

## **BINNY LIMITED**

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### **BINNY LIMITED** ANNUAL REPORT MARCH 2014

<b>DIRECTORS</b>	M.Nandagopal – Executive Chairman Justice S. Jagadeesan S.Natarajan Nate Nandha Arvind Nandagopal- Managing Director
<b>BANKERS</b>	Axis Bank State Bank of India Canara Bank
<b>AUDITORS</b>	CNGSN & Associates 22, Flat “C” & “D” Vijayaraghava Road T.Nagar, Chennai 600017
<b>REGISTERED OFFICE</b>	No: 1, Cooks Road Otteri, Perambur Chennai 600 012 Tamilnadu

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### **NOTICE**

Notice is hereby given that the Forty Fifth Annual General Meeting of Binny Limited will be held at No:1, Cooks Road, Otteri, Perambur, Chennai – 600 012, on Monday, 29th September 2014, at 10.00 A.M to transact the following business:

#### **Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. Natarajan, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration.

To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the retiring Auditors M/s. CNGSN & Associates, Chartered Accountants, Chennai (Firm Registration No: 004915S) be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.

#### **Special Business:**

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

RESOLVED THAT pursuant to the provisions of section 196(3)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), the consent of the members be and is hereby accorded for the continuance of the appointment of Mr. M. Nandagopal, who has completed the age of 70 years as Whole Time Director of the company for the residual period of his respective appointment i.e., up to the period 02.10.2018.

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

RESOLVED THAT, subject to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder read with Schedule IV to the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force) Justice S Jagadeesan, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Justice S Jagadeesan as a candidate for the office of director of the Company, be and is hereby appointed as a Non-Executive and Independent Director of the Company, to hold office for a term up to five consecutive years from the conclusion of this Annual General Meeting effective from 29th September 2014 to 28th September 2019, not liable to retire by rotation.

#### **REGISTERED OFFICE**

**No: 1, Cooks Road  
Otteri, Perambur,  
Chennai 600 012  
Date: 14th August 2014**

#### **BY ORDER OF THE BOARD**

**M. Nandagopal  
Executive Chairman**

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### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding 50 members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
2. Proxy forms completed in all respects should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. A blank proxy form is enclosed. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. In terms of Clause 49 of the Listing Agreement entered with the stock exchanges, brief particulars of the Directors who are proposed to be appointed/re-appointed at this meeting forms part of the notice.
5. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 23rd September 2014 to Monday, 29th September 2014 (both days inclusive) for the purpose of Annual General Meeting.
6. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Registrar and Share Transfer Agent/Depository Participants(s). For members who have not registered their email address, physical copies of the above documents are being sent in permitted mode. Annual Report 2014 shall be available on the web site of the Company [www.binnyltd.in](http://www.binnyltd.in)
7. The Registrar and Transfer Agent of the Company M/s. Cameo Corporation Services Limited, No. 1, Subramanian Building, Club House Road, Anna Salai, Chennai, Tamil Nadu 600002. Please send all correspondence including requests for transfer / transmission of shares, change of address etc. to Registrar & Transfer Agent of the Company.
8. Members are requested to intimate changes, if any, in their registered address to the Registrar and Share Transfer Agent. Members holding shares in dematerialised form are requested to intimate/update their e-mail address with their respective Depository Participants.
9. Members are requested to furnish a copy of the PAN Card to the RTA for registration of transfer / transmission of shares.
10. Members, who are individuals may avail the facility of nomination as provided in Section 72 of the Companies Act, 2013 wherein a member may nominate in the prescribed manner with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
11. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report / notice for attending the meeting.
12. In terms of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company has engaged the services of Central Depository Services Limited (CDSL) to provide the facility of electronic voting ('e-voting') in respect of the

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Resolutions proposed at this AGM. The Board of Directors of the Company has appointed Mr. V Suresh, Practicing Company Secretary, as the Scrutinizer for this purpose.

The instructions for e-voting are as under:

- (i) The voting period begins on Tuesday, September 23, 2014 at 9.00 A.M and ends on Thursday, September 25, 2014 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<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 folio number in the PAN field.</li><li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number is 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</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 or folio.</p> <ul style="list-style-type: none"><li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

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

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- 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.
- (xix) 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).

### ANNEXURE TO THE NOTICE:

#### **(A) Statement pursuant to section 102 of Companies Act, 2013, in respect of item nos. 4 and 5 of the Notice**

##### **Item no. 4:**

Section 196 of the Companies Act, 2013, which became operational on 1st April 2014 requires a Special Resolution to be passed at a General Meeting of the Company for continuing the employment of any Whole Time Director, who has attained the age of 70 years. Shri. M. Nandagopal, Whole time Director of the Company who is over the age of 70 years can continue his appointment as a Whole time Director of the Company only if Special Resolution is passed to this effect.

He has been on the Board of the Company since 1996 and has taken many innovative steps in the growth of the Company and his contribution to the management of the Company is very valuable. Your Board considers that Shri. M. Nangagopal association with the Company as a Whole time Director would benefit the Company.

None of the Directors other than Shri. M. Nangagopal, Mr. Nate Nandha and Mr. Arvind Nandagopal or Key Managerial Personnel (KMP) or relatives of directors and KMP is interested or concerned in the said resolution.

The documents relating to the subject matter are open for inspection on all working days during business hours at the Registered Office of the Company.

The Board recommends this Special Resolution for members approval.

##### **Item no. 5:**

Pursuant to the provisions of section 149 and other applicable provisions of the Companies Act 2013, Justice S. Jagadeesan appointed earlier in terms of the erstwhile applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, is proposed to be appointed as Non-Executive and Independent Director for a period of 5 years and are not liable to retire by rotation during this period.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Justice S. Jagadeesan for the office of Director of the Company. Justice S. Jagadeesan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. The Company has received a declaration from Justice S. Jagadeesan that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Justice S. Jagadeesan possesses appropriate skills, experience and knowledge, inter alia, in the field of law.

In the opinion of the Board, Justice S. Jagadeesan, Non-Executive and Independent Director, fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent

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Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Independent Director is now being placed before the Members for their approval.

S. No.	Name of the Director	Category	Details of Appointment
1)	Justice S. Jagadeesan	Non-Executive Independent Director	Inducted as director of the Company on 05/09/2007  He is the Chairman of the Audit Committee and Stakeholders Relationship Committee and member of Nomination and Remuneration Committee of the Board of Directors of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Justice S. Jagadeesan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Justice S. Jagadeesan as Independent Director, for the approval by the shareholders of the Company.

Except Justice S. Jagadeesan, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 5.

The documents relating to the subject matter are open for inspection on all working days during business hours at the Registered Office of the Company.

**BY ORDER OF THE BOARD**

**Date : 14th August 2014**

**Place : Chennai**

**M. Nandagopal**  
**Chairman**

**(CIN : L17111TN1969PLC005736)**

**Registered Office:**

**No.1, Cooks Road, Otteri,  
Perambur, Chennai 600 012**

**Email: binny@binnyltd.in,**

**Website: www.binnyltd.in**

**Phone: 044 - 2662 1053, Fax: 044 - 2662 1056**

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## (B) Details pursuant to Clause 49 of the Listing Agreement regarding Directors seeking appointment / re-appointment:

Particulars	Date of Birth	Date of appointment	Qualifications	Expertise in Functional Area	Other Directorship	Chairman/ Member of the Committees of Boards of other companies	No. of shares held
Mr.S. Natarajan	1-11-1947	11-1-1988	A.C.A.	He is Promoter and Director of the Company. He has been associated with the Company since the year 1988. Shri. S Natarajan is a member of the Institute of Chartered Accountants of India, New Delhi since 1975. He has been a practicing Chartered Accountant with more than 30 years of experience and was involved in active practice till 1987. During the period of his active practice years, he has consistently represented many of the leading Indian corporate houses like SPIC Group, Udayar Group, Binny Group, Sterling Group, Modi Industries Group apart from lot of small, medium enterprises. His area of specialization includes Core Risk Management, Business Structuring, taxation matters, Environment Management and Statutory compliances under various Regulatory Bodies. He is also an expert in strategic planning and promotion of new business initiatives. He is actively involved in the real estate business of the group. He has wide range of experience and connected with a number of organizations related to financial & non-financial services. His overall efforts have resulted in significant growth to the businesses, reach economies of scale and maximization of shareholder value.	1) SATLUJ CREDIT AND HOLDINGS PRIVATE LIMITED 2) CALCOM CREDIT AND HOLDINGS PRIVATE LIMITED 3) RAJAT CHAKRA CREDIT AND HOLDINGS PRIVATE LIMITED 4) SHEETALA CREDIT AND HOLDINGS PRIVATE LIMITED 5) SARANGA INVESTMENTS AND CONSULTANCY PRIVATE LIMITED 6) TWENTIETH CENTURY APCO LEASING PVT LTD 7) BINNY LORZE LIMITED 8) THIRUMAGAL ENGINEERING LIMITED 9) SHIRAM PROPERTIES Private Limited 10) SHIRAM PROPERTIES & INFRASTRUCTURE PRIVATE LIMITED 11) S TEL PRIVATE LIMITED 12) SIPPING SPIRITS PRIVATE LIMITED 13) UCAL FUEL SYSTEMS LIMITED 14) S V GLOBAL MILL LIMITED 15) BINNY MILLS LIMITED 16) BHARATH COAL CHEMICALS LIMITED 17) SHIRAM PROPERTIES HOLDINGS PRIVATE LIMITED 18) SHIRAM VENTURE LIMITED 19) SHIRAM BUSINESS SOLUTIONS LIMITED 20) SHIRAM FINANCIAL VENTURES (CHENNAI) PRIVATE LIMITED	Chairman / Audit Committee - Ucal Fuel Systems Ltd  Member, Audit Committee - Shiram Properties Pvt Ltd	NIL
M. Nandagopal	09-06-1939	23/03/1996	Bachelor's degree in Agriculture.	Shri. M. Nandagopal holds a Bachelor's degree in Agriculture. He possesses an extensive 30-year working experience and provides strategic direction and vision to the Company. He is the Chairman of M/s. Mohan Breweries and Distilleries Limited, which is one of the leading manufacturers of Indian Made Foreign Liquor (IMFL) and Beer products in the South.	1) MOHAN BREWERIES AND DISTILLERIES LIMITED 2) ARTHOS BREWERIES LIMITED 3) MOHAN MEAKIN LIMITED 4) MOHAN ROCKY SPRING WATER BREWERIES LIMITED 5) MIRA TEXTILES & INDUSTRIES (INDIA) LIMITED 6) RRB ENERGY LIMITED 7) ORISSA SUGARS LTD 8) BHANKERPUR DISTILLERIES LIMITED 9) D1 MOHAN BIO OILS LIMITED 10) NANDHA DEVELOPERS PRIVATE LIMITED 11) ANGAARAGHA REALESTATE PRIVATE LIMITED	NIL	8421310
Justice S.Jagadeesan	23-3-1941	5-9-2007	B.A., B.L	Former Judge of Madras High Court and Chairman of Intellectual Property Appellate Board	NIL	NIL	NIL



## BINNY LIMITED

### DIRECTORS' REPORT

Your Directors present the Forty Fifth Annual Report and Audited Accounts of the Company for the year ended 31st March 2014

### FINANCIAL RESULTS

(Rs. In lakhs)

PARTICULARS	For the year	
	2013-14	2012-13
Revenue	947.81	844.65
Expenditure	3011.72	351.30
Operating Profit / (Loss)	-2063.91	493.35
Profit/Loss before Depreciation & Tax	-2063.91	493.35
Depreciation	24.45	25.18
Profit / (Loss) for the year before Tax	-2088.36	468.17
Tax	-	77.16
Profit/Loss after tax	-2088.36	391.01
Exceptional items (refer note No. 24)	3969.09	48.36
Profit/Loss for the year	-6057.45	439.37

### REVIEW OF OPERATIONS

The performance of the warehousing operation was continued to be satisfactory during the financial year 2013-14. Despite the domestic industry slowdown in view of economic scenario, the total turnover of the company has increased. The company's total income has increased from Rs. 844.65 lacs in previous year to Rs. 947.81 lacs in current year, registering 12% growth as compared to previous year.

As reported in the previous year's Director's Report, the Company ceased the operation of Container Freight Station with effect from May 2012. As a result, during the fiscal year 2013-14, the operations remained under pressure and your Company, on its part, has taken various initiatives to improve its operating efficiency and revenue earning potential.

Since the outlook for the industry appears to be positive, your Directors are hopeful in achieving better results over the terms.

### Dividend

Your company do not recommend any dividend for the year ended March 31, 2014.

### Fixed deposits

Your Company did not invite or accept any fixed deposit during the year under review.

### Directors

- A. In accordance with the applicable provisions of the Companies Act, 2013, Mr. S. Natarajan, Director of the company, retire from the Board by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

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- B. The Company had pursuant to relevant provisions of the Companies Act, 2013, appointed Justice S. Jagadeesan as Non-Executive and Independent Director not liable to retire by rotation. He is being eligible for appointment have consented to and declared as qualified for such appointment, if made and hold office as per their tenure of appointment mentioned in the Notice of the Annual General Meeting (AGM) of the Company.

### **Binny Engineering Limited**

As reported in the previous Director's Report, considering the negative net worth, highly limited usage of the lease-hold property and on the basis of a fair valuation report, your Company has sold the entire 100% shareholding in the Subsidiary for a sum of Rs.3.45 Crores. Accordingly, Binny engineering Limited ceases to be a subsidiary w.e.f. 25th September 2013.

### **Directors' Responsibility Statement**

As required under section 217 (2AA) of the Companies Act, 1956, the Directors state as follows:

- i. that in the preparation of annual accounts for the year ended 31st March, 2014 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year ended 31st March, 2014 and of the profit or loss of the Company for the said period under review.
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors had prepared the accounts for the year ended 31st March 2014 on a "going concern" basis.

### **Corporate Governance Report and Management Discussion & Analysis Report**

A separate Section on Corporate Governance, along with a certificate from Practising Company Secretary of the Company confirming compliance of the conditions of the Corporate Governance is annexed.

Management's Discussion and Analysis Report, as stipulated under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

### **Particulars of employees pursuant to section 217(2a) of the Companies Act, 1956**

The particulars required under section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of Employees) Rules, 1975 are not applicable as none of the employees is coming under the purview of this section. Hence no reporting is furnished under the heading.

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

Information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed to this Report