

**V.Rajasekaran**  
Managing Director  
DIN 00037006

**A. Sampath**  
Company Secretary and  
Chief Financial Officer

**N Sowrirajan**  
Proprietor  
Membership No.207820



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2019**

**1. Corporate Information**

Binny Mills Ltd was incorporated as a Public Limited Company on December 20, 2007. The company was issued Certificate for Commencement of Business on February 6, 2008. The Company is engaged in the business of providing services and trading of goods. The company derives rental income by letting out on rent, its warehouses situated in Perambur, Chennai. Apart from this the Company is indulged in retail sales of textiles, from its textile division at Chennai and from the showrooms in Bangalore and Kolkata.

**2. Basis of preparation of financial statements**

**Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**Use of estimates and judgements**

The preparation of financial statements in conformity with IND AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2A. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs (up to two decimals). The financial statements are approved for issue by the Company's Board of Directors on 28<sup>th</sup> May, 2019.

**2A Critical accounting estimates and management judgments**

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts

## ***Binny Mills Limited***

of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

### **Property, Plant and Equipment (PPE)**

The residual values and estimated useful life of PPEs are assessed by the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

### **Current tax**

Calculations of income taxes for the current period are done based on applicable tax laws and Management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

### **Deferred Tax Assets**

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **Fair value**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **Impairment of Trade Receivables**

The impairment for trade receivables is done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward-looking estimates at the end of each reporting date.

### **Impairment of Non-financial assets (PPE)**

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on

management's judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**Defined Benefit Plans and Other long-term benefits**

The cost of the defined benefit plan and other long-term benefits, and the present value of such obligation are determined by an independent actuarial valuer. An actuarial valuation involves making various assumptions that may differ from actual developments in future. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long-term nature, this obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**Provisions and contingencies**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

**3. Significant Accounting Policies**

**a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading

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- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

### **b) Fair value measurement**

The Company has applied the fair value measurement wherever necessitated at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability;
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non - financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active market for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has designated the respective team leads to determine the policies and procedures for both recurring and non - recurring fair value measurement. External valuers are involved, wherever necessary with the approval of Company's board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of the fair value hierarchy as explained above. The component wise fair value measurement is disclosed in the relevant notes.

**c) Revenue Recognition**

**Sale of goods**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue on sale of goods is recognised when the risk and rewards of ownership is transferred to the buyer, which generally coincides with the despatch of the goods or as per the terms agreed with the customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. It comprises of invoice value of goods including the Goods and Services Tax (GST) and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

**Rental income**

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, if the escalation is not a compensation for increase in cost inflation index.

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

**d) Property, plant and equipment**

**Deemed cost option for first time adopter of Ind AS**

Under the previous GAAP (Indian GAAP), the property, plant and equipment were carried in the balance sheet at cost less accumulated depreciation. The company has elected to continue the carrying amount of PPE in the existing financials as the deemed cost as at the date of transition, viz., 1 April 2016.

**Presentation**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant

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parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Advances paid towards the acquisition of tangible assets outstanding at each balance sheet date, are disclosed as capital advances under other non-current assets and the cost of the tangible assets not ready for their intended use before such date, are disclosed as capital work in progress.

### **Component Cost**

All material/significant components have been identified for our plant and have been accounted separately. The useful life of such component are analysed independently and wherever components are having different useful life other than plant they are part of, useful life of components are considered for calculation of depreciation.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Machinery spares/insurance spares that can be issued only in connection with an item of fixed assets and their issue is expected to be irregular are capitalised. Replacement of such spares is charged to revenue. Other spares are charged as revenue expenditure as and when consumed.

### **Derecognition**

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### **e) Depreciation on property, plant and equipment**

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value. Depreciation is provided on straight line method, over the useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold. Additions to fixed assets, costing Rs.5,000/- each or less are fully depreciated retaining its residual value.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **f) Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 - Property, plant and equipment's requirements for cost model. The cost includes the cost of replacing parts

and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Company depreciates investment property as per the useful life prescribed in Schedule II of the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss in the period in which the property is derecognised.

**g) Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs are determined based on weighted average basis.

**h) Financial Instruments**

**Financial assets**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified on the basis of their contractual cash flow characteristics and the entity's business model of managing them.

Financial assets are classified into the following categories:

- Financial instruments (other than equity instruments) at amortised cost
- Financial Instruments (other than equity instruments) at Fair value through Other comprehensive income (FVTOCI)
- Other Financial Instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Financial instruments (other than equity instruments) at amortised cost**

The Company classifies the financial instruments (other than equity instruments) at amortised cost, if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- b) Contractual terms of the asset give rise on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Financial instruments (other than equity instruments) at FVTOCI**

Financial Instruments (other than equity instruments) at FVTOCI, if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial Instruments (other than equity instruments) included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss statement. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Financial instruments (other than equity instruments) at FVTPL**

The Company classifies all Financial Instruments (other than equity instruments), which do not meet the criteria for categorization as at amortized cost or as FVTOCI, as at FVTPL.

Financial Instruments (other than equity instruments) included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:



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Classification	Name of the financial asset
Amortised cost	Trade receivables, Loans to employees, and others, deposits, interest receivable and other advances recoverable in cash.
FVTOCI	Equity investments in companies other than Subsidiaries and associates as an option exercised at the time of initial recognition.
FVTPL	Other investments in equity instruments, forward exchange contracts. (to the extent not designated as hedging instrument)

### **Derecognition**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets other than equity instruments and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets other than equity instruments which are measured at FVTOCI
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss(ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation of ECL for various financial instruments is described below:

- **Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:** ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- **Financial instruments measured at FVTOCI:** Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

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Name of the financial asset	Impairment Testing Methodology
Trade Receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other financial assets	When the credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss.

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However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

S.No	Original classification	Revised classification	Accounting treatment
1	Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
2	FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

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S.No	Original classification	Revised classification	Accounting treatment
3	Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
4	FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
5	FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
6	FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**i) Borrowing Costs**

Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

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Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### **j) Taxes**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Where there is deferred tax assets arising from carry forward of unused tax losses and unused tax credits, they are recognised to the extent of deferred tax liability.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**k) Retirement and other employee benefits**

**Short-term employee benefits**

A liability is recognised for short-term employee benefit in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for their service.

**Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and super annuation fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined benefit plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**Other long-term employee benefits**

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

**l) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is

required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**m) Provisions, contingent liabilities and contingent asset**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted, if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Necessary provision for doubtful debts, claims, etc., are made if realisation of money is doubtful in the judgement of the management.

**Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed separately.

Show cause notices issued by various Government authorities are considered for evaluation of contingent liabilities only when converted into demand.

**Contingent assets**

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. Contingent assets are disclosed but not recognised in the financial statements.

**n) Cash and cash equivalents**

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash, which are subject to insignificant risk of changes in value.

**o) Cash Flow Statement**

Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management,



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bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### p) Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

### 4. Property, plant and equipment

All amounts are in lakhs of Indian Rupees

Particulars	Tangible Assets								Total
	Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Computers	Electrical Installation	Office Equipments	
<b>Gross carrying value as at April 1, 2017</b>	0.14	0.02	0.16	0.16	6.58	1.61	0.94	2.94	12.55
Additions	-	-	0.10	-	-	0.48	-	-	0.58
Disposals	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2018</b>	0.14	0.02	0.26	0.16	6.58	2.09	0.94	2.94	13.13
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>Gross carrying value as at March 31, 2019</b>	<b>0.14</b>	<b>0.02</b>	<b>0.26</b>	<b>0.16</b>	<b>6.58</b>	<b>2.09</b>	<b>0.94</b>	<b>2.94</b>	<b>13.13</b>
Accumulated Depreciation as at April 1, 2017	-	-	-	-	1.22	0.45	0.12	1.06	2.85
Depreciation/Amortisation Charge for the year	-	-	-	-	1.22	0.47	0.13	0.84	2.66
Disposals	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2018	-	-	-	-	2.44	0.92	0.25	1.90	5.51
Depreciation/Amortisation Charge for the year	-	-	-	-	1.23	0.18	0.12	1.06	2.59
Disposals	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at March 31, 2019	-	-	-	-	<b>3.67</b>	<b>1.10</b>	<b>0.37</b>	<b>2.96</b>	<b>8.10</b>
<b>Carrying Value</b>									
As at April 1, 2017	0.14	0.02	0.16	0.16	5.36	1.16	0.82	1.88	9.70
As at March 31, 2018	0.14	0.02	0.26	0.16	4.14	1.17	0.69	1.04	7.62
As at March 31, 2019	0.14	0.02	0.26	0.16	2.91	0.99	0.57	(0.02)	5.03

**Binny Mills Limited**

**5. Investment Property**

All amounts are in lakhs of Indian Rupees

Particulars	Land	Buildings	Total
<b>Gross carrying value as at April 1, 2017</b>	15,518.00	17.30	15,535.30
Additions	–	–	–
Disposals	–	–	–
Ind AS adjustments	–	–	–
<b>Cost as at March 31, 2018</b>	<b>15,518.00</b>	<b>17.30</b>	<b>15,535.30</b>
Additions	–	–	–
Disposals	–	–	–
Ind AS adjustments	–	–	–
<b>Cost as at March 31, 2019</b>	<b>15,518.00</b>	<b>17.30</b>	<b>15,535.30</b>
Accumulated Depreciation as at April 1, 2017	-	0.30	0.30
<b>Depreciation/Amortisation</b>			
Charge for the year	–	0.30	0.30
Ind AS Adjustments	–	–	–
Disposals	–	–	–
Accumulated Depreciation as at April 1, 2018	–	<b>0.60</b>	<b>0.60</b>
Charge for the year	–	0.30	0.30
Ind AS Adjustments	–	–	–
Disposals	–	–	–
<b>Accumulated Depreciation as at March 31, 2019</b>	–	<b>0.90</b>	<b>0.90</b>
<b>Net Block</b>			
As at April 1, 2017	15,518.00	17.00	15,535.00
As at March 31, 2018	15,518.00	16.70	15,534.70
As at March 31, 2019	15,518.00	16.40	15,534.40

All amounts are in lakhs of Indian Rupees

	As at March 31, 2019	As at March 31, 2018
<b>6 Other non-current financial assets</b> (Unsecured, considered good)		
Advance to Related Parties	478.84	576.17
Unamortised interest cost	434.13	509.52
Deposits	4.36	4.36
	<u>917.33</u>	<u>1,090.05</u>

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All amounts are in lakhs of Indian Rupees

	As at March 31, 2019	As at March 31, 2018
<b>7 Deferred Tax Asset (Net)</b>		
<b>Deferred Tax Liability</b>		
Employee Benefits	19.25	19.25
On Fixed Assets	10.71	10.71
Admissibles U/S 40 a (ia)	0.99	0.99
Service tax offered to tax as trading Receipt earlier	0.54	0.54
Admissibles u/s 43B	6.85	2.84
Other adjustments	16.92	
	<b>55.25</b>	<b>34.33</b>
<b>Deferred Tax Asset</b>		
Employee benefits	17.77	17.06
Disallowances U/s.40 a (ia)	16.52	16.52
Service tax offered to tax as trading Receipt	0.56	0.56
Disallowance for payments covered U/s.43B	7.98	5.83
On Fixed Assets	7.71	-
Other adjustments	35.01	14.03
	<b>85.55</b>	<b>54.00</b>
Net deferred tax (liability)/asset	<b>30.30</b>	<b>19.67</b>
MAT credit entitlement	-	-
	<b>30.30</b>	<b>19.67</b>
<b>8 Other non-current assets</b>		
(Unsecured, considered good)		
Others	9.63	8.90
Advance income tax (net of provision for tax)	18.17	20.91
	<b>27.80</b>	<b>29.81</b>
<b>9 Inventories</b>		
Stock-in-trade	165.47	156.22
	<b>165.47</b>	<b>156.22</b>
<b>10 Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from due date of payment	-	-
Other debts	53.83	41.78
	<b>53.83</b>	<b>41.78</b>
Less : Allowance for expected credit loss	-	-
	<b>53.83</b>	<b>41.78</b>

## Binny Mills Limited

All amounts are in lakhs of Indian Rupees

	As at March 31, 2019	As at March 31, 2018
<b>11 Cash and cash equivalents</b>		
Cash on Hand	1.14	1.68
Balances with Banks		
- In Current Account	56.21	51.59
	<b>57.35</b>	<b>53.27</b>
<b>12 Other bank balances</b>		
In Fixed Deposits (due to mature within 12 months from end of the reporting period)	–	60.00
	–	60.00
<b>13 Other current financial assets</b> (Unsecured, considered good)		
Interest receivable	–	1.37
	–	1.37
<b>14 Other current assets</b> (Unsecured, considered good)		
Advance to staff	0.07	–
Prepaid expenses	0.23	0.32
Balances with government authorities	1.82	1.39
Advances to Suppliers	–	7.57
Advance for purchase of property	329.00	329.00
	<b>331.12</b>	<b>338.28</b>
<b>15 Capital</b>		
<b>Authorised Share Capital</b>		
32,00,000 Equity shares of Rs. 10 each	320.00	320.00
	<b>320.00</b>	<b>320.00</b>
<b>Issued Share Capital</b>		
31,88,474 Equity shares of Rs. 10 each	318.85	318.85
	<b>318.85</b>	<b>318.85</b>
<b>Subscribed and fully paid up share capital</b>		
31,88,474 Equity shares of Rs. 10 each	318.85	318.85
	<b>318.85</b>	<b>318.85</b>
<b>Notes:</b>		
a) <b>Reconciliation of number of equity     shares subscribed</b>	<b>Shares</b>	<b>Shares</b>
Balance as at the beginning of the year	31,88,474	31,88,474
Add: Issued during the year	–	–
Balance at the end of the year	<b>31,88,474</b>	<b>31,88,474</b>

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b) **Shares issued for consideration other than cash**

Particulars	Number of shares as at	
	March 31, 2019	March 31, 2018
Shares out of the issued, subscribed and paid up share capital were allotted in the last five years pursuant to the various schemes of amalgamation without payments being received in cash	NIL	NIL

c) **Rights, preferences and restrictions in respect of equity shares issued by the Company**

- 1 The company has only one class of equity shares having a par value of Rs.10 each. The equity shares of the company having par value of Rs.10/- rank pari-passu in all respects including voting rights and entitlement to dividend. The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company has not declared any dividend.
- 2 In the event of liquidation, shareholders will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholder.

d) **Shareholders holding more than 5% of the total share capital**

Name of the share holder	March 31, 2019		March 31, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Shri.V.R.Venkataachalam	15,40,254	48.31	15,40,254	48.31

All amounts are in lakhs of Indian Rupees

**16 Other Equity**

Capital Redemption Reserve	29.40	29.40
Other Comprehensive Income	-	-
Profit and Loss Account	(15,736.27)	(14,178.02)
	<u>(15,706.87)</u>	<u>(14,148.62)</u>

**a) Capital Redemption Reserve**

Balance at the beginning of the year	29.40	29.40
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Balance at the end of the year	<u>29.40</u>	<u>29.40</u>

## Binny Mills Limited

All amounts are in lakhs of Indian Rupees

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>b) Other comprehensive income</b>		
Balance at the beginning of the year	–	–
Additions during the year	0.11	0.80
Deductions/ Adjustments during the year	(0.11)	(0.80)
Balance at the end of the year	–	–
<b>c) Profit and loss account</b>		
Balance at the beginning of the year	(14,178.02)	(12,738.30)
Net profit for the period	(1,558.14)	(1,440.52)
Arrears of preference dividend	–	–
Dividend Distribution Tax	–	–
Transfer from Other Comprehensive Income	(0.11)	0.80
Transfer to Capital Redemption Reserve	–	–
Balance at the end of the year	(15,736.27)	(14,178.02)
<b>17 Non-Current Liabilities - Financial Liabilities: Borrowings</b>		
<b>UnSecured</b>		
9% Cumulative Preference Share Capital	14,070.91	14,070.91
	14,070.91	14,070.91

Note: "Cumulative Preference Share Capital" Classified under financial liabilities as required by Ind AS 109 - Financial Instruments

### Authorised Capital

28,15,00,000 9% Cumulative Redeemable Preference Shares of Rs.5/- each	14,075.00	14,075.00
	14,075.00	14,075.00

### Issued, Subscribed and Paidup Capital

28,14,18,142 9% Cumulative Redeemable Preference Shares of Rs.5/- each	14,070.91	14,070.91
	14,070.91	14,070.91

All amounts are in lakhs of Indian Rupees

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>18 Provisions</b>		
Provision for gratuity	10.92	9.42
Provision for compensated absence	1.11	1.03
	12.03	10.45

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All amounts are in lakhs of Indian Rupees

	<b>As at</b>	<b>As at</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>19 Trade payables</b>		
Trade payables **	129.70	162.51
	<b>129.70</b>	<b>162.51</b>
** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management and represents the principal amount payable to these enterprises. There are no interest due and outstanding as at the reporting date. Please refer note 41.		
<b>20 Other current financial liabilities</b>		
Rent advance received	53.45	47.28
Preference Dividend Payable	15,157.27	14,015.11
DDT Payable	3,086.03	2,853.48
	<b>18,296.75</b>	<b>16,915.87</b>
<b>21 Other current liabilities</b>		
Other Payables	0.76	2.14
	<b>0.76</b>	<b>2.14</b>
<b>22 Provisions</b>		
Provision for Gratuity	0.45	0.62
Provision for Compensated absence	0.05	0.04
	<b>0.50</b>	<b>0.66</b>

All amounts are in lakhs of Indian Rupees

	<b>For the year ended</b>	<b>For the year ended</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>23 Revenue from operations</b>		
Sale of Products	658.86	511.58
Sale of services- rent	249.83	204.86
Other Operating Revenue	1.47	1.40
	<b>910.16</b>	<b>717.84</b>
<b>24 Other income</b>		
Interest income	60.83	55.10
Other non operating income	0.64	27.21
	<b>61.47</b>	<b>82.31</b>

**Binny Mills Limited**

All amounts are in lakhs of Indian Rupees

	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>25 Cost of materials consumed</b>		
Packing Materials	15.19	10.89
	<b>15.19</b>	<b>10.89</b>
<b>26 Purchases of stock in trade</b>		
Purchases of stock in trade	510.40	405.05
	<b>510.40</b>	<b>405.05</b>
<b>27 Changes in inventories of work-in-progress, stock in trade and finished goods</b>		
<b>Opening Balance</b>		
Stock in trade (traded items)	156.22	145.06
	<b>156.22</b>	<b>145.06</b>
<b>Closing Balance</b>		
Stock in trade (traded items)	165.47	156.22
	<b>165.47</b>	<b>156.22</b>
(Increase)/ Decrease in inventories	<b>(9.25)</b>	<b>(11.16)</b>
<b>28 Employee benefits expense</b>		
Salaries and wages	22.83	19.74
Contribution to Gratuity Fund	1.24	1.32
Contribution to provident and other funds	3.09	3.44
Staff workmen welfare expenses	5.07	4.18
Contribution to compensated absences	0.39	0.46
	<b>32.62</b>	<b>29.14</b>
<b>29 Finance Cost</b>		
Dividend on Preference shares	1,524.22	1,524.24
Other finance cost	75.38	75.38
	<b>1,599.60</b>	<b>1,599.62</b>
<b>30 Depreciation and amortisation expense</b>		
Depreciation	2.89	2.96
Amortisation of intangible assets	—	—
	<b>2.89</b>	<b>2.96</b>



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All amounts are in lakhs of Indian Rupees

	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>31 Other expenses</b>		
Rent	6.78	7.04
Insurance	1.41	1.58
Power and Fuel	5.61	5.36
Repairs to building	17.21	14.07
Listing fees	2.50	2.88
Rates and taxes	9.42	13.92
Payment to Auditors		
for audit	1.50	1.46
for tax audit	0.25	-
for certification	0.31	-
VAT, PF & Secretarial audit fees	0.50	0.50
Legal expenses	0.96	1.10
Selling expenses	40.89	26.76
Bad debts written off	-	0.53
Bank Charges	0.82	0.86
Professional fees paid	6.53	16.70
Retainer fees paid	29.54	28.67
Security Charges	13.27	14.40
Director Sitting Fees	1.90	1.75
Loss on goods in transit	0.21	-
Miscellaneous expenses	38.24	35.89
	<b>177.85</b>	<b>173.47</b>
<b>32 Exceptional items</b>		
Prior Period expenses	155.18	-
	<b>155.18</b>	<b>-</b>
<b>33 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	49.67	33.68
Adjustments for current tax of prior periods	6.19	-
<b>Total current tax expense</b>	<b>55.86</b>	<b>33.68</b>
<b>Deferred tax</b>		
Deferred tax adjustments	(10.57)	(2.98)
<b>Total deferred tax expense/(benefit)</b>	<b>(10.57)</b>	<b>(2.98)</b>
<b>Income tax expense</b>	<b>45.29</b>	<b>30.70</b>

## Binny Mills Limited

All amounts are in lakhs of Indian Rupees

	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
<b>b) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax from continuing operations	(1,512.85)	(1,409.82)
Income tax expense calculated at 34.608% (2018-19: 34.608%)	(420.87)	(487.91)
Profit on sale of fixed assets/ investments - considered separately for tax purposes	-	-
Additional tax paid as per assessments	-	-
Effect of expenses/ (income) that are not treated differently for tax purposes	476.73	521.59
<b>Income tax expense</b>	<b>55.86</b>	<b>33.68</b>

**c) Income tax recognised in other comprehensive income**

**Deferred tax**

Remeasurement of defined benefit obligation and equity instruments	0.04	(0.35)
<b>Total income tax recognised in other comprehensive income</b>	<b>0.04</b>	<b>(0.35)</b>

**d) Movement of deferred tax expense during the year ended March 31, 2019**

<b>Deferred tax (liabilities)/ assets in relation to:</b>	<b>Opening balance</b>	<b>Recognised in profit or loss</b>	<b>Recognised in OCI</b>	<b>Closing balance</b>
Property, plant, and equipment and Intangible Assets	(10.12)	-	-	(10.12)
Expenses allowable on payment basis under the Income Tax Act	21.33	(10.57)	0.04	10.80
Other temporary differences	0.56	-	-	0.56
	11.77	(10.57)	0.04	1.24
MAT Credit entitlement	-	-	-	-
	11.77	(10.57)	0.04	1.24

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All amounts are in lakhs of Indian Rupees

### e) Movement of deferred tax expense during the year ended March 31, 2018

<i>Deferred tax (liabilities)/ assets in relation to:</i>	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(10.12)	–	–	(10.12)
Expenses allowable on payment basis under the Income Tax Act	18.70	2.98	(0.35)	21.33
Other temporary differences	0.56	–	–	0.56
	9.14	2.98	(0.35)	11.77
MAT Credit entitlement	–	–	–	–
	9.14	2.98	(0.35)	11.77

**For the year ended  
March 31, 2019**

**For the year ended  
March 31, 2018**

#### 34 Earnings per share

Profit for the year attributable to owners of the Company (Rs. in lakhs)	(1,558.14)	(1,440.52)
Weighted average number of ordinary shares outstanding	31,88,474	31,88,474
Basic earnings per share (Rs)	(48.87)	(45.18)
Diluted earnings per share (Rs)	(48.87)	(45.18)

#### 35 Earnings in foreign currency

FOB value of exports	–	–
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#### 36 Expenditure in foreign currency

	–	–
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#### 37 Commitments and contingent liability

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Contingent Liabilities **</b>	<b>Rs.</b>	<b>Rs.</b>
Rent payable to M/s Square Projects Associates for the Company's showroom	19,65,000	18,45,000

(a) \*\*The Company has a pending litigation in the Court of City Civil Judge at Bengaluru, in the form of rent payable by the Company to M/s Square Projects Associates for the Company's Show Room at M G Road, Bengaluru. The case is pending for disposal and hence the liability, if any, is not quantifiable. However, the Company has created provision for possible liability of rent payable to the extent of Rs.11,85,000/- and for rent damages to the extent of Rs,7,80,000/- in the books of accounts in the respective years itself. The Company is paying property tax for the Show Room at

## Binny Mills Limited

M G Road, Bengaluru for the period under litigation and the amount so paid is shown as receivable from M/s Square Projects Associates in the Balance Sheet.

The Company is a Resulting Company of the Demerger Scheme of erstwhile Binny Ltd. Subsequent to the Demerger, the Company was not provided with the list of litigations that are pending and for which the Company may become liable. Hence, the liability of the Company, if any, arising out of the settlement of the pending litigations, will be provided for and settled as and when the liability arises.

- (b) The Company has classified an exceptional item of Rs.155.18 lakhs in the Statement of Profit and Loss pertaining to the Company's share of arrears of electricity charges (Rs.149.74 lakhs) and Flood damage claims (Rs.5.44 lakhs) in CFS Bharat Fritz Ltd as per Honourable High court order pertaining to pre-demerger period which was paid during the year, on resolution of dispute. The TANGEDCO had raised a demand of Rs.310.36 lakhs against the pre-demerged Binny Ltd for revision of the tariff for the period from 1-12-1982 to 30-11-1987. Binny Ltd had filed a writ petition before the Honourable High Court of Madras seeking a direction to quash the demand raised. The Honourable High Court of Madras, however, directed Binny Ltd to file its representations on this before the TANGEDCO. Upon filing of the representation before the TANGEDCO, it conveyed its non-acceptance of Binny Ltd plea to quash the demand and directed Binny Ltd to pay the demand amount. Pursuant to the demerger of erstwhile Binny Ltd, the Company had provided for its 50% share of the aforesaid demand amount on 31st March 2019.
- (c) The Company has a pending litigation in the court of City Civil Judge at Bengaluru, in the form of compensation payable by the Company and S V Global Mills Ltd to the legal successors of a victim who died in an electricity accident outside the premises of the Company's showroom at Bengaluru. The amount of compensation payable is not yet determined as the case is pending and hence no provision is made in the books.

### 38 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under

	Year ended March 31, 2019	Year ended March 31, 2018
(a) The principal amount remaining unpaid at the end of the year	–	–
(b) The delayed payments of principal amount paid beyond the appointed date during the year	–	–
(c) Interest actually paid under Section 16 of MSMED Act	–	–
(d) Normal Interest due and payable during the year, for delayed payments, as per the agreed terms	–	–
(e) Total interest accrued during the year and remaining unpaid	–	–

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

### 39 Operating Segments

The company is engaged in the business of Trading goods and providing services and therefore, has only one reportable segment in accordance with Ind AS 108 'Operating Segments'. The operations of the Company is only within India and accordingly, no disclosure based on geographical location is applicable.

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**40 Operating lease arrangements**

**Rs. in lakhs**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>As Lessor</b> The Company has entered into operating lease arrangements for certain surplus facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. Total lease income recognised in the Statement of Profit and Loss	249.83	204.86
<b>As Lessee</b> The Company has entered into operating lease arrangements for certain facilities. The leases are cancellable at the option of either party to lease and may be renewed based on mutual agreement of the parties. Lease payments recognised in the Statement of Profit and Loss	6.78	7.04

**41 Financial Instruments**

**Capital management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long term and short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

All amounts are in lakhs of Indian Rupees

<b>Gearing Ratio:</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Debt	14,070.91	14,070.91
Less: Cash and bank balances	57.35	113.27
Net debt	14,013.56	13,957.64
Total equity	(15,388.02)	(13,829.77)
Net debt to equity ratio (%)	-91.07%	-100.92%

## Binny Mills Limited

All amounts are in lakhs of Indian Rupees

Categories of Financial Instruments	March 31, 2019	March 31, 2018
<b>Financial assets</b>		
<b>a. Measured at amortised cost</b>		
Other non-current financial assets	917.33	1,090.05
Trade receivables	53.83	41.78
Cash and cash equivalents	57.35	53.27
Bank balances other than above	–	60.00
Other financial assets	–	1.37
<b>b. Measured at fair value through other comprehensive income (FVTOCI)</b>		
Investments (non-current)	–	–
<b>c. Mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Investments (current)	–	–
Derivative instruments	–	–
<b>Financial liabilities</b>		
<b>a. Measured at amortised cost</b>		
Borrowings	14,070.91	14,070.91
Other non-current financial liabilities	–	–
Trade payables	129.70	162.51
Other financial liabilities	18,296.75	16,915.87
<b>b. Mandatorily measured at fair value through profit or loss (FVTPL)</b>		
Derivative instruments	–	–

### Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

### Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities are exposed to such risk.

### Foreign currency risk management

The Company's operations does not involve transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations does not arise. Accordingly, the Company does not have any exposure to such risks.

There are no hedged or unhedged foreign currency exposures outstanding at as March 31, 2019 and March 31, 2018.

**Disclosure of hedged and unhedged foreign currency exposure**

The Company does not have any exposure relating to hedged and unhedged foreign currency transactions/ balances.

**Foreign currency sensitivity analysis**

The Company's operations does not involve transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations does not arise. Accordingly, the Company does not have any exposure to such risks.

**Interest rate risk management**

The Company does not have any borrowings and accordingly is not exposed to interest rate risk which arises, if it borrow's funds at both fixed and floating interest rates.

**Interest rate sensitivity analysis**

The Company does not have any borrowings and accordingly there is no disclosure made in respect of interest rate sensitivity analysis.

**Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is not subject to major credit risk as the majority of its trade receivables are covered by means of interest free security deposit taken at the inception of the agreement.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

**(a) Trade Receivables**

Trade receivables are consisting of a large number of customers. The Company has credit evaluation policy for each customer and, based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits. The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

**(b) Cash and Cash Equivalents and Bank Deposits**

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies. Investments of surplus funds are made only with approved Financial Institutions/Counterparty. Investments primarily include investment in units of quoted Mutual Funds, etc. These Mutual Funds and Counterparties have low credit risk.

**Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for

## Binny Mills Limited

use as per requirements. The Company invests its surplus funds in bank fixed deposit and mutual funds, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

### Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

All amounts are in lakhs of Indian Rupees

<b>March 31, 2019</b>	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Borrowings	–	14,070.91	–	14,070.91
Trade payables	129.70	–	–	129.70
	<b>129.70</b>	<b>14,070.91</b>	<b>–</b>	<b>14,200.61</b>

<b>March 31, 2018</b>	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Borrowings	–	14,070.91	–	14,070.91
Trade payables	162.51	–	–	162.51
	<b>162.51</b>	<b>14,070.91</b>	<b>–</b>	<b>14,233.42</b>

	March 31, 2019	March 31, 2018
<b>Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):</b>	Nil	Nil

#### 42 Related party disclosure

##### a) List of parties having significant influence

**The Company does not have any holding, subsidiary, associate or joint venture company**

**Companies in which directors are interested**

- TCP Limited
- The Thiruvalluvar Textiles Private Limited
- Binny Limited

##### **Key management personnel (KMP)**

Shri V.R.Venkataachalam	Promoter, Non- Executive Chairman
Shri V. Sengutuvan	Promoter, Non- Executive Director
Shri S. Natarajan	Promoter, Non- Executive Director
Shri V. Rajasekaran	Managing Director- Executive and Non Independent



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**b) Transactions during the year**

All amounts are in lakhs of Indian Rupees

S.No.	Nature of transactions	Year ended March 31, 2019	Year ended March 31, 2018
1	Shri V.R.Venkataachalam Remuneration	Nil	Nil
2	Shri V. Sengutuvan Remuneration	Nil	Nil
3	Shri S. Natarajan Remuneration	Nil	Nil
4	Shri V. Rajasekaran Remuneration	Nil	Nil
5	TCP Ltd Payment of Preference Dividend	124.22	Nil
6	Binny Ltd Advance given to purchase of property	(172.72)	(8.11)
7	TCP Ltd Sale of goods during the year	7.57	7.66

**c) Balances at the end of the year**

All amounts are in lakhs of Indian Rupees

S.No.	Nature of transactions	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>1</b>	<b>Preference Shares Allotted:</b>		
	TCP Limited	13,802.70	13,802.70
	The Thiruvalluvar Textiles Private Limited	263.20	263.20
	Shri V.R. Venkataachalam, Director	1.60	1.60
	Shri V. Sengutuvan, Director	1.60	1.60
		14,069.10	14,069.10
<b>2</b>	<b>Other Payables:</b>		
	Shri V.R. Venkataachalam, Director	0.63	0.63
<b>3</b>	<b>Advance given to Binny Ltd</b>	921.97	1,085.69
<b>4</b>	<b>TCP Ltd – Outstanding for supplies made</b>	0	0.03

- 1 The transactions with the related parties were made in the ordinary course of business and on arm's length basis. Hence, the transactions will not attract the provisions of section 188(1) of the Companies Act, 2013.
- 2 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.

**43 Retirement benefit plans**

**Defined contribution plans**

**Employees Provident Fund**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund as well as Employee State Insurance Fund.

The total expense recognised in profit or loss of Rs.3.09 lakhs (for the year ended March 31, 2018: Rs. 3.44 lakhs) represents contribution payable to these plans by the Company at rates specified in the rules of the plan.

**Defined benefit plans**

**Gratuity**

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance, if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount Rate	7.07% p.a.	7.25% p.a.
Rate of increase in compensation level	5.00% p.a.	5.00% p.a.
Attrition Rate	3.00% p.a.	3.00% p.a.
Expected Rate of Return on Plan Assets	Not applicable	Not applicable
Mortality Table	IALM (2012-14) Ult.	IALM (2006-08) Ult.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

All amounts are in lakhs of Indian Rupees

**Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:**

**Amount recognised under Employee Benefits Expense in the Statement of profit and Loss:**

	March 31, 2019	March 31, 2018
Current service cost	0.45	0.41
Net interest expense	0.73	0.91
Return on plan assets (excluding amounts included in net interest expense)	—	—
Components of defined benefit costs recognised in profit or loss	<b>1.18</b>	<b>1.32</b>

**Amount recognised in Other Comprehensive Income (OCI) for the Year :**

	March 31, 2019	March 31, 2018
Remeasurement on the net defined benefit liability comprising:		
Actuarial (gains)/losses recognised during the period	0.15	(1.15)
Components of defined benefit costs recognised in other comprehensive income	<b>0.15</b>	<b>(1.15)</b>
<b>Total</b>	<b>1.33</b>	<b>0.17</b>

- i. Current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' in profit and loss.
- ii. The remeasurement of the net defined benefit liability is included in other comprehensive income.

## Binny Mills Limited

All amounts are in lakhs of Indian Rupees

<b>The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Present value of defined benefit obligation	11.37	10.04
Fair value of plan assets	–	–
Net liability arising from defined benefit obligation	<b>11.37</b>	<b>10.04</b>
Funded	–	–
Unfunded	11.37	10.04
	<b>11.37</b>	<b>10.04</b>

The above provisions are reflected under 'Provision for employee benefits - Gratuity' (Long and short-term provisions) [Refer note 18 and 22].

**Movements in the present value of the defined benefit obligation in the current year were as follows:**

Opening defined benefit obligation	10.04	16.00
Current service cost	0.45	0.41
Interest cost	0.73	0.91
Actuarial (gains)/losses	0.15	(1.15)
Benefits paid	0	(6.13)
Closing defined benefit obligation	<b>11.37</b>	<b>10.04</b>

**Movements in the fair value of the plan assets in the current year were as follows:**

Opening fair value of plan assets	–	–
Interest Income	–	–
Expected return on plan assets (excluding amounts included in net interest expense)	–	–
Contributions	–	–
Benefits paid	–	–
Actuarial gains/(loss)	–	–
Closing fair value of plan assets	<b>–</b>	<b>–</b>

**Sensitivity analysis**

In view of the fact that the Company, for preparing the sensitivity analysis, considers the present value of the defined benefit obligation which has been calculated using the projected unit credit

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method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet there is no disclosure to be made.

### **(b) Compensated absences**

The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense recognised during the year is Rs.0.54 Lakhs (previous year Rs. (0.06) Lakhs).

**For and on behalf of the board**

**V.R.Venkataachalam**  
Chairman  
DIN 00037524

**V.Rajasekaran**  
Managing Director  
DIN 00037006

**A. Sampath**  
Company Secretary and  
Chief Financial Officer

As per our report of even date attached  
**For M/s NSR & Co**  
Chartered Accountants  
(Firm Registration No.010522S)

**N Sowrirajan**  
Proprietor  
Membership No.207820

Place : Chennai  
Date : 28th May 2019

**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]

**12<sup>th</sup> Annual General Meeting on 27<sup>th</sup> September 2019**

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 Twelfth Annual General Meeting of the company to be held on 27<sup>th</sup> September 2019 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 Audited Financial Statements of the company for the Financial Year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri V. Sengutuvan (DIN 00053629), who retires by rotation under section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment
3. To appoint Shri. S. Varatharajan, (DIN:01819133) as an Independent Director of the Company for a further term of five years.
4. To appoint Shri. M. Parthasarathi, (DIN:03209175) as an Independent Director of the Company for a further term of five years.
5. To appoint Shri. Shri. N. Jaiganesh (DIN:06969618) as an Independent Director of the Company for a further term of five years.

Signed this ..... day of ..... 2019

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, signed and stamped 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 time fixed for commencement of the Meeting.
2. The proxy need not be a member of the Company and shall provide his/her identity proof such as PAN Card, Aadhar Card at the time of attending AGM
3. Those Members who have multiple folios with different joint holders may use copies of this Proxy Form.
4. In the case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

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**ATTENDANCE SLIP**

**BINNY MILLS LIMITED**

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

**PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER  
AT THE ENTRANCE OF THE MEETING HALL**

**12<sup>th</sup> Annual General Meeting on 27<sup>th</sup> September 2019**

1. Full Name of the Shareholder/proxy (IN BLOCK LETTERS)

.....

2. Registered Folio No./ DP Id & Client Id No. .... No. of Shares.....

3. If Proxy, full name of the Shareholder.....

I hereby record my presence at the Twelfth Annual General Meeting at No.4, (Old No.10) Karpagambal Nagar, Mylapore, Chennai 600 004 on Friday, the 27<sup>th</sup>September, 2019 at 3.30 P.M.

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

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

Those Members who have multiple folios with different joint holders may use copies of this Attendance slip.



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