

# **Binny Mills Limited**

**Fourth Annual Report  
2010 - 2011**

# **BINNY MILLS LIMITED**

<b>CONTENTS</b>	<b>Page</b>
<b>Board of Directors and Management.....</b>	<b>2</b>
<b>Notice.....</b>	<b>3</b>
<b>Directors' Report.....</b>	<b>6</b>
<b>Auditors' Report.....</b>	<b>11</b>
<b>Balance Sheet.....</b>	<b>16</b>
<b>Profit and Loss Account.....</b>	<b>17</b>
<b>Schedules.....</b>	<b>18</b>
<b>Statement Of Cash Flows.....</b>	<b>31</b>
<b>Company's Business Profile.....</b>	<b>32</b>

**A REQUEST**

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

**Binny Mills Ltd**

## **BINNY MILLS LIMITED**

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

### **DIRECTORS**

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

### ***Registered Office:***

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

### ***Auditors:***

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

---

## ***Binny Mills Limited***

---

### **NOTICE**

NOTICE is hereby given that the Fourth Annual General Meeting of the Company will be held on Wednesday, the 28<sup>th</sup> September 2011 at 10-00 A.M. at No.106, Armenian Street, Chennai 600001 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and the Audited Profit and Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in the place of Shri S. Natarajan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

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

**"RESOLVED THAT** M/s T. Selvaraj & Co., Chartered Accountants, Chennai, (Firm Registration No. 003703S) be and are hereby appointed as the auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as determined by the Board of Directors."

By Order of the Board of Directors  
For Binny Mills Limited

**V. Rajasekaran**  
Managing Director

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

Date: 29<sup>th</sup> August 2011

---

## **4th Annual Report 2010-2011**

---

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy Form, in order to be effective, must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September 2011 to 28<sup>th</sup> September 2011 (both days inclusive).
4. Members/Proxies are requested to bring the attendance slip sent herewith, duly filled in, for attending the meeting and their copy of the Annual Report to the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members desiring to seek any information on the annual accounts or operations of the Company are requested to send their queries to the Company, at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
8. Members holding shares in physical form can now avail nomination facility for the shares held by them. Members desirous of availing this facility may send in their nominations in Form 2B duly filled in and signed to the Registrar and Share Transfer Agent of the Company viz, Cameo Corporate Services Ltd., 'Subramanian Building', 1<sup>st</sup> Floor, No.1, Club House Road, Chennai 600 002. Phone: 044-2846 0390 to 2846 0394.
9. M/s Cameo Corporate Services Ltd., 'Subramanian Building', 1<sup>st</sup> Floor, No.1, Club House Road, Chennai 600 002. Phone: 044-2846 0390 to 2846 0394 is the Company's Registrar and Share Transfer Agent for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in Demat form, members may send requests or correspond through their respective Depository Participants.
10. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorising their representatives to attend and vote at the Annual General Meeting.
11. Members who have multiple folios in identical names in the same order are requested to send all the Share Certificates either to the Company addressed to the Registered Office or to the Company's Registrar and Share Transfer Agent for consolidation of such folios into one to facilitate better services.

---

***Binny Mills Limited***

---

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

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

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

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

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

---

## 4th Annual Report 2010-2011

---

### DIRECTORS' REPORT

#### To the Members

Your Directors have pleasure in presenting the Fourth Annual Report and the Audited Accounts of your Company for the year ended 31<sup>st</sup> March 2011.

#### FINANCIAL RESULTS

	31 <sup>st</sup> March 2011 Rs.	31 <sup>st</sup> March 2010* Rs.
Sales and other Income	5,98,52,876	1,11,88,505
Profit before Depreciation	91,93,617	16,47,085
Depreciation	2,42,561	58,423
Profit Before Tax	89,51,056	15,88,662
Provision for Tax	14,67,590	2,45,448
Profit after Tax	74,83,466	13,43,214

\*The financial results for the year ended 31<sup>st</sup> March 2010 is after including the results of the Agencies and Services Undertaking (post Demerger) for the period from 1<sup>st</sup> January 2010 to 31<sup>st</sup> March 2010.

#### OPERATIONS

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

The Company operates in 5 divisions viz., Warehousing, Cochin, Showrooms, Agencies and Bintex. The Warehousing division has rented its warehouses and is deriving rental income from it. The Cold Storage room division at Cochin has been rented out for godown and office space rental income. The Showrooms are engaged in retail selling of textile materials. The Agencies division is engaged in the business of selling Tarpaulin, rain coats and bags. The Bintex division is engaged in selling textile materials, particularly uniform materials, bed spreads and other textile varieties.

For the year 2010-11, the Rental income from Warehousing division is Rs.90.49 lakhs and Cochin Division is Rs.12.91 lakhs. The sale made by the Showrooms division is Rs.11.88 lakhs, the Agencies division is Rs.4.32 lakhs and the Bintex division is Rs.469.77 lakhs.

The aggregate amount of Rent and Sales is Rs.589.37 lakhs. The Net Profit before tax is Rs.89.51 lakhs.

#### PREFERENCE SHARES

The 9.75% Cumulative Redeemable Preference Shares (CRPS) of Rs.5/- each, aggregating to Rs.29,40,000/-, are redeemable on or before 30<sup>th</sup> June 2011. The company, after obtaining the consent of the holders of the 9.75% CRPS, has extended the redemption date for the Preference Shares by 5 years.

After the extension, the 9.75% CRPS are redeemable on or before 30-6-2016. The 9% CRPS are redeemable in tranches on different dates. The earliest date of redemption is 30-1-2012.

---

## ***Binny Mills Limited***

---

Preference dividend is payable on the CRPS from the date of original allotment of shares by Binny Ltd. The holders of the CRPS have preferential right to dividend over the equity share holders, as and when dividend is declared by the Company.

### **DIVIDEND ON EQUITY SHARES**

Since the Company is in the second year of operation after the transfer and vesting of the Agencies and Services Undertaking of Binny Ltd in the Company, pursuant to the Demerger Scheme, the company wants to conserve its resources for future operations. Hence, the company is not recommending dividend on the equity shares this year.

### **DIRECTORS**

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

### **AUDIT COMMITTEE**

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

Shri S. Natarajan - Chairman

Shri S. Varatharajan; and

Shri V. Sengutuvan

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

A meeting of the Audit Committee was held on 27-8-10. All the members of the Committee attended the meeting.

### **SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE**

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

Shri V.R. Venkataachalam - Chairman

Shri V. Rajasekaran, and

Shri S. Varatharajan

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



---

## 4th Annual Report 2010-2011

---

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

15 meetings of the Committee were held during the year 2010-11 on the following dates:

30-7-10, 16-8-10, 31-8-10, 7-10-10, 30-10-10, 15-11-10, 30-11-10, 15-12-10, 30-12-10, 17-1-11, 31-1-11, 15-2-11, 28-2-11, 15-3-11 and 30-3-11.

All the members of the committee attended all the meetings.

### LISTING OF THE EQUITY SHARES OF THE COMPANY ON STOCK EXCHANGES

Your Company has made application to the Bombay Stock Exchange and the Madras Stock Exchange seeking listing of the 31,88,474 Equity Shares of the company on the Stock Exchanges. The Stock Exchanges have given their in-principle approval for the listing of the shares on the Stock Exchanges. However, the trading in the shares would commence only on receipt of the SEBI approval under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The company's application to the SEBI, submitted through the Bombay Stock Exchange, is being processed by the SEBI.

### DEMATERIALISATION OF SHARES AND LIQUIDITY

For Dematerialisation of Equity Shares, your company has entered into a Tripartite Agreement along with M/s Cameo Corporate Services Limited (the Registrar and Share Transfer Agent) with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for admitting the equity shares of the company in their depository system - from 2<sup>nd</sup> June 2010 with the NSDL and 13<sup>th</sup> July 2010 with the CDSL - and the equity shares have been allotted the International Securities Identification Number (ISIN): **INE160L01011**.

However, the Depositories have suspended and marked frozen the ISIN, until the receipt of notice from the Stock Exchanges, where the shares of the Company are listed, for commencement of trading and for reactivation of the ISIN. The trading in the shares would commence on receipt of approval from the SEBI.

### Details of shares in Demat and Physical Form as on 31<sup>st</sup> March 2011:

Particulars	No. of Shareholders	No. of Shares	% to Capital
NSDL	632	3,11,284	9.76
CDSL	9	262	0.01
Physical Form	8,348	28,76,928	90.23
Total	8,989	31,88,474	100.00

---

## ***Binny Mills Limited***

---

### **REGISTRAR AND SHARE TRANSFER AGENT:**

Your Company has entered into an RTA Agreement with M/s Cameo Corporate Services Ltd., Chennai. Shareholders/Investors are requested to forward their share transfer documents, Demat requests and other related correspondence directly to the RTA at the following address for speedy response:

#### **M/s Cameo Corporate Services Ltd**

'Subramanian Building'

No.1, Club House Road, Chennai 600 002.

Phone: 044-2846 0390 to 2846 0394; Fax: 044-2846 0129;

E-mail: investor@cameoindia.com

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) That in the preparation of the Annual Accounts, for the year ended 31<sup>st</sup> March 2011, the applicable Accounting Standards have been followed along with proper explanations for material departures, if any;
- ii) That the selected accounting policies were applied consistently and judgements and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31<sup>st</sup> March 2011 and of the profit of the Company for that period;
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) That the annual accounts for the year ended 31<sup>st</sup> March 2011 has been prepared on a going concern basis.

### **AUDITORS**

It is proposed to reappoint M/s T. Selvaraj & Co., Chartered Accountants, Chennai, (Firm Registration No. 003703S) as the Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company. The Directors recommend their appointment.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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