



# HINDOOSTAN MILLS LIMITED

114<sup>th</sup>  
Annual Report  
2017-2018

A THACKERSEY GROUP COMPANY





Sudhir Thackersey  
**Chairman Emeritus**

**BOARD OF DIRECTORS**

Chandahas Thackersey  
**Chairman**

Raoul Thackersey  
**Promoter Director**

Khushaal Thackersey  
**Executive Director**

Rajiv Ranjan  
**Executive Director & CEO** (appointed on 11.12.2017)

Hrishikesh Thackersey  
**Executive Director** (Upto 06.09.2017)

Abhimanyu Thackersey  
**Executive Director** (Upto 06.09.2017)

Prem Malik  
**Non-Executive Director** (appointed on 07.09.2017)

**Independent Directors**

Krishnadas D. Vora  
Sujal A. Shah  
Bhavesh V. Panjuani  
Vishwadhara Dahanukar  
Ashok N. Desai

**Chief Financial Officer**

K. Nandakumar (Upto 31.10.2017)  
Shraddha Shettigar (w.e.f. 25.04.2018)

**Company Secretary & President**

Jagat Reshamwala

**Auditors**

M.A. Parikh & Co.,  
Chartered Accountants

**Solicitors**

Mulla & Mulla and Craigie Blunt & Caroe  
Hariani & Co.

**Bankers**

HDFC Bank Ltd.  
Axis Bank Ltd.

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**114<sup>th</sup> Annual General Meeting on Wednesday,  
August 08, 2018 at 11:00 AM at Sir Vithaldas  
Chambers, 16, Mumbai Samachar Marg,  
Mumbai – 400 001.**

**Plants**

Textiles Unit / Engineering Unit / Composite Unit  
Plot No.D-1, MIDC Industrial Area,  
Village – Taswade, Tal – Karad,  
Dist.– Satara – 415 109, Maharashtra

Plot No. B-24  
(Additional Ambarnath MIDC Industrial Area),  
Village – Anandnagar, Dist.- Thane – 421506, Maharashtra

**Registered Office**

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

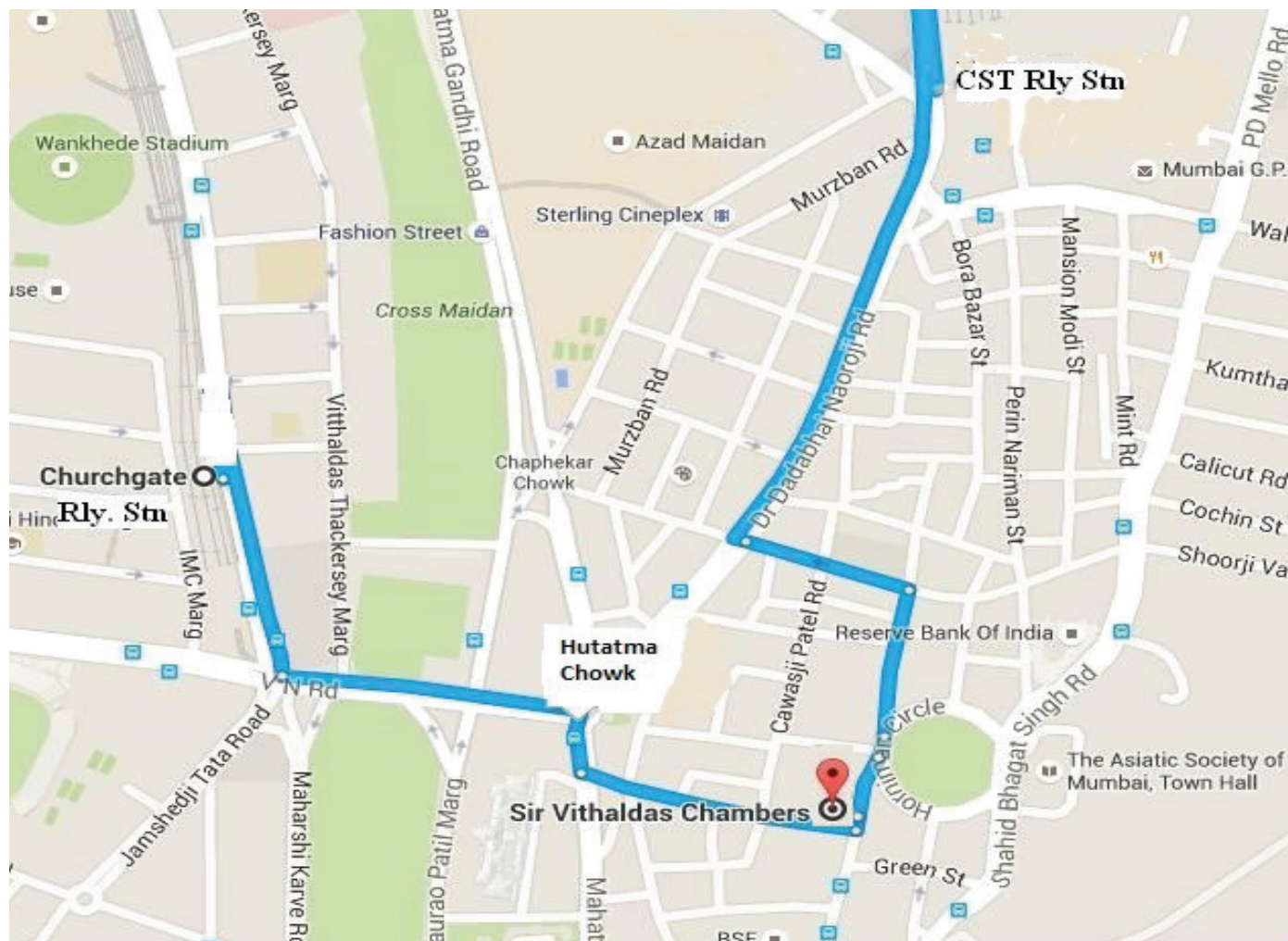
**CIN:** L17121MH1904PLC000195

**Registrar & Transfer Agents**

Computech Sharecap Limited,  
147, Mahatma Gandhi Road,  
Opp. Jehangir Art Gallery,  
Mumbai - 400 023.  
Tel: 022 – 22635000/1/2/3/4  
Fax: 022 – 22635005  
[helpdesk@computechsharecap.com](mailto:helpdesk@computechsharecap.com)  
[www.computechsharecap.com](http://www.computechsharecap.com)

**ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING**

**Venue : Sir Vithaldas Chambers, 6<sup>th</sup> floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001**



**Landmark :** Next to Bombay Stock Exchange

**Distance from Churchgate Station :** 1 km

**Distance from Chhatrapati Shivaji Terminus :** 1.3 km

## NOTICE

Notice is hereby given that the 114<sup>th</sup> Annual General Meeting (AGM) of the Members of Hindoostan Mills Limited will be held on Wednesday, August 08, 2018 at 11.00 a.m. at “Sir Vithaldas Chambers”, 6<sup>th</sup> Floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Chandras Thackersey (DIN: 00060108) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. M.A. Parikh & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2018-19 and to fix their remuneration.

“**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder, pursuant to the recommendations of the Audit Committee and the Board of Directors and pursuant to the Resolution passed by the Members at the AGM held on December 12, 2014, the appointment of M/s. M.A. Parikh & Co., Chartered Accountants (Registration No. 107556W) as the Auditors of the Company to hold office till the conclusion of the AGM to be held for FY 2018-19 in the calendar year 2019 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration and reimbursement of actual out of pocket expenses incurred by them for the purpose of audit for the financial year ending March 31, 2019.”

**SPECIAL BUSINESS:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 and any 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), read with Schedule V to the Companies Act, 2013 and subject

to approval of the Shareholders of the Company at the ensuing General Meeting of the Company and such other approvals as may be necessary under the provisions of the said Act, the Company hereby accords its approval to the appointment of and payment of remuneration to Mr. Rajiv Ranjan (DIN: 02848739) as the Whole time Director of the Company designated as “Executive Director & CEO” of the Company, w.e.f. December 11, 2017 till September 06, 2020 on the following terms and conditions:

- (i) **Period of appointment:** From December 11, 2017 to September 06, 2020.
- (ii) **Duties and powers:** Mr. Rajiv Ranjan shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him subject to superintendence, control and direction of the Board of Directors of the Company.
- (iii) **Remuneration:** The remuneration of Mr. Rajiv Ranjan during his tenure as an Executive Director & CEO of the Company will be as under:

**A. Salary:**

Total cost to the Company ₹50,00,000/- per annum, 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 in the range of ₹50,00,000 - ₹70,00,000 per annum and within the limits specified under Schedule V to the Companies Act, 2013.

Salary will be reviewed on the completion of every 12 months or at such other time as the Management may decide. Salary revisions are discretionary and will be subject to, and on the basis of, effective performance and results.

## B. Perquisites:

- Leave: As per Company's Leave Rules.
- Car: In addition to the above, Mr. Rajiv Ranjan will be provided with the Company's Car for official & personal use during his tenure with the Company.
- Other Benefits: There will be no other benefits like P.F & Superannuation.

- In the event of loss or inadequate profits during the currency of his tenure, the Executive Director & CEO shall be paid such remuneration by way of salary and perquisites as may be determined by the Board of Directors on recommendation of the Nomination & Remuneration Committee, 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).

### (iv) Other conditions:

- Mr. Rajiv Ranjan shall be liable to retire by rotation as a Director.
- Mr. Rajiv Ranjan shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committee thereof.
- Mr. Rajiv Ranjan shall be reimbursed all expenses actually and properly incurred by him for the business of the Company.
- The appointment may be terminated by either the Company or Mr. Rajiv Ranjan by giving three months' written notice.

**RESOLVED FURTHER THAT** Mr. Chandras Thackersey, Chairman and/or Mr. Khushaal Thackersey, Executive Director and/or Mr. Jagat Reshamwala, Company Secretary & President be and are hereby severally authorised to do all such acts, things and deeds and take all such steps that may be necessary, proper, expedient or incidental for the purpose of giving effect to the above Resolution."

- To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof), Mr. Prem Malik (DIN: 00023051), 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 is eligible for appointment and in respect of whom the Company has received a Notice, pursuant to Section 160 of the Companies Act, 2013, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

- To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) and all other applicable provisions if any of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force) and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval /ratification of the Members be and is hereby accorded to the Board of Directors to enhance the prescribed limit of remuneration payable as Consultancy charges to Mr. Prem S. Malik's appointment to any office or place of profit in the Company, as computed under applicable provisions of the Companies Act, 2013 and its allied Rules from ₹2,50,000/- (Rupees Two Lakhs Fifty Thousand) to ₹ 3,00,000/- (Rupees Three Lakhs) per month effective July 01, 2018.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, things and deeds and take all such steps that may be necessary, proper, expedient or incidental for the purpose of giving effect to the above Resolution."



7. To consider and, if thought fit, to pass with or without modification, 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 read with the Companies (Audit and Auditors) Rules, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) 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 viz. Mr. Pranav J. Taralekar, Cost Accountants (Regn. No. 101896) reappointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the year ending March 31, 2019 be paid a remuneration of ₹1,05,000/- (Rupees One Lakh Five Thousand Only) plus applicable taxes.

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

By Order of the Board of Directors,

**Jagat Reshamwala**  
Company Secretary & President

May 16, 2018

Registered Office:  
Sir Vithaldas Chambers,  
16, Mumbai Samachar Marg,  
Mumbai - 400 001.  
CIN: L17121MH1904PLC000195  
email: [complaint@hindoostan.com](mailto: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 fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent 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 pursuant to Section 113 of the Companies Act, 2013 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. In terms of Section 152 of the Companies Act, 2013, Mr. Chandrahas Thackersey (DIN: 00060108), Director, retire by rotation at the Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company commends his re-appointment. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) are provided in Annexure to the Notice.
4. A Statement pursuant to Section 102(1) 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 is open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

8. The Company has notified closure of Register of Members and Share Transfer Books from August 2, 2018 to August 08, 2018 (both days inclusive).
9. 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 Sharecap Ltd.
10. Member holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease of portfolio management. Members can contact Company or Computech for assistance in these regards.
11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report.
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 dematerialized 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. Pursuant to the provision of Section 72 of the Act, the facility for making nomination is available for the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said Form can be downloaded from the Company's website, [www.hindoostan.com](http://www.hindoostan.com). Members holding shares in physical form may submit the same to Computech. Members holding shares in dematerialized form may submit the same to their respective depository participant.
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. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc., from the Company electronically.**
17. 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 Participant. 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 Computech. Members holding shares in dematerialised 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 2017-18 and Notice of the 114<sup>th</sup> 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](mailto: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 2017-18 and Notice of the 114<sup>th</sup> 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.

18. Members may also note that the Annual Report for the financial year 2017-18 and the Notice of the 114<sup>th</sup> Annual General Meeting will also be available on the Company's website i.e. [www.hindoostan.com](http://www.hindoostan.com).
19. The route map showing directions to reach the venue of the 114<sup>th</sup> AGM is annexed.
20. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

#### PROCESS FOR MEMBERS OPTING FOR E-VOTING

21. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 to exercise their vote through e-voting are as under:

- (i) The voting period begins on Saturday, August 4, 2018 at 9.00 a.m. and ends on Tuesday, August 7, 2018 at 5.00 p.m. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, August 1, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders".
- (v) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID

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

- c. Members holding shares in physical form should enter Folio Number registered with the Company.

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

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

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

For Members holding shares in Dematerialized Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

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

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will

now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "Hindustan Mills Ltd." on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non - Individual Shareholders and Custodians**
  - Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and

password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  22. 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 Wednesday, August 1, 2018.
  23. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  24. Mr. Narayan Parekh, Partner of M/s. PRS Associates, Practicing Company Secretaries has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  25. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
  26. 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.
  27. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. [www.hindustan.com](http://www.hindustan.com) and on the website of CDSL. The Results will also be communicated to the Stock Exchange where the shares of the Company are listed.

## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

#### Item No.4

The Nomination and Remuneration Committee at its Meeting held on December 11, 2017 and the Board at its Meeting held on the same day had, subject to the Members' approval and pursuant to the provisions of the Articles of Association of the Company appointed Mr. Rajiv Ranjan (DIN: 02848739) as the Whole-time Director designated as Executive Director & CEO of the Company from December 11, 2017 to September 06, 2020 on the remuneration and terms and conditions of the employment recommended by the Nomination and Remuneration Committee of the Board.

The terms of appointment of the Executive Director & CEO, 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 effective performance and results.

Pursuant to the provisions of Section 197 read 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 subject to the Members' approval by way of an Ordinary Resolution.

Taking into consideration the above and the terms of appointment and remuneration agreed with Mr. Rajiv Ranjan, it is proposed to obtain Members approval by way of an Ordinary Resolution to appoint Mr. Rajiv Ranjan as the Wholetime Director.

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

Save and except Mr. Rajiv Ranjan, being appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the Notice.

### 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 owns a Calendar Roll manufacturing facility which is used in the textile, steel and paper industries. It has set-up Technical Textile manufacturing facilities and is manufacturing 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: NA.
- (4) Financial performance based on given indicators-  
As per audited financial results for the accounting year ended March 31, 2018.

Particulars	( ₹ in lakhs)
Revenue from operations	16,499.89
Net (Loss) as per statement of Profit and Loss	(1,059.01)
Reserves and Surplus	5,781.09

- (5) Export performance and net foreign exchange collaborations, Foreign Exchange Earnings for the financial year ended March 31, 2018 was: ₹3,013.13 Lakhs.
- (6) Foreign investments or collaborators, if any: Nil

#### II. Information about the appointee - Mr. Rajiv Ranjan:

- (1) Background details:

Mr. Rajiv Ranjan, aged 62, has done B. Tech. in Textile Engineering from IIT, New Delhi and having work experience of more than 38 years in the Textile Industry. He is having extensive exposure to a gamut of areas including manufacturing, marketing, finance, costing and HR with an overall P & L responsibility of business across the tenure. He has also competence in setting up of Greenfield projects and turning around operations while scaling them up into sustainable and profitable business.

- (2) Past remuneration for the Financial Year 2016-17: Nil.
- (3) Recognition or awards: Nil.
- (4) Job profile and suitability:

Mr. Rajiv Ranjan shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him subject to superintendence, control and direction of the Board of Directors of the Company.

The Board of Directors considers that services and in depth experience of Mr. Rajiv Ranjan will be useful and beneficial to the Company in its overall development and growth.

- (5) Remuneration proposed to Mr. Rajiv Ranjan: 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. Rajiv Ranjan, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration package paid to similar 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. Rajiv Ranjan, he does not have any other pecuniary relationship with the Company.

### 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:

For the Accounting year ended March 31, 2018 the Company has incurred a loss of ₹ 1059.01 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. Rajiv Ranjan with effect from December 11, 2017.

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

#### Item No.5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors, at its Meeting held on September 07, 2017, appointed Mr. Prem Malik as an Additional Director to be designated as Independent Director under Section 161(1) of the Companies Act, 2013 and Rules there under.

Accordingly, Mr. Prem Malik holds office as a Director up to the date of the ensuing Annual General Meeting. The Board at its Meeting held on December 11, 2017 decided to utilize Mr. Prem Malik's services with additional responsibility which requires his extra time and attention to the business of the Company and decided to pay him Consultancy Charges of ₹2,50,000/- (including taxes, if any) per month effective October 01, 2017 and proposed to appoint him as a Director liable to retire by rotation at Annual General Meeting of the Company, pursuant to provisions of Section 152 of the Companies Act, 2013.

The Company has received a notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Prem Malik for the office of Director of the Company.

Mr. Prem Malik is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Board of Director is of the opinion that Mr. Prem Malik, possesses requisite skills, experience and knowledge relevant to the Company's Business and it would be in the interest of the Company to continue to have him in association with the Company as Director.

Brief resume of Mr. Prem Malik, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is annexed to the Annual General Meeting Notice be forming part of the Annual Report.

Save and except Mr. Prem Malik, being appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at item no. 5 of the Notice.

#### Item No.6

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188(1)(f) of Companies Act, 2013 that govern the related party's appointment to any office or place of profit in the company, its subsidiary company or associate company.

Mr. Prem Malik was appointed as an Additional Director of the Company w.e.f. September 07, 2017. Mr. Prem Malik has been appointed as an officer holding a place of profit under the Section 188 (1)(f) of the Companies Act. 2013 at a monthly remuneration of ₹2,50,000/- per month and Resolution to this effect was passed by the Board of Directors in their Meeting held on December 11, 2017.



In terms of Section 188 (1) (f) of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules") in aggregate maximum permissible limit for Remuneration payable to Mr. Malik is ₹30 Lakhs per annum. The Company now seeks prior approval of the Members to enhance the prescribed limit of remuneration payable to Mr. Malik's appointment to any office or place of profit in the Company, as computed under applicable provisions of Companies Act, 2013 and its allied Rules from ₹2,50,000/- to ₹3,00,000/- per month ("Maximum Remuneration") effective July 01, 2018.

Mr. Malik has done his Master in Arts (M.A) and has a work experience of over 50 years at top management level. Mr. Malik is currently running a management consultancy firm in Textiles and also engaged in Business of Textiles. Mr. Malik is also on the Board of various Textile Companies as Director. Mr. Malik's work experience also includes his association as Chairman of various prestigious Textile Associations such as Confederation of Indian Textile and Industry (CITI), Bombay Textiles Research Association (BTRA) and Cotton Textiles Export Promotion Council of India (TEXPROCIL) other than Member. Mr. Malik is an eminent Professional who will bring very rich and varied experience to the Company.

Mr. Malik's present role is crucial to provide impetus to the expanding business by tapping the potential markets. In order to benefit from Mr. Malik's rich varied experience and vast exposure in the Textile Industry, it has been decided to utilize his services with additional responsibility which requires his extra time and attention to the Business of the Company. Considering his qualification, experience and present role, the prescribed limit of Companies Act, 2013 and its allied Rules is not commensurate and therefore for such additional responsibility it is proposed to increase the consultancy charges of Mr. Malik from ₹2,50,000/- (including taxes, if any) per month to ₹3,00,000/- per month effective from July 01, 2018. Hence requires approval of the Members.

In terms of SEBI (LODR) Regulations, 2015 and Section 188(1) (f) of the Companies Act, 2013 read with applicable Rules, the Company has sought and obtained the approval and consent of the Nomination and Remuneration Committee, Audit Committee and the Board respectively for enhancement in prescribed limit of remuneration payable to Mr. Malik's appointment to any office or place of profit in the Company. The Audit Committee and Board considered the said maximum Remuneration payable to Mr. Malik's appointment to any office or place of profit in the Company are in the ordinary course of business and at arms' length basis transaction.

Besides the payment of remuneration in the professional capacity, Mr. Malik will be entitled to receive usual sitting fees for attending the Meetings of Board of Directors and Committees thereof.

Except Mr. Prem Malik, none of the other Directors, Key Managerial Personnel or their relatives is, in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolutions set out at Item No.6 of the Notice for approval by the Members.

#### Item No.7

The Board on recommendation of the Audit Committee Meeting has approved the appointment and remuneration of Mr. Pranav J. Taralekar, Cost Auditor to conduct Cost Audit of the cost records of the Company for financial year ending March 31, 2019 and recommended payment of ₹1,05,000/- p.a. plus taxes as applicable.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2015, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for financial year ending March 31, 2019.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board commends the Ordinary Resolutions set out at Item No.7 of the Notice for approval by the Members.

By Order of the Board of Directors,

**Jagat Reshamwala**  
Company Secretary

May 16, 2018

Registered Office:

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

CIN: L17121MH1904PLC000195

email: [complaint@hindoostan.com](mailto:complaint@hindoostan.com)



Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are as follows:

Name of the Director	Chandrabhas Thackersey	Rajiv Ranjan	Prem Malik
Date of Birth	18.10.1948	09.07.1955	03.02.1942
Date of appointment	09.02.1994	11.12.2017	07.09.2017
Qualification	B.Com.	B. Tech. in Textile Engineering from IIT, New Delhi	M.A.
Expertise in specific functional areas	Experience in Textile industry and Realty industry.	Experience in Textile industry	Experience in Textile industry
Directorship held in other Listed Companies	Nil	Nil	- GTN Textiles Ltd. - Patspin India Ltd. - Indo Count Industries Ltd. - NSL Textiles Ltd - Lahoti Overseas Ltd.
Membership / Chairmanship of Committees of other Listed Companies	Nil	Nil	9
Number of shares held in the Company	71184 Equity Shares.	--	--
Relationship between directors inter-se	Father of Khushaal Thackersey	--	--

# DIRECTORS' REPORT

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 114<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2018.

### FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2018 is summarized below:

(₹ in lakhs)

	<b>Current Year Ended 31.03.2018</b>	<b>Previous Year Ended 31.03.2017</b>
Gross Profit before Interest, Depreciation and Tax	<b>411.30</b>	241.29
<b>Less:</b> Finance Cost	234.69	266.53
Gross Profit after interest but before Depreciation	<b>176.61</b>	(25.24)
<b>Less:</b> Depreciation	1235.46	1243.06
Profit before Exceptional and Extraordinary Items and Tax	<b>(1058.85)</b>	(1268.30)
<b>Add:</b> Exceptional Items	(3.85)	(77.82)
<b>Add:</b> Extraordinary Items	--	--
Profit/(Loss) before Taxation	<b>(1062.70)</b>	(1346.12)
<b>Less:</b> (Excess) / Short Provision of Tax of earlier year	(3.69)	9.69
Profit / (Loss) after Tax	<b>(1059.01)</b>	(1336.43)
Balance brought forward from last year	--	--
<b>Add:</b> Transfer from General Reserve	--	--
Amount available for appropriation / Balance carried to Balance Sheet	<b>(1059.01)</b>	(1336.43)

### REVIEW OF OPERATIONS:

The revenue from operations of the Company for the financial year 2017-18 is ₹16,499.89 lakh. The Loss before tax is ₹1,062.70 lakhs. The performance and overall view of the Textile, Engineering and Composite business has been covered in the Management Discussion and Analysis which forms part of this Annual Report.

### DIVIDEND:

In view of loss incurred during the year under review, the Directors regret their inability to declare any dividend for the year ended March 31, 2018.

### 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, 2018.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

### DIRECTORS:

All the Independent Directors have given declarations that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey Executive Directors resigned from the Directorship of the Company effective September 06, 2017. The Board placed on record its deep appreciation for valuable services provided by them during their tenure as Executive Directors of the Company.

Mr. Krishnadas D. Vora, Independent Director will complete his term of 2 years on the Board of the Company and will retire on the conclusion of 114<sup>th</sup> Annual General Meeting of the Company. The Board placed on record its appreciation for the contribution made by him during his tenure as Director of the Company.

Mr. Prem Malik was appointed as Independent Director effective September 07, 2017. The Board at its Meeting held on December 11, 2017 approved payment of consultancy charges of ₹ 2,50,000/- (including taxes, if any) per month effective October 01, 2017, Mr. Prem Malik to be considered as Non-Executive and Non-Independent Director whose period of office will be liable to retire by rotation.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee appointed Mr. Rajiv Ranjan as Whole-time Director of the Company designated as "Executive Director & CEO" with effect from December 11, 2017 upto September 06, 2020 subject to approval of the Members in the ensuing Annual General Meeting (AGM).

Mr. Chandras Thackersey, Director of the Company will retire by rotation at the ensuing AGM and being eligible offer himself for re-appointment as Non - Executive Director of the Company.

Brief profiles of the Directors as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, are part of the Notice convening the Annual General Meeting.

(a) **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

(b) **Remuneration Policy:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

(c) **Meetings:**

During the year four Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

(d) **Committees of the Board:**

Details of all the Committees, their composition and Meetings held during the year are provided in the Corporate Governance Report, a part of this Annual Report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Companies Act 2013, the Directors confirms to the best of their knowledge and belief:

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (c) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that they have prepared the annual accounts on a going concern basis;
- (e) that they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**KEY MANAGERIAL PERSONNEL:**

The Board at their Meeting held on September 07, 2017 on the recommendation of Nomination and Remuneration Committee appointed Mr. Rajiv Ranjan as Chief Executive Officer (CEO) of the Company effective September 07, 2017.

Further the Board at its Meeting held on December 11, 2017 on the recommendation of Nomination and Remuneration Committee appointed Mr. Rajiv Ranjan as Executive Director & CEO from December 11, 2017 to September 06, 2020.

During the year Mr. K. Nandakumar, Chief Financial Officer resigned effective October 31, 2017 and in his place Ms Shraddha Shettigar was appointed as Chief Financial Officer effective April 25, 2018.

**INDUSTRIAL RELATIONS:**

The industrial relations continued to be generally peaceful and cordial during the year.

**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Your Company has, during the year under review, transferred a sum of ₹33,100/- to Investor Education and Protection Fund, in compliance with the provisions of Section 125 of the Companies Act, 2013. The said amount remained unclaimed by the Members of the Company for a period exceeding 7 years from its due date of payment.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All Related Party Transactions were placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions, which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

**CASH FLOW STATEMENT:**

In conformity with the Accounting Standard issued by the Institute of Chartered Accountants of India and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Cash Flow Statement for the year ended March 31, 2018 is annexed to the accounts.

## PARTICULARS OF EMPLOYEES:

There was no employee during the year covered under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

**i) The ratio of the remuneration of Directors to the median remuneration of the employees of the company for the financial year.**

Mr. Hrishikesh Thackersey (Upto 06.09.2017)	: 7.6
Mr. Abhimanyu Thackersey (Upto 06.09.2017)	: 13.8
Mr. Khushaal Thackersey	: 7.1
Mr. Rajiv Ranjan (appointed on 11.12.2017)	: 6.8

**ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.**

Directors, Chief Executive Officer, Company Secretary or Manager	% increase in remuneration in the financial year
Mr. Hrishikesh Thackersey, Executive Director (Upto 06.09.2017)	N.A.
Mr. Abhimanyu Thackersey, Executive Director (Upto 06.09.2017)	N.A.
Mr. Khushaal Thackersey, Executive Director	42.86
Mr. Rajiv Ranjan, Executive Director & CEO(appointed on 11.12.2017)	N.A.
Mr. K. Nandakumar, Chief Financial Officer (Upto 30.10.2017)	N.A.
Mr. Jagat Reshamwala, Company Secretary	21.97

**iii) The percentage increase in the median remuneration of employees in the financial year.**

45.9%

**iv) The number of permanent employees on rolls of the Company.**

468 employees as on March 31, 2018 on rolls of the Company.

**v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Average Salary Increase for KMP's : 17.24%

Average Salary Increase for non-KMP's : 0.66%

**vi) The key parameters for any variable component of remuneration availed by the Director.**

No Director has received any variable component of remuneration.

**vii) Affirmation that the remuneration is as per the Remuneration policy of the company.**

The remuneration paid to employees of the Company is as per the remuneration policy of the Company.

**viii) The Statment containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197 (12) of the Act read with Rules 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate Annexure forming part of this Report and the accounts are being sent to the Members excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said Anexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.**

## 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 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) (A) & (B) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms part of this Report. However, as per the provisions of Section 136 (1), the report and accounts are being sent to all the Members of the Company excluding the information relating to conservation of energy and technology absorption. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

### Foreign Exchange Earnings & Outgo:

(₹ in lakhs)

Particulars	31.03.2018	31.03.2017
Foreign exchange earned	3013.13	2498.36
Foreign exchange used	479.07	616.13

## CORPORATE GOVERNANCE:

The Company is maintaining the standards of corporate governance and adheres to the corporate governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is an integral part of this Report. The requisite certificate from the Auditors



of the Company confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

#### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form MGT- 9 of Rules prescribed under Chapter VII relating to Management and Administration under Companies Act, 2013 is enclosed herewith as **Annexure - I**.

#### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

In terms of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee which is chaired by Mr. Chandrahas Thackersey. The other Members of the Committee are Mr. K.D.Vora and Mr. Sujal Shah. The Committee has formulated and recommended to the Board a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board and the same is available on your Company's website, [www.hindoostan.com](http://www.hindoostan.com).

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company is enclosed herewith as **Annexure -II**. In view of the average loss for the three immediately preceding financial years the Company was not required to spent any amount on CSR activities during FY 2017-18.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS, IF ANY:**

There is no significant material order passed by the Regulators/ Courts which would impact the going concern status of your Company and its future operations.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work perform by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by the Management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2017-18.

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

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The Vigil Mechanism Policy is available on your Company's website, [www.hindoostan.com](http://www.hindoostan.com).

#### **AUDITORS:**

##### **(a) Statutory Auditors:**

M/s. M.A. Parikh & Co., Chartered Accountants, Mumbai (Firm Registration No. 107556W) were appointed as statutory auditors of the Company to hold office till the conclusion of 115<sup>th</sup> Annual General Meeting (AGM) to be held in the calendar year 2019 at the AGM held on December 12, 2014. In terms of the provision of Section 139(1) of the Companies Act, 2013, the appointment shall be placed for ratification at every AGM. Accordingly, the appointment of M/s. M.A. Parikh & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the Members. In this regard, the Company has received a certificate from the Auditors confirming to the effect that if they are re-appointed, it would be in accordance with provisions of Section 141 of the Companies Act, 2013.

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.

##### **(b) Cost Auditors:**

The Board on recommendation of the Audit Committee at its Meeting held on May 16, 2018 re-appointed Mr. Pranav J. Taralekar, Cost Auditor to conduct cost audit of the cost records of the Company for FY 2018-19 and recommended payment of ₹1,05,000/- p.a. plus taxes as applicable and requested the Members to ratify the remuneration as recommended above.

##### **(c) Secretarial Audit:**

The Board has appointed M/s. PRS & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure-III**.

#### **SEXUAL HARASSMENT:**

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

#### **ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors,

**Chandrahas Thackersey**  
Chairman

Mumbai, May 16, 2018

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2018**  
[Pursuant to section 92(3) of the Companies Act, 2013  
and  
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L17121MH1904PLC000195
Registration Date	May 12, 1904
Name of the Company	Hindoostan Mills Limited
Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
Address of the Registered office and contact details	Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai – 400001 Tel. No.: 022-2204 0846
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Computech Sharecap Limited, 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Mumbai - 400 023. Tel: 022 – 22635000/1/2/3/4 e-mail – helpdesk@compu-techsharecap.com

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

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Textiles	13111, 13121, 13124	86.45%

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
(1)	Indian									
a)	Individual/HUF	555976	--	555976	33.40	555976	--	555976	33.40	--
b)	Central Govt	--	--	--	--	--	--	--	--	--
c)	State Govt (s)	--	--	--	--	--	--	--	--	--
d)	Bodies Corporate	453035	--	453035	27.22	453535	--	453535	27.25	0.03
e)	Banks / FI	--	--	--	--	--	--	--	--	--
f)	Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1):</b>		<b>1009011</b>	<b>--</b>	<b>1009011</b>	<b>60.62</b>	<b>1009511</b>	<b>--</b>	<b>1009511</b>	<b>60.65</b>	<b>0.03</b>
(2)	Foreign									
a)	NRIs - Individuals	--	--	--	--	--	--	--	--	--
b)	Other – Individuals	--	--	--	--	--	--	--	--	--
c)	Bodies Corp.	--	--	--	--	--	--	--	--	--
d)	Banks / FI	--	--	--	--	--	--	--	--	--
e)	Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):</b>		<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>		<b>1009011</b>	<b>--</b>	<b>1009011</b>	<b>60.62</b>	<b>1009511</b>	<b>--</b>	<b>1009511</b>	<b>60.65</b>	<b>0.03</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>I.</b>	<b>Institutions</b>									
a)	Mutual Funds	--	8	8	--	--	8	8	--	--
b)	Banks / FI	408	1876	2284	0.14	408	1876	2284	0.14	--
c)	Central Govt.	--	--	--	--	--	--	--	--	--
d)	State Govt (s)	--	--	--	--	--	--	--	--	--
e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
f)	Insurance Companies	--	--	--	--	--	--	--	--	--
g)	FIIs	--	--	--	--	--	--	--	--	--
h)	Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i)	Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>		<b>408</b>	<b>1884</b>	<b>2292</b>	<b>0.14</b>	<b>408</b>	<b>1884</b>	<b>2292</b>	<b>0.14</b>	<b>--</b>

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2.</b>	<b>Non-Institutions</b>									
a)	Bodies Corp.	10249	1171	11420	0.69	10490	1171	11661	0.70	0.01
i)	Indian	--	--	--	--	--	--	--	--	--
ii)	Overseas	--	--	--	--	--	--	--	--	--
b)	Individuals									
i)	Individual shareholders holding <b>nominal</b> share capital upto ₹ 1 lakh	303379	63171	366502	22.02	300232	61606	361838	21.74	-0.28
ii)	Individual shareholders holding nominal share capital <b>in excess</b> of ₹1 lakh	255454	--	255454	15.35	260127	--	260127	15.63	0.28
c)	Others (specify) (NRI & OCB)	15874	3995	19869	1.19	15124	3995	19119	1.15	-0.04
<b>Sub-total (B)(2):</b>		<b>584956</b>	<b>68289</b>	<b>653245</b>	<b>39.25</b>	<b>585973</b>	<b>66772</b>	<b>652745</b>	<b>39.21</b>	<b>-0.04</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>		<b>585364</b>	<b>70173</b>	<b>655537</b>	<b>39.38</b>	<b>586381</b>	<b>68656</b>	<b>655037</b>	<b>39.35</b>	<b>-0.03</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>		<b>1594375</b>	<b>70173</b>	<b>1664548</b>	<b>100.00</b>	<b>1595892</b>	<b>68656</b>	<b>1664548</b>	<b>100.00</b>	

(ii) Shareholding of Promoters

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Abhimanyu Investments Pvt. Ltd.	21977	1.32	--	21977	1.32	--	--
2	Abhimanyu J Thackersey	34573	2.08	--	34573	2.08	--	--
3	Ameeta J Thackersey	25148	1.51	--	25148	1.51	--	--
4	Bhavika Nimish Sonawala	3720	0.22	--	3720	0.22	--	--
5	Chandahas K Thackersey	71184	4.28	--	63171	3.80	--	-0.48
6	Chandrali Investment Pvt Ltd	87266	5.24	--	87266	5.24	--	--
7	Delta Investments Limited	110207	6.62	--	110707	6.65	--	0.03
8	Devaunshi A Mehta	2814	0.17	--	2814	0.17	--	--
9	Devaunshi Investments Pvt Ltd	59374	3.57	--	59374	3.57	--	--
10	Ellora Investment Private Limited	57545	3.46	--	57545	3.46	--	--

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
11	Hrishikesh Investments Pvt Ltd	28937	1.74	--	28937	1.74	--	--
12	Hrishikesh J Thackersey	26621	1.60	--	26621	1.60	--	--
13	Jagdish U Thackersey	180586	10.85	--	196613	11.81	--	0.96
14	Khushaal C Thackersey	31638	1.90	--	31638	1.90	--	--
15	Leena C Thackersey	6474	0.39	--	6474	0.39	--	--
16	Mitika C Thackersey	5987	0.36	--	5987	0.36	--	--
17	Nina S Thackersey	40024	2.40	--	40024	2.40	--	--
18	Paulomi B Jain	4580	0.28	--	4580	0.28	--	--
19	Paura Investments Private Ltd	22639	1.36	--	22639	1.36	--	--
20	Pushya Trading Pvt Ltd	16067	0.97	--	16067	0.97	--	--
21	Raoul S Thackersey	104706	6.29	--	96692	5.81	--	-0.48
22	Sudhir K Thackersey	17921	1.08	--	17921	1.08	--	--
23	The Bhor Chemicals & Plastics Pvt Ltd.	37334	2.24	--	37334	2.24	--	--
24	Uranus Trading Private Ltd	11689	0.70	--	11689	0.70	--	--

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
Delta Investments Ltd	110207	6.62	01.04.2017			
			14.04.2017	500	110707	6.65
			31.03.2018		110707	6.65
Chandras K. Thackersey	71184	4.28	01.04.2017			
			02.03.2018	-8013	63171	3.80
			31.03.2018		63171	3.80
Raoul S. Thackersey	104706	6.29	01.04.2017			
			02.03.2018	-8014	96692	5.81
			31.03.2018		96692	5.81
Jagdish U. Thackersey	180586	10.85	01.04.2017			
			02.03.2018	16027	196613	11.81
			31.03.2018		196613	11.81



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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Yogesh Uttamlal Mehta	57539	3.46	01.04.17				
				28.04.17	572	Transfer	58111	3.49
				05.05.17	34	Transfer	58145	3.49
				12.05.17	280	Transfer	58425	3.51
				09.06.17	200	Transfer	58625	3.52
				23.06.17	475	Transfer	59100	3.55
				30.06.17	125	Transfer	59225	3.56
				14.07.17	281	Transfer	59506	3.57
				21.07.17	1147	Transfer	60653	3.64
				28.07.17	140	Transfer	60793	3.65
				18.08.17	91	Transfer	60884	3.66
				15.09.17	600	Transfer	61484	3.69
				06.10.17	1000	Transfer	62484	3.75
				20.10.17	150	Transfer	62634	3.76
				27.10.17	839	Transfer	63473	3.81
				31.10.17	211	Transfer	63684	3.83
				10.11.17	542	Transfer	64226	3.86
				15.12.17	600	Transfer	64826	3.89
				22.12.17	134	Transfer	64960	3.90
				09.02.18	269	Transfer	65229	3.92
				23.02.18	50	Transfer	65279	3.92
				02.03.18	100	Transfer	65379	3.93
				31.03.18			65379	3.93
2	Hiren Naresh Kara	113646	6.83	01.04.17				
				14.07.17	650	Transfer	114296	6.87
				08.12.17	150	Transfer	114446	6.88
				31.03.18			114446	6.88
3	Hitesh Ramji Javeri	25000	1.50	01.04.17				
				21.04.17	1199	Transfer	26199	1.57
				28.04.17	580	Transfer	26779	1.61
				12.05.17	221	Transfer	27000	1.62
				16.06.17	2232	Transfer	29232	1.76
				31.03.18			29232	1.76
4	Harsha Hitesh Javeri	21100	1.27	01.04.17				
				23.02.18	1900	Transfer	23000	1.38
				31.03.18			23000	1.38
5	Kapila Manhar Mehta	15330	0.92	01.04.17				
				31.03.18			15330	0.92

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
6	Bijal Hiren Kara	12748	0.77	01.04.17				
				31.03.18			12748	0.77
7	Chirayush Pravin Vakil	10099	0.61	01.04.17				
				21.04.17	102	Sale	9997	0.60
				12.05.17	67	Transfer	10064	0.60
				02.06.17	33	Transfer	10097	0.61
				16.06.17	100	Sale	9997	0.60
				31.03.18			9997	0.60
8	Pradeep. G. Vora	8874	0.53	01.04.17				
				31.03.18			8874	0.53
9	M Vijayakumar	6891	0.41	01.04.17				
				31.03.18			6891	0.41
10	Shilpa Sachin Morakhia	6000	0.36	01.04.17				
				31.03.18			6000	0.36

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

Sr. No.	Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>Directors</b>						
1	Mr. Chandrahas Thackersey	01.04.2017	--	71184	4.28		
		02.03.2018	Sale			8013	0.48
		31.03.2018	--			63171	3.80
2	Mr. Raoul Thackersey	01.04.2017	--	104706	6.29		
		02.03.2018	Sale			8014	0.48
		31.03.2018	--			96692	5.81
3	Mr. Hrishikesh Thackersey (Upto 06.09.2017)	01.04.2017	--	26621	1.60		
		31.03.2018	--			26621	1.60
4	Mr. Abhimanyu Thackersey (Upto 06.09.2017)	01.04.2017	--	34573	2.08		
		31.03.2018	--			34573	2.08
5	Mr. Khushaal Thackersey	01.04.2017	--	31638	1.90		
		31.03.2018	--			31638	1.90
6	Mr. K. D. Vora	01.04.2017	--	100	0.00		
		31.03.2018	--			100	0.00
7	Mr. Sujal A. Shah	01.04.2017	--	Nil	0.00		
		31.03.2018	--			Nil	0.00
8	Mr. Bhavesh V. Panjuani	01.04.2017	--	Nil	0.00		
		31.03.2018	--			Nil	0.00

Sr. No.	Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	Ms. Vishwadhara Dahanukar	01.04.2017	--	Nil	0.00		
		31.03.2018	--			Nil	0.00
10	Dr. Ashok N. Desai	01.04.2017	--	Nil	0.00		
		31.03.2018	--			Nil	0.00
11	Mr. Prem Malik	07.09.2017	--	Nil	0.00		
		31.03.2018	--			Nil	0.00
12	Mr. Rajiv Ranjan	11.12.2017	--	Nil	0.00		
		31.03.2018	--			Nil	0.00
	Key Managerial Personnel						
1	Mr. Jagat Reshamwala Company Secretary	01.04.2017	--	Nil	0.00		
		31.03.2018	--			Nil	0.00
2	Mr. K. Nandakumar Chief Financial Officer	01.04.2017	--	Nil	0.00		
		31.10.2017	--			Nil	0.00

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (as per IND-AS)

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2213.37	--	--	2213.37
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	2213.37	--	--	2213.37
<b>Change in Indebtedness during the financial year</b>				
Addition	272.47	--	--	272.47
Reduction	791.16	--	--	791.16
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1694.68	--	--	1694.68
ii) Interest due but not paid	8.64	--	--	8.64
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	1703.32	--	--	1703.32

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Hrishikesh Thackersey (Upto 06.09.2017)	Abhimanyu Thackersey (Upto 06.09.2017)	Khushaal Thackersey	Rajiv Ranjan (w.e.f. 11.12.2017)	Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.47	24.30	9.60	13.95	60.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.84	2.00	2.40	--	6.24
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--		--	--
2	Stock Options	--	--			--
3	Sweat Equity	--	--			--
4	Commission	--	--			--
	- as % of profit	--	--			--
	-others, specify					
5	Others, please specify					
	i. Deferred bonus (pertaining to the current Financial year payable in 2018)	-	-	-	-	-
	ii. Retirals (Superannuation & PF)	1.28	2.15	2.60	--	6.04
	<b>Total (A)</b>	<b>15.59</b>	<b>28.45</b>	<b>14.60</b>	<b>13.95</b>	<b>72.60</b>

## B. Remuneration to other Directors:

## 1. Independent Directors

(₹ in lakhs)

Particulars of Remuneration	Mr. K.D. Vora	Mr. S.A. Shah	Mr. B.V. Panjuani	Ms. V. Dahanukar	Dr. A.N. Desai	Mr. Prem Malik	Total Amount
- Fee for attending Board/ Committee Meetings	1.90	1.80	1.80	0.85	1.10	0.25	7.70
- Commission	--	--	--	--	--	--	--
- Others, please specify	--	--	--	--	--	--	--
<b>Total (B)(1)</b>	<b>1.90</b>	<b>1.80</b>	<b>1.80</b>	<b>0.85</b>	<b>1.10</b>	<b>0.25</b>	<b>7.70</b>

## 2. Other Non Executive Directors

(₹ in lakhs)

Particulars of Remuneration	Mr. Raoul S. Thackersey	Mr. Chandrahas K. Thackersey	Mr. Prem Malik	Total Amount
- Fee for attending Board/ Committee Meetings	1.00	1.50	0.50	3.00
- Commission	--	--	--	--
- Others, (Consultancy Fees)	--	--	15.00	15.00
<b>Total (B)(2)</b>	<b>1.00</b>	<b>1.50</b>	<b>15.50</b>	<b>18.00</b>
<b>Total (B)= (B)(1)+B(2)</b>				<b>25.70</b>

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTB**

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. K. Nandakumar – Chief Financial Officer*	Mr. Jagat Reshamwala - Company Secretary	Rajiv Ranjan- CEO #	Total Amount
1	Gross salary	42.30	27.87	12.24	82.40
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Options	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- others, specify..	--	--	--	--
5	Others, please specify				
	i. Deferred bonus (pertaining to the current Financial year payable in 2018)	--	--	--	--
	ii. Retirement benefits (Superannuation & PF)				
	<b>Total (C)</b>	<b>42.30</b>	<b>27.87</b>	<b>12.24</b>	<b>82.40</b>

\* Upto October 31, 2017

# Upto December 10, 2017

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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



## ANNEXURE-II

**ANNUAL REPORT ON CSR ACTIVITIES**

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company's CSR Policy is available on Weblink <http://www.hindoostan.com>

2. **The Composition of the CSR Committee.**

Mr. Chandrahas Thackersey - Chairman

Mr. K. D. Vora - Member

Mr. Sujal A. Shah - Member

3. **Average net profit/loss of the Company for last three financial years : (₹743.21) lakhs**
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Nil.**
5. **Details of CSR spent during the financial year 2017-18:**
  - (i) Total amount to be spent for the financial year: - **Not Applicable**
  - (ii) Amount unspent , if any: **Not Applicable**

**Khushaal Thackersey**  
Executive Director

**Chandrahas Thackersey**  
CSR Committee Chairman

**SECRETARIAL AUDIT REPORT**

**ANNEXURE-III**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
**Hindoostan Mills Limited**  
**Sir Vithaldas Chambers,**  
**16, Mumbai Samachar Marg,**  
**Fort, Mumbai – 400 001**

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Hindoostan Mills Limited** (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has during the financial year ended on 31<sup>st</sup> March, 2018 ( Audit Period 01.04.2017 to 31.03.2018) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the company during the audit period)

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the company during the audit period)
- e. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 (Not applicable to the company during the audit period)
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company during the audit period)
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period)
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the audit period)

- (vi) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The other applicable laws specifically to the Company namely

1. Textiles Committee Act, 1963
2. Hank Yarn Packing Notification issued under the Essential Commodities Act, 1955
3. Indian Boilers Act 1923 and Indian Boiler Regulations, 1950

4. New Textile Policy, 2012 of Government of Maharashtra
5. Factories Act, 1960
6. Industrial (Development & Regulation) Act, 1951
7. Labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, bonus, gratuity, provident fund, ESIC, Compensation etc.
8. Acts prescribed under prevention and control of pollution
9. Acts prescribed under Environmental Protection
10. Acts as prescribed under Direct Tax and Indirect Tax
11. Land Revenue Laws of Maharashtra State
12. Labour Welfare Act relating to Maharashtra State.
13. Local laws as applicable to various offices and plants.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange (BSE Limited)

During the year under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and are captured and recorded as part of the minutes. There are no dissenting views.

We further report that based on review of compliance mechanism established by the company and on the basis of the Compliance Certificate(s) issued by the Executive Director and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not undertaken any specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For PRS Associates  
Company Secretaries

(Narayan Parekh)

Partner

C.P. NO.: 6448

ACS No.: 8059

Date: 16<sup>th</sup> May, 2018

Place: Mumbai

Note: - This report is to be read with our letter of even date which is annexed as ANNEXURE I and forms as integral part of this Report.

**ANNEXURE I TO SECRETARIAL AUDIT REPORT**

To,  
The Members  
**Hindoostan Mills Limited**  
**Sir Vithaldas Chambers,**  
**16, Mumbai Samachar Marg,**  
**Fort, Mumbai – 400 001**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to **Hindoostan Mills Limited** (the Company) is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required .
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produce to us. We believe that the process and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Whenever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **PRS Associates**  
**Company Secretaries**

(**Narayan Parekh**)  
**Partner**  
**C.P. NO.: 6448**  
**ACS No.: 8059**

**Date: 16<sup>th</sup> May, 2018**  
**Place: Mumbai**

# **CORPORATE GOVERNANCE REPORT**



## **CORPORATE GOVERNANCE REPORT**

In accordance with the Listing Agreement under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE Limited, the Report containing the details of Corporate Governance systems and process at Hindoostan Mills Limited are 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 Stakeholder's viz. Shareholders, Government Departments, Banks, Consumers and 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. Board of Directors:**

- The Company's Board of Directors comprises of 10 Directors including 5 Independent Directors as on March 31, 2018. 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 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 as under:

<b>Name of Directors</b>	<b>Whether Promoter, Executive Director or Non-Executive Director / Independent Director</b>	<b>No. of Board Meetings attended</b>	<b>Attendance of last AGM</b>	<b>*No. of Outside Directorship held</b>	<b>No. of Board Committees of other Companies in which a Member#</b>
Mr. Chandahas Thackersey	Chairman - Non-Executive Director – Promoter	4	No	3	--
Mr. Khushaal Thackersey	Executive Director – Promoter	4	Yes	--	--
Mr. Raoul Thackersey	Non-Executive Director - Promoter	4	No	2	--
Mr. Rajiv Ranjan (appointed on 11.12.2017)	Executive Director - Non-Independent	1	No	--	--
Mr. Hrishikesh Thackersey (Upto 06.09.2017)	Executive Director – Promoter	1	Yes	--	--
Mr. Abhimanyu Thackersey (Upto 06.09.2017)	Executive Director – Promoter	1	Yes	--	--
Mr. K. D. Vora	Non-Executive Director - Independent	4	Yes	2	--
Mr. Sujal A. Shah	Non-Executive Director - Independent	4	Yes	7	5
Mr. Bhavesh V. Panjuani	Non-Executive Director - Independent	4	Yes	2	1
Ms. Vishwadhara Dahanukar	Non-Executive Director - Independent	3	Yes	--	--
Dr. Ashok N. Desai	Non-Executive Director - Independent	4	No	--	--
Mr. Prem S. Malik (appointed on 07.09.2017)	Non-Executive Director - Non-Independent	3	No	6	7 (Chairman of 2)

\* Excludes Private Limited Companies.

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

**(iii) Board Meetings and Annual General Meeting:**

During the year under review, four Board Meetings were held, the dates being May 09, 2017, September 07, 2017, December 11, 2017 and February 07, 2018. The gap between two consecutive Meetings did not exceeded one hundred and twenty days.

The last Annual General Meeting was held on August 08, 2017.

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

The Shareholding of the Non-Executive Directors in the Company as on 31.3.2018:

Name of Directors	Category	No. of Shares held
Mr. Chandrahas Thackersey	Promoter	63,171
Mr. Raoul Thackersey	Promoter	96,692
Mr. K.D. Vora	Independent	100
Mr. Sujal A. Shah	Independent	Nil
Mr. Bhavesh V. Panjuani	Independent	Nil
Ms. Vishwadhara Dahanukar	Independent	Nil
Dr. Ashok N. Desai	Independent	Nil
Mr. Prem S. Malik (appointed on 07.09.2017)	Non-Independent	Nil

**(v) Disclosure of relationships between Director inter-se:**

Table given below shows the relationship between the Directors:

Name of the Directors	Designation	*Relationship between Directors Inter-se
Mr. Chandrahas Thackersey	Chairman	Father of Mr. Khushaal Thackersey
Mr. Hrishikesh Thackersey (Upto 06.09.2017)	Executive Director	Brother of Mr. Abhimanyu Thackersey
Mr. Abhimanyu Thackersey (Upto 06.09.2017)	Executive Director	Brother of Mr. Hrishikesh Thackersey
Mr. Khushaal Thackersey	Executive Director	Son of Mr. Chandrahas Thackersey
Mr. Raoul Thackersey	Director	Not related to any other Director
Mr. Rajiv Ranjan (appointed on 11.12.2017)	Executive Director	Not related to any other Director

Name of the Directors	Designation	*Relationship between Directors Inter-se
Mr. K.D. Vora	Director	Not related to any other Director
Mr. Sujal A. Shah	Director	Not related to any other Director
Mr. Bhavesh V. Panjuani	Director	Not related to any other Director
Ms. Vishwadhara Dahanukar	Director	Not related to any other Director
Dr. Ashok N. Desai	Director	Not related to any other Director
Mr. Prem S. Malik (appointed on 07.09.2017)	Director	Not related to any other Director

\* As per definition of Relative under Section 2(77) read with Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014 of the Companies Act, 2013.

**(vi) Familiarisation programmes for Independent Directors:**

Independent Directors are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board Meetings on the business and performance updates of the Company, business strategy and risks involved.

The details of the Policy for the familiarisation programmes for Independent Directors are hosted on the Website of the Company can be accessed at the link: <http://www.hindoostan.com>.

**3. Board Committees:**

The Board has constituted the following Committees of Directors:

**A) Audit Committee:****(i) Terms of Reference of the Audit Committee:**

The terms of reference of Audit Committee are in accordance with the requirements as per Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. 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, transactions with related parties etc.

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

The Chairman of the Audit Committee Mr. Sujal A. Shah was present at the last Annual General Meeting of the Company held on August 08, 2017, to address the shareholders' queries, pertaining to the Annual Accounts of the Company.

- (ii) The Audit Committee comprised of 3 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 and Rules made there under alongwith the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Four Meetings of the Audit Committee were held during the year ended March 31, 2018 on the following dates: May 09, 2017, September 07, 2017, December 11, 2017 and February 07, 2018. The attendance of each Member at the Meetings was as under:

Name of Members	Designation / Category	Number of Meetings attended
Mr. Sujal A. Shah	Chairman	4
Mr. K.D. Vora	Member	4
Mr. Bhavesh Panjuani	Member	4
Mr. Chandrahas Thackersey	Member	4

**B) Nomination and Remuneration Committee:**

- (i) Terms of Reference of the Nomination and Remuneration Committee:

The terms of reference of Nomination and Remuneration Committee are in accordance with the requirements of Section 178 of the Companies Act 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The brief description of the terms of reference of the Nomination and Remuneration Committee is as under:

The Committee is vested with the responsibility to function as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 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 / Key Managerial Personnel (KMP).

- (ii) The Nomination and Remuneration Committee comprised of 3 Independent Directors. Composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Rules made there under alongwith the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Three Meetings of the Nomination and Remuneration Committee were held during the year ended March 31, 2018 on May 09, 2017, September 07, 2017 and December 11, 2017. The attendance of each Member at the Meetings was as under:

Name of Members	Designation / Category	Number of Meetings attended
Mr. Bhavesh V. Panjuani	Chairman	3
Mr. K.D. Vora	Member	3
Mr. Sujal A. Shah	Member	3

- (iii) Remuneration Policy:

The Non-executive Directors draw remuneration from the Company i.e. sitting fees. During the year the Nomination and Remuneration Committee also decides to pay the consultancy charges to Mr. Prem Malik, Non-executive Director within the ceilings prescribed under the Companies Act, 2013 for utilizing his services with additional responsibility which require his extra time and attention. Presently, the Company does not have any Stock Option Scheme.

- (iv) Details of remuneration paid to Executive Directors during the year ended March 31, 2018:

(₹ in lakhs)

Name	Salary	Benefits*	Contribution to P.F. & S.A.	Total
Mr. Hrishikesh Thackersey (upto 06.09.2017)	12.47	1.84	1.28	15.59
Mr. Abhimanyu Thackersey (upto 06.09.2017)	24.30	2.00	2.15	28.45
Mr. Khushaal Thackersey	9.60	2.40	2.60	14.60
Mr. Rajiv Ranjan (appointed on 11.12.2017)	13.95	--	--	13.95

\* 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 Sitting fees paid to Non-Executive Directors during the year ended March 31, 2018 are given below:

Name of Directors	Sitting Fees in ₹		Total
	Board Meeting	Committee Meetings	
Mr. Chandrahas Thackersey	1,00,000	50,000	1,50,000
Mr. Raoul Thackersey	1,00,000	--	1,00,000
Mr. K.D. Vora	1,00,000	90,000	1,90,000
Mr. Sujal A. Shah	1,00,000	80,000	1,80,000
Mr. Bhavesh V. Panjuani	1,00,000	80,000	1,80,000
Ms. Vishwadhara Dahanukar	75,000	10,000	85,000
Dr. Ashok N. Desai	1,00,000	10,000	1,10,000
Mr. Prem S. Malik (appointed on 07.09.2017)	75,000	--	75,000

**C) Stakeholders Relationship Committee:**

- (i) The terms of reference of Stakeholders Relationship Committee are in accordance with requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The brief description of the terms of reference of the Stakeholders Relationship Committee is as under:

The scope and role of the Committee is to consider and resolve the grievances of Shareholders 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.

- (ii) The Stakeholders Relationship Committee comprised of 2 Non-Executive Directors and 1 Executive Director.

Name of Members	Designation / Category	Number of Meetings attended
Mr. K.D. Vora	Chairman	1
Mr. Chandrahas Thackersey	Member	1
Mr. Khushaal Thackersey	Member	1

One Meeting of the Stakeholders Relationship Committee was held on April 05, 2018. There were two queries / complaints during the year and no shareholder / investor complaint is pending as on March 31, 2018.

**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, transmission etc., to Share Transfer Committee.

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, 2018.

The Company has designated an exclusive e-mail ID viz., [complaint@hindoostan.com](mailto:complaint@hindoostan.com) for redressal of shareholders' complaints / grievances.

**D) Corporate Social Responsibility (CSR) Committee:**

- (i) The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To frame CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

- (ii) The CSR Committee comprised of 2 Independent Directors and 1 Non-Executive Director.

In view of the average loss for the three immediately preceding financial years, the Company was not required to spend any amount on CSR activities and no CSR Committee Meeting was held in FY 2017-18.

**E) Independent Directors Meeting:**

The terms of reference of the Independent Directors Meeting broadly comprises:

- Evaluation of performance of Non Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

One Meeting of the Independent Directors was held during the year ended March 31, 2018 on March 21, 2018. All the Independent Directors were present at the Meeting.

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

Year	Date	Time	Venue
2014-15	August 11, 2015	11.00 a.m.	Sir Vithaldas Chambers, Mumbai
2015-16	August 09, 2016		
2016-17	August 08, 2017		

**(ii) Special Resolution passed in previous three AGMs:**

AGM Date	Special Resolutions passed
August 11, 2015	- NIL
August 09, 2016	- Mr. K.D. Vora re-appointed as an Independent Director of the Company for second consecutive term of 2 Years from 112 <sup>th</sup> AGM till conclusion of 114 <sup>th</sup> AGM.
August 08, 2017	- 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

**4. Means of Communication:**

All important information relating to the Company, its financial performance, shareholding pattern, business, quarterly results, press releases are published in Free Press Journal (English) and Navshakti (Marathi). The financial results of the Company are also available on the website of the Company and BSE Limited. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

**5. General Shareholder information:**

**(i) Annual General Meeting for financial year 2017-18**

Date : August 08, 2018  
Time : 11.00 a.m.  
Venue : Sir Vithaldas Chambers, 6<sup>th</sup> Floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001.

**(ii) Financial Calendar 2018-19 (Tentative):**

First Quarterly Results : July/August, 2018  
Second Quarterly Results : October/November, 2018  
Third Quarterly Results : January/February, 2019  
Fourth Quarterly Results : May, 2019

(iii) **Date of Book Closure** : August 02, 2018 to August 08, 2018 (both days inclusive)

(iv) **Dividend payment date** : Dividend is not proposed

(v) **Listing on** : BSE Limited

**Stock** : P J Towers, Dalal Street,  
**Exchange** : Mumbai – 400 001

Listing Fee for the financial year 2018-19 has been paid

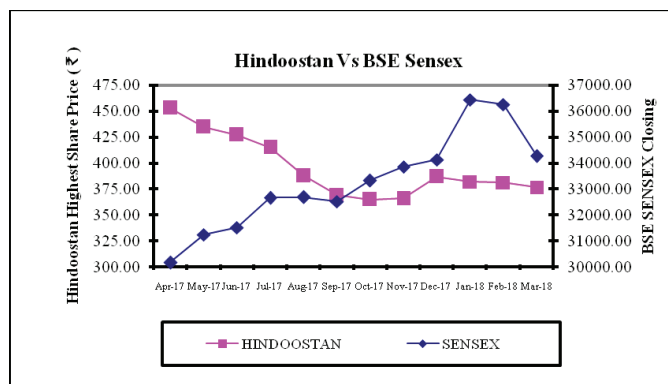
**(vi) Stock Code**

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

**(vii) Stock Market Price Data:**

Month	Quotation at BSE Ltd.	
	High (₹)	Low (₹)
April, 2017	453.00	322.05
May, 2017	434.95	356.00
June, 2017	427.00	342.00
July, 2017	415.00	374.10
August, 2017	388.00	355.00
September, 2017	369.00	331.05
October, 2017	365.00	327.00
November, 2017	366.00	311.10
December, 2017	386.80	324.00
January, 2018	382.00	324.00
February, 2018	381.45	262.00
March, 2018	376.70	290.00

**(viii) Performance of the share price of the Company in comparison to the BSE SENSEX:**





**(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. Members 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. Members 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.

Name and Address : Computech Sharecap Limited,  
147, Mahatma Gandhi Road,  
Opp. Jehangir Art Gallery,  
Mumbai - 400 023.

Telephone : 022 – 22635000/1/2/3/4  
Fax : 022 - 22635005  
E-mail : helpdesk@computechsharecap.com  
Website : www.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 95.88% shares are held under dematerialised mode as on March 31, 2018.

**(xi) Outstanding GDRs/Warrants, Convertible Bonds, Conversion date & likely impact on equity: N.A.****(xii) Distribution of Shareholding as on March 31, 2018:**

Group of Shares	No. of Shareholders	No. of shares held	% to Total Shares
1 to 50	7,517	97,902	5.88
51 to 100	634	47,225	2.84
101 to 250	413	65,777	3.95
251 to 500	120	43,071	2.59
501 to 1000	63	43,480	2.61
1001 to 5000	45	80,753	4.85
5001 and above	43	12,86,340	77.28
<b>TOTAL</b>	<b>8,835</b>	<b>16,64,548</b>	<b>100.00</b>

**(xiii) Shareholding Pattern as on March 31, 2018:**

	No. of Shares held	%
Promoters and Persons Acting in Concert	10,09,511	60.65
Banks, Financial institutions, Mutual Funds, Insurance companies	2,292	0.14
Private Corporate Bodies	11,661	0.70
Indian Public	6,21,965	37.36
NRIs / OCBs	19,119	1.15
<b>TOTAL</b>	<b>16,64,548</b>	<b>100.00</b>

**(xiv) Plant Location:****a) Textiles Unit**

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

**b) Engineering Unit**

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

**c) Composite Unit**

- Plot No.D-1, MIDC Industrial Area,  
Village - Taswade, Tal - Karad,  
Dist. - Satara - 415 109, Maharashtra
- Plot No.B-24 (Additional Ambarnath MIDC Industrial Area),  
Village – Anandnagar,  
Dist.- Thane – 421506, Maharashtra

**d) The Loomshed Unit**

C Block,  
The Bombay Textile Research Association,  
LBS Road, Ghatkopar West,  
Mumbai - 400086

**(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:complaint@hindoostan.com

**6. Other Disclosures:**

- (i) There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large;
- (ii) There was no non-compliance by the Company. There was no penalty, stricture imposed on the Company by Stock Exchange or the Board or any statutory authority, on any matter related to capital markets, during the last three years;
- (iii) The Company has established vigil mechanism/whistle blower policy, and also affirm that no personnel has been denied access to the Audit Committee;
- (iv) The Company has also adopted policies on Preservation of Documents and Archival of Documents and Determination of Materiality of Events.

Details of compliance with the non-mandatory requirements:-

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

- (vi) Transfer of Unclaimed / Unpaid Dividend to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all Unclaimed / Unpaid Dividend remaining Unclaimed / Unpaid for a period of Seven years from the date they became due for payment in relation to the Company and erstwhile The

Sirdar Carbonic Gas Company Limited have been transferred to the Investor Education and Protection Fund ("IEPF"). No claim shall lie against the IEPF or the Company for the amount so transferred prior to March 31, 2018 nor shall any payment be made in respect of such claims.

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

Members who have not yet encashed their dividend warrants pertaining to the dividend for the financial year 2010-11 and onwards are requested to make their claims without any delay to the Company.

The following table gives the information relating to outstanding dividend accounts and the dates by which they can be claimed by the Members:

Sr. No	Financial Year	Dividend Per Share (₹)	Date of Declaration	Due Date for Transfer to IEPF
1	2010-11	10.00	September 15, 2011	November 18, 2018
2	2011-12	5.00	August 09, 2012	October 02, 2019
3	2012-13	7.50	July 26, 2013	September 28, 2020
4	2013-14	10.00	December 12, 2014	February 13, 2022
5	2014-15	4.00	August 11, 2015	October 12, 2022
6	2015-16	4.50	August 09, 2016	October 14, 2023

\*The Company has not declared any dividend for Financial Year 2016-17.

- (vii) The Company has no subsidiary.
- (viii) Web link for policy on dealing with related party transactions is <http://www.hindoostan.com>.
- (ix) Disclosure of commodity price risks and commodity hedging activities: - N.A.

## 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.

**KHUSHAAL THACKERSEY**  
Executive Director

**RAJIV RANJAN**  
Executive Director & CEO

Mumbai, May 16, 2018

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## CEO / CFO CERTIFICATION

We, Khushaal Thackersey, Executive Director, Rajiv Ranjan, Executive Director & CEO and Ms. Shraddha Shettigar, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the Cash flow statement for the year and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Companys' 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 Companys' Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  - (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**KHUSHAAL THACKERSEY**  
Executive Director

**RAJIV RANJAN**  
Executive Director & CEO

**SHRADDHA SHETTIGAR**  
Chief Financial Officer

Mumbai, May 16, 2018

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## **AUDITOR'S CERTIFICATE**

To the Members

### **Hindoostan Mills Limited**

We have examined the compliance of conditions of Corporate Governance by **Hindoostan Mills Limited ("the Company")**, for the year ended on March 31, 2018, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### **Management Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the designing, Implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### **Auditors' Responsibility**

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of the Corporate Governance as stated above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the condition of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2018.

We 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.

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

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

**Mukul Patel**  
Partner  
Membership No. 032489

Place: Mumbai  
Date: 16<sup>th</sup> May, 2018

# MANAGEMENT DISCUSSION AND ANALYSIS



## MANAGEMENT DISCUSSION AND ANALYSIS

### A. BUSINESS SEGMENT –TEXTILES:

#### Industry Structure & Development:

The textile industry in India has seen another year of a very challenging scenario, in line with the overall global economic situation.

The export outlook for the country continued to be dull due to a combination of factors such as inadequate support from the government and increased pricing pressure from low cost manufacturing hubs in Bangladesh, Vietnam and Cambodia, besides established players in China. Lack of trade agreements with various locations across the globe, especially EU nations, have also contributed to the lack of growth of exports from the country.

In the domestic markets the effects of the demonetization scheme could be seen well into first quarter of the year and recovery across the industry was slow. Added to this was the implementation of GST from July 1, 2017, which impacted business adversely due to lack of full understanding of the scheme in the industry. It was only towards the end of the financial year that the industry was seen recovering after the implementation of GST.

Demonetisation and the implementation of GST in the country had a cascading effect on the the liquidity situation in the domestic markets. Delayed payments from buyers and delayed GST refunds from the Government have resulted in working capital pressures across the industry resulting in lower capacity utilization. The huge delays from the Government in the payment of capital subsidy and interest subsidy on capital investments under TUFs scheme have added to the pressure on working capital across the industry.

The textile industry in India is extremely fragmented. Low entry barriers have contributed to the existence of very large number of players with small capacities, who are able to supply goods at very competitive prices because of their low overheads. This has added to the pricing pressure on various products.

In spite of the tough business conditions the company has been able to reach a cash positive situation during the year from a cash negative position in the previous year. This has been possible due to the focus on development of innovative products, optimizing utilization and productivity

and providing best possible services to the customer. These factors, along with timely investments in state-of-the-art machinery and equipment already done in the previous years, have been helpful in keeping the company ahead of competitors.

#### Strengths and Opportunities:

The company is perceived as a producer of quality goods in the domestic and export markets and this goodwill is helpful in obtaining marginally higher prices than our competitors. The company also scores on the services being provided to the customer especially terms of timely delivery and after sales service. With a wide range of products in cotton, polyester cotton, viscose and lycra in greige and finished varieties, we continue to be a one stop shop for discerning buyers.

The demographics and increasing purchasing power of the country's population indicate a growth in the textile demand in the country which is a positive indication for the company. With the growing cost of manufacturing in China, it is expected that they will be vacating some market share in the global textile trade, which again should be helpful to exporters in countries such as India, Bangladesh, Vietnam and Cambodia.

#### Weaknesses and threats:

The presence of low cost unorganized manufacturing hubs in textiles continue to pose a challenge to us. Lack of liquidity in the markets and the lack of interest of banks to support any increase in working capital limits could prove a deterrent to our quest for growth during the year.

The global economic scenario continues to be dull and this could affect our export sales. Added to all this, the government policies still leave a lot to be desired.

#### Outlook:

In spite of the various challenges, we are confident of growth and better margins of our textile business. All efforts will be made to achieve this by developing innovative products, optimizing utilization and productivity and providing best services to all our stakeholders.

**B. BUSINESS SEGMENT – ENGINEERING:****Industry Structure and Development:**

It has been a successful year for the Engineering business as we have seen a substantial increase in presence/share in the existing segments. We have also seen a steady rise in success in the international market. As we find more value added applications for our products, there is a reduction in the dependency of roll manufacturing operation on the textile business. The annual activity in the steel industry has also seen increased activity levels as we continue to nurture relationships with existing customers while also developing relationships with new customers. Unlike the above-mentioned businesses, the paper industry has taken a downward turn due to the stiff competition from Chinese imports, as a result of which the demand for our paper rolls has dropped.

**Strengths and Opportunities:**

The strength of our brand has enabled us to expedite the development and assembly of machines for our customers. These machines incorporate our rolls and allow for specialized applications that suit each customers needs. By doing this, we aspire to become an integral part of our customers operations, which in turn allow us to sustain long-term, efficient business relationships.

The introduction of a premium hybrid roll has proved to have many advantages over standard cotton rolls and has been welcomed by customers who are opting for the former instead of cotton rolls. Premium Hybrid rolls seem to be an opportunity we should capitalize on for this segment.

The steel industry is in need to extensive research that should in turn lead to the addition of products that can compliment the existing ones, while also adding to the bottom line in the near future.

**Weaknesses and threats:**

Our engineering division manufactures high quality products, and our customers are willing to pay for tailor-made solutions. However, creation of such customized products and their supply does not allow for a standardized quality control process and hence our quality control needs to be extremely vigilant.

Majority of our product range comprises of replacement parts for processing lines, as a result of which our service and products need to be delivered just in time. This can be challenging with regards to managing inventory. Additionally, credit lines in the textile industry seem to have deteriorated but we are managing our receivables as effectively as possible.

**Outlook:**

The scope of business with regards to the engineering division seems fruitful with multiple opportunities that can be capitalized on. We are now in the process of focusing on certain markets, which in turn will award us with dominant positions therein. Our competitive advantage should be strengthened in the near future, due to our focus on new product development and high quality standards. Also, while we steadily gain our foothold in the international market, we are confident it will lead to an increase in sales in years to come.

**C. BUSINESS SEGMENT – COMPOSITES:****Industry Structure & Development:**

The composites business continued to see the same growth challenges as in the last financial year. The expected market growth did not happen and sales remained dull in line with the previous year inspite of our foray into products for the construction refurbishment sector.

In the current economic scenario, we do not foresee any improvement in the conditions for the carbon composite business in the coming days.

**Strengths and Opportunities:**

The defence and aerospace sectors had seemed to be an area with opportunities in the coming times. The company was well positioned with a number of products for these sectors, however there has been virtually no growth in the demand for carbon composites in these areas.

The company has also developed the necessary carbon fabrics and products and has started a foray in the area of refurbishment of old buildings. A clearer picture is expected to emerge about the potential of this business during the first quarter of the next financial year.

### **Weaknesses and threats:**

Attaining economies of scale remains the biggest concern facing us at the moment. Due to our lower volumes resulting in higher manufacturing cost, we are not able to offer competitive pricing in the export markets compared to Chinese and other Asian manufacturers.

China and other Southeast Asian countries are now moving towards high value added products which will be a challenge for us in this segment. Unless we commit more investments in R&D to develop innovative products and take aggressive steps to grow our business, it will be difficult to attain profitability in this business.

### **Outlook:**

Composites have provided major opportunities to the engineering sector to design for high performances and cut costs. However the usage of composites will grow only with improvement in the business environment in the country and only as more sectors adopt the usage of carbon composites in the coming times.

## FINANCIAL STATEMENTS

## **Independent Auditor's Report**

To the Members 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 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the

Institute of Chartered Accountants of India. Those Standards and pronouncement 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) in the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the loss for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

and

- (d) In the case of the Statement of Changes in Equity for the year ended on that date

### **Other Matter:**

The financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2016 included in these financial statements, are based on the previously issued statutory financial statements for

the years ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 9<sup>th</sup> May, 2017 and 4<sup>th</sup> May, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the have been audited by us.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note No. 33 Point No. II(A), II(B) and II(C) of other notes to the financial statements.
    - (ii) The Company does not have any long-term contracts including derivative contracts for which there could be any material foreseeable losses and hence, the question of making provision for such losses does not arise.
    - (iii) There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M. A. Parikh & Co.**  
**Chartered Accountants**  
 (Firm's Registration No. 107556W)

**MUKUL M. PATEL**  
 Partner  
 Membership No. 032489

Place: Mumbai  
 Date: May 16, 2018



## Annexure – A to the Auditors' Report

### Annexure referred to in paragraph 1 of our report on Other Legal and Regulatory Requirements of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of Leasehold Land are held in the name of the company.
- (ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. Further, Inventory lying with third party processors as on 31<sup>st</sup> March, 2018 aggregating to ₹ 17.63 lakhs (previous year ₹ 70.04 lakhs) were not verified for which confirmations have been obtained.
- (iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company:
  - (a) Has complied with the provisions of section 186 of the Act, with respect to the investments made.
  - (b) The provisions of section 185 of the Act are not applicable to it.
- (v) The Company has not accepted any deposits from the public. Thus, paragraph 3 (v) of the Order is not applicable
- (vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rule made by the Central Government for the maintenance of Cost Records under Sub-Section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been so made and maintained. We have, however, not made a detailed examination of the accounts and records with a view to determining whether they are accurate or complete.
- (vii) 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, Employees' State Insurance, Income-tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable, with the appropriate authorities during the year.
  - (b) According to the information and explanations given to us, statutory dues aggregating to ₹ 91.57 lakhs which have not been deposited as on 31<sup>st</sup> March, 2018 on account of disputes are given below:

Name Of Statute	Nature of dues	Amount (₹ in lakhs)	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.
		1.94	A.Y. 2010-11	Commissioner of Income Tax.
		3.94	A.Y. 2014-15	Commissioner of Income Tax.
Central Excise Act	Excise Duty	4.06	1977-2002	Dy. Commissioner of Central Excise.
		2.49		Joint Commissioner of Central Excise
		27.78		Asst. Commissioner of Central Excise
		16.63	1994-1998	Commissioner of Central Excise.
		5.36	1996-2003	CESTAT
Maharashtra Sales Tax and Central Sales Tax	Sales Tax and Central Sales Tax	5.10	2002-03	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	21.15	1993-94 to 1997-98	Dy. Commissioner of sales-tax (Appeal)-I

- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to its banks.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid/provided managerial remuneration which is in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by Indian Accounting Standard 24.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company it is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For M. A. Parikh & Co.**

**Chartered Accountants**

(Firm's Registration No. 107556W)

**MUKUL M. PATEL**

Partner

Membership No. 032489

Place: Mumbai

Date: May 16, 2018

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **HINDOOSTAN MILLS LIMITED** ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For M. A. Parikh & Co.**

**Chartered Accountants**

(Firm's Registration No. 107556W)

**MUKUL M. PATEL**

Partner

Membership No. 032489

Place: Mumbai

Date: May 16, 2018

**Balance Sheet as at 31st March, 2018**

		₹ in lakhs		
Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>ASSETS</b>				
1 <b>Non-Current Assets</b>				
Property, Plant and Equipment	3	4,673.75	5,785.89	6,373.18
Intangible Assets	3	26.09	31.85	37.61
Capital Work in Progress	3	1.14	2.03	426.09
Investment in Property	4	23.56	29.44	16.95
Financial Assets				
(i) Investment	5	0.64	0.75	0.66
(ii) Other Financial Assets	6	145.48	144.91	121.36
Other Non financial Assets	7	49.26	47.26	58.62
2 <b>Current Assets</b>				
Inventories	8	2,316.75	2,349.28	2,911.47
Financial Assets				
(i) Investment	9	66.73	61.72	328.80
(ii) Trade Receivables	10	3,060.55	2,871.00	2,599.85
(iii) Cash and cash equivalent	11	105.18	102.85	211.28
(iv) Other Financial Assets	12	455.95	435.55	300.63
Current Tax Assets (Net)		290.95	279.89	279.63
Other Current Assets	13	66.67	157.40	52.59
<b>TOTAL ASSETS</b>		<b>11,282.70</b>	<b>12,299.82</b>	<b>13,718.72</b>
<b>EQUITY AND LIABILITIES</b>				
1 <b>Equity</b>				
Equity Share Capital	14	166.45	166.45	166.45
Other Equity	15	5,781.09	6,858.19	8,312.10
2 <b>Non-Current Liabilities</b>				
Financial liabilities				
Borrowings	16	328.24	806.51	1,288.08
Provisions	17	435.89	424.77	308.65
Deferred Tax Liabilities (Net)	18	2.28	5.97	15.67
3 <b>Current Liabilities</b>				
Financial liabilities				
(i) Borrowings	19	876.84	917.26	828.37
(ii) Trade payables	20			
I. Total outstanding dues of Micro Enterprises and Small Enterprises		0.93	21.47	2.98
II. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,063.54	1,427.77	1,230.31
iii) Other Financial Liabilities	21	1,404.47	1,447.83	1,354.33
Other Current Liabilities	22	152.72	157.54	106.51
Provisions	23	70.25	66.06	105.27
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,282.70</b>	<b>12,299.82</b>	<b>13,718.72</b>
<b>Significant Accounting Policies</b>	2			
<b>Other Notes to Accounts</b>	33			

Notes referred to above form an integral part of Balance Sheet  
As per our report of even date attached

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

**For and on behalf of the Board**

**Khushaal Thackersey**  
Executive Director

**Rajiv Ranjan**  
Executive Director and CEO

**Mukul M. Patel**  
Partner  
Membership No. : 032489  
Place : Mumbai  
Date : May 16, 2018

**Shraddha Shettigar**  
Chief Financial Officer

**Jagat Reshamwala**  
Company Secretary  
Place : Mumbai  
Date : May 16, 2018

## Statement of Profit and Loss for the Year ended 31st March, 2018

		₹ in lakhs	
Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
I Revenue from Operations	24	16,499.89	15,714.80
II Other Income	25	213.02	290.05
III <b>Total Revenue</b>	(I+II)	<b>16,712.91</b>	<b>16,004.85</b>
IV Expenses:			
Cost of Materials Consumed	26	10,542.37	9,782.55
Purchase of Stock-in-Trade		685.12	639.47
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	27	26.93	368.97
Employee Benefits Expenses	28	1,914.88	1,810.25
Finance costs	29	234.69	266.53
Depreciation and Amortisation Expenses	30	1,235.46	1,243.06
Other Expenses	31	3,132.31	3,162.32
<b>Total Expenses</b>		<b>17,771.76</b>	<b>17,273.15</b>
V Loss before Exceptional and Tax	(III-IV)	<b>(1,058.85)</b>	<b>(1,268.30)</b>
VI Exceptional Items	32	(3.85)	(77.82)
VII Loss Before Tax	(V+VI)	<b>(1,062.70)</b>	<b>(1,346.12)</b>
VIII Tax Expense:			
Deferred Tax		3.69	9.69
IX Loss for the Year	(VII-IX)	<b>(1,059.01)</b>	<b>(1,336.43)</b>
X Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of the defined benefit plan		(17.99)	(27.42)
(b) Equity Instrument through Other Comprehensive Income		(0.11)	0.09
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income [A (i)-(ii) + B (i)-(ii)] (XII)		(18.10)	(27.33)
XI Total Comprehensive Income for the period (XI)+(XII)		<b>(1,077.11)</b>	<b>(1,363.76)</b>
XII Earning per Equity Share of ₹ 10/- each			
Basic and Diluted	₹	<b>(63.62)</b>	<b>(80.29)</b>
(Refer Note 33 Point no. IX of Other Notes to Accounts)			

Notes referred to above 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 &amp; Co

Chartered Accountants.  
Firm Registration No.107556W

**Khushaal Thackersey**  
Executive Director

**Rajiv Ranjan**  
Executive Director and CEO

## Mukul M. Patel

Partner  
Membership No. : 032489  
Place : Mumbai  
Date : May 16, 2018

**Shraddha Shettigar**  
Chief Financial Officer

**Jagat Reshamwala**  
Company Secretary  
Place : Mumbai  
Date : May 16, 2018



Cash Flow Statement for the Year Ended 31st March, 2018

₹ in lakhs

	Current Year		Previous Year
<b>A. CASHFLOW FROM OPERATING ACTIVITIES</b>			
Loss for the year		(1,062.70)	(1,346.12)
Adjustment for :			
Depreciation and Amortisation expenses	1,235.46		1,243.06
Finance Cost	234.69		266.53
Property, Plant and Equipments Written off	-		3.51
Fair Value Gain on MF Valued as FVTPL	(4.40)		-
Inventory (Property under Development) write off	-		1.00
Property Arbitration Award (Net)	-		63.98
Loss by Fire - Extraordinary Item	3.85		9.32
Provision for Doubtful Debts and Advances	62.28		18.74
Bad Debts and Debit Balances Written Off	20.44		-
Lease Income	(61.85)		(60.60)
Loss / (Profit) on Sale of Property, Plant and Equipments (Net)	(2.29)		-
Gain on Sale of Investment	-		(28.40)
Provision for Doubtful Advances no longer required written back	(27.44)		(41.16)
Excess provision no longer required written back	(7.96)		-
Sundry Credit Balance Written Back	(10.40)		(15.38)
Interest and Dividend Income	(38.69)		(34.99)
		<b>1,403.69</b>	<b>1,425.61</b>
Operating Profit before Working Capital Changes		<b>340.99</b>	<b>79.49</b>
Changes in :			
Inventories	32.51		561.21
Trade Receivables	(253.92)		(274.46)
Other Financial Assets	(22.59)		(166.48)
Other Non- Financial Assets	116.19		(52.29)
Trade Payables	615.23		215.91
Other Financial Liabilities	(52.00)		50.74
Other Current Liabilities	(4.82)		51.03
Provisions	(2.68)		49.48
		427.92	435.14
Cash Generated from Operations		768.91	514.63
Direct Taxes paid (Net of Refunds)		(11.06)	(0.26)
Net Cash Generated From Operating Activities		<b>757.85</b>	<b>514.37</b>
<b>B. CASHFLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipments	(117.30)		(226.88)
Improvement in Investment in Property	-		(15.32)
Sale of Property, Plant and Equipments	8.81		0.22
Interest Received	36.46		33.66
Dividend Received	-		0.02
Lease Income Received	61.85		60.60
Investments Purchased and Sold (Net)	(0.61)		295.48
Net Cash used in Investing Activities		<b>(10.78)</b>	<b>147.78</b>

**Cash Flow Statement for the Year Ended 31st March, 2018**

₹ in lakhs

	Current Year		Previous Year
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend Paid	-		(90.16)
Interest Paid	(226.05)		(246.94)
Repayment of Borrowing	(518.68)		(433.48)
Net Cash used in Financing Activities		<b>(744.73)</b>	<b>(770.58)</b>
Net Increase in Cash and Cash Equivalents (A+B+C)		<b>2.33</b>	<b>(108.44)</b>
Cash and Cash Equivalents at the beginning of the year			
Cash and Cash Equivalents	52.39		139.69
Other Bank Balances	50.46		71.59
<b>Cash and Cash Equivalents at the end of the year</b>		<b>102.85</b>	<b>211.28</b>
Cash and Bank Balance	58.76		52.39
<u>Other Bank Balances</u>			
Earmarked Balance with Banks	13.81		36.16
Margin Money Deposit	6.75		12.98
Other Bank Deposits	25.86		1.32
<b>Cash and Cash Equivalents at the end of the year</b>		<b>105.18</b>	<b>102.85</b>

## Notes :

- 1 Cash and Cash equivalents denote Cash and Bank balances at the year end. Earmarked Balance with Banks includes Balance in Current Account for Unpaid Dividend & Employee Deposit.
- 2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in India Accounting Standard 7- 'Statement of Cash Flows' (Ind AS - 7) 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.

As per our report of even date attached

**For M.A.Parikh & Co**Chartered Accountants.  
Firm Registration No.107556W**For and on behalf of the Board****Khushaal Thackersey**  
Executive Director**Rajiv Ranjan**  
Executive Director and CEO**Mukul M. Patel**Partner  
Membership No. : 032489  
Place : Mumbai  
Date : May 16, 2018**Shraddha Shettigar**  
Chief Financial Officer**Jagat Reshamwala**  
Company Secretary  
Place : Mumbai  
Date : May 16, 2018

Statement of Changes in Equity for the year ended 31st March 2018

(a) Equity Share Capital

Particulars	Numbers	₹ in lakhs
Equity Shares of Rs. 10 each issued, subscribed & fully paid		
As at April 1, 2016	16,64,548	166.45
As at March 31, 2017	16,64,548	166.45
As at March 31, 2018	16,64,548	166.45

(b) Other Equity

Particulars	Reserves and Surplus					Other Reserves	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained earnings	FVTOCI Equity Instruments	
As at April 01, 2016	1,076.11	83.63	587.78	6,447.61	116.32	0.65	8,312.10
(Loss) for the year	-	-	-	-	(1,336.43)	-	(1,336.43)
Other comprehensive income	-	-	-	-	(27.42)	0.09	(27.33)
Total Comprehensive Income for the year	1,076.11	83.63	587.78	6,447.61	(1,247.53)	0.74	6,948.34
Transactions with owners in their capacity as owners							
Dividend (including dividend distribution tax)	-	-	-	-	(90.15)	-	(90.15)
As at March 31, 2017	1,076.11	83.63	587.78	6,447.61	(1,337.68)	0.74	6,858.19
(Loss) for the year	-	-	-	-	(1,059.01)	-	(1,059.01)
Other comprehensive income	-	-	-	-	(17.99)	(0.11)	(18.10)
Total Comprehensive Income for the year	-	-	-	-	(1,077.00)	(0.11)	(1,077.11)
Transactions with owners in their capacity as owners							
Dividend (including dividend distribution tax)	-	-	-	-	-	-	-
As at March 31, 2018	1,076.11	83.63	587.78	6,447.61	(2,414.68)	0.63	5,781.08

As per our report of even date attached

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

For and on behalf of the Board

Khushaal Thackersey  
Executive Director

Rajiv Ranjan  
Executive Director and CEO

Mukul M. Patel  
Partner  
Membership No. : 032489  
Place : Mumbai  
Date : May 16, 2018

Shraddha Shettigar  
Chief Financial Officer

Jagat Reshamwala  
Company Secretary  
Place : Mumbai  
Date : May 16, 2018

## Notes to Financial statements for the Year ended 31st March, 2018

### Note 1: Corporate Information:

Hindoostan Mills Limited (“The Company”) is a Public Limited Company, incorporated under the provision of the Companies Act, 1956 (as amended by the Companies Act, 2013). Its Shares is listed on Bombay Stock Exchange. The Company is engaged in the business of Manufacture and Sale of Fabric and Yarn, Technical Fabric and Refiling of Elastic Calendar Bowls. The Company has its the Registered Office and principal place of business at **SIR VITHALDAS CHAMBERS, 16 MUMBAI SAMACHAR MARG, FORT, MUMBAI - 400001**

The Company’s financial statements are reported in Indian Rupees, which is also the Company’s functional currency.

### Note 2: Significant Accounting Policies Accounting Judgements , Estimates and Assumptions:

#### Significant Accounting Policies:

#### 2.1 Basis of preparation of Ind-AS Financial Statements:

The Ind-AS financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

For all periods up to and including the year ended 31<sup>st</sup> March 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended 31<sup>st</sup> March 2018 are the first the Company has prepared in accordance with Ind-AS. Refer to Note No.33 (XVII) for information on how the Company adopted Ind AS, including the details of the first time adoption exemptions availed by the company.

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.9 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Note2: Significant Accounting Policies (Contd.)**

- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**2.2 Current and Non-Current Classification of Assets and Liabilities and Operating Cycle:**

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The Operating Cycle is the time between the acquisition of assets for business purposes and their realisation into cash and cash equivalents.

**2.3 Property, Plant and Equipment:**

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other

non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

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. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on 1<sup>st</sup> April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

**2.4 Investment Property**

Investment Property is recorded at its cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment loss, if any. Depreciation on Investment Property is provided over its useful life using the Straight Line Method as per Schedule II of the Companies Act, 2013.

For transition to Ind AS, the Company has elected to continue with the carrying value of investment Property recognised as on 1<sup>st</sup> April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

**2.5 Depreciation:**

Depreciation on Property, Plant and Equipment and Investment Properties is provided on different class of assets based on the method and on the basis of its useful lives as per Schedule II of the Companies Act, 2013/expected pattern of usage and exploitation, as indicated below:

**Note 2: Significant Accounting Policies (Contd.)****(a) Textile Unit:**

Depreciation on Plant and Machinery is provided on Straight Line Method.

Depreciation on Assets other than Plant and Machinery is provided on Written down value Method.

Costs of Reeds are amortized over a period of 2 years.

Cost of Imported Heald frames are amortized over a period of 5 years and Domestic Heald frames over a period of 3 years.

**(b) Engineering Unit:**

Depreciation on Fixed Assets is provided on Straight Line Method for Assets acquired upto March 31, 2001. However, due to a change in the expected pattern of exploiting the assets, the depreciation on Fixed Assets acquired on or after April 1, 2001 is provided on Written down value Method.

**(c) Composite Unit:**

i. Depreciation on Plant and Machinery is provided on Straight Line Method.

ii. Depreciation on Fixed Assets other than Plant and Machinery is provided on Written down value Method.

(d) 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.

(e) Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

(f) Cost of Leasehold Land and Improvement is written off over the period of Lease.

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

**2.6 Capital Work in Progress and Capital Advances:**

Costs incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

**2.7 Intangible Assets and amortisation thereof:**

The cost relating to Intangible assets, with finite useful lives, which are capitalised and amortised on a straight line basis over a period of ten years, are based on their estimated useful lives.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as on 1<sup>st</sup> April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

**2.8 Impairment of Property Plant and Equipment, Investment Property and Intangible Assets**

Carrying amount of tangible and intangible assets are reviewed at each Balance Sheet date. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired.



## **Note 2: Significant Accounting Policies (Contd.)**

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **2.9 Inventories:**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods, Stock-in-trade and Property under development are stated 'at cost or net realisable value, whichever is lower'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### **2.10 Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the amount is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government, discounts and rebates.

#### **i. Sale of Goods:**

- Revenue from Domestic sale is recognised on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.
- Revenue from Export sale is recognised on transfer of significant risks and rewards of ownership based on terms of the contracts.

#### **ii. Other Operating Revenue:**

- Export Incentive under various scheme are accounted in the year of Export.
- Revenue in respect of other income/claims, etc is recognised only when it is reasonably certain that ultimate collection will be made.

#### **iii. Rental Income:**

Rent income is recognised on accrual basis as per substance of the agreement.

#### **iv. Interest Income:**

Interest Income from Financial Assets is recognised using the Effective Interest Rate (EIR) on amortised cost basis.

#### **v. Dividend Income:**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### **2.11 Accounting for Government Grants:**

Grant from Government under Technology Up-gradation Fund Scheme (TUFS) is recognised and disclosed under Other Operating Income at fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached condition.

### **2.12 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **(i) Financial Assets:**

##### **Initial Recognition and Measurement:**

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are included therein.

##### **Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Investments measured at fair value through Profit & Loss (FVTPL)

##### **Financial Assets at Amortised Cost:**

A financial asset is measured at the amortised cost if both the following conditions are met:

**Note 2: Significant Accounting Policies (Contd.)**

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

**Equity Instruments at FVTOCI:**

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

**Financial Assets at FVTPL**

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All other financial assets are measured at fair value through profit or loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s statement of

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

**Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk

**ii) Financial Liabilities:****Initial Recognition and Measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

**Subsequent Measurement:**

This is dependent upon the classification thereof as under:

**Loans and Borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and

## **Note 2: Significant Accounting Policies (Contd.)**

fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition:**

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

### **(iii) Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

## **2.13 Employee Benefits:**

Short term employee benefits are those which are payable wholly within twelve months of rendering service and are recognised as an expense at the undiscounted amount in Statement of Profit and Loss of the year in which the related service is rendered.

Contribution paid/ payable for the year to Defined Contribution Retirement Benefit Plans is charged to Statement of Profit and Loss

Liabilities towards Defined Benefit Schemes viz. Gratuity benefits and other long term benefit viz. compensated absences are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognised immediately in the Statement of Profit and Loss.

## **2.14 Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement

is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### **As a Lessee:**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease.

Finance lease is capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor.

### **As a lessor:**

Lease in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as operating lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Lease is classified as finance lease when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amount due from lessee under finance lease is recorded as receivables at the Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## Note 2: Significant Accounting Policies (Contd.)

### 2.15 Foreign Currency Transactions:

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

### 2.16 Borrowing Costs:

Borrowing costs comprising of interest and other costs that are incurred in connection with the borrowing of funds, that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of profit and loss in the year in which they are incurred.

### 2.17 Taxes on Income:

#### Current Income Taxes:

Current income tax liabilities are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in other comprehensive income / equity is recognised similarly and not in the statement of profit and loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred Taxes:

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

Deferred tax liabilities are recognised for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

## **Note 2: Significant Accounting Policies (Contd.)**

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

### **MAT:**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified years. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will flow to the Company.

### **2.18 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Company expects part or entire provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the Financial Statements.

### **2.19 Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **2.20 Cash and Cash Equivalent:**

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

### **2.21 Statement of Cash Flow**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **2.22 Commitments**

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- (a) The estimated amount of contracts remaining to be executed on capital account and not provided for; and
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

### **2.23 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company has been identified as being the Chief Operating Decision



## Note 2: Significant Accounting Policies (Contd.)

Maker (CODM) by the management of the Company. CODM for management purposes organises the Company into business units based on its products and services and has three reportable segments. Information about reportable segments & principal activities are mentioned in Note No 33 XII.

### 2.24 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of Financial Statements is in conformity with the recognition and measurement principles of IndAS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognized in the period in which the results are known/ materialize.

#### Estimates Assumptions and Judgements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### a) Estimation of current tax expense and deferred tax:

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these

items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

#### b) Recognition of deferred tax assets/ liabilities:

The recognition of deferred tax assets/liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

#### c) Estimation of Provisions & Contingent Liabilities:

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision.

#### d) Estimated useful life of Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, its expected usage pattern and the expected residual value at the end of its life. The useful lives, usage pattern and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

#### e) Estimation of Provision for Inventory:

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on



## **Note 2: Significant Accounting Policies (Contd.)**

inventories are recorded where events or changes in circumstances indicate that the carrying value may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

**f) Estimation of Defined Benefit Obligation:**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

**g) Estimated fair value of Financial Instruments.**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

### **2.25 Standards issued but not yet effective**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and there is no impact on the company's financial statements due to the said changes. Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The Company is evaluating the impact thereof.

## Notes to Financial Statements for the year ended 31st March 2018

## NOTE 3: Property, Plant and Equipment

## A. Current Year

Description	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	Opening Block As At 01.04.2017	Additions during the year	Deductions during the year	Adjustment	Closing Block As At 31.03.2018	Opening Block As At 01.04.2017	For the Year	Deductions during the year	Closing Block As At 31.03.2018	As At 31.03.2018	As At 31.03.2017
TANGIBLE ASSETS											
<u>Land</u>											
Leasehold Land	90.55	-	-	-	90.55	1.25	1.23	-	2.48	88.07	89.30
<u>Buildings</u>											
Road	0.26	-	-	-	0.26	-	-	-	-	0.26	0.26
Buildings	1,058.67	38.80	-	-	1,097.47	95.38	91.57	-	186.95	910.52	963.29
Leasehold Improvement	36.45	6.55	-	-	43.00	15.83	19.11	-	34.94	8.06	20.62
Leasehold Improvement Electrical	3.01	3.17	-	-	6.18	0.92	2.30	-	3.22	2.96	2.09
<u>Plant &amp; Equipments</u>											
Plant & Machinery	5,561.07	36.96	5.11	-	5,592.92	1,054.03	1,044.52	1.14	2,097.41	3,495.51	4,507.04
Office Equipments	36.69	5.53	-	-	42.22	12.61	11.21	-	23.82	18.40	24.08
Electrical Installations	84.03	-	-	-	84.03	18.01	15.38	-	33.39	50.64	66.02
<u>Furniture &amp; Fixtures</u>											
	70.12	10.16	0.73	-	79.55	17.10	15.72	0.27	32.55	47.00	53.02
<u>Vehicle</u>											
	10.22	13.80	3.94	-	20.08	3.43	4.28	2.09	5.62	14.46	6.79
<u>Computer</u>											
	68.59	3.22	0.89	-	70.92	15.21	18.49	0.65	33.05	37.87	53.38
Total Tangible Assets	7,019.66	118.19	10.67	-	7,127.18	1,233.77	1,223.81	4.15	2,453.43	4,673.75	5,785.89
INTANGIBLE ASSETS											
Marketing Know How	36.11	-	-	-	36.11	5.16	5.16	-	10.32	25.79	30.95
Tenancy Right	1.50	-	-	-	1.50	0.60	0.60	-	1.20	0.30	0.90
Total Intangible Assets	37.61	-	-	-	37.61	5.76	5.76	-	11.52	26.09	31.85
CAPITAL WORK IN PROGRESS											
	2.03	1.14	-	(2.03)	1.14	-	-	-	-	1.14	2.03
TOTAL	7,059.30	119.33	10.67	(2.03)	7,165.93	1,239.53	1,229.57	4.15	2,464.95	4,700.98	5,819.77

**Notes to Financial Statements for the year ended 31st March 2018**

B. Previous Year

Description	GROSS BLOCK						DEPRECIATION / AMORTISATION			NET BLOCK		₹ in lakhs
	Opening Block As At 01.04.2016	Additions during the year	Deductions during the year	Adjustment	Write off during the year	Closing Block As At 31.03.2017	Opening Block As At 01.04.2016	For the Year	Write off during the year	Closing Block As At 31.03.2017	As At 31.03.2017	
TANGIBLE ASSETS												
<u>Land</u>												
Leasehold Land	90.55	-	-	-	-	90.55	-	1.25	-	1.25	89.30	90.55
<u>Buildings</u>												
Road	0.26	-	-	-	-	0.26	-	-	-	-	0.26	0.26
Buildings	803.52	255.15	-	-	-	1,058.67	-	95.38	-	95.38	963.29	803.52
Leasehold Improvements	14.72	21.73	-	-	-	36.45	-	15.83	-	15.83	20.62	14.72
Leasehold Improvement Electrical	-	3.01	-	-	-	3.01	-	0.92	-	0.92	2.09	-
<u>Plant &amp; Equipments</u>												
Plant & Machinery	5,339.29	225.75	-	-	3.97	5,561.07	-	1,054.69	0.66	1,054.03	4,507.04	5,339.29
Office Equipments	9.42	27.47	-	-	0.20	36.69	-	12.64	0.03	12.61	24.08	9.42
Electrical Installations	40.57	43.46	-	-	-	84.03	-	18.01	-	18.01	66.02	40.57
<u>Furniture &amp; Fixtures</u>												
Furniture	47.57	22.60	-	-	0.05	70.12	-	17.11	0.01	17.10	53.02	47.57
<u>Vehicle</u>												
Vehicle	10.46	-	0.24	-	-	10.22	-	3.43	-	3.43	6.79	10.46
<u>Computer</u>												
Computer	16.82	51.77	-	-	-	68.59	-	15.21	-	15.21	53.38	16.82
Total Tangible Assets	6,373.18	650.94	0.24	-	4.22	7,019.66	-	1,234.47	0.70	1,233.77	5,785.89	6,373.18
INTANGIBLE ASSETS												
Marketing Know How	36.11	-	-	-	-	36.11	-	5.16	-	5.16	30.95	36.11
Tenancy Right	1.50	-	-	-	-	1.50	-	0.60	-	0.60	0.90	1.50
Total Intangible Assets	37.61	-	-	-	-	37.61	-	5.76	-	5.76	31.85	37.61
CAPITAL WORK IN PROGRESS	426.09	2.03	-	(426.09)	-	2.03	-	-	-	-	2.03	426.09
TOTAL	6,836.88	652.97	0.24	(426.09)	4.22	7,059.30	-	1,240.23	0.70	1,239.53	5,819.77	6,836.88

C. Notes :

I. Refer Note no. 16.1 and 19.1 for information on property, plant and equipment pledged as a security by the company.

II. Refer Note no. 33 (1) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## Notes to Financial Statements for the year ended 31st March 2018

### Note 4 : Investment in Property

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Other Investments</b>			
<u>Investment in Property</u>			
5/8 the share in Bruce Street Property			
Gross carrying amount opening	50.66	35.34	35.34
Additions / (Disposals)	-	15.32	-
Gross carrying amount closing	50.66	50.66	35.34
Accumulated Depreciation opening	21.21	18.39	-
Additions / (Disposals)	5.89	2.83	18.39
Accumulated Depreciation closing	27.10	21.22	18.39
Net carrying amount	23.56	29.44	16.95
<b>TOTAL</b>	<b>23.56</b>	<b>29.44</b>	<b>16.95</b>
Fair Value :			
As at 31st March	See Note No. 4.4	See Note No. 4.4	See Note No. 4.4

Note 4.1 : For investment property existing as on 1st April 2016, i.e., its date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost.

### Note 4.2 : Information regarding income and expenditure of Investment property

Particulars	₹ in lakhs	
	As at 31.03.2018	As at 31.03.2017
Rental income derived from Investment property	65.14	61.62
Direct operating expenses (including repairs and maintenance) generating rental income	5.31	1.67
Profit arising from investment property before depreciation and indirect expenses	59.83	59.95
Less - Depreciation	5.89	2.83
Profit arising from investment property before indirect expenses	53.94	57.12

### Note 4.3 : The company has let out a portion of the Investment property.

The total future minimum lease rentals receivable at the Balance sheet date is as under :

Particulars	₹ in lakhs	
	As at 31.03.2018	As at 31.03.2017
For a period not later than one year	3.29	65.14
For a period later than one year ant not later than five years	13.18	13.18

### Note 4.4 : Estimation of Fair Value :

The fair value ought to be based on current prices in the active market for similar properties. The main inputs to be used are quantum, area, location, demand, restrictive entry, age of building and the trend of the fair market rent.

The investment property held by the company has certain handicaps like it being part of larger property, lack of active market for this property and long term protected tenants in part occupation in this property. In view of these limitations, reliable measurement of fair value is not possible.

Notes to Financial Statements for the year ended 31st March 2018

Note 5 : Non Current Assets - Investments

₹ in lakhs			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b><u>Investment measured at Fair Value through Other Comprehensive Income</u></b>			
<b><u>Investments in Equity Instruments (Quoted)</u></b>			
60 (31st March 2017 : 60, 1st April 2016 :60) Equity shares of ₹ 2/- each fully paid up in Siemens Ltd.	0.64	0.75	0.66
<b><u>Investment measured at Fair Value through Profit and Loss Account</u></b>			
<b><u>Other Non- Current Investments (Unquoted)</u></b>			
42 (31st March 2017 : 42, 1st April 2016 :42) Shares of ₹ 5,000/- each in Yashwant Sahakari Sakhar Karkhana Ltd. # (Refer Note 33 Point no. IV of Other Notes to Accounts)	-	-	-
<b>TOTAL</b>	<b>0.64</b>	<b>0.75</b>	<b>0.66</b>
Aggregate amount of quoted investments at cost	0.01	0.01	0.01
Market value of quoted investments	0.64	0.75	0.66
Aggregate amount of unquoted investments	-	-	-

# Company has invested in non trade investments aggregating ₹ 2.10 lacs which have already been fully provided in the books.

Note 6 : Non-Current Assets - Other Financial Assets

₹ in lakhs			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b><u>Unsecured, Considered Good</u></b>			
Security Deposit	145.48	144.91	121.36
<b>TOTAL</b>	<b>145.48</b>	<b>144.91</b>	<b>121.36</b>

Note 7 : Non-Current Assets - Other Non Financial Assets

₹ in lakhs			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b><u>Unsecured, Considered Good</u></b>			
Capital Advances	49.26	47.26	58.62
<b>TOTAL</b>	<b>49.26</b>	<b>47.26</b>	<b>58.62</b>

## Notes to Financial Statements for the year ended 31st March 2018

## Note 8 : Inventories

₹ in lakhs			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw Materials	874.51	885.02	1,022.70
Work-in-Process	439.11	397.84	453.93
Finished Goods	543.95	613.88	969.55
Stock-in-Trade	313.27	311.54	268.75
Stores, Spares and Loose tools	145.91	141.00	195.54
Property under Development	-	-	1.00
<b>TOTAL</b>	<b>2,316.75</b>	<b>2,349.28</b>	<b>2,911.47</b>

Inventory write down is accounted, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to ₹ 51.98 lacs (Previous year - ₹ 47.66 lacs). The effect of these write down were recognised in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

## Note 9 : Current Assets - Investments

₹ in lakhs			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b><u>Investments measured at Fair Value through Profit &amp; Loss</u></b>			
<b><u>Unquoted :</u></b>			
<u>Investment in Equity Shares</u>			
3,19,000 (31st March 2017 : Nil, 1st April 2016 : Nil) nos. of OPGS Power Gujarat Pvt. Ltd. (held by Escrow Agent)	0.61	-	-
<u>Investments in Mutual Funds</u>			
2,09,078.590 (31st March 2017: 2,09,078.590, 1st April 2016: 2,09,0178.590) units of HDFC Floating Rate IF-ST-DP-WS-Growth	63.52	59.29	54.45
8,590.767 (31st March 2017: 8,590.767, 1st April 2016: 8,590.767) units of HDFC Floating Rate IF-ST-WS-Growth	2.60	2.43	2.24
Nil (31st March 2017: Nil, 1st April 2016 : 14,97,858.943) units of UTI Short Term Income Fund -Insitutional Option-Growth	-	-	272.11
<b>TOTAL</b>	<b>66.73</b>	<b>61.72</b>	<b>328.80</b>
Aggregate amount of unquoted investments at cost	<b>47.77</b>	<b>47.16</b>	<b>300.24</b>



**Notes to Financial Statements for the year ended 31st March 2018**

**Note 10 : Trade Receivables**

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>a) Unsecured, considered Good</b>			
i) Trade receivables	3,076.26	2,881.21	2,599.85
Less : Allowance for Doubtful Trade receivables	(15.92)	(11.95)	-
	3,060.34	2,869.26	2,599.85
ii) Related Parties	0.21	1.74	-
<b>b) Unsecured, considered Doubtful</b>	94.99	43.45	41.37
Less : Allowance for Doubtful Trade receivables	(94.99)	(43.45)	(41.37)
<b>TOTAL</b>	<b>3,060.55</b>	<b>2,871.00</b>	<b>2,599.85</b>

**Note 10.1 : Movement in Allowance for Doubtful Trade receivables**

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balance as at the beginning of the year	55.40	41.37	-
Add : Allowances made during the year	62.29	18.73	-
Less : Allowances written back during the year	(6.78)	(4.70)	-
Balance as at the end of the year	110.91	55.40	41.37

**Note 11 : Cash and Cash Equivalents**

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balances with Banks	54.26	41.57	128.22
Cash on Hand	4.50	10.82	11.47
<b>Other Bank Balances</b>			
Bank Deposits	25.86	17.01	20.94
Margin Money Deposit (Under Lien for Bank Guarantees issued by the Banks)	6.75	19.15	37.46
<b>Earmarked Balances with Bank</b>			
In Current Account (Unpaid Dividend)	12.49	12.98	11.87
In Current Account (Employee Deposit)	1.32	1.32	1.32
	46.42	50.46	71.59
<b>TOTAL</b>	<b>105.18</b>	<b>102.85</b>	<b>211.28</b>

**Note 12 : Current Assets - Other Financial Assets (Unsecured, considered Good)**

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Interest Receivable	16.60	14.38	13.06
Export Incentive Receivable	30.92	53.68	31.62
Balance with excise, sales tax and other government authorities	115.83	166.44	218.43
Less : Provision for Doubtful Advances	(0.50)	(13.69)	(48.90)
	115.33	152.75	169.53
Other Receivables	293.10	214.74	86.42
<b>TOTAL</b>	<b>455.95</b>	<b>435.55</b>	<b>300.63</b>

## Notes to Financial Statements for the year ended 31st March 2018

## Note 13 : Other Current Assets (Unsecured, considered Good)

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances to Employees	0.50	0.66	0.71
Advances to Suppliers	13.76	87.17	3.36
Prepaid Expenses	43.12	51.54	40.68
Other Advances	9.29	18.03	7.84
<b>TOTAL</b>	<b>66.67</b>	<b>157.40</b>	<b>52.59</b>

## Note 14 : Equity Share Capital

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Authorised Capital</b>			
2,77,67,500 (31st March 2017 : 2,77,67,500, 1st April 2016 : 2,77,67,500) Equity Shares of ₹ 10/- each	2,776.75	2,776.75	2,776.75
2,500 (31st March 2017 : 2,500, 1st April 2016 : 2,500) 5% Redeemable Cumulative "A" Preference Shares of ₹ 10/- each	0.25	0.25	0.25
7,80,000 (31st March 2017 : 7,80,000, 1st April 2016 : 7,80,000) 15% Non Convertible Redeemable Non Cumulative Preference Shares of ₹ 10/- each	78.00	78.00	78.00
1,00,00,000 (31st March 2017 : 1,00,00,000, 1st April 2016 : 1,00,00,000) Preference Shares of ₹ 10/- each	1,000.00	1,000.00	1,000.00
<b>TOTAL</b>	<b>3,855.00</b>	<b>3,855.00</b>	<b>3,855.00</b>
<b>Issued , Subscribed and Paid up Capital</b>			
16,64,548 (31st March 2017 : 16,64,548, 1st April 2016 : 16,64,548) Equity Shares of ₹ 10 /- each fully paid up	166.45	166.45	166.45
<b>TOTAL</b>	<b>166.45</b>	<b>166.45</b>	<b>166.45</b>

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.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining Assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

9,58,708 Equity Shares of ₹ 10/- each are allotted 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.

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

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
16,64,548 Equity Shares at the beginning of the year	166.45	166.45	166.45
16,64,548 Equity Shares at the end of the year	<b>166.45</b>	<b>166.45</b>	<b>166.45</b>

**Notes to Financial Statements for the year ended 31st March 2018**

**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
<b>Chandrali Investments Private Limited</b>		
Current Year	87,266	5.24%
Previous year	87,266	5.24%
<b>Delta Investments Limited</b>		
Current Year	1,10,707	6.65%
Previous year	1,10,207	6.62%
<b>Mr. Jagdish Thackersey</b>		
Current Year	1,96,613	11.81%
Previous year	1,80,586	10.85%
<b>Mr. Raoul Thackersey</b>		
Current Year	96,692	5.81%
Previous year	1,04,706	6.29%
<b>Mr. Hiren Kara</b>		
Current Year	1,14,446	6.88%
Previous year	1,13,646	6.83%

**Note 15 : Other Equity**

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Capital Reserve</b>	1,076.11	1,076.11	1,076.11
<b>Capital Redemption Reserve</b>	83.63	83.63	83.63
<b>Securities Premium Account</b>	587.78	587.78	587.78
<b><u>Other Reserve</u></b>			
<b>General Reserve</b>	6,447.61	6,447.61	6,447.61
<b>Surplus</b>			
Balance as at the beginning of the year	(1,310.26)	116.32	-
Less : Loss for the year	(1,059.01)	(1,336.43)	-
Amount available for Appropriation (A)	(2369.26)	(1,220.11)	-
<b><u>Appropriations:</u></b>			
Proposed Dividend	-	74.90	-
Tax on Proposed Dividend	-	15.25	-
Total of Appropriations (B)	-	90.15	-
Balance in Surplus (A-B)	(2369.26)	(1310.26)	116.32
<b><u>Other Comprehensive Income</u></b>			
Balance as at the beginning of the year	(26.68)	0.65	-
Add : Movement in OCI (net) during the year	(18.10)	(27.33)	-
Balance as at the end of the year	(44.78)	(26.68)	0.65
<b>TOTAL</b>	<b>5,781.09</b>	<b>6,858.19</b>	<b>8,312.10</b>

## Notes to Financial Statements for the year ended 31st March 2018

## Note 16 : Non-Current Liabilities - Borrowings

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b><u>Secured</u></b>			
Term Loan from a Bank	328.24	806.51	1,288.08
<b>TOTAL</b>	<b>328.24</b>	<b>806.51</b>	<b>1,288.08</b>

**Note 16.1: Details of terms and conditions of repayment and security provided for in respect of the Long- Term Borrowings as follows:**

(a) Term Loan from Axis Bank is payable in 60 monthly installments of ₹ 40.80 Lakhs each commencing from 31st May, 2015.  
Interest rate is base rate + 2.75% i.e. 11.70%.

(b) Security :

Primary Security :

(i) The above Term Loan is secured by first charge on Factory Land , Building & Other Structures and Plant & Machinery (Present & Future) of the company's Textile Unit at Plot no. D-1, MIDC Industrial Area, Village - Taswade, Tal-Karad, Satara

Collateral Security:

(ii) Second charge on all the Stocks, Book Debts (Present & Future) & Other Current Assets.

## Note 17 : Non-Current Liabilities - Provisions

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b><u>Provision for Employees Benefits (Unfunded)</u></b>			
Provision for Leave Salary	69.59	87.39	76.70
Provision for Gratuity	366.30	337.38	231.95
<b>TOTAL</b>	<b>435.89</b>	<b>424.77</b>	<b>308.65</b>

## Note 18 : Non-Current Liabilities - Deferred Tax Liabilities (Net)

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred Tax Liabilities	16.06	5.97	15.95
Less: Deferred Tax Assets	(13.78)	-	(0.28)
<b>TOTAL</b>	<b>2.28</b>	<b>5.97</b>	<b>15.67</b>

## Notes to Financial Statements for the year ended 31st March 2018

### Note 18.1 : Movement in Deferred Tax Assets (net)

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Opening Balance	5.97	15.67	-
<u>Recognised in Statement of Profit &amp; Loss</u>			
Fair value of adjustment of Financial Liabilities	(3.50)	(2.49)	-
Fair value of adjustment of Financial Assets	0.13	(0.63)	-
Fair value of adjustment of Investment	0.91	(2.89)	-
Expected Credit Losss	(1.23)	(3.69)	-
Closing Balance	<b>2.28</b>	<b>5.97</b>	<b>15.67</b>

Deferred Tax balances are arising due to Ind AS adoption.

### Note 19 : Current Liabilities - Borrowings

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<u>Secured</u>			
Working Capital Loan from a Bank	876.84	917.26	828.37
<b>TOTAL</b>	<b>876.84</b>	<b>917.26</b>	<b>828.37</b>

### Note 19.1 : Details of terms and conditions of repayment and security provided for in respect of the Short-Term Borrowings as follows:

(a) Secured Loan from HDFC Bank :Interest rate is MCLR + 2.85% i.e. 11.1% for Cash Credit and 7.25% on packing credit

(b) Security :

#### Primary Security :

(i) The above Loan is secured by first charge on all the Stocks, Book Debts (Present & Future) & Other Current Assets

#### Collateral Security :

(ii) Second Charge on Plant & Machinery (Present & Future) of the Company's Textile Unit at Plot no. D-1, MIDC Industrial Area, Village - Taswade, Tal-Karad, Satara.

### Note 20 : Trade Payables

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
i. Total outstanding dues of Micro Enterprises and Small Enterprises	0.93	21.47	2.98
ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note 33 Point no. VI of Other Notes to Accounts)	2,063.54	1,427.77	1,230.31
<b>TOTAL</b>	<b>2,064.47</b>	<b>1,449.24</b>	<b>1,233.29</b>

## Notes to Financial Statements for the year ended 31st March 2018

## Note 21 : Other Financial Liabilities

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current maturities of Long Term Borrowing (Refer Note 16.1 for Terms & Conditions)	489.60	489.60	530.40
Interest accrued but not due on Long Term Borrowing	8.64	-	19.59
Unclaimed Dividend	12.49	12.98	11.87
Amount due to a Director	-	1.08	1.08
Other Liabilities (including ₹ 3.14 lakhs (31st March 2017 : ₹10.09 lakhs, 1st April 2016 : ₹ 2.66 lakhs) relating to MSMED vendors (Refer Note 33 Point no. VI of Other Notes to Accounts)	893.74	944.17	791.39
<b>TOTAL</b>	<b>1,404.47</b>	<b>1,447.83</b>	<b>1,354.33</b>

## Note 22 : Other Current Liabilities

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances from Customers	20.25	51.59	22.67
Statutory Dues	59.27	65.72	36.17
Employee Dues	73.20	40.23	47.67
<b>TOTAL</b>	<b>152.72</b>	<b>157.54</b>	<b>106.51</b>

## Note 23 : Provisions

Particulars	₹ in lakhs		
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b><u>Provision For Employee Benefits (Unfunded)</u></b>			
Provision for Leave Salary	9.48	9.46	9.86
Provision for Gratuity	22.86	19.13	62.66
Provision for Bonus/ Ex Gratia	37.91	37.47	32.75
<b>TOTAL</b>	<b>70.25</b>	<b>66.06</b>	<b>105.27</b>



Notes to Financial Statements for the year ended 31st March 2018

Note 24 : Revenue from Operations

₹ in lakhs		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Sale of Products (including Excise Duty)	16,190.01	15,119.77
Sale of Services	65.28	248.54
	<b>16,255.29</b>	<b>15,368.31</b>
<b>Other Operating Revenues</b>		
Export Incentives	125.11	174.90
Sales Tax Set-off	30.25	83.53
Other Income	89.24	88.06
	<b>244.60</b>	<b>346.49</b>
<b>TOTAL</b>	<b>16,499.89</b>	<b>15,714.80</b>

Note 25 : Other Income

₹ in lakhs		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest Income	38.69	34.97
Dividend Income	-	0.02
Gain on Sale of Investments	-	28.40
Fair Value Gain on Mutual Fund Valued as FVTPL	4.40	-
Provision for Doubtful Debts / Advances no Longer Required Written Back	27.44	41.16
State Subsidy towards Interest (Refer Note 33 Point no. VII of Other Notes to Accounts)	58.31	82.71
Lease Income	61.85	60.60
Excise Duty Refund	-	25.00
Profit on sale of Property, Plant and Equipments (Net)	2.29	-
Sundry Credit Balances Written back	10.40	15.38
Excess provision of earlier year no longer required written back	7.96	-
Miscellaneous Income	1.68	1.81
<b>TOTAL</b>	<b>213.02</b>	<b>290.05</b>

Note 26 : Cost of Materials Consumed

₹ in lakhs		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Opening Stock	885.02	1,022.70
Add : Purchase of Raw Materials	10,531.86	9,644.87
Less : Closing Stock	874.51	885.02
<b>TOTAL</b>	<b>10,542.37</b>	<b>9,782.55</b>

## Notes to Financial Statements for the year ended 31st March 2018

## Note 27 : Change in Inventories

₹ in lakhs		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
<b><u>Opening Stock</u></b>		
Work-in-Process	397.84	453.93
Finished Goods	613.88	969.55
Traded Goods	311.54	268.75
	1,323.26	1,692.23
<b><u>Less : Closing stock</u></b>		
Work-in-Process	439.11	397.84
Finished Goods	543.95	613.88
Traded Goods	313.27	311.54
	1,296.33	1,323.26
<b>TOTAL</b>	<b>26.93</b>	<b>368.97</b>

## Note 28 : Employee Benefits Expenses

₹ in lakhs		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
<b><u>Salaries and Wages</u></b>		
Salaries and Wages	1,610.69	1,541.32
Bonus / Ex Gratia	35.39	36.16
Leave Encashment	21.93	25.42
<b><u>Contribution to Provident and other funds</u></b>		
to Provident Fund	105.66	95.64
to Employee's State Insurance Corporation	18.93	2.57
to Labour Welfare Fund	0.24	0.24
to Superannuation Fund	4.57	4.79
Provision for Gratuity	66.51	48.78
Staff Welfare Expense	50.96	55.33
<b>TOTAL</b>	<b>1,914.88</b>	<b>1,810.25</b>

## Note 29 : Finance Costs

₹ in lakhs		
Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest Expense	234.69	266.53
<b>TOTAL</b>	<b>234.69</b>	<b>266.53</b>

Notes to Financial Statements for the year ended 31st March 2018

Note 30 : Depreciation and Amortisation Expenses

Particulars	₹ in lakhs	
	Year ended 31.03.2018	Year ended 31.03.2017
On Property, Plant and Equipments	1,229.57	1,240.23
On Investment in Property	5.89	2.83
<b>TOTAL</b>	<b>1,235.46</b>	<b>1,243.06</b>

Note 31 : Other Expenses

Particulars	₹ in lakhs	
	Year ended 31.03.2018	Year ended 31.03.2017
Consumption of Stores and Spares	605.69	607.61
Power and Fuel	1,355.20	1,323.74
Processing Charges	243.06	193.09
Rent	94.48	100.82
Rates and Taxes	40.61	35.55
Excise Duty on Finished Goods	36.05	196.43
Repairs to Buildings	7.06	5.68
Repairs to Machinery	54.22	37.99
Other Repairs	32.09	36.92
Insurance	42.45	38.75
Freight, Forwarding and Clearing Charges	43.10	-
Commission, Brokerage and Incentives	8.60	-
Legal and Professional Fees	88.62	83.24
Auditors Remuneration	17.48	16.46
Directors Fees	11.10	10.23
Provision for Doubtful Debts and Advances	62.28	18.74
Bad Debts	20.44	-
Fair Value Loss on Mutual Fund Valued as FVTPL	-	14.00
Loss on sale of Property, Plant and Equipments (Net)	-	0.02
Miscellaneous Expenses	369.78	443.05
<b>TOTAL</b>	<b>3,132.31</b>	<b>3,162.32</b>
<b>Auditors Remuneration:</b>		
For Audit Fees	15.95	14.99
For Tax Audit	1.50	1.44
For Certification and Other Work	0.03	0.03
	<b>17.48</b>	<b>16.46</b>

Note 32 : Exceptional Items

Particulars	₹ in lakhs	
	Year ended 31.03.2018	Year ended 31.03.2017
Loss by fire	(3.85)	(9.32)
Inventory (Property under Development) Written Off	-	(1.00)
Property Arbitration Award (Net)	-	(63.98)
Property, Plant and Equipments Written Off	-	(3.52)
<b>TOTAL</b>	<b>(3.85)</b>	<b>(77.82)</b>

**Note 33: Other Notes to Accounts****I. Estimated Amount of Contracts Remaining to be Executed :**

₹ in lakhs

Particulars	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capital account and not provided for.	12.91	34.76
Other Commitments.	621.36	975.08

**II. Contingent Liabilities in respect of :**

₹ in lakhs

Particulars	Current Year	Previous Year
Claims against the Company not acknowledged as debts [including disputed demands of Central Excise for ₹ 39.70 lakhs (P.Y. ₹ 47.06 lakhs), interest on Central Excise of ₹ 51.87 lakhs (P.Y. ₹ 51.87 lakhs), Sales Tax ₹ 6.34 lakhs (P.Y ₹ 24.69 lakhs), Works Contract Tax ₹ 21.79 lakhs (P.Y. ₹ 21.14 lakhs) and others ₹ 1,706.50 lakhs (P.Y. ₹ 1,706.50 lakhs)]	1826.20	1851.26
The Income-Tax demands in respect of earlier years under dispute are pending in appeal before higher authorities.	13.01	13.01
Demand for payment of Electricity Duty by Government of Maharashtra.	228.20	228.20
Concessional Custom duty on Machinery Imported/Advance License.	66.26	629.78
Bank Guarantees	14.36	18.86

- III.** There was an incident of fire in the month of December 2016 in one of the production departments causing damage to stocks of value ₹ 48.60 lakhs. The incident also led to certain damage to machinery and infrastructure entailing repairs at an estimated expense of ₹ 137.84 lakhs. The Company has filed a claim for the amounts with the Insurance Company. Provision has been made aggregating to ₹ 13.17 lakhs (in the financial statements for the year ended 31.03.2017 of ₹ 9.32 lakhs and ₹ 3.85 lakhs for the year ended 31.03.2018) for the loss to be borne by the Company. The same is shown as an 'Exceptional Item'. During the year, the Company has received an "on account" payment of ₹ 77.31 lakhs. Adjustment, if any, in the final claim amount admitted by the Insurance Company will be accounted for as and when the same is settled.

**IV. 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.

- V.** The Company had entered into an Agreement with a Property Developer (Developer) in 1993 pursuant to which the development rights for construction of Residential Flats on the plot of Land belonging to the Company were transferred for consideration comprising of monetary compensation and allotment of specified constructed area to the Company subject to payment of the Cost of construction for such allotted area.

The settlement of accounts between the Company and the Developer under the said Agreement had been a subject of Arbitration since the year 2002 as there were claims and counter claims. The Company has made a provision of ₹ 63.98 lakhs in the financial results for the year ended 31.03.2017, as the amount payable to the Developer in terms of the 'Majority Arbitration Award' dated October 20, 2016 and the same was presented as an 'Exceptional Item'.

The property developer has challenged the said Arbitration Award in the Hon'ble Bombay High Court. As per legal advice, the Company does not consider that any further provision needs to be made in this regard.

**Note 33: Other Notes to Accounts (Contd.)**

**VI. Details of Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2016 :**

₹ in lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Principal amount due and remaining unpaid	4.07	31.56	5.64
Interest due on above	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest paid	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

**Note :** Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company and relied upon by the Auditors.

**VII.** The Company has recognized interest subsidy, as per New Textile Policy 2012, as Other Income of ₹ 221.47 lakhs on accrual basis for the period July, 2015 to 31<sup>st</sup> March, 2018 (Including ₹ 58.31 lakhs for the current year). The Government Resolution in this regard dated 12<sup>th</sup> April, 2018 for release of subsidy is received for ₹ 124.70 lakhs and for the balance ₹ 96.77 lakhs is awaited.

**VIII. Current Tax :**

In view of losses for the year ended 31<sup>st</sup> March 2018, no provision for Income Tax and Minimum Alternate Tax under Section 115JB of Income Tax Act, 1961 is required to be made.

**IX. Earnings Per Share :**

₹ in lakhs

Particulars	Current Year	Previous Year
(Loss) for the year after Tax (₹ in lakhs)	(1,059.01)	(1,336.43)
Weighted Average number of Equity Shares	16,64,548	16,64,548
Earnings per Share (of ₹ 10/- each)	(63.62)	(80.29)

**X. Employee Benefits :** As per Ind AS-19, "Employee Benefits", the disclosure of employee benefits is given below:

**A. Defined Contribution Plans:**

The Company has certain defined contribution plans, such as provident fund and superannuation plan for benefits of employees. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The Contribution are made to registered provident fund administered by the government. The obligation of the Company is Limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the year towards defined contribution plan in ₹ 110.23 lakhs( Previous year ₹ 100.43 lakhs ).

**B. Defined Benefit Plan**

The company provides gratuity benefits to its employees as per the statute. Present value of gratuity obligation (Non-Funded) based on actuarial valuation done by an independent valuer using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absences (Non-funded) is recognized in the same manner as gratuity.

**Note 33: Other Notes to Accounts (Contd.)**

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31<sup>st</sup> March, 2018:

**B.1 Reconciliation of opening and closing balances of Defined Benefit Obligation:**

₹ in lakhs

Particulars	Current Year	Previous Year
Present value of Defined Benefit Obligation as at the beginning of the year	356.51	294.61
Interest cost	25.68	23.75
Current Service cost	31.89	25.03
Past Service cost	8.95	-
Benefits paid direct by the Employer	(40.55)	(14.30)
Actuarial (gain)/loss on obligations due to change in Financial Assumptions	(30.12)	32.12
Actuarial (gain)/loss on obligations due to Experience	48.11	(4.70)
Present value of Defined Benefit Obligation as at the end of the year	400.47*	356.51

\* Includes obligation aggregating to ₹ 11.31 lakhs in relation to employees who have resigned on or before 31<sup>st</sup> March, 2018, which is reflected under other financial liabilities pending full and final settlement of their account.

**B.2 Reconciliation of fair value of plan assets and obligations:**

₹ in lakhs

Particulars	Current Year	Previous Year
Present value of Defined Benefit Obligation as at the end of the year	400.47	356.51
Fair value of Plan Assets at the end of the year	-	-
Difference	400.47	356.51
Amount Recognised in the Balance Sheet	400.47	356.51

**B.3 Expense recognized during the period:**

₹ in lakhs

Particulars	Current Year	Previous Year
Current service cost	31.88	25.03
Past service cost	8.95	-
Interest cost	25.68	23.75
Expenses Recognised in Statement of Profit and Loss	66.51	48.78

**B.4 Amount Recognized in statement of Other Comprehensive Income (OCI):**

₹ in lakhs

Particulars	Current Year	Previous Year
Actuarial (gain)/loss on obligations for the year	17.99	27.42
Return on Plan Assets, Excluding Interest Income	-	-
Net Expense for the Period Recognised in OCI	17.99	27.42



## Note 33: Other Notes to Accounts (Contd.)

### B.5 Actuarial Assumptions:

Particulars	Current Year	Previous Year
Mortality Rate during Employment	<b>Indian Assured Life Mortality(2006-08)</b>	
Rate of Discounting	7.83%	7.20%
Rate of Salary escalation	6.80%	6.80%
Rate of Employee Turnover	2.00%	2.00%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is extracted from the report obtained from Actuary.

**B.6** There is no contribution under defined benefit plan in respect of Key Management Personnel.

### B.7 Risks associated with defined benefit plan:

Gratuity is a defined benefit plan and company is exposed to the following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Asset Liability Matching (ALM) Risk:** The plan faces the ALM risk as to the matching cash flow. Company has to manage payout based on pay as you go basis from our own funds.

**Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

### B.8 Experience Adjustment:

₹ in lakhs

Experience History	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018
Present value of Obligation	221.17	262.17	294.85	356.51	400.47
Plan assets	0.24	0.24	0.24	-	-
Deficit / (Surplus)	220.93	261.93	294.61	356.51	400.47
Experience (gain) or loss on plan liabilities	(1.99)	(2.77)	6.52	(4.70)	48.11
Experience (gain) or loss on plan assets	0.02	0.02	0.02	0.27	-

**Note 33: Other Notes to Accounts (Contd.)****B.9 Expected future benefit payments:**

The following is the maturity profile of the benefit expected to be paid for each of the next five years and the aggregate five years thereafter:

₹ in lakhs

Year Ending 31 <sup>st</sup> March	Current Year	Previous Year
2019	34.17	19.13
2020	12.37	9.59
2021	16.97	11.81
2022	12.84	14.75
2023	17.09	11.20
2024-2028	113.55	98.41
Thereafter	993.70	895.05

**B.10 Sensitivity Analysis:**

₹ in lakhs

Sensitivity Analysis						
Assumptions	Discount rate		Salary Escalation Rate		Attrition rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
<b>Impact on defined benefit obligation</b>						
Current Year	(41.71)	49.39	49.40	(42.45)	4.16	(4.74)
Previous Year	(41.09)	49.11	48.81	(41.59)	1.25	(1.50)

The Sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**C. Other long-term benefits:**

The obligation for leave benefits (non-funded) is also recognised using the projected unit credit method and accordingly the long-term paid absence has been valued. The Liability towards leave encashment for the year ended 31<sup>st</sup> March, 2018 as per actuarial valuation is ₹ 96.65 lakhs ( P.Y. ₹ 96.85 lakhs) (Including liability aggregating to ₹ 17.58 lakhs in relation to employees who have resigned on or before 31<sup>st</sup> March, 2018, which is reflected under other financial liabilities pending full and final settlement of their account)

**Note 33: Other Notes to Accounts (Contd.)**

**XI. Segment Reporting :**

**A. Primary Business Segment**

**Statement of Profit and Loss**

₹ in lakhs

Particulars	Textile	Engineering	Composite	Total
<b>Segment Revenue</b>	<b>14,264.17</b>	<b>1,423.25</b>	<b>812.47</b>	<b>16,499.89</b>
Previous Year	13,500.58	1,309.63	904.59	15,714.80
<b>Segment Result</b>	<b>(932.24)</b>	<b>165.42</b>	<b>(218.16)</b>	<b>(984.98)</b>
Previous Year	(1,198.23)	151.18	(175.00)	(1,222.05)
<b>Unallocated Corporate Expense/Income (Net)</b>				<b>122.13</b>
Previous Year				185.29
<b>Operating Loss</b>				<b>(862.85)</b>
Previous Year				(1,036.76)
<b>Interest Expenses</b>				<b>234.69</b>
Previous Year				266.52
<b>Interest / Dividend Income</b>				<b>38.69</b>
Previous Year				34.99
<b>Exceptional Items</b>				<b>3.85</b>
Previous Year				(77.82)
<b>Loss Before Tax</b>				<b>(1,062.70)</b>
Previous Year				(1,346.12)
<b>Income Tax</b>				<b>3.69</b>
Previous Year				9.69
<b>Loss for the year</b>				<b>(1059.01)</b>
Previous Year				(1336.43)

**Note : Figures in bracket denotes Loss.**

**Balance Sheet**

₹ in lakhs

Particulars	Textile	Engineering	Composite	Unallocable	Total
<b>Assets</b>					
Current Year	<b>8,438.04</b>	<b>1,139.05</b>	<b>1,165.90</b>	<b>539.71</b>	<b>11,282.70</b>
Previous Year	8,911.47	1,257.32	1,523.39	607.64	12,299.82
<b>Liabilities</b>					
Current Year	<b>2,456.62</b>	<b>342.07</b>	<b>39.09</b>	<b>794.06</b>	<b>3,631.84</b>
Previous Year	1,532.88	300.03	85.10	1,143.80	3,061.81
<b>Capital Employed</b>					
Current Year	<b>5,981.42</b>	<b>796.98</b>	<b>1,126.81</b>	<b>(254.35)</b>	<b>7,650.86</b>
Previous Year	7,378.59	957.29	1,438.29	(536.16)	9,238.01

**Note 33: Other Notes to Accounts (Contd.)****B. Secondary Segment: Geographical Segment**

₹ in lakhs

Particulars	Total	India	Rest of World
Revenue attributable to location of customers	<b>16,499.88</b> (15,714.81)	<b>13,452.08</b> (13,196.69)	<b>3,047.80</b> (2,518.12)
Segment assets based on their location	<b>11,282.70</b> (12,299.83)	<b>11,166.45</b> (12,120.16)	<b>116.25</b> (179.67)
Addition to Fixed Assets	<b>119.33</b> (652.97)	<b>119.33</b> (652.97)	- -

**Note :**

1. Revenue from no single customer exceeds 10% of Total Revenue .
2. Figures in bracket denotes those of the previous year.

**XII. Related Party Information :****A. List of Related Parties with whom Transactions have taken place during the Year :**

Associates/Companies where control exists	Thackersey Moolji and Co. Delta Investments Ltd. Parnakuti and Allied Estate Development Corporation
Key Management Personnel (KMP)	Mr. Hrishikesh Thackersey – Executive Director (upto 06.09.2017) Mr. Abhimanyu Thackersey – Executive Director (upto 06.09.2017) Mr. Chandrahas Thackersey – Non Executive Director Mr. Rajiv Ranjan - Executive director (w.e.f. 11.12.2017) Mr. Khushaal Thackersey – Executive Director (w.e.f. 09.11.2016) Mr. Prem Malik- Additional Independent Non Executive Director (w.e.f. 07.09.2017 to 10.12.2017) Mr. Prem Malik- Non Independent Non Executive Director (w.e.f. 11.12.2017) Mr. Bhavesh V Panjuani – Independent Director Mr. Ashok N Desai- Independent Director (w.e.f – 09.08.2016) Mr. Krishnadas D Vora – Independent Director Mr. Naresh R Kara –Non Independent Non Executive Director (upto 03.10.2016) Mr. Raoul S Thackersey – Non Executive Director Mr. Sujal A Shah – Independent Director Mrs. Vishwadhara Dahanukar – Independent Director Mr. P .B. Desai – Independent Director (upto 09.08.2016) Ms. Heena Shah – Chief Financial Officer (upto 16.05.2016) Mr. K Nandakumar - Chief Financial Officer (upto 31.10.2017) Mr. Jagat Reshamwala - Company Secretary Mr. Rajiv Ranjan - CEO (w.e.f. 07.09.2017 to 10.12.2017)
Relative of KMP	Mrs. Ameeta Thackersey

**Note 33: Other Notes to Accounts (Contd.)**

**B. Transactions with Related Parties:**

		₹ in lakhs	
Sr. No.	Nature of Transactions	Current Year	Previous Year
<b>1</b>	<b>Rent and Maintenance charges paid</b>		
	Thackersey Moolji and Co.	32.17	25.74
	Sir Vithaldas D Thackersey Charitable Trust	1.63	1.76
<b>2</b>	<b>Managerial Remuneration</b>		
	Mr. Abhimanyu Thackersey	28.45	42.76
	Mr. Hrishikesh Thackersey	15.59	23.94
	Mr. Khushaal Thackersey	14.60	3.71
	Mr. Rajiv Ranjan	13.95	-
<b>3</b>	<b>Guest House Expenses Paid</b>		
	Parnakuti and Allied Estate Development Corporation	12.00	24.00
<b>4</b>	<b>Salary Paid to</b>		
	Ms. Heena Shah	-	37.06
	Mr. Rajiv Ranjan	12.24	-
	Mr. Jagat Reshamwala	27.87	22.85
	Mr. K. Nandakumar	42.30	35.40
<b>5</b>	<b>Sales to Executive Directors and Relative</b>		
	Mr. Abhimanyu Thackersey	1.55	0.23
	Mr. Khushaal Thackersey	0.47	1.45
	Mr. Hrishikesh Thackersey	4.31	-
	Mrs. Ameeta Thackersey	-	0.22
<b>6</b>	<b>Directors Sitting Fees</b>		
	Mr. Chandrahas Thackersey	1.50	1.20
	Mr. Prem Malik	0.75	-
	Mr. Raoul S Thackersey	1.00	1.05
	Mr. Krishnadas D Vora	1.90	1.45
	Mr. Sujal A Shah	1.80	1.65
	Mr. Bhavesh V Panjuani	1.80	1.50
	Mr. Vishwadhara Dahanukar	0.85	0.95
	Mr. Ashok N Desai	1.10	0.60
	Mr. Naresh R Kara	-	0.30
	Mr. P B Desai	-	0.20
<b>7</b>	<b>Interest Paid</b>		
	Shri Chandrahas Thackersey	0.02	0.09
<b>8</b>	<b>Loan Repaid</b>		
	Mr. Chandrahas Thackersey	1.08	-

**Note 33: Other Notes to Accounts (Contd.)****B. Transactions with Related Parties:**

		₹ in lakhs	
Sr. No.	Nature of Transactions	Current Year	Previous Year
9	<b>Consultancy Fees Paid</b>		
	Mr. Prem Malik	15.00	-
10	<b>Balances as on 31.03.2018</b>		
	<b>Rent and Maintenance Charges</b>		
	Thackersey Moolji & Co	3.47	-
	Sir Vithaldas D Thackersey Charitable Trust	1.85	-
	<b>Amount due to Director</b>		
	Mr. Chandrahas Thackersey	-	1.08
	<b>Trade Receivables</b>		
	Mr. Kushaal Thackersey	0.21	1.51
	Ms. Ameeta Thackersey	-	0.23

**Notes:**

- Related Party information is as identified by the Company and relied upon by the Auditors.
- The above figures are exclusive of Service Tax/GST wherever applicable.

**XIII. Leases :**

The future minimum rentals payable under Indian Accounting Standard 17" Leases" (Ind AS 17) as required to be disclosed are as follows:

		₹ in lakhs	
Particulars		Current Year	Previous Year
Within one year		11.85	12.70
After one year but not more than five years		33.90	1.50

- XIV.** The balances relating to Sundry Debtors, Sundry Creditors and Loans and Advances as on 31st March, 2018 are subject to confirmation and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained and the same will be adjusted in the accounts in the year in which reconciliation is completed.

**XV. Financial Risk Management**

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Board of Directors. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.



### Note 33: Other Notes to Accounts (Contd.)

#### A. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, Board of Directors perform a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company's interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

#### Exposure to interest rate risk

₹ in lakhs

Particulars	Current Year	Previous Year
Total Borrowings	1,694.68	2,213.37
% of Borrowing out of above bearing variable rate of Interest	100%	100%

#### Interest rate Sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax.

₹ in lakhs

Particulars	Current Year	Previous Year
50 bps increase would decrease the profit before tax by	8.47	11.07
50 bps decrease would increase the profit before tax by	(8.47)	(11.07)

#### B. Market Risk- Foreign Currency risk:

The Company has international operations and portion of the business is transacted in USD/EURO and consequently the Company is exposed to foreign exchange risk through its sales to foreign customers and purchases of goods and purchase of services from overseas suppliers.

#### Derivative instruments and unhedged foreign currency exposure:

(a) Derivative contracts outstanding as at 31st March, 2018

₹ in lakhs

Particulars	Current Year	Previous Year
Forward Contracts to sell USD	Nil	66.05

(b) Particulars of unhedged foreign currency exposures

₹ in lakhs.

Particulars	Current Year			Previous Year		
	Amount	5% Increase	5% Decrease	Amount	5% Increase	5% Decrease
<b>Import of Goods and Services</b>						
Raw Material	336.92	(16.85)	16.85	512.71	(25.64)	25.64
Stores, Spares and Components	61.22	(3.06)	3.06	30.72	(1.54)	1.54
Capital Goods	-	-	-	10.39	(0.52)	0.52
Traded Goods	12.05	(0.60)	0.60	1.40	(0.07)	0.07
Commission	65.26	(3.26)	3.26	44.65	(2.23)	2.23
<b>Export of Goods</b>						
FOB Value of Export Sales	1,754.23	87.71	(87.71)	1,342.21	67.11	(67.11)

**Note 33: Other Notes to Accounts (Contd.)****C. Equity Price Risk**

The company does not have material investment in equity instruments and hence equity price risk does not materially affect the company.

**D. Liquidity Risk**

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet its requirements. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

₹ in lakhs

As At 31 <sup>st</sup> March, 2018	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Borrowings	16,19 & 21	1,694.68	1,366.44	328.24
Trade payables	20	2,064.47	2,064.47	-
Other Financial Liabilities	21	914.87	914.87	-

₹ in lakhs

As At 31 <sup>st</sup> March, 2017	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Borrowings	16,19 & 21	2,213.37	1,406.86	806.51
Trade payables	20	1,449.24	1,449.24	-
Other Financial Liabilities	21	958.23	958.23	-

₹ in lakhs

As At 1 <sup>st</sup> April, 2016	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Borrowings	16,19 & 21	2,646.85	1,358.77	1,288.08
Trade payables	20	1,233.29	1,233.29	-
Other Financial Liabilities	21	823.93	823.93	-

**XVI. Capital risk management****(a) Risk Management**

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to

**Note 33: Other Notes to Accounts (Contd.)**

shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**(b) Dividend**

₹ in lakhs

Particulars	Current Year	Previous Year
Final Dividend for the year ended 31 <sup>st</sup> March, 2017 of ₹ Nil per Equity Share (31 <sup>st</sup> March, 2016 of ₹ 4.50 per Equity Share)	Nil	74.90

**XVII. Financial Instrument:**

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in note 2.12 of the Ind AS financial statement.

**(a) Financial assets and liabilities**

The carrying value of financial instruments by categories as at 31<sup>st</sup> March, 2018 are as follows:

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
<b><u>Financial Assets</u></b>					
<b><u>Non Current</u></b>					
Investment	5	-	0.64	-	0.64
Other Financial Assets	6	-	-	145.48	145.48
<b><u>Current</u></b>					
Investment	9	66.73	-	-	66.73
Trade Receivable	10	-	-	3,060.55	3,060.55
Cash and cash equivalents	11	-	-	105.18	105.18
Other Financial Assets	12	-	-	455.95	455.95
<b>TOTAL</b>		<b>66.73</b>	<b>0.64</b>	<b>3,767.16</b>	<b>3,834.53</b>
<b><u>Financial Liabilities</u></b>					
<b><u>Non Current</u></b>					
Borrowings	16	-	-	328.24	328.24
<b><u>Current</u></b>					
Borrowings	19 & 21	-	-	1,366.44	1,366.44
Trade payables	20	-	-	2,064.47	2,064.47
Other Financial liabilities	21	-	-	914.87	914.87
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>4,674.02</b>	<b>4,674.02</b>

**Note 33: Other Notes to Accounts ( Contd.)**

The carrying value of financial instruments by categories as at 31<sup>st</sup> March, 2017 are as follows:

₹ in lakhs

Particulars	Note No	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
<b><u>Financial Assets</u></b>					
<b><u>Non Current</u></b>					
Investment	5	-	0.75	-	0.75
Other Financial Assets	6	-	-	144.91	144.91
<b><u>Current</u></b>					
Investment	9	61.72	-	-	61.72
Trade Receivable	10	-	-	2,871.00	2,871.00
Cash and cash equivalent	11	-	-	102.85	102.85
Other Financial Assets	12	-	-	435.55	435.55
<b>TOTAL</b>		<b>61.72</b>	<b>0.75</b>	<b>3,554.31</b>	<b>3,616.78</b>
<b><u>Financial Liabilities</u></b>					
<b><u>Non Current</u></b>					
Borrowings	16	-	-	806.51	806.51
<b><u>Current</u></b>					
Borrowings	19& 21	-	-	1,406.86	1,406.86
Trade payables	20	-	-	1,449.24	1,449.24
Other Financial liabilities	21	-	-	958.23	958.23
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>4,620.84</b>	<b>4,620.84</b>

The carrying value of financial instruments by categories as at 1<sup>st</sup> April, 2016 are as follows:

₹ in lakhs

Particulars	Note No	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
<b><u>Financial Assets</u></b>					
<b><u>Non Current</u></b>					
Investment	5	-	0.66	-	0.66
Other Financial Assets	6	-	-	121.36	121.36
<b><u>Current</u></b>					
Investment	9	328.80	-	-	328.80
Trade Receivable	10	-	-	2,599.85	2,599.85
Cash and cash equivalent	11	-	-	211.28	211.28
Other Financial Assets	12	-	-	300.63	300.63
<b>TOTAL</b>		<b>328.80</b>	<b>0.66</b>	<b>3,233.12</b>	<b>3,562.58</b>
<b><u>Financial Liabilities</u></b>					
<b><u>Non Current</u></b>					
Borrowings	16	-	-	1,288.08	1,288.08
<b><u>Current</u></b>					
Borrowings	19& 21	-	-	1,358.77	1,358.77
Trade payables	20	-	-	1,233.29	1,233.29
Other Financial liabilities	21	-	-	823.93	823.93
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>4,704.07</b>	<b>4,704.07</b>

## Note 33: Other Notes to Accounts (Contd.)

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payable as at 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017 and 1<sup>st</sup> April, 2016 approximate the fair value because of their short term nature. Difference between the carrying amount and fair values of other financial liabilities subsequently measured at amortized cost is not significant in each of the year's presented.

### Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

- Level 1:** Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2:** Inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3:** Inputs are not based on observable market data unobservable inputs. Fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured on fair value on recurring basis (but fair value disclosures are required)

₹ in lakhs

As at 31 <sup>st</sup> March, 2018	Level 1	Level 2	Level 3	Total
<b>Financial Assets :</b>				
<u>Investment measured at Fair Value through Other Comprehensive Income</u>				
Investments in Quoted Equity Shares	0.64	-	-	0.64
<u>Investments measured at Fair Value through Profit or Loss</u>				
Investments in Mutual Funds	66.12	-	-	66.12
Security Deposits	-	-	145.48	145.48
<b>TOTAL</b>	<b>66.76</b>	<b>-</b>	<b>145.48</b>	<b>212.24</b>
<b>Financial Liability:</b>				
Borrowing from a Bank	-	-	1,694.68	1,694.68
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,694.68</b>	<b>1,694.68</b>

₹ in lakhs

As at 31 <sup>st</sup> March, 2017	Level 1	Level 2	Level 3	Total
<b>Financial Assets :</b>				
<u>Investment measured at Fair Value through Other Comprehensive Income</u>				
Investments in Quoted Equity Shares	0.75	-	-	0.75
<u>Investments measured at Fair Value through Profit or Loss</u>				
Investments in Mutual Funds	61.72	-	-	61.72
Security Deposits	-	-	144.91	144.91
<b>TOTAL</b>	<b>62.47</b>	<b>-</b>	<b>144.91</b>	<b>207.38</b>
<b>Financial Liability :</b>				
Borrowing from a Bank	-	-	2,213.37	2,213.37
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>2,213.37</b>	<b>2,213.37</b>

**Note 33: Other Notes to Accounts (Contd.)**

				₹ in lakhs
As at 1 <sup>st</sup> April, 2016	Level 1	Level 2	Level 3	Total
<b>Financial Assets :</b>				
<u>Investment measured at Fair Value through Other Comprehensive Income</u>				
Investments in Quoted Equity Shares	0.66	-	-	0.66
<u>Investments measured at Fair Value through Profit or Loss</u>				
Investments in Mutual Funds	328.80	-	-	328.80
Security Deposits	-	-	121.36	121.36
<b>TOTAL</b>	<b>329.46</b>	<b>-</b>	<b>121.36</b>	<b>450.82</b>
<b>Financial Liability :</b>				
Borrowing from a Bank	-	-	2,646.85	2,646.85
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>2,646.85</b>	<b>2,646.85</b>

**XVIII. Disclosures required by Ind AS 101 First Time Adoption of Indian Accounting Standards:****A. Reconciliation of Statement of Total Equity as at 1<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017**

				₹ in lakhs
Particulars	Note No.	As at 31st March, 2017	As at 1st April, 2016	
<b>Total Equity (Shareholders' Fund) under previous GAAP</b>		<b>7,026.90</b>	<b>8,361.58</b>	
<b>Add/(Less): IND AS Adjustments</b>				
Provision for Proposed Dividend as at 1-4-2016 derecognized	C.1	-	90.15	
Security deposits recorded at fair value	C.2	(3.74)	(1.69)	
Bank Borrowings recorded at fair value as per EIR method	C.3	25.32	33.36	
Depreciation on Investment Property	C.4	(21.22)	(18.39)	
Investments recorded at FVTPL	C.5	14.56	28.56	
Investments recorded at FVTOCI	C.6	0.74	0.65	
Provision for ECL on Financial Assets	C.7	(11.95)	-	
Deferred Tax Adjustments on above	C.8	(5.97)	(15.67)	
<b>Total adjustments to equity</b>		<b>(2.26)</b>	<b>116.97</b>	
<b>Total equity under Ind AS</b>		<b>7,024.64</b>	<b>8,478.55</b>	

**Note 33: Other Notes to Accounts (Contd.)**

**B. Reconciliation of Total Comprehensive Income for the year ended on 31<sup>st</sup> March, 2017**

₹ in lakhs

Particulars	For the year ended 31 <sup>st</sup> March, 2017
<b>Total (Loss) as per Previous GAAP</b>	1,334.68
<b>Add/(Less): IND AS Adjustments</b>	
Security deposits recorded at fair value	(2.03)
Bank Borrowings recorded at fair value as per EIR method	(8.05)
Depreciation on Investment Property	(2.83)
Investments recorded at FVTPL	(14.00)
Investments recorded at FVTOCI	0.09
Provision for ECL on Financial Assets	(11.95)
Deferred Tax Adjustments on above	9.69
Actuarial Gain/Loss on Employee Benefits (net of Taxes)	27.42
<b>Total adjustment to Profit and Loss</b>	<b>(1.66)</b>
<b>Total (Loss) as per Ind AS</b>	<b>(1,336.34)</b>
<b>Add/(Less) : Other Comprehensive Income Item</b>	
Actuarial Gain/Loss on Employee Benefits (net of taxes)	(27.42)
<b>Total Comprehensive Income as per Ind AS</b>	<b>1,363.76</b>

**C. Material adjustments made during transition from previous GAAP to Ind AS**

**C.1 Proposed Dividend**

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the Financial Statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the general meeting. Accordingly, the liability for proposed dividend as at 1<sup>st</sup> April, 2016 included under the Provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount.

**C.2 Security Deposit at Fair Value**

Under Indian GAAP, the deposits are valued at cost less provision for impairment. Ind AS requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. Deposit is a Financial Asset as the lease agreement gives a contractual right to the company to receive cash. Deposit satisfies the contractual cash flow characteristic test and it also satisfies the business model test as there is intention of holding to collect contractual cash flows. Thus the deposits given for rentals have to be valued at amortized cost.

**C.3 Bank Borrowings recorded at fair value as per EIR method**

Ind AS 109 requires borrowings and financial liabilities to be carried at amortised cost. Accordingly, any transaction cost incurred towards origination of borrowings is to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the EIR method. Under Ind AS, loans are valued at present value as against cost in the previous GAAP. The difference between the present value and cost is recognised in the opening retained earnings.



**Note 33: Other Notes to Accounts (Contd.)****C.4 Depreciation on Investment Property**

As per Ind AS 40, investment property is also subject to depreciation. The company did not provide depreciation upto 1<sup>st</sup> April, 2016 on investment property. Under Ind AS financials, the company has provided depreciation with retrospective effect.

**C.5 Investments recorded at FVTPL**

Investments in Debt Mutual Fund, i.e. Investment in HDFC MF and UTI MF, are recorded at FVTPL. In previous GAAP, the same was measured at cost.

**C.6 Investments recorded at FVTOCI**

Company's investment in Siemens Ltd was earlier recognised at cost under previous GAAP. Under Ind AS 109, the same is recognised as FVTOCI.

**C.7 Provision for ECL on Financial Assets**

As per Ind AS 109, the financial assets are subject to expected credit loss. Under previous GAAP, there was no such provision. In compliance with Ind AS 109, the company has made provision of ECL on Trade Receivables following simplified approach.

**C.8 Deferred Tax Adjustments on Ind AS Adjustments**

Under Previous GAAP, deferred tax was recognized based on the profit and loss method. Under Ind-AS 12, deferred tax is recognized based on the balance sheet method for all differences between the accounting and tax base. Consequentially, deferred tax has been recognised for the adjustments made on transition to Ind AS, wherever applicable.

**C.9 Disclosures as required by Indian Accounting Standard (Ind-AS) 101 First Time Adoption Standard:**

The Company has adopted Ind AS with effect from 1st April, 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1st April, 2016 and all the periods presented have been restated accordingly.

**D. Exemptions availed on first time adoption of Ind AS 101:**

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

- a) Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' or 'fair value through profit or loss' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income and fair value through profit or loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

- b) The Company has opted to continue with the carrying values measured under the previous GAAP, use that carrying value as the deemed cost for property, plant and equipment, intangible assets and Investment Property on the date of transition.

**E. Mandatory Exemptions**

The following mandatory exemptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

- a) Estimates:
  - (i) Impairment of financial assets based on the expected credit loss model; and
  - (ii) Investments in equity instruments carried as FVTPL or FVTOCI.
- b) Classification and movement of financial assets and liabilities:

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

- XIX.** The Company's financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 16<sup>th</sup> May, 2018 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.
- XX.** The figures in the financial statements are rounded off to the nearest lakhs and indicated in lakhs of Rupees.
- XXI.** 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 "33"**

As per our report of even date attached

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

**For and on behalf of the Board**

**Khushaal Thackersey**  
Executive Director

**Rajiv Ranjan**  
Executive Director and CEO

**Mukul M. Patel**  
Partner  
Membership No. : 032489  
Place : Mumbai  
Date : May 16, 2018

**Shraddha Shettigar**  
Chief Financial Officer

**Jagat Reshamwala**  
Company Secretary  
Place : Mumbai  
Date : May 16, 2018



## HINDOOSTAN MILLS LIMITED

CIN No: L17121MH1904PLC000195

**Registered Office:** Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai - 400 001.

**Email:** complaint@hindoostan.com **Website:** www.hindoostan.com **Tel:** (022) 61240700 **Fax:** (022) 22833841

### FORM NO. MGT 11

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

### PROXY FORM

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

I / We, being a Member(s) holding ..... 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 114<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, August 08, 2018 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 Financial Statements for the year ended March 31, 2018.		
2.	Re-appointment of Mr. Chandahas Thackersey as Director liable to retire by rotation.		
3.	Ratification of appointment of M/s. M.A. Parikh & Co., as Auditors of the Company.		
4.	Appointment of Mr. Rajiv Ranjan, as Whole-time Director designated as Executive Director & CEO.		
5.	Appointment of Mr. Prem Malik as Non-Independent Director.		
6.	Enhancement of the prescribed limit of remuneration payable as Consultancy charges to Mr. Prem Malik.		
7.	Remuneration of Cost Auditor, Mr. Pranav J. Taralekar for the financial year ending March 31, 2019.		

Signed this ..... day of ..... 2018

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

Affix  
₹ 1  
Revenue  
Stamp

#### Note:

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.

## NOTES

[illegible]





*If undelivered, please return to :*  
**HINDOOSTAN MILLS LIMITED,**

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