ESTD • 1873

HINDOOSTAN
MILLS LIMITED

110th Annual Report 2013 - 2014

A THACKERSEY GROUP COMPANY

HINDOOSTAN MILLS LIMITED

SUDHIR THACKERSEY
Chairman Emeritus

BOARD OF DIRECTORS

RAOUL THACKERSEY
Chairman
CHANDRAHAS THACKERSEY
Vice Chairman
HRISHIKESH THACKERSEY
Executive Director
ABHIMANYU THACKERSEY
Executive Director
KRISHNADAS D. VORA
NARESH R. KARA
R.N. BANSAL
P.B. DESAI
SUJAL A. SHAH
BHAVESH V. PANJUANI
NITIN P. SHINGALA
VISHWADHARA DAHANUKAR
(appointed on 6.11.2014)

SOLICITORS

1) MULLA & MULLA AND CRAIGIE BLUNT & CAROE
2) HARIANI & CO.

AUDITORS

M.A. PARIKH & CO.,
Chartered Accountants

BANKERS

HDFC BANK LTD.
AXIS BANK LTD.

REGISTERED OFFICE

SIR VITHALDAS CHAMBERS,
16, MUMBAI SAMACHAR MARG,
MUMBAI – 400 001.
CIN: L17121MH1904PLC000195

CONTENTS

110TH ANNUAL GENERAL MEETING ON FRIDAY, DECEMBER 12, 2014 AT 11.00 A.M. AT SIR VITHALDAS CHAMBERS, 6TH FLOOR, 16, MUMBAI SAMACHAR MARG, MUMBAI – 400 001.

Shareholders are requested to bring their copies of the Annual Report along with them at the Annual General Meeting.

Plant Location:

Textiles Unit / Roll Manufacturing Unit /
Technical Fabric Unit

Plot No. D-1, MIDC Industrial Area,
Village - Taswade, Tal - Karad,
Dist. - Satara - 415 109, Maharashtra

NOTICE

Notice is hereby given that the 110th Annual General Meeting (AGM) of the Members of Hindoostan Mills Limited will be held on Friday, December 12, 2014 at 11.00 a.m. at "Sir Vithaldas Chambers", 6th Floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Raoul Thackersey (DIN: 00332211) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint a Director in place of Mr. Naresh R. Kara (DIN: 00061271) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
5. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. M.A. Parikh & Co., (Registration No. 107556W) Chartered Accountants, Mumbai, be and are hereby re-appointed as Auditors of the Company for a term of five years commencing from 1st April, 2014 to hold office as such from the conclusion of this Annual General Meeting until the conclusion 115th Annual General Meeting (subject to ratification of the appointment by the Members at every AGM held after this AGM) and that the Board of Directors of the Company be and is hereby authorized to fix remuneration and reimbursement of actual out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant the provisions of Sections 198, 309 read together with Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the "Act") and other applicable provisions, if any of the Act, the Members do hereby ratify and confirm the payment of remuneration amounting to ₹1,40,000/- per month under the provisions of Sections 197, 198 read together with Schedule V of the Companies Act, 2013 paid to Mr. Hrishikesh Thackersey (DIN: 00349752), Executive Director of the Company for the period from October 1, 2013 to March 31, 2014 and also approve the retention of the amount by him.

   RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the subsequent modification/amendment thereto, the approval of the Members be and is hereby accorded to the revision in the remuneration payable and the perquisites to be provided to Mr. Hrishikesh Thackersey (DIN: 00349752), Executive Director with effect from April 1, 2014 for the remaining period of his tenure upto March 31, 2015 and subject to the limits and the conditions specified under Schedule V of the Companies Act, 2013 as follows:-

(i) Remuneration: The remuneration payable to Mr. Hrishikesh Thackersey during his tenure as the Executive Director of the Company is as follows:

A. Salary:

Salary upto ₹3,50,000/- per month with liberty to the Board of Directors to grant such increments as it may in its absolute discretion deem fit and as may be recommended by the Nomination & Remuneration Committee within the limits specified under Schedule V to the Companies Act, 2013 (as amended from time to time).

B. Perquisites:

i) Mr. Hrishikesh Thackersey shall be entitled to such benefits, perquisites and allowances including furnished accommodation or house rent allowance, provision of gas, electricity, water, furnishings and maintenance in respect of such accommodation, medical re-imbursement for self and family, club

fees, leave benefits, leave travel concessions for self and family, personal accident insurance and such other perquisites and allowances and on such terms and conditions as the Board of Directors may in its absolute discretion determine from time to time.

ii) Company's contribution to Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act as applicable from time to time. Gratuity payable shall not exceed half a month's salary for each completed year of service. Such gratuity and the encashment of leave at the end of the tenure shall not be included in the computation for the ceiling on remuneration.

iii) Expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of car for use of the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

C. In the event of loss or inadequate profits during the currency of his tenure, the Executive Director shall be paid the remuneration by way of salary and perquisites as minimum remuneration subject to the ceiling as specified in Para (A) of Section II of Part II of Schedule V to the Companies Act, 2013 (as amended from time to time).

D. Other conditions:

(a) Mr. Hrishikesh Thackersey shall be liable to retire by rotation as a Director.

(b) Mr. Hrishikesh Thackersey shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

(c) Mr. Hrishikesh Thackersey shall be reimbursed all expenses actually and properly incurred by him for the business of the Company.

(d) The appointment may be terminated by either the Company or Mr. Hrishikesh Thackersey by giving three months' written notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution."

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

"RESOLVED THAT, pursuant the provisions of Sections 198, 309 read together with Schedule XIII of the Companies Act, 1956 (hereinafter referred to as the "Act") and other applicable provisions, if any of the Act, the Members do hereby ratify and confirm the payment of remuneration amounting to ₹2,00,000/- per month under the provisions of Sections 197, 198 read together with Schedule V of the Companies Act, 2013 paid to Mr. Abhimanyu Thackersey, (DIN: 00349682), Executive Director of the Company for the period from October 1, 2013 to March 31, 2014 and also approve the retention of the amount by him.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the subsequent modification/amendment thereto, the approval of the Members be and is hereby accorded to the revision in the remuneration payable and the perquisites to be provided to Mr. Abhimanyu Thackersey, (DIN: 00349682), Executive Director, with effect from April 1, 2014 for the remaining period of his tenure upto June 7, 2016 and subject to the limits and the conditions specified under Schedule V of the Companies Act, 2013 as follows:-

(i) Remuneration: The remuneration payable to Mr. Abhimanyu Thackersey during his tenure as the Executive Director of the Company is as follows:

A. Salary:

Salary upto ₹3,50,000/- per month with liberty to the Board of Directors to grant such increments as it may in its absolute discretion deem fit and as may be recommended by the Nomination & Remuneration Committee within the limits specified under Schedule V to the Companies Act, 2013 (as amended from time to time).

B. Perquisites:

i) Mr. Abhimanyu Thackersey shall be entitled to such benefits, perquisites and allowances including furnished accommodation or house rent allowance, provision of gas, electricity, water, furnishings and maintenance in respect of such accommodation, medical re-imbursement for self and family, club fees, leave benefits, leave travel concessions for self

and family, personal accident insurance and such other perquisites and allowances and on such terms and conditions as the Board of Directors may in its absolute discretion determine from time to time.

ii) Company's contribution to Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act as applicable from time to time. Gratuity payable shall not exceed half a month's salary for each completed year of service. Such gratuity and the encashment of leave at the end of the tenure shall not be included in the computation for the ceiling on remuneration.

iii) Expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of car for use of the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.

C. In the event of loss or inadequate profits during the currency of his tenure, the Executive Director shall be paid the remuneration by way of salary and perquisites as minimum remuneration subject to the ceiling as specified in Para (A) of Section II of Part II of Schedule V to the Companies Act, 2013 (as amended from time to time).

D. Other conditions:

(a) Mr. Abhimanyu Thackersey shall be liable to retire by rotation as a Director.

(b) Mr. Abhimanyu Thackersey shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

(c) Mr. Abhimanyu Thackersey shall be reimbursed all expenses actually and properly incurred by him for the business of the Company.

(d) The appointment may be terminated by either the Company or Mr. Abhimanyu Thackersey by giving three months' written notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this resolution".

8. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) for borrowing, on behalf of the Company, any sum or sums of money, from time to time, as the Board may consider fit, any sum of money, in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian rupees or any other foreign currency, from any bank or banks, or any financial Institutions, other person or persons, and whether the same may be secured or unsecured, and if secured, whether domestic or international, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, will or may exceed the aggregate of its paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so however that the total amount upto which money may be borrowed by the Board under this resolution, at any one time shall not exceed, in the aggregate, the sum of ₹100,00,00,000/- (Rupees One Hundred Crore only) and /or in equivalent foreign currency.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized severally to file the required forms with the Registrar of Companies, Maharashtra, and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/ or otherwise considered by them in the best interest of the Company."

9. To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) to create a further mortgage and/or charge, on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit, on the whole or substantially the whole of the Company's, any one or more of the undertakings or all of the undertakings, including present or future properties, whether immovable or movable assets, comprised in any undertaking of the Company, as may be agreed to in favour of the bank or banks, financial institutions, person(s), hereinafter referred to as the lenders, and/or trustees to secure borrowings up to an aggregate amount not exceeding ₹ 100,00,00,000/- (Rupees One Hundred Crore only) subject to the limits approved under section 180(1)(c) of the Act, together with interest at the respective agreed rates by issue of non-convertible debentures, bonds, term loans, and/or other instruments including foreign currency borrowings, as the Board may deem fit, to be issued in one or more branches, to Indian / foreign banks, institutions, investors, mutual funds, companies, other corporate bodies, resident / non-resident Indians, foreign nationals, and other eligible investors, and upon such terms and conditions, as may be decided by the Board, including any increase in result of devaluation / revaluation or fluctuation in the rates of exchange, together with interest, at the respective agreed rates, compound interest, additional interest, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents, entered into by the Company in respect of the said debentures/bonds/ term loans/other instrument(s) in terms of their issue;

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari passu/ subservient with/to the mortgages and/or charges already created or to be created in future by the Company and as may be agreed to between the concerned parties;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Committee(s) of Directors or any one or more Directors of the Company, with the power to further delegate any such powers as they may deem fit, to finalize, settle and execute such documents / deeds / writings / agreements, as may be required, and to do all such acts, matters and things as it may at its absolute discretion deem proper, fit and expedient and to settle any question difficulty or doubt that may arise in regard to creating mortgage/charge as aforesaid or otherwise considered to be in the best interests of the Company."

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Krishnadas D. Vora (DIN: 00883649), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 2 (two) consecutive years from the date of this Annual General Meeting till the conclusion of the 112th Annual General Meeting of the Company to be held in the calendar year 2016, not liable to retire by rotation."

11. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. R.N. Bansal (DIN: 00270908), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent

Director of the Company to hold office for a term of 2 (two) consecutive years from the date of this Annual General Meeting till the conclusion of the 112th Annual General Meeting of the Company to be held in the calendar year 2016, not liable to retire by rotation."

12. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pralhad B. Desai (DIN: 01274203), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 2 (two) consecutive years from the date of this Annual General Meeting till the conclusion of the 112th Annual General Meeting of the Company to be held in the calendar year 2016, not liable to retire by rotation."

13. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sujal A. Shah (DIN: 00058019), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting till the conclusion of the 115th Annual General Meeting of the Company to be held in the calendar year 2019, not liable to retire by rotation."

14. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Bhavesh V. Panjuani (DIN: 03188032), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting till the conclusion of the 115th Annual General Meeting of the Company to be held in the calendar year 2019, not liable to retire by rotation."

15. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Nitin P. Shingala (DIN: 00353710), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting till the conclusion of the 115th Annual General Meeting of the Company to be held in the calendar year 2019, not liable to retire by rotation."

16. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT, Ms. Vishwadhara Dahanukar (DIN: 01671855), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the

Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement¸ Ms. Vishwadhara Dahanukar (DIN: 01671855), be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting till the conclusion of the 115th Annual General Meeting of the Company to be held in the calendar year 2019, not liable to retire by rotation."

17. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and subject to such guidelines and approval as may be required from the Central Government, the Cost Auditors, appointed by the Board of Directors of the Company viz. M/s. Anant Ashok Katyare & Co., Cost Accountants (Regd. No. 31470) C-IV-6 & 7, Sterling Towers, Shahupuri, Kolhapur, Maharashtra - 416001 to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015 be paid a remuneration of ₹ 91,000/- (Rupees Ninety One Thousand Only) plus Service Tax as applicable.

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

By Order of the Board of Directors

DEVANAND MOJIDRA
Company Secretary

November 6, 2014
Registered Office:
Sir Vithaldas Chambers,
16, Mumbai Samachar Marg,
Mumbai - 400 001.
CIN: L17121MH1904PLC000195
email: complaint@hindoostan.com

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

   A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. As per the requirement of Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, a statement containing details of the concerned Directors is provided herewith as annexure. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

5. Members are requested to bring their attendance slip along with their copy of Annual Report to 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. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.

8. (a) The Company has notified closure of Register of Members and Share Transfer Books from December 8,

2014 to December 12, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

(b) The dividend on Equity Shares, if declared at the Meeting, will be paid on or after December 13, 2014 to those members whose names shall appear on the Company's Register of Members on December 5, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

To all Members in respect of shares held in physical form, after giving effect to valid transfer in respect of transfer requests lodged with the Company on or before the close of business hours on December 5, 2014.

9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Computech Sharecap Ltd., 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Mumbai - 400 023 ("Computech") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Computech.

11. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial years 1995-96 to 2005-06 from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 26, 2013 on the website of the Company (www.hindoostan.com), as also on the website of the Ministry of Corporate Affairs.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Computech.

13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.

14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Computech, for consolidation into a single folio.

15. Non-Resident Indian Members are requested to inform Computech, immediately of:

(a) Change in their residential status on return to India for permanent settlement.

(b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in physical form, who have not registered their email address with the Company, are requested to submit their request with their valid email address to the Registrar and Share Transfer Agents of the Company. Members holding shares in demat form are requested to register/update their email address with their Depository Participant directly. Members of the Company, who have registered their email address are entitled to receive such communication in physical form upon request.

Accordingly, electronic copy of the Annual Report for the financial year 2013-14 and Notice of the 110th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email address are registered with the Company/ Depository for communication purposes unless any Member has requested for a hard copy of the same. Even after registering

for e-communication, Members are entitled to receive the same in physical form, upon making a request in this regard, by post at free of cost. For this purpose, the Members may also send requests to the designated email address i.e. complaint@hindoostan.com.

For Members who have not registered their email address with the Company/Depository, the physical copy of the Annual Report for the financial year 2013-14 and Notice of the 110th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.

17. Members may also note that the Annual Report for the financial year 2013-14 and the Notice of the 110th Annual General Meeting will also be available on the Company's website i.e. www.hindoostan.com.

18. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The instructions for Members for exercising their vote through e-voting are as under:

(i) The voting period begins on Saturday, December 6, 2014 at 9.00 a.m. and ends on Monday, December 8, 2014 at 06.00 p.m. During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, November 7, 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 during the voting period.

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID

a. For CDSL : 16 digits beneficiary ID

b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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.
DOB	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
Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. • Please enter the DOB or 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 (iv).

(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 "Hindoostan Mills Ltd." 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 & Custodians:

- Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to https://www.evotingindia.com. and register themselves as Corporate & 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.
- After receiving the login details they should to create a compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/folio number on which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(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 under help section or write an email to helpdesk.evoting@cdslindia.com.

19. The voting rights of the Members for the purpose of e-voting shall be reckoned in proportion to the paid-up value of the equity shares registered in their name as on Friday, November 7, 2014.

20. The Members, who have voted electronically, are not eligible to vote by ballot paper.

21. Mr. Narayan Parekh, Partner of M/s. PRS Associates, Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

22. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

23. The Results shall be declared on or after the Annual General Meeting of the Company and the resolutions shall be deemed to be passed on the date of the Annual General Meeting subject to receipt of the requisite numbers of votes in favour of the resolutions.

24. The Results declared along with the Scrutinizer's report shall be placed on the Company's website i.e. www.hindoostan.com and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company. The Results will also be communicated to the Stock Exchange where the shares of the Company are listed.
25. Members who do not have access to e-voting facility may send duly completed Ballot Form so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Narayan Parekh, partner of PRS Associates, Practising Company Secretary, not later than 6.00 p.m. on Monday, December 8, 2014. Ballot Form received thereafter will be treated as invalid.

By Order of the Board of Directors

DEVANAND MOJIDRA
Company Secretary

November 6, 2014
Registered Office:
Sir Vithaldas Chambers,
16, Mumbai Samachar Marg,
Mumbai - 400 001.

CIN: L17121MH1904PLC000195
email: complaint@hindoostan.com

ANNEXURE TO THE NOTICE

Statement Pursuant to Section 102(1) of the Companies Act, 2013

Item No. 6 & 7

The Members at their Annual General Meeting held on September 30, 2010 had by way of Ordinary Resolutions approved the appointment of Mr Hrishikesh Thackersey as the Whole-time Director designated as Executive Director of the Company for a period of 5 years commencing April 1, 2010 on terms and conditions of appointment including remuneration payable to Mr Hrishikesh Thackersey and thereafter, by way of Special Resolution had revised his remuneration at Annual General Meeting held on September 15, 2011.

Further, the Members at their Annual General Meeting held on September 15, 2011 had by way of Special Resolution approved the appointment of Mr. Abhimanyu Thackersey as the Whole-time Director designated as Executive Director of the Company for a period of 5 years with effect from June 8, 2011, on terms and conditions of appointment including remuneration payable to Mr. Abhimanyu Thackersey.

The terms of appointment of the Executive Directors, inter alia, provide for payment of Salary with the authority to the Board or a Committee thereof to fix the salary and annual increments, based on merit and taking into account the Company's performance, incentive remuneration based on certain performance criteria, benefits, perquisites and allowances and other benefits as per the policy of the Company as may be determined by the Board from time to time.

In respect of Financial Year 2013-14, the Ministry of Corporate Affairs ("MCA") have vide General Circular No.08/2014 dated April 4, 2014 clarified that the provisions pertaining to maintenance of books of accounts, preparation, adoption and filing of financial statements and other documents required to be attached to the Annual Report shall be governed by the relevant provisions, schedules, rules of the Companies Act, 1956. Pursuant to the provisions of Sections 198 and 309 read together with Schedule XIII ("Schedule XIII") of the Companies Act, 1956, in case of no profits or inadequacy of profits calculated under Section 349 and 350 of the Companies Act, 1956, the Company may pay remuneration by way of salary, dearness allowance, perquisites and any other allowances (excluding commission) upto the ceiling limits as specified in Schedule XIII subject to Members' approval by way of Ordinary/Special Resolution and compliance of disclosure requirements and other conditions as stated therein. The payment of managerial remuneration for the said financial year is in accordance with the Companies Act, 1956 and the various MCA circulars in force at that time.

Now, pursuant to the provisions of Section 197 read together with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration upto the ceiling limits as specified in Schedule V and the Members' approval by way of a Ordinary/Special Resolution has been passed for payment of remuneration.

Taking into consideration the above and the terms of appointment and remuneration agreed with Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey, it is proposed to obtain Members approval by way of Ordinary Resolutions to revise the remuneration of Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey.

The Board and the Nomination and Remuneration Committee of the Board have accorded their approvals to the above and in the interest of the Company have recommended the aforesaid resolutions as set out in this Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolutions, except for Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey, in Resolution at Item Nos. 6 and 7 of the Notice respectively to the extent of their shareholding interest in the Company.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. General Information:

(1) Nature of industry: The Company is mainly engaged in Textile Business, which includes manufacturing of Greige fabrics and fine fabrics. The Company also owned a Calendar Roll manufacturing facility. It has set-up Technical Textile manufacturing and moving towards manufacturing of Composite Reinforcement Fabrics.

(2) Date or expected date of commencement of commercial production: The Company was incorporated on May 12, 1904 and is in business since then.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

(4) Financial performance based on given indicators-

As per audited financial results for the accounting year ended March 31, 2014

Particulars	(₹in lacs)
Turnover and other income	14807.77
Net profit before tax as per statement of Profit and Loss	517.85
Reserves and Surplus	9337.9 8

(5) Export performance and net foreign exchange collaborations, Foreign Exchange Earnings for the financial year ended March 31, 2014 was: ₹ 2859.56 lakhs

(6) Foreign investments or collaborators, if any. Nil

II. Information about the appointees (Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey):

(1) Background details

Mr. Hrishikesh Thackersey, aged 35 is an M.B.A. from the University of Chicago, and has been associated with the Company for 13 years. Earlier he was an "Executive Director" of The Hindoostan Spinning and Weaving Mills Limited and previous to that he was designated as an "Executive Thackersey Group". Besides, he has vast experience in strategy, project analysis, financial instruments and investments.

Mr. Abhimanyu J. Thackersey, aged 31, is a B.A. in Economics from The University of Michigan-Ann Arbor and has been associated with the Company for more than 12 years. Earlier he was an 'Executive Director' of The Hindoostan Spinning and Weaving Mills Limited and previous to that he was designated as an "Executive Thackersey Group". Besides, he has vast experience in textile industry and rich experience in commercial aspects of production, marketing, finance and accounts.

(2) Past remuneration for the Financial Year 2013-14:

	(₹in lacs)
Mr. Hrishikesh Thackersey	17.46
Mr. Abhimanyu Thackersey	23.47

(3) Recognition or awards: Nil

(4) Job profile and suitability:-

Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey are responsible for the day to day management, subject to the direction and control of the Board of Directors. They are also responsible to perform such duties as may from time to time be entrusted by the Board.

The Board of Directors considers that services and extensive experience of Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey will be useful and beneficial to the Company in its overall development and growth.

(5) Remuneration proposed to Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey:- As stated in the proposed resolution

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).

Taking into consideration the size of the Company, the profile of Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey, the responsibilities shouldered by them and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration package paid to similar top/senior level appointees in other companies.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Besides the remuneration paid/payable to Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey they do not have any other pecuniary relationship with the Company. The pecuniary relationship of with their relatives is stated in the point no. 25B-XVI Notes to the Accounts forming part of this Annual Report.

III. Other information:

Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

As at March 31, 2014 the Company has net profit after tax of ₹ 394.92 lakhs and in the coming and subsequent years, though it is likely that owing to the nature of the industry, there may be inadequate profits, the Company shall take effective steps for improvement of output and profit.

This may be treated as an abstract of the terms of appointment and remuneration payable to Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey.

In the event of loss or inadequacy of profits in any year during the aforesaid tenure, Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey shall be paid the remuneration as above as the minimum remuneration, subject to the provisions of the Companies Act, 2013 and subject to the restrictions, and amendment thereto, from time to time.

Item Nos.8 & 9

The members of the Company at the 107th Annual General Meeting held on September 15, 2011, authorized the Board of Directors pursuant to Section 293 (1) (d) of the Companies Act, 1956 to borrow, from time to time, for and on behalf of the Company and for the purpose of its business, sums not exceeding in the aggregate, ₹75,00,00,000/- (Rupees Seventy Five Crore only) over and above the aggregate of the Company's Paid Up Capital and Free Reserves and at the 107th Annual General Meeting held on September 15, 2011, authorized the Board of Directors pursuant to Section 293(1)(a) of the Companies Act, 1956 to create charge on moveable and/or immoveable properties of the Company as security in favour of lending agencies, an aggregate amount not exceeding ₹75,00,00,000 (Rupees Seventy Five Crore only) over and above the aggregate of the Company's Paid Up Capital and Free Reserves.

In terms of the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 ("the Act"), which were made effective from 12th September, 2013, the above power can be exercised by the Board only with the consent of the Members obtained by way of a special resolution.

As such, it is necessary to obtain fresh approval of the Members by means of a Special Resolution and keeping in view of the Company's business requirements and its growth plans, it is considered appropriate to increase the aforesaid limit of borrowing. Your consent is therefore sought to authorize the Board to borrow upto ₹ 100,00,00,000/- (Rupees One Hundred Crore only), apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the paid-up share capital and free reserves of the Company and to create charge /mortgage / pledge / hypothecate on the Company's properties, both present and future, in favour of the Lender(s), Agent(s) and Trustee(s).

The Board accordingly commends the resolutions set out at Item Nos. 8 and 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the said resolutions.

Item Nos.10, 11, 12, 13, 14, and 15:

Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal, Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, are Independent Directors of the Company.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

It is proposed to appoint Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai and Mr. R.N. Bansal as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for a term of 2 (years) consecutive years from the date of this Annual General Meeting till the conclusion of the 112th Annual General Meeting of the Company to be held in the calendar year 2016 and to appoint Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement

to hold office for a term of 5 (five) consecutive years from the date of this Annual General Meeting till the conclusion of the 115th Annual General Meeting of the Company to be held in the calendar year 2019.

Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal, Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal, Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, for the office of Directors of the Company.

The Company has also received declarations from Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal, Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, that they meet 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.

In the opinion of the Board, Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal. Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, are independent of the management.

Brief resume of Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal, Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided herewith as annexure.

Copy of the draft letters for respective appointments of Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal, Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal, Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, are interested in the resolutions set out respectively at Item Nos. 10, 11, 12, 13, 14 and 15 of the Notice with regard to their respective appointments.

Mr. Krishnadas D. Vora and the relatives of Mr. Krishnadas D. Vora, Mr. Pralhad B. Desai, Mr. R.N. Bansal, Mr Sujal Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala, may be deemed to be interested in the resolutions set out respectively at Item Nos. 10, 11, 12, 13, 14 and 15 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 10 to 15 of the Notice for approval by the shareholders.

Item No.16

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Ms. Vishwadhara Dahanukar as an Additional Director of the Company with effect from November 6, 2014.

In terms of the provisions of Section 161(1) of the Act, Ms. Vishwadhara Dahanukar would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Vishwadhara Dahanukar for the office of Director of the Company.

Ms. Vishwadhara Dahanukar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her 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. As per the said Section 149, an independent director can hold office for a term up to 5 (five)

consecutive years on the Board of a company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Vishwadhara Dahanukar that she 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. Ms. Vishwadhara Dahanukar possesses appropriate skills, experience and knowledge, inter alia, in the field of Business Administration.

In the opinion of the Board, Ms. Vishwadhara Dahanukar fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Ms. Vishwadhara Dahanukar is independent of the management.

Brief resume of Ms. Vishwadhara Dahanukar, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed to the Annual General Meeting notice be forming part of the Annual Report.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Vishwadhara Dahanukar be appointed as an Independent Director.

Copy of the draft letter for appointment of Ms. Vishwadhara Dahanukar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Ms. Vishwadhara Dahanukar may be deemed to be interested in the resolution set out at Item No. 16 of the Notice, to the extent of her shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolutions set out at Item No. 16 of the Notice for approval by the shareholders.

Item No. 17

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. Anant Ashok Katyare & Co., Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of ₹91,000/- plus Service Tax as applicable.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 17 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 17 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 17 of the Notice for approval by the shareholders.

By Order of the Board of Directors

DEVANAND MOJIDRA
Company Secretary

November 6, 2014
Registered Office:
Sir Vithaldas Chambers,
16, Mumbai Samachar Marg,
Mumbai - 400 001.

CIN: L17121MH1904PLC000195
email: complaint@hindoostan.com

ANNEXURE TO NOTICE

As required in terms of Clause 49 of the Listing Agreement, details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are as follows:

Name of the Director	Raoul Thackersey	Krishnadas D. Vora	Naresh R. Kara	R.N. Bansal	P. B. Desai	Sujal A. Shah	Bhavesh V. Panjuani	Nitin P. Shingala	(Ms.) Vishwadhara Dahanukar
Date of Birth	08.05.1971	11.05.1929	16.06.1932	15.07.1930	25.08.1933	23.09.1968	06.02.1967	09.05.1963	11.10.1972
Date of appointment	31.10.2006	30.04.2007	30.01.2008	08.06.2011	08.06.2011	08.06.2011	08.06.2011	03.02.2012	06.11.2014
Qualifications	B.Com.	Matriculate	B.Com	B.Com; M.A,, F.C.A., A.C.S., A.C.I.S.	B.Com	B.Com; F.C.A.	B.Com; LL.B	Chartered Accountant	Post-Graduate Diploma in Business Administration
Expertise in specific functional areas	Industrialist having business experience	Finance and business	Insurance and banking	Company Law	Income-tax Consultant	Management Consultant	Advocate and Solicitor - Expert in Arbitration & Conciliation	Management Consultant	Nutrition Counselor & Educationist
List of Directorship held*	-Capricon Realty Ltd. - Bhishma Realty Ltd.	-Capricon Realty Ltd. -Bhishma Realty Ltd.	- Capricon Realty Ltd.	Orient Bell Ltd.	- Phoenix Township Ltd. - Hede Resources Ltd.	- Keynote Corporate Services Ltd. - Reliance Asset Reconstruction Co. Ltd. - Amal Ltd. - Rudolf Atul Chemicals Ltd. - Reliance MediaWorks Ltd. - Capricon Realty Ltd. - Bhishma Realty Ltd.	-Jaysynth Dyestuff (India) Ltd. -Bhishma Realty Ltd.	-Peg Process Equipment India LLP. -Ruby Mills Ltd	Heritage Agro Products Pvt. Ltd.
Chairman / Member of the Committees of the Board of the Companies on which he is a Director**	Nil	Nil	Nil	Audit Committee Orient Bell Ltd.- Chairman	Nil	Audit Committee -Reliance MediaWorks Ltd., Chairman -Keynote Corporate Services Ltd.- Chairman -Reliance Assets Reconstruction Company Ltd. -Chairman -Amal Ltd.-Member -Rudolf Atul Chemicals Ltd.-Member	Nil	Nil	Nil
Number of equity shares held in the Company	1,04,690 Equity Shares	100 Equity Shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Relationship between directors inter-se	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

*Directorship of Private Limited Companies not considered.

**Committee Membership excludes 1) Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and 2) Committee Membership/Chairmanship in Companies other than Public Limited Companies.

DIRECTORS' REPORT

TO

THE MEMBERS,

Your Directors have pleasure in presenting the 110th Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended March 31, 2014.

(₹ in lakhs)

SUMMARISED FINANCIAL RESULTS	Current Year Ended 31.03.2014	Previous Year Ended 31.03.2013
Gross Profit before Interest, Depreciation and Tax	**1,154.69**	1,017.92
Less: Finance Cost	**14.22**	6.52
Gross Profit after interest but before Depreciation	**1,140.47**	1,011.40
Less: Depreciation	**650.14**	471.57
Profit before Exceptional and Extraordinary Items and Tax	**490.33**	539.83
Add: Exceptional Items	**27.52**	1.25
Profit/(Loss) before Taxation	**517.85**	541.08
Less: Provision for Taxation	**105.50**	116.00
Less: (Excess) / Short Provision of Tax of earlier year	**(7.17)**	7.65
Deferred Tax	**24.60**	--
Profit after Tax	**394.92**	417.43
Balance brought forward from last year	**716.26**	438.45
Add: Loss Transferred on amalgamation	**(186.68)**	--
Add: Transferred from Reserve under Section 45IC	**--**	48.47
Amount available for appropriation	**924.50**	904.35
Less: Transferred to General Reserve	**39.50**	43.00
Less: Proposed Dividend	**166.45**	124.84
Less: Tax on proposed Dividend	**34.20**	20.25
Balance carried to Balance Sheet	**684.35**	716.26

The figures of the current year are consolidated figures due to the amalgamation of Hindoostan Technical Fabrics Limited with the Company, hence not comparable with the previous year.

REVIEW OF OPERATIONS

The revenue from operations of the Company for the financial year 2013-14 is ₹14,661.48 lakhs. The Profit before tax is ₹ 517.85 lakhs. The performance and overall view of the Textile, Roll manufacturing and Technical Fabric business has been covered in the Management Discussion and Analysis which forms part of this Directors' Report.

DIVIDEND

Your Directors have recommended a dividend of ₹10.00 per equity share (last year ₹7.50 per equity share) for the financial year ended March 31, 2014, amounting to ₹199.74 lakhs (inclusive of dividend tax). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on December 5, 2014 in respect of shares

held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

AMALGAMATION OF SUBSIDIARY

With a view to achieving synergies of operations, optimum utilization of resources and control costs, the Board of Directors had decided to amalgamate Hindoostan Technical Fabrics Limited (HTFL), wholly-owned subsidiary of the Company with the Company w.e.f. April 1, 2013 i.e. 'the Appointed Date'.

The Hon'ble High Court of Judicature at Bombay had, vide its Order dated October 10, 2014, sanctioned the Scheme of Amalgamation between Hindoostan Technical Fabrics Limited with the Company. Consequently, Hindoostan Technical Fabrics Limited stood amalgamated with the Company w.e.f. April 1, 2013.

Further, Hindoostan Technical Fabrics Limited being the wholly owned subsidiary of the Company and no new shares are required to be issued by the Company. Therefore, there is no change in the capital structure of the Company.

The merger of HTFL will strengthen the Technical Fabric business offering from the Company.

Since HTFL being the only subsidiary company of the Company, provisions of Section 212 of the Companies Act, 1956 shall not apply. Accordingly, the Balance Sheet, Profit & Loss Account and other documents of the Subsidiary Company are not required to attach.

FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under review. There are no outstanding deposits remaining unpaid / unclaimed as on March 31, 2014.

DIRECTORS

Pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Act existing Independent Directors viz. Mr. K. D. Vora, Mr. P. B. Desai, Mr. R.N. Bansal, Mr. Sujal A. Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala in respect of whom the Company has received notices in writing from the members proposing their candidature for the office of Director be appointed as Independent Directors of the Company.

Mr. K. D. Vora, Mr. P. B. Desai and Mr. R.N. Bansal be appointed as Independent Directors of the Company to hold office for two consecutive years for a term up to March 31, 2016 and Mr. Sujal A. Shah, Mr. Bhavesh Panjuani and Mr. Nitin Shingala be appointed as Independent Directors of the Company to hold office for five consecutive years for a term up to March 31, 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Vishwadhara Dahanukar was appointed as an Additional Director designated as an Independent Director w.e.f. November 6, 2014 and she shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Ms. Vishwadhara Dahanukar for appointment as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019.

Mr. Raoul Thackersey and Mr. Naresh R. Kara, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment as a Non Executive Director of the Company.

Brief profiles of the Directors, proposed to be re-appointed as required under clause 49 of the Listing Agreement, are part of the Notice convening the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 (hereinafter referred to as "the Act"), your Directors, based on the representation received from the senior management, confirm that:

(i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

(ii) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit for the year ended March 31, 2014;

(iii) 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the Annual Accounts have been prepared on a "going concern" basis.

CASH FLOW STATEMENT

In conformity with the Accounting Standard 3 issued by the Institute of Chartered Accountants of India and the provisions of Clause 32 of the Listing Agreement with the BSE Limited, the Cash Flow Statement for the year ended March 31, 2014 is annexed to the accounts.

PARTICULARS OF EMPLOYEES

There were no employees during the year covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has been making continuous efforts to conserve energy and upgrade/absorb technology to optimize the energy cost. Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended from time to time, forms part of this report. However, as per the provisions of Section 219 (1)(b) (iv), the report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Secretary for a copy.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the BSE Limited, a separate report on Corporate Governance is enclosed herewith as Annexure – I, together with a certificate from the Company's Auditors confirming compliance of conditions on Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising of Mr. Raoul Thackersey as the Chairman and Mr. K. D. Vora, and Mr. Sujal A. Shah as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation under the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

AUDITORS AND AUDITORS' REPORT

The Statutory Auditors, M/s. M.A. Parikh & Co., Chartered Accountants, Mumbai (Firm Registration No. 107556W) retire at the conclusion of the ensuing Annual General Meeting of the Company and have confirmed their willingness and eligibility for re-appointment. They have also confirmed that their re-appointment, if made, will be within the limits prescribed under Section 141 of the Companies Act, 2013.

The Board recommends re-appointment of Auditors of the Company for a term of five years commencing from April 1, 2014 to hold office as such from the conclusion of this Annual General Meeting ("AGM") until the conclusion of 115th Annual General Meeting, subject to ratification of the appointment by the members at every AGM held after this AGM.

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments appearing in the Auditors' Report are self-explanatory and do not call for any further explanation/clarification by the Board.

COST AUDITORS

Pursuant to Section 233B of the Companies Act, 1956, and with the approval of the Central Government M/s. Anant Ashok Katyare, Cost Accountants, were appointed as Cost Auditor for conducting audit of Company's cost records for the financial year March 31, 2014.

Further, pursuant to Section 148 of the Companies Act, 2013, the Board of Directors recommends the re-appointment of M/s. Anant Ashok Katyare, Cost Accountants as Cost Auditor of the Company for the financial year 2014-15 on a remuneration of ₹ 91,000/- (Rupees Ninety One Thousand Only) plus service tax as applicable for the said financial year and requested the Members to ratify the remuneration as recommended above.

The Audit Committee has received a Certificate from the above Cost Auditor certifying its independence and arm's length relationship with the Company.

APPRECIATION

Your Directors place on record their appreciation for the continued support and valuable co-operation extended to the Company by shareholders and other stakeholders during the year under review. The Board also thanks the employees for their dedicated and sincere services at all levels of operations of the Company.

For and on behalf of the Board of Directors,

RAOUL THACKERSEY
Chairman

Place: Mumbai
Date: November 6, 2014

ANNEXURE – I

CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with the Stock Exchange the Corporate Governance Report is as under:

1. Company's Philosophy on Code of Governance:

Your Company is committed towards compliance with the requirements of high standards of Corporate Governance Code. Your Company believes in conducting its business in fair and equitable manner in all respects with its stakeholders viz. shareholders, Government Departments, Banks, Consumers, Employees and in its accounting practices and procedures.

Your Company has laid down a Code of Conduct, which binds all the Board Members and Senior Management of the Company. A declaration by the Executive Directors of the Company to this effect is appended to this report.

2. Your Company had started implementing the spirit of Corporate Governance even when it was not applicable to the Company. The following are the detailed practices on Corporate Governance in your Company.

2.1 Board of Directors:

(i) The Company's Board of Directors comprises of 11 Directors including 6 Independent Directors as on March 31, 2014. All the Independent Directors on the Board are eminent professionals, having wide range of skills and experience in business, industry, finance, law and public enterprises. The Non-Executive Chairman of the Company is the Promoter and the number of Non Executive Directors is more than half of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

(ii) The composition of Board of Directors during the year, their names and the category of position held, number of Directorships and Committee positions held by them and the details of attendance of each Director at the Board Meetings and Annual General Meeting (AGM) are given below as under:

Sr. No.	Name of Directors	Whether Promoter, Executive Director or Non-Executive Director / Independent Director	No. of Board Meetings attended	Attendance of last AGM	*No. of Outside Director-ship held	No. of Board Committees of other Companies in which a member#
1	Mr. Raoul Thackersey	Chairman - Non-Executive Director – Promoter	5	Yes	3	--
2	Mr. Chandrahas Thackersey	Vice Chairman - Non-Executive Director – Promoter	4	Yes	4	--
3	Mr. Hrishikesh Thackersey	Executive Director – Promoter	5	Yes	--	--
4	Mr. Abhimanyu Thackersey	Executive Director – Promoter	5	Yes	1	--
5	Mr. K. D. Vora	Non-Executive Director – Independent	5	Yes	2	--
6	Mr. N. R. Kara	Non-Executive Director – Non Independent	5	Yes	1	--
7	Mr. R.N. Bansal	Non-Executive Director – Independent	3	Yes	2	2 (Chairman of 2)
8	Mr. P.B. Desai	Non-Executive Director – Independent	5	Yes	2	--
9	Mr. Sujal A. Shah	Non-Executive Director – Independent	5	Yes	8	5 Chairman of 3)
10	Mr. Bhavesh V. Panjuani	Non-Executive Director – Independent	5	Yes	2	--
11	Mr. Nitin P. Shingala	Non-Executive Director – Independent	5	Yes	--	--

* Excludes Private Limited Companies.

\# Excludes 1) Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee and 2) Committee Membership/Chairmanship in Companies other than Public Limited Companies.

(iii) Board Meetings and Annual General Meetings:

During the year under review, five Board Meetings were held, the dates being May 4, 2013, July 26, 2013, October 22, 2013, February 11, 2014 and March 18, 2014.The gap between two consecutive meetings did not exceed four months.

The last Annual General Meeting was held on July 26, 2013.

(iv) Shareholding of Non-Executive Directors in the Company:

As prescribed under Clause 49 IV (E) (iv), table given below shows the Shareholding of the Non-Executive Directors in the Company as on 31.3.2014:

Sr. No.	Name of Directors	Category	No. of Shares held
1	Mr. Raoul Thackersey	Promoter	1,04,690
2	Mr. Chandrahas Thackersey	Promoter	76,874
3	Mr. K.D. Vora	Independent	100
4	Mr. N.R. Kara	Non-Independent	32,210
5	Mr. R.N. Bansal	Independent	Nil
6	Mr. P.B. Desai	Independent	Nil
7	Mr. S.A. Shah	Independent	Nil
8	Mr. B.V. Panjuani	Independent	Nil
9	Mr. N.P. Shingala	Independent	Nil

(v) Directors with Material Pecuniary or Business Relationships:

Table given below shows the relationship between the Directors:

Sr. No.	Name of the Directors	Designation	*Relationship between Directors Inter-se
1.	Mr. Raoul Thackersey	Chairman	Not related to any other Director
2.	Mr. Chandrahas Thackersey	Vice Chairman	Not related to any other Director
3.	Mr. Hrishikesh Thackersey	Executive Director	Brother of Mr. Abhimanyu Thackersey
4.	Mr. Abhimanyu Thackersey	Executive Director	Brother of Mr. Hrishikesh Thackersey
5.	Mr. K.D. Vora	Director	Not related to any other Director
6.	Mr. N.R. Kara	Director	Not related to any other Director
7.	Mr. R.N. Bansal	Director	Not related to any other Director
8.	Mr. P.B. Desai	Director	Not related to any other Director
9.	Mr. S.A. Shah	Director	Not related to any other Director
10.	Mr. B.V. Panjuani	Director	Not related to any other Director
11.	Mr. N.P. Shingala	Director	Not related to any other Director

* As per definition of Relative under Section 6 read with Schedule 1A of the Companies Act, 1956.

2.2 Board Committees:

The Board has constituted the following Committees of Directors:

A) Audit Committee:

(i) The Audit Committee of the Company had been re-constituted on February 11, 2014. The Audit Committee consists of 4 Non-Executive Independent Directors and 1 Non-Executive Promoter Director. The Independent Directors are eminent professionals having experience in Industry, Corporate Finance, Accounts and Corporate Law. Composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 corresponding to Section 292A of the Companies Act, 1956 and rules made there under alongwith the Clause 49 of the Listing Agreement.

The Board has amended the terms of reference of the Audit Committee in line with provisions of Section 177 of the Companies Act, 2013 and as per the guidelines set out in the Listing Agreement with the Stock Exchange.

Five meetings of the Audit Committee were held during the year ended March 31, 2014 on the following dates: May 4, 2013, July 26, 2013, October 21, 2013, February 11, 2014 and March 18, 2014. The attendance of each member at the meetings was as under:

Sr. No.	Name of Directors	Designation / Category	No. of meetings attended
1.	Mr. S. A. Shah	Chairman - Independent Director	5
2.	Mr. R. N. Bansal	Member - Independent Director	3
3.	Mr. P. B. Desai	Member - Independent Director	5
4.	Mr. Raoul Thackersey	Member - Promoter Director	5
5.	Mr. Nitin P. Shingala (appointed w.e.f 11.2.14)	Member - Independent Director	1

(ii) Terms of Reference of the Audit Committee:

The terms of reference of Audit Committee are in accordance with requirements of Clause 49 of the Listing Agreement with the BSE Ltd. The brief description of the terms of reference of the Audit Committee is as under:

The scope and role of the Audit Committee is to review Internal Audit Reports, Statutory Auditor's Report on financial statements, to generally interact with Internal Auditors to review their finding, suggestions and other related matter and with Statutory Auditors, to review Quarterly Financial Statements before submission to the Board for approval, discuss the financial performance of subsidiaries, transactions with related parties etc.

At a special invitation, Statutory Auditors, Internal Auditors, Chief Financial Officer, the Executive Directors attend the Audit Committee meetings to clarify points raised by the Committee.

The Chairman of the Audit Committee Mr. Sujal Shah was present at the last Annual General Meeting of the Company held on July 26, 2013, to address the shareholders' queries, pertaining to the Annual Accounts of the Company.

B) Nomination and Remuneration Committee:

The Board has changed the nomenclature of the Remuneration Committee to Nomination and Remuneration Committee as required under Section 178 of the Companies Act, 2013.

(i) The Nomination and Remuneration Committee comprises of the following members:

Mr. Bhavesh Panjuani	-	Chairman - Independent Director
Mr. S. A. Shah	-	Member - Independent Director
Mr. P.B. Desai	-	Member - Independent Director

The Committee, during the year under review, had one meeting on October 22, 2013 to consider and recommend the revision in remuneration of Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey, Executive Directors of the Company. All the members were present at the meeting.

(ii) Terms of reference of the Nomination and Remuneration Committee:

The Committee is vested with the responsibility to function as per the SEBI guidelines and recommends to the Board the specific compensation package for the Executive Directors and fees payable to Non-Executive Directors besides framing guidelines for overall compensation packages of Directors.

(iii) Remuneration Policy:

The Non-executive Directors do not draw any remuneration from the Company other than the sitting fees. Presently, the Company does not have any Stock Option Scheme.

(iv) Details of remuneration paid to Executive Directors during the year from April 1, 2013 to March 31, 2014:

(₹in lakhs)

Name	Salary	Benefits*	Contribution to P.F. & S.A.	Total
Mr. Hrishikesh Thackersey	11.10	3.37	3.00	17.47
Mr. Abhimanyu Thackersey	14.70	4.80	3.97	23.47

* Benefits include House Rent Allowance, Gas & Electricity, Furnishings, Reimbursement of Medical Expenses and Leave Travel Expenses, Subscription to Club Fees, Personal Accident Insurance Premium, if any.

(v) Details of fees paid to Non-Executive Directors during the year from April 1, 2013 to March 31, 2014 are given below:

Name of Directors	Sitting Fees in ₹		Total
	Board Meeting	Committee Meeting	
Mr. Raoul Thackersey	50,000	30,000	80,000
Mr. Chandrahas Thackersey	40,000	--	40,000
Mr. K.D. Vora	50,000	--	50,000
Mr. N.R. Kara	50,000	5,000	55,000
Mr. R.N. Bansal	30,000	15,000	45,000
Mr. P.B. Desai	50,000	30,000	80,000
Mr. S.A. Shah	50,000	30,000	80,000
Mr. B.V. Panjuani	50,000	5,000	55,000
Mr. N.P. Shingala	50,000	5,000	55,000

C) Stakeholders Relationship/Shareholders/Investors Grievance Committee:

The Board has changed the nomenclature of Shareholders'/ Investors' Grievance Committee to Stakeholders Relationship/Shareholders/Investors Grievance Committee as required under Section 178 of the Companies Act, 2013. The Committee will consider and resolve the grievances of security holders of the Company.

The main object of the Committee is the satisfactory redressal of investors' complaints and providing quality services to the shareholders of the Company.

The Stakeholders Relationship/Shareholders/Investors Grievance Committee consists of following Directors:

Mr. N. R. Kara	-	Chairman
Mr. Raoul Thackersey	-	Member
Mr. Abhimanyu Thackersey	-	Member
Mr. Chandrahas Thackersey	-	Member

The Shareholders' / Investors' Grievance Committee monitors the Shareholders' grievances, reviews existing investors' redressal system and suggests measures for improvement, discusses report of the Registrar and Transfer Agent and Practicing Company Secretary's Certificate under Clause 47 (c) of Listing Agreement. A Company Secretary of the Company is the Compliance Officer.

The Committee had met on April 21, 2014. The Company received 7 complaints / queries from shareholders/ investors which have been resolved to the satisfaction of the complainants. None of the shareholders'/investors' complaints were pending unresolved as on March 31, 2014.

Share Transfer system:

In order to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfers, split, transposition etc., to a Committee which meets twice a month for the purpose.

Shares lodged for transfer in the physical form either at the registered office of the Company or at the Registrar's office are normally processed at the earliest and within 15 days from the date of its receipt provided the documents are complete in all respects. There were no share transfers pending for more than 15 days as on March 31, 2014.

The Company has designated an exclusive e-mail ID viz. complaint@hindoostan.com for redressal of shareholders' complaints / grievances.

2.3 (i) General Body Meetings held in last three years:

AGM	Year	Date	Time	Venue
107th	2010-11	September 15, 2011	11.30 a.m.	Patkar Hall, Mumbai
108th	2011-12	August 9, 2012	10.30 a.m.	Rama Watumull Auditorium, Mumbai
109th	2012-13	July 26, 2013	10.30 a.m.	Sir Vithaldas Chambers, Mumbai

(ii) Special Resolution passed in previous three AGMs:

AGM Date	Special Resolutions passed
September 15, 2011	- Revision of remuneration of Mr. Hrishikesh Thackersey, Executive Director. - Appointment of Mr. Abhimanyu Thackersey as Executive Director and payment of managerial remuneration thereof. - Increase in number of Directors upto sixteen.
August 9, 2012	Alteration in Articles of Association of the Company by inserting New Article No.108A after Article No.108.
July 26, 2013	NIL

(iii) Whether Special Resolution were put through postal ballot last year : No

(iv) Any special resolution proposed to be conducted through postal ballot this year : No

3. Other Disclosures:

(a) There are no materially significant transactions with related parties viz., Promoters, Directors or the Management, their Subsidiaries or relatives etc., having potential conflict with Company's interest at large. Details of related party transactions are disclosed in Note no. 25B-XVI to the annual accounts in this Annual Report.

(b) The Company has followed all relevant Accounting Standards and Indian GAAP as may be amended from time to time while preparing the financial statements.

(c) During the year under review, a detailed exercise on Business Risk Management was carried out and reviewed periodically covering the entire spectrum of business operations by the Risk Committees and Steering Committee formed by the Company. The Board has been informed about the risk assessment and minimization procedures through means of a properly defined framework as stipulated under Clause 49 of the Listing Agreement. Business risk assessment, evaluation and its management is an ongoing process within the Company.

(d) The Company did not make any Public Issues, Right Issues or Preferential Issues in the year under review.

(e) The Company has complied with the requirements of the BSE Ltd./ SEBI and any Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

(f) The Board has adopted the Code of Conduct and Ethics ('the Code'). The Code is a comprehensive guide applicable to all Directors and Members of Senior Management and employees of the Company. The Code is posted on the Company's website www.hindoostan.com and has been communicated to all the Directors and Senior Management Executives and the compliance of the same is affirmed by them every year. A Declaration signed by the Executive Directors affirming the compliance is annexed separately to this Annual Report.

(g) There was no pecuniary relationship or transactions of Non-executive Directors vis-à-vis the Company during the year under review. The Company has no stock option policy as part of remuneration package applicable for Whole-time Directors or its employees.

(h) The Executive Directors and Chief Financial Officer of the Company have certified that the financial statements for the year as stipulated in Clause 49V which is annexed separately in this Annual Report.

(i) The FOREX exposures are monitored periodically and necessary cover is taken in consultation with FOREX experts to limit the risk of adverse exchange rate movement.

4. Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary / Chartered Accountant carries out Secretarial Audit to reconcile the total admitted Capital with NSDL and CDSL and total issued and listed capital of the Company as per books. The Secretarial Audit report confirms that the total issued / paid-up capital is in accordance with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

5. Non-mandatory requirements:

(i) The Chairman is a Non-executive Director. The Company has not reimbursed any expenses incurred for maintenance of his office or the performance of his duties.

(ii) The Company has an open-door policy where employees have access to their Head of Departments who participate

in monthly forum meetings with the management and any concern or instances of unethical behaviour or non-adherence to the Code of Conduct or any issue concerning the business of the Company, is brought up to the notice of management and resolved from time to time while adequately safeguarding the employee who has availed this mechanism.

6. Means of Communication:

The Company is publishing its quarterly and half-yearly results in the newspapers, therefore they are not sent to each shareholder. However, the Company furnishes such results on receipt of a request from the shareholders.

(i)	Quarterly Results Which newspapers normally published in	-	Free Press Journal (English) and Navshakt (Marathi), both at Mumbai.
(ii)	Any web site, where displayed	-	Company's website viz., www.hindoostan.com
(iii)	Whether it also displays official News Releases	-	No
(iv)	Presentations made to Institutional investors / analysts	-	No
(v)	Whether Management Discussion & Analysis is a part of Annual Report	-	Yes

7. General Shareholder information:

General Shareholder information:

(i) AGM: Date, time and venue :

Friday, December 12, 2014 at 11.00 a.m. at Sir Vithaldas Chambers, 6th Floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001.

(ii) Financial Calendar 2014-15 (Tentative):

First Quarterly Results	:	July/August, 2014
Second Quarterly Results	:	October/November, 2014
Third Quarterly Results	:	January/February, 2015
Fourth Quarterly Results	:	May, 2015

(iii) Date of Book Closure	:	December 8, 2014 to December 12, 2014 (both days inclusive)
(iv) Dividend payment date	:	After December 13, 2014 (Within 30 days from the date of Annual General Meeting subject to approval of shareholders)
(v) Listing on Stock Exchange	:	BSE Limited

(Annual Listing Fee for the year 2014-15 has been paid to BSE Limited).

(vi) Stock Code

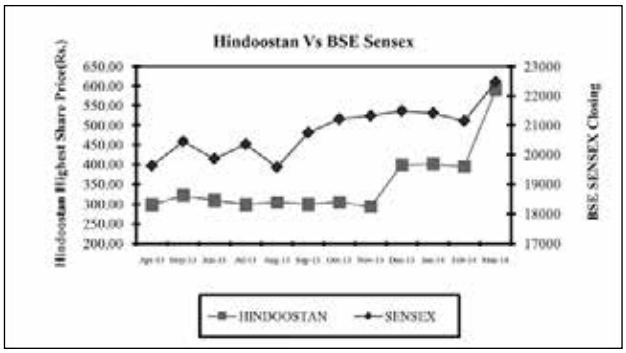
Scrip ID	:	**HINDMILLS**
Scrip Code	:	**509895**
ISIN No.	:	**INE 832D01020**
CIN		**L17121MH1904PLC000195**

Market Price Data:

The details of monthly highest & lowest quotations of the Equity Shares (₹10/- each) of the Company at the BSE Limited.

Months	Quotation at BSE Ltd.	
	High (₹)	Low (₹)
April, 2013	298.00	250.10
May, 2013	322.00	274.10
June, 2013	310.00	258.00
July, 2013	299.00	250.05
August, 2013	305.00	227.05
September, 2013	300.00	245.05
October, 2013	305.05	279.00
November, 2013	294.00	250.00
December, 2013	399.00	299.45
January, 2014	401.25	342.05
February, 2014	394.60	352.20
March, 2014	590.00	350.00

(viii)Performance in comparison to broad based indices:



(ix) Registrar and Transfer Agent:

The Company has engaged the services of M/s. Computech Sharecap Ltd., SEBI registered Category-I Registrar as its Share Transfer Agent for both physical and demat segments of Equity Shares of the Company. Shareholders are advised to approach M/s. Computech Sharecap Ltd., for processing the transfers, sub-division, consolidation, splitting of securities, demat and remat request directly to Registrar and Transfer Agent. Shareholders have the option to open their accounts with either National Securities Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) as the Company has entered into agreements with both these depositories.

Computech Sharecap Limited,
147, Mahatma Gandhi Road,
Opp. Jehangir Art Gallery,
Mumbai - 400 023.
Tel: 022 – 22635000/1/2/3/4
Fax: 022 - 22635005
E-mail : helpdesk@computechsharecap.com

(x) Dematerialisation of Equity Shares:

Trading in Equity Shares of the Company is permitted only in dematerialised form as per Notification No.CIR/MRD/DP/14/2011 dated December 20, 2011, issued by the Securities & Exchange Board of India (SEBI). Nearly 4.65% shares are still held under physical form as on March 31, 2014.

(xi) Outstanding GDRs/Warrants, Convertible Bonds, Conversion date & likely impact on equity:

Not Applicable

(xii) Distribution of Shareholding as on March 31, 2014:

Group of Shares	No. of Shareholders	No. of shares held	% to Total Shares
1 to 50	9,377	1,26,869	7.62
51 to 100	847	63,153	3.79
101 to 250	546	88,149	5.30
251 to 500	147	52,399	3.15
501 to 1000	70	49,461	2.97
1001 to 5000	47	82,898	4.98
5001 and above	44	12,01,619	72.19
TOTAL	**11,078**	**16,64,548**	**100.00**

(xiii)Shareholding Pattern as at March 31, 2014:

	No. of Shares held	%
Promoters and Persons Acting in Concert	9,70,112	58.28
Banks, Financial institutions, Mutual Funds, Insurance companies	2,128	0.13
Private Corporate Bodies	16,181	0.97
Indian Public	6,52,514	39.20
NRIs / OCBs	23,613	1.42
TOTAL	**16,64,548**	**100.00**

(xiv) Plant Location:

a) Textiles Unit
Plot No.D-1, MIDC Industrial Area,
Village - Taswade, Tal - Karad,
Dist. - Satara - 415 109, Maharashtra

b) Roll Manufacturing Unit
Plot No.D-1, MIDC Industrial Area,
Village - Taswade, Tal - Karad,
Dist. - Satara - 415 109, Maharashtra

c) Technical Fabric Unit
Plot No.D-1, MIDC Industrial Area,
Village - Taswade, Tal - Karad,
Dist. - Satara - 415 109, Maharashtra

(xv) Address for correspondence:

Registered Office & Head Office:
Hindoostan Mills Limited,
Sir Vithaldas Chambers,
16, Mumbai Samachar Marg,
Mumbai - 400 001.
Tel. No.: 022 - 2204 0846; Fax No.: 022 - 2283 3841
Email:contact@hindoostan.com

(The above report was placed before the Board at its Meeting held on November 6, 2014 and the same was approved).

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

We hereby declare that all the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company.

HRISHIKESH THACKERSEY
Executive Director

ABHIMANYU THACKERSEY
Executive Director

Place : Mumbai
Dated : November 6, 2014

CEO / CFO CERTIFICATION

We, Hrishikesh Thackersey, Abhimanyu Thackersey, Executive Directors and Ms. Heena Shah, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

(a) We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and procedures for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

There are no deficiencies in the design or operation of such internal controls and procedures.

(d) As indicated by us to the auditors and the Audit Committee:

(i) there have been no changes in the accounting policies during the year;

(ii) there have been no significant changes in internal controls over financial reporting during the year; and

(iii) there have been no instances of significant fraud of which we have become aware, nor any involvement of the management or any employee having a significant role in the Company's internal control system over financial reporting.

HRISHIKESH THACKERSEY
Executive Director

ABHIMANYU THACKERSEY
Executive Director

HEENA SHAH
Chief Financial Officer

Place : Mumbai
Dated : November 6, 2014

AUDITOR'S CERTIFICATE

To the Members
The Hindoostan Mills Limited

We have examined the compliance of conditions of Corporate Governance by Hindoostan Mills Limited, for the year ended on March 31, 2014, as stipulated in clause 49 of 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 the above-mentioned Listing Agreement.

We are represented that no investor grievance is pending for a period exceeding one month against the Company, on the basis of the certificates issued and furnished to us by the Company's Registrars for Depository work and the Shareholders/Investors Grievance Committee.

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. A. Parikh & Co.
Chartered Accountants

Mukul Patel
Partner
Membership No. 32489

Place : Mumbai
Date : 6th November, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

A. BUSINESS SEGMENT - TEXTILES

Industry Structure & Development

The year has seen a relatively stable market in terms of fabric demand and prices, although there has been volatility of raw material prices, particularly cotton. Export demand for fabrics was reasonably good throughout the year, but domestic demand for fabrics has been weak. The varied mix of products and markets has improved the performance for our Company, and we have attempted to capitalize on new opportunities.

The last quarter of the year saw a significant reduction in fabric prices. This decrease was more than that of raw material prices, which has squeezed margins and had a negative impact on the performance of the Company.

The textile industry on the whole, has shown signs of overcapacity. However, the keys to success will be diversification, product development, innovations and the ability to respond quickly to the changing market requirements. The Company's strategy is to create a niche for its products while focusing on new product development to take advantage of the opportunities available in the market.

Opportunities and Threats

The Indian textile industry is poised to grow with the overall growth of the economy. As more Indians enter the middle class, it can be assumed that the consumption of textiles will grow accordingly. Though volumes are bound to be good in commodity products, margins will remain under pressure. Identifying and successfully penetrating niche product areas will bring the Company better margins in the years to come.

The ever-increasing power, fuel and labour costs are significant threats to the Company. Alternative power possibilities and automation of processes need to be investigated to overcome these potential threats. Global competition, particularly from Pakistan, Bangladesh, Vietnam and China, and their preferential trade agreements with EU nations, has been putting pressure on exports, and prompt action from the Indian government to aid exporters is imperative for sustainability of textile exports.

Risks and Concerns

Government policies are critical to the success of the Indian textile industry and they must be aimed towards its long-term sustainability. High volatility in raw material prices has become a hindrance to long term planning, particularly for exports, and will be an ongoing concern that will need to be regularly addressed. The sharply rising energy price is another major concern faced by the industry today as well as in the years to come.

The Company is continuously focused on addressing these concerns by way of improving operational parameters, regular energy saving exercises and effective raw material procurement and sales strategies, while always delivering superior service to our customers.

Outlook

The future outlook of our Company looks positive. The Company plans to regularly invest in new machineries, product development, a skilled workforce and establishing strong goodwill in the market. The continued commitment to delivering quality products to our customers in a timely manner, diversification, and value added innovative products, will help the Company to grow steadily and maintain healthy margins.

Domestic consumption on the whole has a positive outlook, though has seen a relatively slow growth in the current year. In the near future, the competitiveness of Indian manufacturers will be dictated by the behaviour of raw material prices and threat of cheap imports. The Company is also focused on capturing key international markets but much depends on trade policy support from the government.

The Company continues to focus on its core values, which are Versatility, Quality and Commitment.

B. BUSINESS SEGMENT – ROLL MANUFACTURING UNIT

Industry Structure and Development-

The year 2013-2014 was a fairly strong year for the textile machinery industry. The market has shown good promise for not only calendar rolls, but also for calendaring machines. The Steel Industry has also shown good promise with increasing acceptance of locally manufactured Non-Woven rolls at steel manufacturing plants. We expect the Paper industry, which uses rollers for achieving different finishes on the paper, to remain stable.

The future of the roll manufacturing industry lies in the development of new kinds of rollers in a variety of industries, for example, rollers that reduce energy consumption, rollers made with high-tech materials which last longer and reduce downtime on machines. The Industry is moving towards manufacturing customized products that fill very specific customer needs.

Opportunities and Threats-

Since the Company has commissioned a new factory in Karad with a larger capacity with newer technology and machinery, it has been able to increase overall revenue by almost 50% from the previous year. After setting up of the new factory we have not only been able to focus on our current businesses but also work

on developing of new business and products. The spare capacity will enable the company to service new products and markets.

This year, the Company manufactured its first ever calendar machine, a notable achievement. These machines represent forward integration, and a move closer to our customers. The Company will continue to develop machine solutions that utilize its rolls wherever possible.

The Company's products require very technically sophisticated manufacturing processes. Finding and retaining the manpower and skilled personnel to maintain high quality standards remains one of the biggest challenges.

Risks and Concerns-

In the recent years there has been a significant rise in the number of competitors that have entered the roll manufacturing business. This has urged us to focus on improving the quality while keeping costs in check, so that we can maintain our market share.

Research and development is priority for the Company and it needs to keep developing innovative and more efficient products to better suit the needs of the customers.

Raw material prices are a critical variable for our products, as a substantial part of the raw material is being imported from few key suppliers. It is necessary for the company to review raw material suppliers often and to find the best material at the best price to ensure sustainability in the market.

Outlook-

The main focus continues to be on adding new products lines to its portfolio. The Company will also strive to improve service to existing customers by developing products that will make their manufacturing processes more efficient by providing quality improvements and cost reduction. It is also important for the company to focus on calendar machine manufacturing, as it represents a substantial growth opportunity.

C. BUSINESS SEGMENT – TECHNICAL FABRIC

Industry Structure & Development

The Indian Technical Fabrics industry continued to experience slow growth and development primarily due to constraints in the availability of raw materials, limited production capacities and obsolete processing technologies. India has traditionally been a supply driven market. All technology intensive products in India have needed capacity addition locally to ensure quick absorption of the product. The absence of strong well-developed domestic value chain has affected growth of the market.

The overhanging economic issues coupled with low growth, high inflation and the tightening of credit in India, have all had a detrimental effect on the growth of this market. That said, the company has made positive strides and has achieved significant sales growth from key areas such as Aerospace, Defense and Infrastructure. We have also seen a reasonable uptick in sales growth from the export market. We expect this trend to accelerate in the forthcoming year.

The Technical Fabric Industry is completely untapped and represents a sea of opportunity for the company. In order to tap these opportunities we will have to continue to invest in building capability and competence throughout the composite value chain. The Technical Fabric market is at a pivotal point in India and the company is certainly well positioned to take advantage of the opportunities this market offers.

Opportunities and Threats

The Company's Karad manufacturing facility puts it in a strong position to supply both the domestic and the export market. The ongoing R&D investments and development of value added products has helped us move beyond traditional markets and expand into future end-use areas such as Automotive, Wind Energy and Sports goods. We expect a significant amount of revenue growth to come from these new markets. The recent slew of defence initiatives by the Indian government also represents a significant growth opportunity. The Company's increased focus on working closely with the end customer to co-develop solutions to meet their requirements is expected to bring significant success in the future.

In a market place where our competition is global, ensuring consistency and reliability of our products remains the greatest concern. A considerable amount of time and resources needs to be spent in establishing world-class quality systems and standards. Improving service delivery and our Brand recognition are two other strategic imperatives that the management continues to work on diligently.

Risks and Concerns

Given weak domestic demand for technical fabric products, the number of large multinationals participating in technical fabrics production has been limited. The existing value chain is fragmented, and consists of several small and medium scale manufacturers. This has stifled growth and innovation, both of which are essential for the rapid growth of this market. We expect this trend to continue for the coming year. The situation is expected to improve as the macroeconomic environment improves, and as targeted industries start demanding lightweight and more efficient products.

The company's strategy of providing support throughout the value chain, and of providing an ecosystem for collaborative growth and development of the market, should help mitigate these risks. We continue to work on improving ways in which we can address our key customer needs.

Outlook

The strong local push towards lightweight technologies, improved structural performance and better design will all ensure a positive outlook for the technical fabrics market. Government policies promoting localised production in the Defence and Aerospace businesses will help drive foreign investment in the sector, which in turn will help propel consumption and technology improvement.

The establishment of new R&D facilities, and investments in the development of value added products and technologies, puts the company in an excellent position to participate in the growth of the technical fabrics market.

The emphasis for the future will be on positioning the company as a complete technical fabrics solution provider. To achieve this we will continue to diversify our product offering and expand our presence in key end-use markets. We expect all of these efforts will help drive top line growth and improve profitability.

D. REVIEW AND ANALYSIS:

Financial Performance:

During the year review, the financial performance of the Company has been good. The previous modernization and expansion plans have helped the Company strengthen its position in the market. The Company continues to focus on its core products and strong operational principles to sustain its growth. Flexibility to adapt quickly and strategic sale/purchase will be a key to success in volatile scenarios.

During the Year under review, Revenue from Operations is ₹ 146.62 crores as compared to ₹106.44 crores in the Previous Year. The segment wise details are as under:

₹ in crores

Segment	Current Year	Previous Year
Textiles	135.21	99.79
Calender Roll	9.41	6.65
Technical Fabric	2.00	-
TOTAL	**146.62**	**106.44**

The Export turnover on FOB basis is ₹ 28.60 crores as against ₹ 16.56 crores in the previous year.

Operational margins in Textile unit have improved mainly on account of higher sales realisations, increase in export, improving Productivity, Procurement Cost, reductions in rejections and Product Mix as per market demand.

The Roll manufacturing business unit top line progressed well due to increase in demand from textile machinery and steel industry resulting into better sales and increase in bottom line for the business.

Profitability:

During the year under review, overall Profit before Depreciation, Interest and Tax has improved at ₹ 11.55 crores in the current year as compared to ₹ 10.18 crores in the previous year. Profit before Tax of ₹ 5.18 crores as compared to profit of ₹5.41 crores in the previous Year.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate Internal Control Systems to ensure that all its assets are properly safeguarded. The systems and procedures of the Company are designed to ensure proper internal controls to give true and accurate information to the management. The management continuously reviews the Internal Control Systems and procedures to ensure smooth and efficient conduct of business. Various economic measures and improvements in certain areas suggested by Internal Auditors are also discussed from time to time in the Audit Committee Meetings for all round improvement in the working of the Company.

F. HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Company had 451 employees as on March 31, 2014. Occupational health, safety and environment were given due importance through training and awareness programmes. Measures for safety of employees, their training, welfare and development, attracting and retaining talent continued to receive top priority. Functional trainings for plant employees at Karad were undertaken during the year towards competency building. HR activities are now becoming more focused and peaceful and healthy relations through regular interaction with recognized union / workers are on topmost priority. The management and union have equally recognized the need of dialogue and flexible thinking to avoid any labour disruptions in future.

G. CAUTIONARY STATEMENT:

The statements made in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include availability of raw materials and their prices and domestic and global demand and supply conditions,

Changes in Government regulations and tax policies, economic development within India and so many other incidental and relevant factors.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HINDOOSTAN MILLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HINDOOSTAN MILLS LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the statement of profit and loss, of the profit for the year ended on that date;

and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

   c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;

   e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W

MUKUL M. PATEL
Partner
Membership No. 32489

Place: Mumbai
Date: 6th November, 2014

Annexure referred to in Paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date

i. In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) We are informed that the physical verification of fixed assets was carried out by the management at year end. According to the information and explanations given to us, discrepancies noticed on such verification were not material and have been dealt with appropriately in the books of accounts.

(c) There has not been any substantial disposal of fixed assets during the year and hence the question of the disposal of fixed assets affecting the going concern status of the Company does not arise.

ii. In respect of its inventories:

(a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals except inventory lying with third party processors as on 31st March, 2014 aggregating to Rs. 7.37 lakhs (previous year Rs. 13.33 lakhs) for which confirmations have been obtained.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii. (a) The Company has not granted any loans to any party, covered in the register maintained under section 301 of the Companies Act, 1956 and hence clauses 4(iii) (a), (b), (c) and (d) of the Order are not applicable.

(b) According to the information and explanations given to us, during the year, the Company has received interest bearing unsecured loans repayable on demand unsecured loan from four parties covered in the register maintained under section 301 of the Companies Act, 1956 aggregating to Rs. 400 lakhs and which are since repaid in full during the year. The Maximum amount involved during the year and outstanding balance of such loan as at the year end are Rs. 400 lakhs and Rs. Nil respectively.

(c) The rate of interest and other terms and conditions of such unsecured loans, in our opinion, are not prima facie prejudicial to the interest of the Company.

(d) Since the loans being repayable on demand have been repaid during the year with interest, the question of its regular payment of principal and interest does not arise and hence clause 4(iii)(g) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not noticed any major weaknesses in the internal control system during the course of audit.

v. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in section 301 that needed to be entered in the register, maintained under the said section have been so entered.

(b) There is no such transaction (excluding loans reported under paragraph (iii) above), which is in excess of Rs. 5 lakhs in respect of any party.

vi. The Company has not accepted any deposits from the public and hence, the provisions of section 58A, 58AA and its rules, and also the directions of the Reserve Bank of India, or any other relevant provisions of the Act and the rules framed there under are not applicable. Hence clause 4 (vi) of the Order is not applicable.

vii. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management is commensurate with the size of the Company and nature of its business.

viii. We have broadly reviewed the books of accounts and records maintained by the Company relating to the manufacture of textiles pursuant to the order made by the Central Government for the maintenance of Cost Records under Section 209(1)(d)of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

ix. In respect of statutory dues:

(a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Labour Welfare Fund, Income-tax, Wealth Tax, Central Sales-tax, Value Added Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable with the appropriate authorities during the year.

(b) According to the information and explanations given to us, statutory dues aggregating to Rs. 415.13 lakhs which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name Of Statute	Nature of dues	Amount (Rs. in lakhs) (Gross)	Period to which the dues relate	Forum Where dispute is pending
Income Tax Act,1961	Income Tax dues	3.12	A.Y. 2007-08	Commissioner of Income Tax.
		132.34	A.Y. 2010-11	Commissioner of Income Tax.
Central Excise Act	Excise Duty	4.06	1977-2002	Asst./Dy. Commissioner of Central Excise.
		2.49		Joint Commissioner of Central Excise
		38.04		Commissioner (Appeals) of Central Excise
		102.10	1996-2003	CESTAT
		44.93	1994-1999	Supreme Court
Maharashtra Sales Tax and Central Sales Tax	Sales Tax & Central Sales Tax	29.02	2000-01, 2002-03, 2009-10 & 2010-11	Dy. Commissioner of sales-tax (Appeal)-I
Maharashtra Sales Tax on the transfer of property in goods involved in the execution of the work contract (Reenacted) Act, 1989	Work contract Tax	59.03	1990-91 to 2000-01	Dy. Commissioner of sales-tax (Appeal)-I

x. The Company does not have accumulated losses as at the end of the financial year and hence the question of accumulated losses being more than fifty per cent of its net worth does not arise. The Company has not incurred cash losses in the current financial year and the immediate preceding financial year.

xi. In our opinion and according to the information and explanations given to us, the Company is not indebted to any bank and hence the question of default in repayment does not arise.

xii. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities, and hence, the question of maintenance of adequate records for this purpose does not arise.

xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. The investments in shares and units of mutual funds have been held by the Company in its name.

xv. According to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.

xvi. To the best of our knowledge and belief and according to the explanations given to us, in our opinion, no term loans have been availed by the Company. Therefore, the provisions of clause 4 (xvi) of the Order are not applicable to the Company.

xvii. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, it has not raised funds on short-term basis, which have been used for long-term investment.

xviii. The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the question as to whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.

xix. According to the information and explanation given to us, the Company has not issued any debentures during the year and hence the question, of creation of security or charge in respect of debentures issued, does not arise.

xx. According to the information and explanation given to us, the Company has not raised funds by way of public issue during the year. Therefore, the provision of clause 4 (xx) of the Order is not applicable to the Company.

xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For M. A. Parikh & Co.
Chartered Accountants
Firm Reg. No. 107556W

Mukul M. Patel
Partner
Membership No. 32489

Place: Mumbai
Date: 6th November, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

₹ in lakhs

	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	**166.45**	166.45
Reserves And Surplus	2	**9,337.98**	9,330.39
Non-Current Liabilities			
Long Term Provisions	3	**229.62**	183.14
Current Liabilities			
Trade Payables	4	**936.18**	448.31
Other Current Liabilities	5	**739.32**	727.92
Short-Term Provisions	6	**278.32**	216.91
TOTAL		**11,687.87**	11,073.12
II. ASSETS			
Non-Current Assets			
Fixed Assets	7		
Tangible Assets		**5,206.86**	5,053.24
Intangible Assets		**52.43**	6.00
Capital Work in Progress		**47.10**	66.02
Retired Fixed Assets		**1.14**	2.09
Non-Current Investments	8	**38.01**	43.01
Long Term Loans And Advances	9	**237.50**	105.20
Current Assets			
Current Investments	10	**43.02**	545.20
Inventories	11	**2,892.04**	1,967.42
Trade Receivables	12	**2,196.67**	1,641.49
Cash and Bank Balances	13	**181.02**	62.61
Short-Term Loans And Advances	14	**782.71**	1,575.73
Other Current Assets	15	**9.37**	5.11
TOTAL		**11,687.87**	11,073.12
SIGNIFICANT ACCOUNTING POLICIES	25 A		
OTHER NOTES TO ACCOUNTS	25 B		

Notes referred to above and notes attached thereto form an integral part of Balance Sheet

As per our report of even date attached

For and on behalf of the Board

FOR M.A.Parikh & Co
Chartered Accountants.
Firm Registration No.107556W

Abhimanyu Thackersey
Executive Director

Hrishikesh Thackersey
Executive Director

Mukul M. Patel
Partner
Membership No. : 32489
Place : Mumbai
Date : November 6, 2014

Heena Shah
Chief Financial Officer

Devanand Mojidra
Company Secretary

Place : Mumbai
Date : November 6,2014

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

₹ in lakhs

	Note No	Current Year	Previous Year
I. Revenue from Operations	16	**14,661.48**	10,643.50
II. Other Income	17	**146.29**	200.87
III. Provision for Diminution in Investment Written Back		**-**	2.55
IV. Total Revenue (I +II+ III)		**14,807.77**	10,846.92
V. Expenses:			
Cost of Materials Consumed	18	**9,809.87**	6,194.17
Purchase of Stock-in-Trade		**560.85**	651.96
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	19	**(738.66)**	49.85
Employee Benefits Expense	20	**1,142.90**	830.46
Finance costs	21	**14.22**	6.52
Depreciation and Amortisation Expense	22	**650.14**	471.57
Other Expenses	23	**2,878.12**	2,102.56
Total Expenses		**14,317.44**	10,307.09
VI. Profit before Exceptional and Extraordinary Items and Tax	(IV - V)	**490.33**	539.83
VII. Exceptional Items	24	**27.52**	1.25
VIII. Profit Before Tax	(VI+VII)	**517.85**	541.08
IX. Tax Expense:			
Current Tax		**105.50**	116.00
(Excess)/ Short Provision of Tax of Earlier Year		**(7.17)**	7.65
Deferred Tax		**24.60**	-
X. Profit for the Year	(VIII-IX)	**394.92**	417.43
XI. Earning per Equity Share of ₹ 10/- each			
Basic and Diluted	₹	**23.73**	25.08
(Refer Note 25B Point no. XIII of Other Notes to Accounts)			
SIGNIFICANT ACCOUNTING POLICIES	25 A		
OTHER NOTES TO ACCOUNTS	25 B		

Notes referred to above and notes attached thereto form an integral part of Statement of Profit and Loss.

As per our report of even date attached

For and on behalf of the Board

FOR M.A.Parikh & Co
Chartered Accountants.
Firm Registration No.107556W

Abhimanyu Thackersey
Executive Director

Hrishikesh Thackersey
Executive Director

Mukul M. Patel
Partner
Membership No. : 32489
Place : Mumbai
Date : November 6, 2014

Heena Shah
Chief Financial Officer

Devanand Mojidra
Company Secretary

Place : Mumbai
Date : November 6,2014

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in lakhs

		Current Year		Previous Year
A.	**CASHFLOW FROM OPERATING ACTIVITIES**			
	Net Profit before Taxation		**517.85**	541.08
	Adjustment for :			
	Depreciation	650.14		471.57
	Finance Cost	14.22		6.52
	Fixed Assets Written off	-		1.69
	Provision for Doubtful Debts	2.56		27.58
	Bad Debts and Debit Balances Written Off	2.05		1.74
	Dividend Income	(0.01)		(0.69)
	Lease Income	(54.66)		(48.72)
	Profit on Sale of Investments (Net)	(26.63)		(24.27)
	Profit on Sale of Fixed Assets (Net)	(31.57)		(7.89)
	Provision no longer required written back	(4.45)		(4.35)
	Sundry Credit Balance Written Back	(8.58)		(10.39)
	Interest Income	(64.99)		(127.19)
	Provision for Dimunition in Investment Written Back	-		(2.55)
			478.08	283.05
	Operating Profit before Working Capital Changes		**995.93**	824.13
	Changes in :			
	Inventories	(831.05)		100.28
	Trade and Other Receivables	(732.07)		(69.86)
	Trade and other Payables	500.41		(123.29)
	Provisions	42.68		40.22
			(1020.03)	(52.65)
	Cash Generated from Operations		**(24.10)**	771.48
	Direct Taxed paid (Net of Refunds)		**(163.97)**	583.83
	Net Cash Generated From Operating Activities		**(188.07)**	1355.31
B.	**CASHFLOW FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets	(274.53)		(385.13)
	Sale of Fixed Assets	55.19		9.92
	Interest Received	61.91		127.19
	Dividend Received	0.01		0.69
	Lease Income Received	54.66		48.72
	Investments Purchased and Sold (Net)	528.80		(451.18)
	Net Cash used in Investing Activities		**426.04**	(649.79)

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

₹ in lakhs

	Current Year		Previous Year
C. CASHFLOW FROM FINANCING ACTIVITIES			
Dividend Paid	(143.14)		(95.35)
Interest Paid	(14.22)		(8.46)
Short Term Borrowing	-		(90.00)
Loan to Subsidiary	-		(622.96)
Net Cash used in Financing Activities		**(157.36)**	(816.77)
Net Increase in Cash and Cash Equivalents		**80.61**	(111.25)
Cash and Cash Equivalents at the beginning of the year			
Cash and Cash Equivalents	46.09		159.46
Other Bank Balances	16.52	**62.61**	14.40
Balance Transferred on Amalgamation			
Cash and Cash Equivalents	15.97		-
Other Bank Balances	21.83	**37.80**	-
		100.41	173.86
Cash and Cash Equivalents at the end of the year			
Cash and Cash Equivalents	135.96		46.09
Other Bank Balances	45.06		16.52
		181.02	62.61

Notes :

1 Cash and Cash equivalents denote cash and Bank balances at the year end.

2 The Cashflow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- 'Cash Flow Statement' (AS -3) issued by the Institute of Chartered Accountants of India.

3 Direct Taxes paid (Net of refunds) is treated as arising from operating activities and is not bifurcated between investing and financing activities.

4 Previous year's figures have been regrouped/re-arranged wherever necessary in order to conform to those of the Current Year.

As per our report of even date attached

FOR M.A.Parikh & Co
Chartered Accountants.
Firm Registration No.107556W

Mukul M. Patel
Partner
Membership No. : 32489
Place : Mumbai
Date : November 6, 2014

For and on behalf of the Board

Abhimanyu Thackersey
Executive Director

Hrishikesh Thackersey
Executive Director

Heena Shah
Chief Financial Officer

Devanand Mojidra
Company Secretary

Place : Mumbai
Date : November 6,2014

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lakhs

	As at 31.03.2014	As at 31.03.2013
NOTE 1 : SHARE CAPITAL		
AUTHORISED CAPITAL		
2,77,67,500 (P. Y. 2,27,67,500) Equity Shares of ₹10/- each	**2,776.75**	2,276.75
2,500 (P. Y. 2,500) 5% Redeemable Cumulative "A" Preference Shares of ₹10/- each	**0.25**	0.25
7,80,000 (P.Y. 7,80,000) 15% Non Convertible Redeemable Non Cumulative Preference Shares of ₹10/- each	**78.00**	78.00
1,00,00,000 (P. Y. 1,00,00,000) Preference Shares of ₹10/- each	**1,000.00**	1,000.00
TOTAL	**3,855.00**	3,355.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
16,64,548 (P. Y. 16,64,548) Equity Shares of ₹10 /- each fully paid up	**166.45**	166.45
TOTAL	**166.45**	166.45

a) The Company has issued only one class of shares referred to as Equity Shares having a par value of ₹10/-. Each holder of Equity Shares is entitled to one vote per share.

9,58,708,Equity Shares of ₹10 /- each are alloted on 27th June 2011 as fully paid up without payment being received in cash pursuant to the scheme of Amalgamation Sanctioned by the High Court of Bombay dated 1st April 2011.

b) Reconciliation of No. of Shares outstanding at the beginning and at the end of the Year

₹ in lakhs

	As at 31.03.2014	As at 31.03.2013
16,64,548 Equity Shares at the beginning and at the end of the year of ₹ 10/- each fully paid up	**166.45**	166.45
	166.45	166.45

c) Details of the Shareholders holding more than 5% of Equity Shares in the Company

Name of Equity Shareholders	No. of Shares Held	Percentage of Holding
Chandrali Investments Private Limited		
Current Year	**85,017**	**5.11%**
Previous year	83,396	5.01%
Mr. Jagdish Thackersey		
Current Year	**180,586**	**10.85%**
Previous year	180,586	10.85%
Mr. Raoul Thackersey		
Current Year	**104,690**	**6.29%**
Previous year	104,690	6.29%

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lakhs

	As at 31.03.2014	As at 31.03.2013
NOTE 2 : RESERVES AND SURPLUS		
Capital Reserve	**1,076.11**	1,076.11
Capital Redemption Reserve	**83.63**	83.63
Securities Premium Account	**587.78**	587.78
Other Reserve		
Reserve under Section 45-IC of Reserve Bank of India Act	**-**	48.47
Less : Transferred to Surplus	**-**	48.47
	-	-
General Reserve		
Balance as per last Financial Statement	**6,866.61**	6,823.61
Add: Transfer from Surplus	**39.50**	43.00
Balance transferred to Balance Sheet	**6,906.11**	6,866.61
Surplus		
Balance as per last Financial Statement	**716.26**	438.45
Add: Loss transferred on Amalgamation	**(186.68)**	-
Add : Transferred from Reserve under Section 45 -IC	**-**	48.47
	529.58	486.92
Add: Net Profit after tax transferred from Statement of Profit & Loss	**394.92**	417.43
Amount available for Appropriation (A)	**924.50**	904.35
Appropriations:		
Proposed Dividend	**166.45**	124.84
Tax on Proposed Dividend	**34.20**	20.25
Transfer to General Reserve	**39.50**	43.00
Total of Appropriations (B)	**240.15**	188.09
Balance in Surplus (A-B)	**684.35**	716.26
TOTAL	**9,337.98**	9,330.39
NOTE 3 : LONG TERM PROVISIONS		
Provision for Employees Benefits		
Provision for Leave Salary	**52.25**	38.63
Provision for Gratuity	**177.37**	144.51
TOTAL	**229.62**	183.14

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lakhs

	As at 31.03.2014	As at 31.03.2013
NOTE 4 : TRADE PAYABLES		
Trade Payables	**936.18**	448.31
(Refer Note 25B Point no. VIII of Other Notes to Accounts)		
TOTAL	**936.18**	448.31
NOTE 5 : OTHER CURRENT LIABILITIES		
Unclaimed Dividend	**7.58**	5.63
Other Liabilities	**664.85**	677.37
Advances from Customers	**43.79**	33.16
Withholding Taxes Payable	**23.10**	11.76
TOTAL	**739.32**	727.92
NOTE 6 : SHORT TERM PROVISIONS		
Provision For Employee Benefits		
Provision for Leave Salary	**9.95**	6.57
Provision for Gratuity	**43.56**	47.58
Provision for Bonus/ Exgratia	**25.07**	17.67
	78.58	71.82
Others		
Proposed Dividend	**166.45**	124.84
Corporate Dividend Tax on Proposed Dividend	**33.29**	20.25
	199.74	145.09
TOTAL	**278.32**	216.91

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lakhs

NOTE 7: FIXED ASSETS

Description	GROSS BLOCK							DEPRECIATION /AMORTISATION BLOCK							NET BLOCK	
	Opening Block As At 01.04.2013	Addition on Amalgamation	Additions during the year	Deductions during the year	Transferred from Retired Assets	Write off during the year	Closing Block As At 31.03.2014	Opening Block As At 01.04.2013	Addition on Amalgamation	For the Year	Deductions during the Year	Transferred from Retired Assets	Write off during the year	Closing Block As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
TANGIBLE ASSETS																
Land																
Freehold Land	5.90	-	-	-	-	-	**5.90**	-	-	-	-	-	-	-	**5.90**	5.90
Leasehold Land	117.12	-	-	-	-	-	**117.12**	22.88	-	1.23	-	-	-	**24.11**	**93.01**	94.24
Buildings	2,263.06	-	20.52	-	-	-	**2,283.58**	1,223.32	-	94.77	-	-	-	**1,318.09**	**965.49**	1,039.74
Leasehold Improvements	-	34.48	16.11	-	-	-	**50.59**	-	3.79	7.67	-	-	-	**11.46**	**39.13**	-
Plant and Equipments																
Plant and Machinery	10,780.88	434.06	308.44	254.57	-	-	**11,268.81**	7,101.65	22.80	493.24	241.83	-	-	**7,375.86**	**3,892.95**	3,679.23
Office Equipment	51.57	0.47	3.04	-	1.76	-	**56.84**	21.90	0.09	4.57	-	0.81	-	**27.37**	**29.47**	29.67
Electrical Installations	321.06	3.84	11.42	-	-	-	**336.32**	245.99	1.04	11.96	-	-	-	**258.99**	**77.33**	75.07
Furniture & Fixture	81.66	6.33	4.15	-	-	-	**92.14**	35.44	2.10	9.19	-	-	-	**46.73**	**45.41**	46.22
Vehicle	149.74	-	-	32.67	-	-	**117.07**	79.29	-	15.68	21.79	-	-	**73.18**	**43.89**	70.45
Computer	47.25	3.37	6.09	-	-	0.23	**56.48**	34.53	1.09	6.66	-	-	0.08	**42.20**	**14.28**	12.72
Total Tangible Assets	**13,818.24**	**482.55**	**369.77**	**287.24**	**1.76**	**0.23**	**14,384.85**	**8,765.00**	**30.91**	**644.97**	**263.62**	**0.81**	**0.08**	**9,177.99**	**5,206.86**	**5,053.24**
INTANGIBLE ASSETS																
Marketing Know how	-	-	51.59	-	-	-	**51.59**	-	-	5.16	-	-	-	**5.16**	**46.43**	-
Tenancy Right	6.00	-	-	-	-	-	**6.00**	-	-	-	-	-	-	-	**6.00**	6.00
Total Intangible Asset	**6.00**	-	**51.59**	-	-	-	**57.59**	-	-	**5.16**	-	-	-	**5.16**	**52.43**	**6.00**
CAPITAL WORK IN PROGRESS	**66.02**	**127.91**	**16.81**	**163.64**	-	-	**47.10**	-	-	-	-	-	-	-	**47.10**	**66.02**
RETIRED FIXED ASSETS																
Office Equipment	2.76	-	-	-	(1.76)	-	**1.00**	1.61	-	-	-	(0.81)	-	**0.80**	**0.20**	1.15
Furniture & Fixture	2.87	-	-	-	-	-	**2.87**	2.06	-	-	-	-	-	**2.06**	**0.81**	0.81
Computer	1.33	-	-	-	-	-	**1.33**	1.20	-	-	-	-	-	**1.20**	**0.13**	0.13
Total Retired Fixed Assets	**6.96**	-	-	-	**(1.76)**	-	**5.20**	**4.87**	-	-	-	**(0.81)**	-	**4.06**	**1.14**	**2.09**
Total (Current Year)	**13,897.22**	**610.46**	**438.17**	**450.88**	-	**0.23**	**14,494.74**	**8,769.87**	**30.91**	**650.13**	**263.62**	-	**0.08**	**9,187.21**	**5,307.53**	**5,127.35**
Total (Previous Year)	(13,549.84)	-	(1,201.12)	(849.44)	-	(4.29)	(13,897.22)	(8,332.34)	-	(471.57)	(31.43)	-	(2.60)	(8,769.87)	(5,127.35)	

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lakhs

	As at 31.03.2014	As at 31.03.2013
NOTE 8 : NON CURRENT INVESTMENTS (AT COST UNLESS OTHERWISE STATED)		
Trade Investments (Unquoted)		
Nil (P.Y. 50,000) Equity Shares of Hindoostan Technical Fabrics Ltd.of ₹ 10/- each fully paid up	**-**	5.00
(A wholly owned subsidiary of Hindoostan Mills Limited)		
(Refer Note no.25B Point no II of Other Notes to Accounts)		
Other Investments		
Investment in Property		
5/8 th share (P.Y.5/8 th) in Bruce Street Property	**35.34**	35.34
Investments in Equity Instruments (Quoted)		
60 (P.Y.60) Equity shares of ₹ 2/- each fully paid up in Siemens Ltd.	**0.01**	0.01
Investments in Preference Shares of Associate Companies		
13,333 (P.Y.13,333) 0.10% Redeemable Preference Shares of ₹ 10/- each fully paid up in Bhishma Realty Limited	**1.33**	1.33
13,333 (P.Y.13,333) 0.10% Redeemable Preference Shares of ₹ 10/- each fully paid up in Capricon Realty Limited	**1.33**	1.33
Other Non- Current Investments		
42 (P.Y.42) Shares of ₹ 5000/- each in Yashwant Sahakari Sakhar Karkhana Ltd	**2.10**	2.10
Less : Provision for diminution in value	**(2.10)**	(2.10)
(Refer Note no. 25B Point no VI of Other Notes to Accounts)		
TOTAL	**38.01**	43.01
Aggregate amount of Quoted Investments and Market Value		
Quoted Investments		
(Market Value as on 31.03.2014 ₹ 0.46 lakh (P.Y. ₹ 0.33 lakh))	**0.01**	0.01
TOTAL	**0.01**	0.01
Aggregate amount of Unquoted Investments		
Trade	**-**	5.00
Other	**38.00**	38.00
TOTAL	**38.00**	43.00
Aggregate amount of Provision for Dimunition in value of Investments		
Provision for Dimunition in value of Investments in Shares of Yashwant Sahakari Sakhar Karkhana Ltd	**2.10**	2.10
TOTAL	**2.10**	2.10
NOTE 9 : LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	147.46	22.00
Security Deposit	90.04	83.19
TOTAL	**237.50**	105.20

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lakhs

	As at 31.03.2014	As at 31.03.2013
NOTE 10 : CURRENT INVESTMENTS		
Unquoted :		
Investments in Mutual Funds		
Nil (P.Y. 4,61677.671) units of Birla Short Term Fund	**-**	193.80
Nil (P.Y.25,08,922.271) units of HDFC Short Term Opportunities Fund	**-**	308.38
2,14,543.251 (P.Y.2,14,543.251) units of HDFC Floating Rate Fund	**43.02**	43.02
	43.02	545.20
TOTAL	**43.02**	545.20
Aggregate amount of Unquoted Investments		
Other Unquoted Investments	**43.02**	545.20
TOTAL	**43.02**	545.20
NOTE 11 : INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)		
Raw Materials	**1,094.52**	909.19
Work-in-Process	**363.95**	382.20
Finished Goods	**1,243.21**	493.04
Stock-in-Trade	**45.14**	28.74
Stores ,Spares and Loose tools	**144.22**	153.25
Property under Development	**1.00**	1.00
(Refer Note 25B Point no. VII of Other Notes to Accounts)		
TOTAL	**2,892.04**	1,967.42
NOTE 12 : TRADE RECEIVABLES (CURRENT)		
Unsecured		
Outstanding for a period exceeding six months		
Considered Good	**37.99**	23.88
Considered Doubtful	**35.65**	37.40
Less : Provision for Doubtful Debts	**(35.65)**	(37.40)
	-	-
	37.99	23.88
Outstanding for a period less than six months		
Considered Good	**2,158.68**	1,617.61
TOTAL	**2,196.67**	1,641.49

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2014

₹ in lakhs

	As at 31.03.2014	As at 31.03.2013
NOTE 13 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	**126.97**	38.33
Cash On Hand	**8.99**	7.76
Other Bank Balances		
Margin Money Deposit	**36.17**	9.57
In Current Account (Unpaid Dividend)	**7.57**	5.63
In Current Account (Employee Deposit)	**1.32**	1.32
	45.06	16.52
TOTAL	**181.02**	62.61
NOTE 14 : SHORT TERMS LOANS AND ADVANCES		
Unsecured , Considered Good		
Loans & Advances		
To Subsidiary Company	**-**	991.24
(Refer Note no.25B Point no II of Other Notes to Accounts)		
Others		
Advances to Employees	**0.53**	0.53
Advances to Suppliers	**9.74**	4.60
Balance with Central Excise	**19.68**	15.88
Vat Refund Receivable	**253.54**	197.02
Advance Tax (Net of Provisions)	**324.16**	259.15
Other Advances	**223.96**	156.21
Less : Provision	**(48.90)**	(48.90)
	175.06	107.31
TOTAL	**782.71**	1,575.73
NOTE 15 : OTHER CURRENT ASSETS		
Interest Receivable	**9.37**	5.11
TOTAL	**9.37**	5.11

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

₹ in lakhs

	Current Year	Previous Year
NOTE 16 : REVENUE FROM OPERATIONS		
Sale of Products	**14,180.95**	10,226.76
Sale of Services	**252.34**	267.26
Less: Excise duty	**82.23**	33.45
	14,351.06	10,460.57
Other Operating Revenues		
Export Incentives	**127.54**	63.17
Sales Tax Setoff	**90.26**	42.75
Other Income	**79.59**	62.27
Provision no longer required written back	**4.45**	4.35
Sundry Credit Balance Written Back	**8.58**	10.39
	310.42	182.93
TOTAL	**14,661.48**	10,643.50
NOTE 17 : OTHER INCOME		
Interest Income	**64.99**	127.19
Dividend Income	**0.01**	0.69
Gain on sale of Investments	**26.63**	24.27
Lease Income	**54.66**	48.72
TOTAL	**146.29**	200.87
NOTE 18 : COST OF MATERIALS CONSUMED		
Opening Stock	**909.19**	978.31
Add: Stock Transferred on Amalgamation	**82.75**	-
	991.94	978.31
Add : Purchase of Raw Materials	**9,915.77**	6,126.55
Less : Inventory Lost by Fire	**-**	1.50
Less : Inventory Written off	**3.32**	-
Less : Closing Stock	**1,094.52**	909.19
TOTAL	**9,809.87**	6,194.17

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

₹ in lakhs

	Current Year	Previous Year
NOTE 19 : CHANGE IN INVENTORIES		
Opening Stock		
Work-in-Process	**382.20**	364.47
Finished Goods	**493.04**	550.74
Traded Goods	**28.74**	38.62
	903.98	953.83
Add: Finished Goods Stock Transferred on Amalgamation	**9.66**	-
	913.64	953.83
Less : Closing Stock		
Work-in-Process	**363.95**	382.20
Finished Goods	**1,243.21**	493.04
Traded Goods	**45.14**	28.74
	1,652.30	903.98
TOTAL	**(738.66)**	49.85
NOTE 20 : EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages		
Salaries & Wages	**921.91**	634.16
Bonus / Ex Gratia	**25.05**	18.14
Leave Encashment	**18.10**	8.14
Contribution to Provident and other funds		
Contribution to Provident Fund	**74.71**	57.63
Contribution to ESIC	**0.14**	1.80
Contribution to Labour Welfare fund	**0.25**	0.37
Contribution to Gratuity	**45.73**	56.64
Contribution to Superannuation fund	**8.81**	13.97
Staff Welfare Expense	**48.20**	39.61
TOTAL	**1,142.90**	830.46
NOTE 21 : FINANCE COST		
Interest Expense	**14.22**	6.52
TOTAL	**14.22**	6.52
NOTE 22 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation Expense	**650.14**	471.57
TOTAL	**650.14**	471.57

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

₹ in lakhs

	Current Year	Previous Year
NOTE 23 : OTHER EXPENSES		
Consumption of Stores and Spares	**608.29**	432.55
Power and Fuel (Net of Subsidy ₹ 55.94 Lakhs (P.Y.₹ Nil) received from Government of Maharashtra)	**1,163.50**	774.43
Processing Charges	**89.99**	129.70
Rent	**43.71**	23.02
Rates and Taxes	**39.05**	33.56
Repairs to Buildings	**14.67**	7.44
Repairs to Machinery	**24.74**	10.16
Other Repairs	**29.52**	20.61
Insurance	**31.68**	25.20
Freight,Forwading and Clearing Charges	**91.84**	82.14
Commission,Brokerage and Incentives	**252.47**	161.60
Legal and Professional fees	**154.32**	111.95
Miscellaneous Expenses	**306.07**	247.21
Auditors Remuneration	**14.11**	9.16
Directors Fees	**7.30**	5.06
Share Issue Expenses	**3.40**	-
Provision for Doubtful Debts	**2.56**	27.58
Wealth Tax	**0.90**	1.19
TOTAL	**2,878.12**	2,102.56
Auditors Remuneration:		
For Audit fees	**5.66**	4.81
For Tax Audit	**1.40**	1.11
For Consolidation of Accounts	**1.12**	-
For other services	**5.93**	3.24
	14.11	9.16
NOTE 24 : EXCEPTIONAL ITEMS		
Profit on sale of Fixed Assets (Net)	**31.57**	7.89
Inventory write off	**(4.05)**	-
Loss Due to fire	**-**	(1.50)
Loss on sale of spares	**-**	(3.45)
Fixed Assets written off	**-**	(1.69)
TOTAL	**27.52**	1.25

NOTE 25A: SIGNIFICANT ACCOUNTING POLICIES

I. Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India and as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

II. Use of Estimates:

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and reported amounts of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognised in the year in which the results materialize/ are known.

III. Fixed Assets:

1. Tangible Fixed Assets

i. Tangible Fixed Assets are recorded at their original cost of acquisition/installation (net of Modvat / Cenvat credit availed)

ii. Machinery Spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalised at cost (net of Modvat / Cenvat credit availed)

2. Intangible Fixed Assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less depreciation /amortization and accumulated impairment losses, if any.

3. Assets taken on Lease:

i. Finance Lease

Assets taken on finance lease after April 1, 2001 are accounted for as fixed assets in accordance with the Accounting Standard -19 "Lease" (AS 19) issued by the Institute of Chartered Accountants of India and as prescribed by the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets have been accounted at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

ii. Operating Lease

Assets taken on lease under which all the risks and rewards of ownership effectively retained by the Lessor are classified as operating lease. Lease payments under operating lease are recognized as expenses on accrual basis in accordance with the respective lease agreements.

IV. Depreciation/ Amortization:

A. Tangible Fixed Assets

1. <u>Textile Unit</u>:

i. Depreciation on all the Plant & Machineries is provided on the Straight Line Method in accordance with Schedule XIV to the Companies Act, 1956.

ii. Depreciation on assets other than Plant & Machineries is provided on the Written Down Method in accordance with Schedule XIV to the Companies Act, 1956.

iii. Costs of Reeds are written off over a period of 2 years.

2. <u>Roll Manufacturing Unit</u>:

i. Depreciation on Fixed Assets is provided on the Straight Line Method for the assets acquired upto March 31, 2001 in accordance with Schedule XIV to the Companies Act, 1956.

ii. Depreciation on Fixed Assets is provided on the Written Down Method for the assets acquired on or after April 1, 2001 in accordance with Schedule XIV to the Companies Act, 1956.

3. <u>Technical Fabric Unit</u>:

i. Depreciation on all the Plant and Machineries is provided on the Straight Line Method in accordance with Schedule XIV to the Companies Act, 1956.

ii. Depreciation on all Fixed Assets other than Plant and Machineries is provided on the Written Down Method in accordance with Schedule XIV to the Companies Act, 1956.

NOTE 25A: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

4. Depreciation on additions to fixed assets is provided on pro-rata basis from the date of acquisition or installation, and in case of new project from the date of commencement of commercial production.

5. Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the date on which the said asset is sold, discarded, demolished or scrapped.

6. Cost of Leasehold Land is written off over the period of Lease.

B. Intangible Assets

Intangible Assets are amortised in accordance with Accounting Standard 26 "Intangible Assets" (AS-26) issued by the Institute of Chartered Accountants of India and prescribed by the Companies (Accounting Standards) Rules,2006.

V. Investments:

Long term investments are stated at cost less diminution in the value of investments, if any. Further, current investments are stated at cost or market value whichever is lower.

VI. Inventories:

1. Textile Unit:

i. Raw Materials :

At monthly average cost or net realizable value whichever is lower.

ii. Stores and Spares :

At cost or net realizable value whichever is lower.

iii. Process Stock and Finished Goods :

At quarterly average cost or net realizable value whichever is lower.

2. Roll Manufacturing Unit:

i. Raw Materials :

At cost or net realizable value whichever is lower.

ii. Process Stock :

Cost comprises of Raw Material cost and processing cost.

iii. Stores & Other Consumables :

Stores & Other Consumables are valued at cost. Cost is considered on First in First out Basis.

iv. Finished Goods :

Finished Goods are valued at lower of cost or net realizable value.

3. Technical Fabric Unit:

i. Raw Materials :

At cost or net realizable value whichever is lower.

ii. Stores and Spares :

At cost or net realizable value whichever is lower.

iii. Process Stock and Finished Goods :

At cost or net realizable value whichever is lower.

Cost comprises of cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

VII. Employee Benefits:

1. Defined Contribution Plan:

Employee Benefits in the form of contributions to Provident Fund, Employees State Insurance, Labour Welfare Fund managed by Government Authorities are considered as defined contribution plan and the same is charged to the Statement of Profit and Loss for the year on accrual basis.

Certain employees of Hindoostan Mills Ltd. are participants in the LIC Group Superannuation Scheme which is a Defined Contribution Plan. The Company has no obligations to the Plan beyond its yearly contributions.

2. Defined Benefit Plan:

The liability for Leave encashment and Gratuity is determined on actuarial basis as per the Accounting Standard -15 "Employee Benefits" (AS 15) issued by the Institute of Chartered Accountants of India and as prescribed by the Companies (Accounting Standards) Rules, 2006.

VIII. Foreign Currency Transactions:

Transactions in Foreign Currency are recorded at the original rate of exchange in force at the time the transactions are effected. Exchange differences arising on repayment / restatement of foreign currency liabilities incurred for the purpose of acquiring fixed assets from a country outside India, are adjusted in carrying amount of the respective fixed assets. Exchange differences arising on settlement of other transactions are recognised in the Statement of Profit and Loss.

Monetary items (other than those related to acquisition of imported fixed assets) denominated in foreign currency and not covered by forward contracts are restated using the exchange rate prevailing at the date of the Balance Sheet

NOTE 25A: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

and the resulting net exchange difference is recognised in the Statement of Profit and Loss.

Monetary items covered by forward contracts are translated at the rate on the date of transaction. Premium / discount arising on such forward exchange contract is amortised as income / expense over the life of the contract. Any profit / loss arising on cancellation of such forward exchange contract are recognised as income or expense.

IX. Research and Development:

Research and Development expenses are charged to revenue under the respective heads of accounts during the year in which they are incurred. Capital Expenditure on Research and Development is shown as an addition to Fixed Assets.

X. Revenue Recognition:

1. Revenue from domestic sale is recognised on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.
2. Revenue from Export sale is recognised on transfer of significant risks and rewards of ownership which is based on Bill of lading date.
3. Dividend income is recognised when the right to receive dividend is established.
4. Income from Property Development is accounted on pro-rata basis taking into consideration amount receivable for property development, number of flats sold and construction work completed.
5. Revenue in respect of other income/claims, etc is recognised only when it is reasonably certain that ultimate collection will be made.
6. Revenue in respect of Government Grants is recognised on receipt basis.

XI. Taxes on income:

Income Taxes are accounted for in accordance with Accounting Standard – 22 on "Accounting for Taxes on Income" (AS-22) issued by the Institute of Chartered Accountants of India and as prescribed by the Companies (Accounting Standards) Rules, 2006. Tax expenses comprise both Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities using the applicable tax rates. Deferred Tax Assets and Liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date, the Company reassesses unrealized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

XII. Accounting of Value Added Tax (VAT):

VAT input credit is accounted on accrual basis on purchase of materials, which is utilized for payment of VAT on sale of taxable goods and balance is processed for claiming refund.

XIII. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets in accordance with Accounting Standard – 16 on "Borrowing Costs" (AS-16) issued by the Institute of Chartered Accountants of India and prescribed by the Companies (Accounting Standards) Rules, 2006. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

XIV. Provision, Contingent liabilities and Contingent Assets: (AS-29)

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the Financial Statement.

XV. Impairment of Fixed Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard - 28 "Impairment of Assets" (AS-28) issued by the Institute of Chartered Accountants of India and as prescribed by the Companies (Accounting Standards) Rules, 2006. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired, when the carrying value of the asset exceeds it recoverable value. The impairment loss recognised in prior accounting period is reversed, if there has been a change in the estimate of recoverable amounts.

NOTE 25B: OTHER NOTES TO ACCOUNTS

I. Basis of Preparation of Financial Statements:

The accounts for the year ended March 31, 2014 are prepared in accordance with the provisions of the Companies Act, 1956 read with of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

II. Amalgamation of Hindoostan Technical Fabrics Ltd with the Company.

i. Pursuant to the Scheme of Amalgamation of Hindoostan Technical Fabrics Ltd a wholly owned Subsidiary ("Transferor Company") with the Company, as sanctioned by the Hon'ble High Court of Bombay vide their order dated – October 10, 2014, the Assets and Liabilities of the Transferor Company were transferred to and vested with the Company with effect from the appointed date, April 1, 2013.

ii. The Transferor Company is engaged in the business of manufacturing of composite fabric.

iii. The amalgamation has been accounted for under the 'Pooling of interest' method as prescribed by Accounting Standard 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly the Assets and Liabilities of the Transferor Company as at April 1, 2013, have been taken over at their book values.

iv. Consequent to the Scheme of Amalgamation, the Authorized Equity Share Capital of the Company stands increased from 2,27,67,500 Equity Shares of ₹10/- each, aggregating to ₹2,276.75 lakhs to 2,77,67,500 Equity Shares of ₹10/- each aggregating to ₹2,776.75 lakhs.

v. As per the Scheme of Amalgamation, the Debit balance in Statement of Profit and Loss of the Transferor Company as on March 31,2013 of ₹186.68 lakhs has been adjusted in the Surplus in Reserves and Surplus.

vi. Details of Assets and Liabilities taken over in Amalgamation:

₹ in lakhs

	Balance as at April 1, 2013
Assets	
Fixed Assets (Net)	579.57
Deferred Tax Asset	24.60
Long Term Loans and Advances	41.82
Other Non-Current Assets	0.61
Current Assets	
Inventories	93.58
Trade Receivables	32.41
Cash and Cash Equivalents	37.80
Short Term Loans and Advances	18.64
Other Current Assets	1.18
Total Assets	**830.21**
Liabilities	
Non-Current Liabilities	
Long Term Provisions	2.97
Current Liabilities	
Trade Payables	1.16
Other Current Liabilities	15.90
Short Term Provisions	0.62
Total Liabilities	**20.65**

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

₹ in lakhs

		Current Year	Previous Year
III.	**ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED**		
A	Estimated amount of contracts remaining to be executed on capital account and not provided for	**1071.10**	48.84
B	Other Commitments	**603.93**	680.68
IV.	**CONTINGENT LIABILITIES IN RESPECT OF:**		
A	Claims against the Company not acknowledged as debts [including disputed demands of Central Excise for ₹ 116.07 lakhs (P.Y. ₹ 116.07 lakhs), Sales Tax ₹ 27.02 lakhs (P.Y ₹ 78.90 lakhs) and Works Contract Tax ₹ 36.03 lakhs (P.Y. ₹ 36.03 lakhs)	**695.44**	748.45
B	The Income-Tax demands in respect of earlier years under dispute are pending in appeal before higher authorities.	**49.44**	131.47
C	Demand for payment of electricity duty by Government of Maharashtra matter resting with Supreme Court	**228.20**	228.20
D	Concessional Custom duty on Machinery Imported	**215.73**	538.69

V. The Board of Directors has recommended a dividend of ₹ 10/- per share on 1,664,548 Equity Shares of ₹10/- each aggregating to ₹ 199.74 lakhs (Inclusive of Dividend Distribution Tax of ₹ 33.29 lakhs)

VI. INVESTMENTS:

The Investment of 42 Shares in Yeshwant Sahakari Sakhar Karkhana Ltd.(Society), are held in the names of two Directors of the Company, being its nominees, as required by the bye-laws of the Society.

VII. Property under Development reflected as Stock-in-Trade was written down to ₹ 1 lakh in the earlier year as a measure of prudence. The settlement of account is a matter of dispute between the company (owner) and developer and there are claims and counter claims. The matter has been referred to arbitration in 2002 which is pending resolution. Accordingly, impact of Arbitration Award will be recognised in the Books of accounts as and when finality in the matter is reached.

VIII. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

		Current Year	Previous Year
A	Principal amount due and remaining unpaid	**NIL**	NIL
B	Interest due on above	**N.A.**	N.A.
C	Payment made beyond the appointed day during the year	**N.A.**	N.A.
D	Interest paid	**N.A.**	N.A.
E	Interest due and payable for the period of delay	**N.A.**	N.A.
F	Interest accrued and remaining unpaid	**N.A.**	N.A.
G	Amount of further interest remaining due and payable in succeeding years	**N.A.**	N.A.

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

IX. Current Tax:

In view of carry forward losses under Income Tax Act 1961, no provision for Income Tax is required to be made. However, the company has provided for Minimum Alternate Tax under section 115JB of the Income Tax Act, 1961.

Deferred Tax :

In accordance with Accounting Standard 22 on "Accounting for Tax on Income" (AS - 22) as prescribed by the Companies (Accounting Standards) Rules,2006 , Deferred Tax Assets consist of substantial amounts of carry forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty, the Deferred Tax Assets have not been recognized as a measure of abundant caution.

X. ADDITIONAL INFORMATION:

₹ in lakhs

			Current Year	Previous Year
A	**SALES**			
	Sale of Goods			
	Manufactured Goods			
	Fabric		**12,375.64**	8,861.54
	Yarn		**103.68**	98.24
	Calender Roll		**669.26**	377.47
	Technical Fabric		**198.36**	-
	Waste		**117.78**	88.95
	Total Sale of Manufactured Goods	**(i)**	**13,464.72**	**9,426.20**
	Traded Goods			
	Fabric		**634.00**	765.15
	Mangle Machines		**-**	1.96
	Total Sale of Traded Goods	**(ii)**	**634.00**	**767.11**
	Services			
	Refilling of Calender Roll		**236.05**	232.58
	Job Work		**16.29**	34.68
	Total Services	**(iii)**	**252.34**	**267.26**
	GRAND TOTAL	**(i + ii + iii)**	**14,351.06**	**10,460.57**
B	**CONSUMPTION OF RAW MATERIALS**			
	Cotton and Fiber		**2,903.58**	1,835.78
	Yarn		**6,325.71**	4,151.16
	Technical Yarn		**77.95**	-
	Others		**502.63**	207.23
	TOTAL		**9,809.87**	**6,194.17**
C	**PURCHASE OF TRADED GOODS**			
	Fabric		**559.12**	649.80
	Mangle Machines		**-**	2.16
	Carbon Fiber		**1.73**	-
	TOTAL		**560.85**	**651.96**

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

₹ in lakhs

	Current Year	Previous Year
X. ADDITIONAL INFORMATION (Contd.)		
D (i) STOCK OF FINISHED GOODS		
Opening Stock of Finished Goods:		
Manufactured Goods		
Fabric	**443.71**	534.15
Calender Roll	**14.52**	7.40
Technical Fabric	**9.66**	-
Waste	**5.67**	5.77
Traded Goods		
Fabric	**26.38**	36.27
Mangle Machines	**2.36**	2.36
Refilling of Calender Roll	**29.14**	3.41
Total Opening Stock of Finished Goods	**531.44**	589.36
Closing Stock of Finished Goods:		
Manufactured Goods		
Fabric	**1,186.24**	443.71
Calender Roll	**15.78**	14.52
Technical Fabric	**23.66**	-
Waste	**9.33**	5.67
Traded Goods		
Fabric	**42.78**	26.38
Mangle Machines	**2.36**	2.36
Refilling of Calender Roll	**8.20**	29.14
Total Closing Stock of Finished Goods	**1,288.35**	521.78
(ii) STOCK OF WIP		
Opening Stock of WIP		
Manufactured Goods		
Fabric	**12.50**	20.65
Yarn	**359.92**	336.66
Calender Roll	**1.01**	1.95
Traded Goods		
Fabric	**8.77**	1.76
Refilling of Calender Roll	**-**	3.45
Total Opening Stock of WIP	**382.20**	**364.47**

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

₹ in lakhs

	Current Year	Previous Year
X. ADDITIONAL INFORMATION (Contd.)		
Closing Stock of WIP		
Manufactured Goods		
Fabric	**13.95**	12.50
Yarn	**340.38**	359.92
Calender Roll	**4.98**	1.01
Traded Goods		
Fabric	**2.80**	8.77
Refilling of Calender Roll	**1.84**	-
Total Closing Stock of WIP	**363.95**	**382.20**

	Current Year	Previous Year
XI. OTHER DISCLOSURES		
A. C.I.F. Value of Imports in respect of:		
Raw Material	**253.84**	64.94
Stores & Spares & Components	**65.90**	46.74
Capital Goods	**68.49**	51.02
TOTAL	**388.23**	162.70
B. Expenditure in Foreign Currency on account of:		
Commission	**72.94**	33.39
Foreign Travel	**9.81**	3.58
Exhibition Expense	**13.28**	-
TOTAL	**96.03**	36.97

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

₹ in lakhs

C. Value of Raw Materials Consumed:	Current Year		Previous Year	
	Percentage to Total Consumption %	**Amount**	Percentage to Total Consumption %	Amount
Imported	**2.41%**	**236.45**	1.42%	87.79
Indigenous	**97.59%**	**9,573.42**	98.58%	6,106.38
TOTAL	**100.00%**	**9,809.87**	100.00%	6,194.17

D. Value of Stores and Spares Consumed:	Current Year		Previous Year	
	Percentage to Total Consumption %	**Amount**	Percentage to Total Consumption %	Amount
Imported	**14.65%**	**89.12**	16.02%	69.36
Indigenous	**85.35%**	**519.17**	83.98%	363.19
TOTAL	**100.00%**	**608.29**	100.00%	432.55

₹ in lakhs

	Current Year	Previous Year
E. Earnings in Foreign Exchange on account of Export of goods on F.O.B. Basis		
Earnings in Foreign Exchange on account of Export of goods on F.O.B. Basis	**2,859.56**	1,656.16
XII. Details of Foreign Currency Exposure:		
A Outstanding Forward Contracts at the end of the year	**434.08**	509.12
B Export Receivable not covered by Forward Contract	**12.08**	4.00
XIII. Earnings Per Share		
Profit after taxation as per Statement of Profit & Loss - ₹ in lakhs	**394.92**	417.43
No. of Equity Shares	**16,64,548**	16,64,548
Earnings per Share (of ₹ 10/- each)	**23.73**	25.08

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

₹ in lakhs

		Current Year	Previous Year
XIV.	**EMPLOYEE BENEFITS:**		
A.	**GRATUITY (FUND BASED) :**		
	Reconciliation of opening and closing balances of Defined Benefit Obligation		
	Present value of Defined Benefit Obligation as on 1st April, 2013	193.63	151.28
	Interest cost	15.98	13.24
	Current Service Cost	16.49	13.44
	Past Service Cost	-	-
	Benefits paid	(18.19)	(2.04)
	Benefits Paid From the Fund	-	(3.54)
	Net Actuarial Loss	13.26	19.96
	Present value of Defined Benefit Obligation as on 31st March, 2014	221.17	192.33
	Fair value of plan assets	0.24	0.24
	Net liability recognized in balance sheet	220.93	192.09
	Expenses recognized during the year		
	Current Service Cost	16.48	13.44
	Interest Cost	15.98	13.24
	Expected return on Plan Assets	(0.02)	(0.32)
	Actuarial Loss	13.28	20.28
	Past Service Cost	-	-
	Net Cost recognized in Statement of Profit & Loss	45.72	46.64
	Actuarial Assumptions		
	Mortality Table	**Indian Assured life Mortality (2006-08)**	
	Discount Rate (per annum)	9.37%	8.25%
	Attrition Rate	2.00%	2.00%
	Expected rate of return on Plan Assets	8.70%	8.70%
	Salary Escalation	8.00%	8% for First 3 Years and 6% thereafter

Note:

The estimates of rate escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in employment market. The above information is certified by the actuary.

B. LEAVE ENCASHMENT (NON FUND BASED):

The liability towards leave encashment for the year ended 31st March, 2014 as per actuarial valuation is ₹ 62.20 lakhs (P.Y. ₹ 45.20 lakhs), which has been duly provided for.

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

XV. SEGMENT REPORTING:

₹ in lakhs

	Textile	Calender Roll	Technical Fabric	Total
A. PRIMARY BUSINESS SEGMENT				
SEGMENT REVENUE				
External	**13,521.08**	**940.44**	**199.96**	**14,661.48**
Previous Year	(9,978.93)	(664.57)	-	(10,643.50)
TOTAL REVENUE	**13,521.08**	**940.44**	**199.96**	**14,661.48**
Previous Year	(9,978.93)	(664.57)	-	(10,643.50)
RESULT				
Segment Result	**668.96**	**(81.70)**	**(166.83)**	**420.43**
Previous Year	(498.22)	(98.16)	-	(400.06)
Unallocated Corporate Expense/Income (Net)				**19.12**
Previous Year				(18.41)
OPERATING PROFIT				**439.55**
Previous Year				(418.47)
Interest Expenses				**(14.22)**
Previous Year				(6.52)
Interest / Dividend Income				**65.00**
Previous Year				(127.88)
Exceptional Items				**27.52**
Previous Year				(1.25)
PROFIT BEFORE TAX				**517.85**
Previous Year				(541.08)
Income Taxes (Incl. Deferred Tax)				**(122.93)**
Previous Year				(123.65)
NET PROFIT				**394.92**
Previous Year				(417.43)

B. SECONDARY SEGMENT: GEOGRAPHICAL SEGMENT

	Total	India	Rest of World
Revenue attributable to location of customers	**14,661.48**	**11,732.48**	**2,929.00**
	(10,643.50)	(8,971.98)	(1,671.52)
Segment assets based on their location	**2,196.67**	**1,998.11**	**198.56**
	(1,641.49)	(1,563.29)	(78.20)
Addition to Fixed Assets	**274.53**	**274.53**	**-**
	(385.13)	(385.13)	-

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

XVI. RELATED PARTY INFORMATION:

A. LIST OF RELATED PARTIES WITH WHOM TRANSACTION HAVE TAKEN PLACE DURING THE YEAR

Associates/Companies where control exists	Thackersey Moolji & Co., Delta Investments Ltd., Art Leather Ltd., Bintex Investments Ltd.
Key Management Personnel (KMP)/ Relative of KMP	Mr.Chandrahas Thackersey Mr.Raoul Thackersey Mr.Hrishikesh Thackersey Mr.Abhimanyu Thackersey Mr.Sudhir Thackersey Mr.Jagdish Thackersey Mr.Khushaal Thackersey

B. TRANSACTIONS WITH RELATED PARTIES:

₹ in lakhs

Sr. No.	Nature of Transactions	Current Year	Previous Year
1	**Rent & Maintenance charges paid**		
	Thackersey Moolji & Co.	**17.67**	9.60
2	**Managerial Remuneration**		
	Mr.Abhimanyu Thackersey	**23.47**	12.95
	Mr.Hrishikesh Thackersey	**17.46**	12.95
3	**Directors Sitting Fees**		
	Mr.Sudhir Thackersey (Resigned w.e.f. 9th August 2012)	**-**	0.40
	Mr.Chandrahas Thackersey	**0.60**	0.35
	Mr.Raoul Thackersey	**1.05**	0.65
	Mr.Jagdish Thackersey	**0.25**	-
	Mr.Abhimanyu Thackersey	**0.15**	-
4	**Interest Paid**		
	Art Leather Ltd	**2.12**	4.41
	Bintex Investments Ltd	**2.11**	-
	Delta Investments Ltd	**5.89**	-
	Mr.Khushaal Thackersey	**3.80**	-
5	**Unsecured Loan Received**		
	Balance as on 1st April, 2013		
	Art Leather Ltd.	**-**	90.00
	Loan Received during the year		
	Art Leather Ltd.	**100.00**	-
	Bintex Investments Ltd	**100.00**	-
	Delta Investments Ltd.	**200.00**	-
	Mr.Khushaal Thackersey	**100.00**	-

NOTE 25B: OTHER NOTES TO ACCOUNTS (Contd.)

₹ in lakhs

Sr. No.	Nature of Transactions	Current Year	Previous Year
	Loan Repaid during the Year		
	Art Leather Ltd.	**100.00**	90.00
	Bintex Investments Ltd	**100.00**	-
	Delta Investments Ltd.	**200.00**	-
	Mr.Khushaal Thackersey	**100.00**	-

Notes:

a. The above excludes payment of Dividend.

b. Related Party information is as identified by the Company and relied upon by the Auditors.

c. The above figures are exclusive of Service Tax wherever applicable

XVII. Leases

The Company has entered into lease agreement for its Research & Development unit premises. The future minimum rentals payable under Accounting Standard 19" Lease" (AS 19) as required to be disclosed are as follows:

	Current Year	Previous Year
Within one year	15.60	-
After one year but not more than five years	52.59	-
More than five years	-	-

XVIII. The figures in Balance Sheet and Statement of Profit and Loss are rounded off to the nearest lakhs and indicated in lakhs of Rupees.

XIX. a. The figures of the current year are consolidated figures due to the Amalgamation, hence not comparable with the previous year.

b. During the previous year, due to labour strike at the Company's Karad Textile Plant, the manufacturing operations were suspended for three and a half months from August 18, 2012 to November 28, 2012. Therefore, the Company's operating cycle during the previous year was a period of eight and a half months as against twelve months during the year under review, which reflects normal level of operations. As a result, certain items in the financial statements for the current year appear to be significantly higher than the corresponding figures for the previous year and therefore, the figures for the previous year are not strictly comparable to those of the current year.

c. Previous year's figures have been regrouped/re-arranged wherever necessary in order to conform to those of the Current Year.

Signatures to Notes "1" to "25"

As per our report of even date attached

FOR M.A.Parikh & Co
Chartered Accountants.
Firm Registration No.107556W

Mukul M. Patel
Partner
Membership No. : 32489

Place : Mumbai
Date : November 6, 2014

For and on behalf of the Board

Abhimanyu Thackersey
Executive Director

Hrishikesh Thackersey
Executive Director

Heena Shah
Chief Financial Officer

Devanand Mojidra
Company Secretary

Place : Mumbai
Date : November 6,2014

HINDOOSTAN MILLS LIMITED

CIN No: L17121MH1904PLC000195

Registered Office: Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai - 400 001.
Email: complaint@hindoostan.com Website: hindoostan.com Tel:(022) 61240700 Fax: (022) 22833841

FORM OF PROXY

Name of the Members			
Registered Address			
E-mail Id			
Folio No. Client ID		DP Id	

I / We, being a Member(s) of ……shares of the above named Company, hereby appoint:

1. ……..... of .....…..…….. having email-id _____(or failing him / her)
2. ……..... of .....…..…….. having email-id _____(or failing him / her)
3. ……..... of .....…..…….. having email-id _____(or failing him / her)

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 110th Annual General Meeting of the Company to be held on Friday, December 12, 2014 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of the Audited Statement of Profit and Loss for the year ended March 31, 2014 and Balance Sheets as at that date, the Report of Board of Directors and Auditors thereon.		
2.	To declare Dividend.		
3.	Re-appointment of Mr. Raoul Thackersey as Director liable to retire by rotation.		
4.	Re-appointment of Mr. Naresh R. Kara as Director liable to retire by rotation.		
5.	To appoint M/s. M.A. Parikh & Co., as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of 115th Annual General Meeting.		
6.	Revision in remuneration of Mr. Hrishikesh Thackesey, Executive Director for the remaining period upto March 31, 2015.		
7.	Revision in remuneration of Mr. Abhimanyu Thackesey, Executive Director for the remaining period upto June 7, 2016.		
8.	To approve borrowing money(ies) for the business of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013.		
9.	To approve creation of security on the properties of the Company both present and future pursuant to Section 180(1)(a) of the Companies Act, 2013.		
10.	Appointment of Mr. K.D. Vora as an Independent Director of the Company.		
11.	Appointment of Mr. R.N. Bansal as an Independent Director of the Company.		
12.	Appointment of Mr. P.B. Desai as an Independent Director of the Company.		
13.	Appointment of Mr. Sujal A. Shah as an Independent Director of the Company.		
14.	Appointment of Mr. Bhavesh V. Panjuani as an Independent Director of the Company.		
15.	Appointment of Mr. Nitin P. Shingala as an Independent Director of the Company.		
16.	Appointment of Ms. Vishwadhara Dahanukar as an Independent Director of the Company.		
17.	Approval of remuneration of Cost Auditor, M/s. Anant Ashok Katyare & Co., for the Financial Year ending 31st March, 2015.		

Signed this …… day of …….. 2014

Signature of Shareholder:

Signature of Proxy holder: _____

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and notes please refer to the Notice of the Annual General Meeting.
3. It is optional to put a "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as He/She thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission

HINDOOSTAN MILLS LIMITED

CIN No: L17121MH1904PLC000195

Registered Office: Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai - 400 001.
Email: complaint@hindoostan.com Website: hindoostan.com Tel:(022) 61240700 Fax: (022) 22833841

110th Annual General Meeting - Friday, 12 December, 2014

BALLOT FORM

(To be returned to Scrutinizer appointed by the Company)

Name(s) of the First Named Shareholder (In Block Letters)

Postal Address:..……

Registered Folio No. /D.P ID No. and Client ID* :.…… .

Number of Equity Shares held :..……..

I/ We hereby exercise my/our vote in respect of the following resolution(s) to be passed at the 110th Annual General Meeting of the Company, to be held on Friday, 12th December, 2014 at 11.00 a.m. at Sir Vithaldas Chambers, 6th Floor, 16, Mumbai Samachar Marg, Fort, Mumbai - 400 001 in respect of businesses as stated in the Notice dated 6th November, 2014 by conveying my/our assent/dissent to the said resolutions(s) by placing the tick (_) mark at the box against the respective matters:

Item No.	Description	No. of Equity Shares held	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
1.	Adoption of the Audited Statement of Profit and Loss for the year ended March 31, 2014 and Balance Sheets as at that date, the Report of Board of Directors and Auditors thereon.			
2.	To declare Dividend.			
3.	Re-appointment of Mr. Raoul Thackersey as Director liable to retire by rotation.			
4.	Re-appointment of Mr. Naresh R. Kara as Director liable to retire by rotation.			
5.	To appoint M/s. M.A. Parikh & Co., as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of 115th Annual General Meeting.			
6.	Revision in remuneration of Mr. Hrishikesh Thackesey, Executive Director for the remaining period upto March 31, 2015.			
7.	Revision in remuneration of Mr. Abhimanyu Thackesey, Executive Director for the remaining period upto June 7, 2016.			
8.	To approve borrowing money(ies) for the business of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013.			
9.	To approve creation of security on the properties of the Company both present and future pursuant to Section 180(1)(a) of the Companies Act, 2013.			
10.	Appointment of Mr. K.D. Vora as an Independent Director of the Company.			
11.	Appointment of Mr. R.N. Bansal as an Independent Director of the Company.			
12.	Appointment of Mr. P.B. Desai as an Independent Director of the Company.			
13.	Appointment of Mr. Sujal A. Shah as an Independent Director of the Company.			
14.	Appointment of Mr. Bhavesh V. Panjuani as an Independent Director of the Company.			
15.	Appointment of Mr. Nitin P. Shingala as an Independent Director of the Company.			
16.	Appointment of Ms. Vishwadhara Dahanukar as an Independent Director of the Company.			
17.	Approval of remuneration of Cost Auditor, M/s. Anant Ashok Katyare & Co., for the Financial Year ending 31st March, 2015.			

*Applicable to investors holding shares in Electronic Form.

Place :

Date : _____ Signature of the Member/ Beneficial Owner

INSTRUCTIONS FOR FILLING THE BALLOT FORM

1. A member desiring to vote by ballot form may complete this ballot form and send it to the Scrutinizer, appointed by the Company viz: Mr. Narayan Parekh, partner of PRS Associates, Practising Company Secretary, C/o Hindoostan Mills Limited, Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai 400 001.
2. In case of companies, trusts, societies etc the duly completed ballot form should be accompanied by a certified true copy of Board Resolution/ Authority.
3. Unsigned Ballot Forms will be rejected.
4. A Member need not cast all the votes in the same way.
5. Duly completed Ballot Form should reach the Scrutinizer not later than 6.00 p.m on Monday, December 8, 2014 at the address mentioned in point no. 1 above.
6. The Scrutinizer's decision on the validity of Ballot Form will be final.

HINDOOSTAN MILLS LIMITED

CIN No: L17121MH1904PLC000195

Registered Office: Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai - 400 001.
Email: complaint@hindoostan.com Website: hindoostan.com Tel:(022) 61240700 Fax: (022) 22833841

ATTENDANCE SLIP

ANNUAL GENERAL MEETING 12TH DECEMBER, 2014 AT 11.00 A.M.

DP ID		Name & Address of the Registered Shareholder
Client Id/Regd Folio No.		
No. of Shares Held		

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company at Sir Vithaldas Chambers, 6th Floor, 16, Mumbai Samachar Marg, Fort, Mumbai - 400 001on 12th December, 2014 at 11.00 A.M.

_____

Member's Signature / Proxy's Signature

Note: Please complete this and hand it over at the entrance of the hall.

Notes

Notes

Notes

If undelivered, please return to :

HINDOOSTAN MILLS LIMITED,

Sir Vithaldas Chambers,
16, Mumbai Samachar Marg,
Mumbai - 400 001.

Onlooker Press 2218 2939 / 3544
E-mail : onlookerpress@gmail.com