



HINDOOSTAN MILLS LIMITED

117th
Annual Report
2020-2021

BOARD OF DIRECTORS

CHANDRAHAS THACKERSEY

Chairman

KHUSHAAL THACKERSEY

Executive Director

ABHIMANYU THACKERSEY

*Executive Director (w.e.f. 08.02.2021)***Independent Directors**

SUJAL A. SHAH

BHAVESH V. PANJUANI

ASHOK N. DESAI

AMOL P. VORA

GEETA J. PALAN

RAJIV RANJAN (Upto 06-09-2020)

Chief Financial Officer

Shraddha Shettigar

Company Secretary

Kaushik N. Kapasi

AuditorsM.A. Parikh & Co.,
Chartered Accountants**Solicitors**Mulla & Mulla and Craigie Blunt & Caroe
Hariani & Co.**Bankers**

HDFC Bank Ltd.

Plants

Textiles Unit / Engineering Unit

Plot No.D-1, MIDC Industrial Area,

Village – Taswade, Tal – Karad,

Dist.– Satara – 415 110, Maharashtra

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**117th Annual General Meeting on Wednesday,
September 08, 2021 at 11.30 a.m. through video
conference/Other Audio Visual Means**

Corporate Office402, Pharma Search House,
B.G. Kher Road, Worli,
Mumbai – 400 018**Registered Office**Shivsagar Estate "D" Block, 8th Floor,
Dr. Annie Besant Road.
Worli, Mumbai – 400 018**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@compu-techsharecap.inwww.compu-techsharecap.com

NOTICE

Notice is hereby given that the 117th Annual General Meeting (AGM) of the Members of Hindoostan Mills Limited will be held on Wednesday, September 08, 2021 at 11.30 a.m. through video conference/Other Audio Visual Means to transact following business, venue of the meeting shall be deemed to be the registered office of the Company at “Shivsagar Estate “D” Block, 8th floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Khushaal C. Thackersey (DIN:02416251) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to appoint M/s. SHR & Co., Chartered Accountants, LLP (FRN 120491W), as the Statutory Auditors of the Company in place of M/s. M. A. Parikh & Co. (FRN no. 107556W), chartered accountants who retires on the conclusion of 117th Annual General Meeting, for the period of five years starting from financial year 2021-22 and that they shall hold office from the conclusion of this 117th Annual General Meeting to the conclusion of 122nd Annual General Meeting to be held for financial year 2025-26 on such remuneration as shall be fixed by the Board of directors of the Company in consultation with the Auditors plus reimbursement of out of pocket expenses.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approval of the

members be and is hereby accorded to the reappointment of Mr. Khushaal C. Thackersey, the whole time director designated as Executive director (DIN:02416251) for a period of three years with effect from November 09, 2021 till November 08, 2024, on the terms and conditions as mentioned below with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and increase in remuneration during the said three years in the scale as mentioned below:

- a. Remuneration – Rs. 3,50,000/- per month in the scale of Rs.3,50,000/- - Rs.7,00,000/- inclusive of all perquisites except the following perquisites shall not be counted in the aforesaid remuneration;
- b. Perquisites:
 - i. Company’s contribution to Provident fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
 - ii. Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service;
 - iii. Encashment of leave at the end of the tenure and
 - iv. Use of the Company’s car for official purposes.
- c. Other conditions:
 - a. Mr. Khushaal C. Thackersey shall be liable to retire by rotation as a Director.
 - b. Mr. Khushaal C. Thackersey shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committee thereof.
 - c. Mr. Khushaal C. Thackersey shall be reimbursed of all expenses actually and properly incurred by him for the business of the Company.
 - d. The appointment may be terminated by either the Company or Mr. Khushaal C. Thackersey by giving three months’ written advance notice.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, he shall be paid salary, perquisites and other allowances as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time in accordance with the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the terms and conditions to the said appointment to the extent the Board may consider appropriate and as may be agreed to between the Board and Mr. Khushaal C. Thackersey.

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

5. To consider and if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in partial modification of the resolutions passed by the Members by postal ballot dated February 27, 2021, approval of the members be and is hereby accorded to revise the terms of appointment of Mr. Abhimanyu J. Thackersey (DIN: 00349682), the whole time director designated as Executive director for the period from five years i.e., 08-02-2021 to 07-02-2026 TO the period of three years from 08-02-2021 to 07-02-2024.

RESOLVED FURTHER THAT apart from the aforesaid revision in terms of period of appointment, the other terms and conditions of appointment of Mr. Abhimanyu J. Thackersey (DIN: 00349682), as previously approved by the shareholders by postal ballot dated February 27, 2021, shall remain unchanged and continue to be effective.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the terms and conditions to the said appointment to the extent the Board may consider appropriate and as may be agreed to between the Board and Mr. Abhimanyu J. Thackersey.

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

6. To consider and, if thought fit, to pass 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), the remuneration of Rs.1,05,000/- payable to Mr. Pranav J. Taralekar, Cost Accountants (Regn. No.101896) on his reappointment by the Board of Directors of the Company as cost auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022 be and is hereby ratified.”

By Order of the Board of Directors,

Kaushik N. Kapasi
Company Secretary

Date: August 05, 2021

Registered Office:
Shivsagar Estate “D” Block, 8th floor,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018
CIN: L17121MH1904PLC000195
Email: complaint@hindoostan.com

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 4 to 6 given above as Special Business in this AGM, as they are unavoidable in nature. The explanatory statement for item no. 3 is also given though not mandatory.
2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 02/2021 dated 13rd January 2021 and Securities and Exchange Board of India (the "SEBI") vide its circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 have allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2021. In accordance with, the said circulars of MCA and SEBI, the 117th AGM of the Company shall be conducted through VC / OAVM. Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 9 below and is also available on the website of the Company at www.hindoostan.com
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Institutional / Corporate Members are requested to send a scanned copy (PDF format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at complaint@hindoostan.com
5. The Register of Members of the Company will remain closed from Monday, September 06, 2021 to Wednesday, September 08, 2021 (both days inclusive).
6. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 read with General Circular no. 02/2021 dated 13th January 2021 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 read with circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the R & T agent at helpdesk@computechsharecap.in along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to the R & T agent at helpdesk@computechsharecap.in
8. The Notice of AGM along with Annual Report for the financial year 2020-21, is available on the website of the Company at www.hindoostan.com and on the website of Stock Exchanges i.e. BSE Limited. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., www.evotingindia.com

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

9. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
10. For convenience of the Members and proper conduct of AGM, Members can login and join at least 15 (fifteen) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more

shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
12. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members, facing issues for participating in AGM can write to complaint@hindoostan.com.
13. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

15. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at complaint@hindoostan.com. Questions / queries received by the Company till 5.00 p.m. on Thursday, September 02, 2021 shall only be considered and responded during the AGM.
16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending email to complaint@hindoostan.com between 9.00 a.m. on Wednesday, September 01, 2021 and 5.00 p.m. on Friday, September 03, 2021.
17. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:

18. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (LODR) 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.
19. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, September 01, 2021 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
20. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Saturday, September 04, 2021 and will end at 5.00 p.m. on Tuesday, September 07, 2021. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through evotingindia.com.
21. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, the request be sent to complaint@hindoostan.com.
22. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection by the members electronically up to the date of 117th AGM, the request be sent to complaint@hindoostan.com.
23. The Company has notified closure of Register of Members from Monday, September 06, 2021 to Wednesday, September 08, 2021 (both days inclusive).
24. 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 pertaining to the period from 2013-14 to 2015-16, 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.

25. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.
26. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to helpdesk@computechsharecap.in of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque through email at helpdesk@computechsharecap.in. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
27. 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. Members holding shares in physical form may submit the same to Computech Sharecap Limited. Members holding shares in dematerialized form may submit the same to their respective depository participant.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Saturday, September 04, 2021 at 9.00 a.m. to Tuesday, September 07, 2021, 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 September 01, 2021, 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

	<ol style="list-style-type: none"> 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- The Shareholders should log on to the e-voting website www.evotingindia.com.
- Click on “Shareholders” module.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - Members holding shares in physical form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

6. If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none"> 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).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of “Hindoostan Mills Ltd.”
- (x) 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.

- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a 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.
- (xvi) **Facility 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 and register themselves as “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details 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 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/

Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; complaint@hindoostan.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending email to complaint@hindoostan.com between 9.00 a.m. on Wednesday, September 01, 2021 and 5.00 p.m. on Friday, September 03, 2021, mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries on or before September 02, 2021 mentioning their

name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to complaint@hindoostan.com/helpdesk@computechsharecap.in.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh

Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

28. 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 September 01, 2021.
29. 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.
30. 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.
31. 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.
32. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www.hindoostan.com and on the website of CDSL. 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.3

Explanatory statement for item no. 3 being ordinary business is not mandatory.

M/s. M. A. Parikh & Co., the Chartered Accountant (FRN no.107556W) holds office of statutory auditors up to the conclusion of 117th Annual General Meeting since they have completed 10 years and two terms and not eligible to seek for reappointment as statutory auditors of the Company pursuant to section 139 of the Companies Act 2013.

After a rigorous selection process with respect to selection of Statutory Auditors of the Company, which included several rounds of discussion with various firm, their partners and personnel, the Audit Committee and the Board of Directors of the Company has approved the proposal for appointment of M/s. SHR & Co., Chartered Accountants, LLP (FRN 120491W), as the Statutory Auditors of the Company for a period of five years as mentioned in the resolution. They have given their written consent along with a certificate that their appointment is in accordance with the limits, conditions and criteria as specified in section 141 of the Companies Act 2013.

The Board commends the Resolution at Item No.3 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or Key Managerial Personnel ("KMP") or their respective relatives are, in anyway, concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item No.4

The terms of Mr. Khushaal C. Thackersey as an Executive Director is up to November 08, 2021.

The Nomination and Remuneration Committee and the Board of Directors has considering efforts put up by Mr. Khushaal C. Thackersey for performance of the Company and prevalent remuneration in the industry to managerial personnel, reappointed Mr. Khushaal C. Thackersey (DIN: 02416251), the Whole-time Director designated as Executive Director of the Company on the remuneration and terms and conditions as mentioned in the Item no.4 of the Notice. Approval of shareholders for his appointment is required.

Further, 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.

Taking into consideration the above and the terms of appointment and remuneration agreed with Mr. Khushaal C. Thackersey, it is proposed to obtain Members approval by way of a Special Resolution to reappoint him. The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval by the Members.

A copy of draft letter pertaining to his reappointment is kept open for inspection through electronic mode, the request for inspection be sent on complaint@hindoostan.com.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolution, except Mr. Khushaal C. Thackersey and Mr. Chandrahas K. Thackersey, in Resolution at Item No.4 of the Notice to the extent of their shareholding interest in the Company.

The Statement Containing Additional Information as required in Schedule V of the Act.

I. General Information:

- (1) Nature of industry: The Company is mainly engaged in Textile Business, which includes manufacturing of Greige fabrics and fine fabrics. The Company also manufactures calendar machine (paper and textiles) and Calendar Roll.
- (2) Date or expected date of commencement of commercial production: The Company was incorporated on May 12, 1904 and is in business since then.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
- (4) Financial performance based on given indicators-
As per audited financial results for the accounting year ended March 31, 2021

Particulars	(Rs. in lakhs)
Total Revenue	6801.15
Total comprehensive income/(loss)	1701.82
Reserves and Surplus	5709.87

- (5) Foreign investments or collaborations, if any- Nil

II. Information about the appointees - Mr. Khushaal C. Thackersey:

- (1) Background details:

Mr. Khushaal C. Thackersey, aged 32, holds degree in Commerce from Mumbai University. He is Executive director of the Company with effect from November 09, 2016 and looks after entire operation of the Company.

- (2) Past remuneration:

Mr. Khushaal C. Thackersey draws remuneration of Rs.3,50,000/- per month with effect from February 08, 2021 which includes perquisites plus Company's contributions to PF, Superannuation fund to the extent not taxable under the Income tax act, gratuity payable at a rate not exceeding half a month's salary for each completed year of service, Encashment of leave at the end of the tenure. His remuneration prior to February 08, 2021 was of Rs.1,70,000/- per month including all perquisites plus Company's contributions to PF,

Superannuation fund to the extent not taxable under the Income tax act, gratuity payable at a rate not exceeding half a month's salary for each completed year of service, Encashment of leave at the end of the tenure.

(3) Recognition or awards: Nil.

(4) Job profile and suitability:

Mr. Khushaal C. Thackersey is responsible for the day to day management, subject to the direction and control of the Board of Directors of the Company. He is also responsible to perform such duties as may from time to time be entrusted by the Board.

The Board of Directors considers that services and in depth experience of Mr. Khushaal C. Thackersey will be useful and beneficial to the Company in overall development and growth of the Company.

(5) Remuneration proposed to Mr. Khushaal C. Thackersey: As stated in the proposed Resolution.

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

Taking into consideration the size of the Company, the profile of Mr. Khushaal C. Thackersey, 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. Khushaal C. Thackersey, he does not have any other pecuniary relationship with the Company. He is not related directly or indirectly with the managerial personnel of 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:

Loss before exceptional items during the financial year 2020-21 was of Rs.647.52 Lacs, though there is profit after considering exceptional income. 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. Khushaal C. Thackersey with effect from November 09, 2021.

In the event of loss or inadequacy of profits in any year during the aforesaid tenure, Mr. Khushaal C. Thackersey 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

Mr. Abhimanyu J. Thackersey has been appointed as a whole time director designated as Executive director by the shareholders by postal ballot dated 27-02-2021 for a period of five years. Board at their meeting held on August 05, 2021 has decided to modify the terms of his appointment from five years to three years in line with terms of appointment of other executive director. Other terms and conditions as mentioned in the said resolution approved by postal ballot remain the same:

A copy of draft letter pertaining to modification of his appointment is kept open for inspection through electronic mode; the request for inspection may be mailed on complaint@hindoostan.com.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolution, except Mr. Abhimanyu J. Thackersey himself, in Resolution at Item No.5 of the Notice.

Item No.6

The Board on recommendation of the Audit Committee Meeting has re- appointed Mr. Pranav J. Taralekar, ICWA as a Cost Auditor on remuneration of Rs.1,05,000/- to conduct Cost Audit of the cost records of the Company for financial year ending March 31, 2022.

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.6 of the Notice for ratification of the remuneration payable to the Cost Auditor for financial year ending March 31, 2022.

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.6 of the Notice.

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

By Order of the Board of Directors,
Kaushik N. Kapasi
Company Secretary

Date: August 05, 2021

Registered Office:

Shivsagar Estate "D" Block, 8th floor,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018

CIN: L17121MH1904PLC000195

email: complaint@hindoostan.com

Annexure

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	Mr. Khushaal Thackersey
Age and Date of Birth	18-10-1988, 32 years
Date of first appointment	9-11-2016
Brief Resume (including profile, qualification, experience and expertise in specific functional areas)	Mr. Khushaal C. Thackersey is a Commerce graduate from University of Bombay. He has experience in the Textiles and Engineering sector.
Directorship held in other Listed Companies	Nil
Membership / Chairmanship of Committees of other Listed Companies	Nil
Shareholding in the Company as on 30-06-2021	1,90,079 Equity Shares, 11.42 % of equity share capital
Relationship with other Director/ Key Managerial Personnel of the Company	Son of Chandrahas K. Thackersey, the Chairman

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 117th Annual Report together with the Audited Financial Statements for the year ended March 31, 2021.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2021 is summarized below:

(Rs. in lakhs)

	Current Year Ended 31.03.2021	Previous Year Ended 31.03.2020
Gross Profit/(Loss) before Interest, Depreciation, Tax and exceptional profit from continuing operations	(69.01)	256.18
Less: Finance Cost	85.46	120.01
Gross Profit/(Loss) after interest but before Depreciation from continuing operations	(154.47)	136.17
Less: Depreciation	493.05	587.70
Profit/(Loss) before Tax from continuing operations	(647.52)	(451.53)
Exceptional Profit	1342.07	0.00
Profit after exceptional profit	694.55	(451.53)
Add: Deferred tax	0.00	1.41
Profit/(Loss) after Tax from continuing operations	694.55	(450.12)
Profit/(Loss) before Taxation from discontinued operations	1019.84	(160.82)
Less: Tax expenses of discontinued operations	0.00	0.00
Profit/(Loss) after Tax from discontinued operations	1019.84	(160.82)
Profit/Loss for the period	1714.39	(610.94)
Other comprehensive income	(12.57)	10.81
Total comprehensive income/(Loss)	1701.82	(600.13)

REVIEW OF OPERATIONS

The revenue from operations of the Company for the financial year 2020-21 was of Rs.6,536.78 Lacs as compared to Rs.14,107.86 Lacs during previous year. Plant was closed from March 22, 2020 in view of containment zone and travel restrictions due to Covid and the plant was opened from May 09, 2020. Only 45 to 50 workers of Textile plant returned to the plant and rest 251 workers did not return. The workers have joined duty from January 19, 2021. The Company has started enquiry procedure against the workers who did not attend the plant.

Performance of textile division was affected due to lack of demand in local market and absenteeism of labour. Turnover therefore during the year under review was much lower than previous year. Prices of raw material and finished goods of textiles had surged in November 2020 and December 2020. This helped the Company to liquidate old finished stock.

Immoveable property of Composite division consisting of Land, Building and other miscellaneous assets situated at Ambarnath were sold off during the year under review. The Company also disposed off its 62.50% rights in Bruce property situated in Fort, Mumbai.

The Company is planning for Fabric development, weaving of technical textiles on existing machines during the current year.

Engineering division was also affected due to lock down in the first quarter. Engineering performance in the third quarter and fourth quarter was encouraging. The Company exported Rolls to Brazil, Bangladesh, and Germany.

The Company has repaid term loan and working capital facilities. It is now a debt free Company.

DIVIDEND

In order to conserve resources of the Company, the Directors have not recommended dividend for the year ended March 31, 2021.

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, 2021.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan and guarantee. Details of Investment of Rs.1.11 Lacs covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes no.5 to the Financial Statements.

DIRECTORS

Mr. Khushaal Thackersey, Director of the Company retires by rotation at 117th Annual General Meeting and being eligible offered himself for re-appointment as a Director of the Company. His remuneration was increased from Rs.1,70,000 per month to Rs. 3, 50,000 per month with effect from 08-02-2021 on the terms as approved by shareholders thorough postal ballot on 27-02-2021. His term of appointment as an Executive director expires on November 08, 2021. The Board of directors has recommended his reappointment as a director liable to retire by rotation and also as a whole-time director designated as an Executive director.

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

Mr. Abhimanyu Thackersey, the director was appointed as an Executive director for a period five years with effect from February 08, 2021 on remuneration of Rs.3,50,000 per month and on the terms as approved by shareholders through postal ballot on 27-02-2021.

Mr. Rajiv Ranjan, the Executive director and CEO retired with effect from 7-09-2020. He was appointed as a CEO with effect from 07-09-2020 and he resigned as CEO with effect from 30-09-2020. The Board appreciated services rendered by him during terms of his office.

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 the directors 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 profit and loss of the Company for that period;
- (c) that the directors 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 the directors have prepared the annual accounts on a going concern basis;
- (e) that the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDUSTRIAL RELATIONS

251 workers of textile division remained absent during the year till January 18, 2021. The Company has started an inquiry procedure against the workers who did not attend the plant.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has, during the year under review, transferred unpaid dividend of Rs.2,14,087.50 pertaining to the financial year 2012-13 which was unclaimed for more than seven years to Investor Education and Protection Fund in compliance with the provisions of Section 125 of the Companies Act, 2013.

The Company transferred 22,896 equity shares pertaining to unpaid dividend of 2011-12 which was unpaid for more than seven years to IEPF on 8-01-2021. The Company also transferred 4,126 equity shares pertaining to unpaid dividend of 2012-13 which was unpaid for more than seven years to IEPF on 16-04-2021.

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. Form AOC-2 giving details of transactions with related party is herewith enclosed, marked as Annexure I.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

INTER SE TRANSFER OF SHARES

2,55,733 Equity shares (15.36% of total equity shares) held by Mr. Sudhir Thackersey, his son, their nearest relatives and entities controlled by them have been transferred to Mr. Khushaal Thackersey / Mr. Chandahas Thackersey / entity controlled by them over a period time.

COMPLIANCE UNDER THE COMPANIES ACT

1) Annual return

Annual return referred to in sub-section (3) of section 92 has been placed on website of the Company, website address www.hindoostan.com

2) No. of Board meetings

Five Board Meetings were held during the year.

3) Declaration from Independent directors

All the Independent Directors have given declarations that they met 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.

4) Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and to fix/review their remuneration.

5) 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.

6) Information under section 197

- i. 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:

There was no employee drawing remuneration of Rs. one Crore and two Lacs during the year or Rs.8,50,000/- per month for a part of 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.

- ii. The ratio of the remuneration of Directors to the median remuneration of the employees of the company for the financial year.

Mr. Khushaal Thackersey	:	20.20
Mr. Abhimanyu Thackersey	:	20.20
Mr. Rajiv Ranjan	:	19.50

- iii. 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. Khushaal Thackersey, Executive Director	102.70
Mr. Rajiv Ranjan, Executive Director & CEO	0.00
Ms. Shraddha Shettigar, CFO	0.00
Mr. Kaushik Kapasi, CS	0.00

- iv. The percentage increase in the median remuneration of employees in the financial year: 2.7%

- v. The number of permanent employees on rolls of the Company:

- 399 employees as on March 31, 2021

- vi. 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 : 22.20%

Average Salary Increase for non-KMP's : Nil

Increase in managerial remuneration is due to increase in remuneration of Mr. Khushaal Thackersey, Executive director

- 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 statement 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 Annexure 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

A. Conservation of energy

- i. No steps have been taken by the management on conservation of energy during the year.
- ii. Steps taken by the company for utilizing alternate sources of energy: -
 - Nil
- iii. The Capital investment on energy conservation equipment.
 - Nil

B. Technology absorption

- i) the efforts made towards technology absorption
 - Nil
- ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
 - Nil

C. Foreign Exchange Earnings & Outgo:

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
Foreign exchange earned (Rs. Lacs)	1,572.85	2426.13
Foreign exchange used (Rs. Lacs)	215.05	233.85

RISK MANAGEMENT POLICY

The Company has evolved risk management policy identifying primary risk and secondary risk. Primary risk includes manpower development, product efficiency, fluctuation in price of raw materials and competition. Although the profitability of the company may be affected on account of these risk factors, Board has not identified any risk which threatens the existence of the Company.

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.

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. Chandradas Thackersey. The other Members of the Committee are Mr. Sujal Shah and Mr. Bhavesh V. Panjani. 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.

Annual Report on CSR activities 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 spend any amount on CSR activities during the FY 2020-21.

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 performed 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 Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2020-21.

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.

AUDITORS

Statutory Auditors

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.

M/s. M. A. Parikh & Co., the statutory auditors of the Company holds office up to the date conclusion of ensuing 117th Annual General Meeting (AGM) of the Company since his terms of 10 years is being completed on the date of the said AGM. The Board has recommended to appoint M/s. SHR & Co., as the statutory auditors of the Company for a period of five years from the conclusion of 117th Annual General Meeting.

Cost Auditors

The Board has re-appointed Mr. Pranav J. Taralekar, Cost Auditor to conduct cost audit of the cost records of the Company for FY 2021-22 on the remuneration of Rs.1,05,000/-. The Board has recommended to the Members to ratify the said remuneration.

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**.

The observations made in the Secretarial Auditors' Report, are self-explanatory. The delays in some of the compliances were mainly due to late receipt of information from the R&T Agent who in turn was also affected by COVID -19 pandemic and some working communication and compilation gap amongst the staff due to work from home culture during the lockdown period and therefore, do not call for any further comments under Section 134 of the Companies Act, 2013.

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,

Chandahas Thackersey
Chairman

Place : Mumbai
Date: 6-05-2021

Annexure I

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - **Nil**
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship-
Bhor Chemical and Plastics Private Limited (Bhor)
 - (b) Nature of contracts/arrangements/transactions-
Omnibus approval for Job works and purchase from Bhor or sale to them and vice versa; reimbursement of expenses that may be incurred by Bhor on behalf of the Company.
 - (c) Duration of the contracts / arrangements/transactions-
Omnibus approval for the financial year 2020-21 and 2021-22
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Omnibus approval for Rs. One Crore during the financial year 2020-21 as well as for Rs. One Crore during financial year 2021-22
 - (e) Date(s) of approval by the Board, if any:
15-07-2020 and 8-02-2021
 - (f) Amount paid as advances, if any:
 - i. Nil
 - ii. Nil

For and on behalf of the Board of Directors,

Chandrabhas Thackersey
Chairman

ANNEXURE-II

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company

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

2. The Composition of the CSR Committee.

Sr. no.	Name of director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Chandrahas k. Thackersey	Chairman	Nil	NA
2	Mr. Sujal A. Shah	Independent director	Nil	NA
3	Mr. Bhavesh V. Panjuani	Independent director	Nil	NA

Note

The Company is not liable to contribute for CSR in view of average loss incurred during last three years.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

- Weblink <http://www.hindoostan.com>. There is no CSR project in view of losses incurred by the Company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable as the Company do not have CSR obligation in view of losses incurred by the Company during last three years.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

- Nil

6. Average net profit of the company as per section 135(5).

- The Company has not earned profits during the three immediately preceding financial years

7. (a) Two percent of average net profit of the company as per section 135(5)

- Nil

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

- Nil

(c) Amount required to be set off for the financial year, if any

- Nil

(d) Total CSR obligation for the financial year (7a+7b-7c).

- Nil

8. (a) CSR amount spent or unspent for the financial year:

- Not obligatory

(b) Details of CSR amount spent against ongoing projects for the financial year:

- NA

- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year:
- NA
- (d) Amount spent in Administrative Overheads
- Nil
- (e) Amount spent on Impact Assessment, if applicable
- Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)
- Nil
- (g) Excess amount for set off if any
- Nil
9. (a) Details of Unspent CSR amount for the preceding three financial years:
- NA
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):
- NA
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year-
- Nil
11. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per section 135(5).
- NA

Khushaal Thackersey
Executive Director

Chandrabhas Thackersey
CSR Committee Chairman

ANNEXURE III SECRETARIAL AUDIT REPORT

[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]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,
The Members

Hindustan Mills Limited

Shivsagar Estate "D" Block, 8th floor,
Dr. Annie Besant Road, Worli,
Mumbai 400018

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Hindustan Mills Limited bearing CIN: L17121MH1904PLC000195** (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.

Due to lockdown imposed in the Maharashtra State caused by Covid -19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the company and which lockdown partially continues even on the date of signing this report.

We have conducted online verification and examination of records as facilitated by the Company due to Covid -19 and subsequent lock down situation.

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 31st March, 2021 (Audit Period 01.04.2020 to 31.03.2021) 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

1. We have examined in the best possible manner soft copies through internet / emails, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 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.
- (vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the company under the financial year under report.
 - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - b. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014

- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
 - f. 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
- (vii) All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the Management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws. 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.

Based on the nature of business activities of the company, the following Acts and Regulations are applicable to the company.

1. Textiles Committee Act, 1963
 2. Hank Yarn Packing Notification issued under the Essential Commodities Act, 1955
 3. New Textile Policy, 2012 of Government of Maharashtra
2. We have also examined compliance with the applicable clauses of the following:
- (i) **Secretarial Standards:** - The Secretarial Standards namely SS-1 and SS - 2 issued and notified by the Institute of Company Secretaries of India have been generally complied with by the company during the financial year under review.
 - (ii) **The Listing Agreement entered into by the Company with the Stock Exchange (BSE Limited) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:** - The company has generally complied with the applicable clauses of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 except as under.

- a) *The Statement of investor complaint pursuant to Regulation 13 (3) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the quarter ended on 31st March, 2020 has been submitted on 25th May, 2020 which is not within the period prescribed under the said Regulation. BSE Limited has levied a total fine of Rs.9440/- and the same has been paid. However, on representation made by the Company, BSE Limited has waived the said fine.*
- b) *The Disclosure of related party transaction for the half year ended 30th September, 2020 as per Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been submitted on 19th January, 2021 which is not within the period prescribed under the said Regulations. BSE Limited has levied a total fine of Rs.2,47,800/- and the same has not been paid till the date of signing of this report.*
- c) *The Shareholding pattern for the quarter ended 31st March, 2020 has not been submitted within the period prescribed under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. BSE Limited has levied a total fine of Rs.7080/- and the same has been paid. However, on representation made by the Company, BSE Limited has waived the said fine.*
- d) *The intimation relating to approval of audited and Unaudited financial results for the quarter ended on 31st March, 2020 and 30th June, 2020 and 30th September, 2020 and 31st December, 2020 have in compliance with the provisions of Regulation 29 read with Regulation 47 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 though published in the newspaper within the time prescribed under the Regulation, but the newspaper clippings for the all the quarters have been submitted belatedly on 3rd May, 2021 to BSE Limited*
- e) *The standalone audited and unaudited financial results for the quarter ended on 31st March, 2020 and 30th June, 2020 and 30th September, 2020 and 31st December, 2020 have in compliance with the provisions of Regulation 47 of SEBI (Listing*

Obligations and Disclosures Requirements) Regulations, 2015 though published in the newspaper within the time prescribed under the Regulation, but the newspaper clippings for the all the quarters have been submitted belatedly on 1st May, 2021 to BSE Limited

- f) *The Certificates on compliance under Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018 for the Quarter ended 30th June, 2020, and 30th September, 2020 and 31st December, 2020 and 31st March, 2021 have been submitted on 1st May, 2021 which is not within the period prescribed under the said Regulations.*

We report that during the year under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above to the extent applicable and where such records have been examined by us.

We further report that Compliance by the Company of other applicable Acts, Financial Laws and Regulations including Direct and Indirect Tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same has been subject to review by the statutory auditors and other designated professionals of the Company.

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 in the Board Meetings and that of its Committees and are captured and recorded as part of the minutes. There is no dissenting member's view in any of meetings.

We further report that based on the information provided and representations made by the company and review of compliance mechanism established by the company and on the basis of the Compliance Certificate(s) issued by the Executive Director / Company Secretary / Chief Financial Officer 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

UDIN No.A008059C000253051

Date: 6th May, 2021

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
Shivsagar Estate “D” Block, 8th floor,
Dr. Annie Besant Road, Worli,
Mumbai 400018

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 partially limited to virtual examination based on inputs provided by the Management in soft copies. Any material deviation or non – compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an Addendum to this report to that extent.
7. 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
UDIN No.A008059C000253051

Date: 6th May, 2021
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 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:

Name of Directors	Category	No. of Board Meetings attended	Attendance of last AGM	No. of Directorship in other Companies		No. of Board Committees of other public Companies in which a member
				Public Company	Private Company	
Mr. Chandahas Thackersey	C,NE,S,P	4	Yes	1	1	Nil
Mr. Khushaal Thackersey	ED,S,P	5	Yes	1	1	Nil
Mr. Abhimanyu Thackersey (Refer note no. 5)	ED,S,P	5	Yes	Nil	11	Nil
Mr. Rajiv Ranjan (Upto 06-09-2020)	ED	3	NA	Nil	Nil	Nil
Mr. Sujal A. Shah	NE, I	5	Yes	8	3	2C/6M
Mr. Bhavesh V. Panjuani	NE, I	5	Yes	2	Nil	2M
Dr. Ashok N. Desai	NE, I	5	Yes	2	Nil	1M
Mr. Amol P. Vora	NE, I	5	Yes	Nil	Nil	Nil
Ms. Geeta J Palan (w.e.f. 26.06.2020)	W,NE,I	4	Yes	Nil	Nil	Nil

Notes:

- Excludes directorship in companies under Section 8 of the Companies Act, 2013.
- For the purpose of counting membership in Board Committee of other Companies, Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee alone are considered.
- The Company's Board of Directors comprises of 8 Directors including 5 Independent Directors, one of whom is woman director as on March 31, 2021. 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.
- Mr. Rajiv Ranjan, the Executive director was upto September 06, 2020
- Mr. Abhimanyu Thackersey, Additional Director from 26th June, 2020 to 07th February, 2021 and Executive Director w.e.f 08th February, 2021.

6. Abbreviations:

P = Promoter, E = Executive Director, NE = Non - Executive Director, I = Independent Director, W= Woman Director, S = Shareholders, C = Chairman, M = Member.

List of other listed companies in which directors of the company are director:

Name of director	Name of Listed company	Category
Mr. Sujal A. Shah	Amrit Corp Limited	Independent director
	Rudolf Atul Chemicals Limited	Independent director
	Mafatlal Industries Limited	Independent director
	Amal Limited	Independent director
	Ironwood Education Limited (earlier known as Greycell Education Limited)	Independent director
	Deepak Fertilisers & Petrochemicals Corporation Limited	Independent director
Mr. Bhavesh V. Panjuani	Jaysynth Dyestuff (India) Limited	Independent director
Dr. Ashok N. Desai	Pranavadiya Spinning Mills Limited	Independent director
	Siyaram Silk Mills Limited	Independent director

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

During the year under review, five Board Meetings were held, the dates being June 26, 2020, July 14, 2020, August 13, 2020, November 07, 2020 and February 08, 2021. The gap between two consecutive Meetings does not exceeded one hundred and twenty days.

The last Annual General Meeting was held on September 29, 2020.

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

The Shareholding of the Non-Executive Directors in the Company as on 31.3.2021:

Name of Directors	Category	No. of Shares held
Mr. Chandrahas Thackersey	Promoter	1,22,689
Mr. Sujal A. Shah	Independent	Nil
Mr. Bhavesh V. Panjuani	Independent	Nil
Dr. Ashok N. Desai	Independent	Nil
Mr. Amol P. Vora	Independent	Nil
Ms. Geeta J. Palan	Independent	Nil

(iii) **Disclosure of skill/expertise/competence as identified in diversity policy and relationships between Director inter-se:**

Table given below shows the relationship between the Directors:

Name of the Directors	Designation	*Relationship between Directors Inter-se	skill/expertise/competence
Mr. Chandrahas Thackersey	Chairman	Father of Mr. Khushaal Thackersey	Experience of more than 50 years in Textile industry
Mr. Khushaal Thackersey	Executive Director	Son of Mr. Chandrahas Thackersey	Five years in Textile Industry
Mr. Abhimanyu Thackersey #	Executive Director	Not related to any other Director	Experience of more than 10 years in textile industry. Earlier, he was executive director from 09.05.2011 to 06.09.2017.
Mr. Rajiv Ranjan (Upto 06-09-2020)	Executive Director	Not related to any other Director	Experience of more than 45 years in Textile industry
Mr. Sujal A. Shah	Director	Not related to any other Director	Chartered Accountant having experience of 29 years in Valuation / Corporate Re-structuring / audit and other related fields
Mr. Bhavesh V. Panjuani	Director	Not related to any other Director	Advocate and Solicitor, practicing since about 31 years. Areas of legal practice include commercial and corporate law, litigation, arbitrations, commercial dispute resolution, contract documentation, negotiation and claims, besides other general civil practice.
Dr. Ashok N. Desai	Director	Not related to any other Director	Experience of more than 40 years in technological aspects of textile industry and research / development.
Mr. Amol P. Vora	Director	Not related to any other Director	Textile business for more than 20 years
Ms. Geeta J Palan (w.e.f. 26.06.2020)	Director	Not related to any other Director	Legal and administration

* 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.

Mr. Abhimanyu Thackersey, Additional Director from 26th June, 2020 to 07th February, 2021 and Executive Director w.e.f 08th February, 2021.

(iv) **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 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:

The Audit Committee consists of the following 3 Independent Non-Executive Directors (financially literate) and Mr. Chandrahas Thackersey, non-executive director as on March 31, 2021.

- a. Mr. Sujal A. Shah - Chairman
- b. Mr. Bhavesh V. Panjuani - Member
- c. Dr. Ashok N. Desai - Member
- d. Mr. Chandrahas Thackersey - Member

Mr. Kaushik Kapasi, Secretary of the Company also acts as a Secretary to the 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.

- (ii) 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 along with 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, 2021 on the dates: July 14, 2020, August 13, 2020, November 07, 2020 and February 08, 2021. 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. Bhavesh V. Panjuani	Member	4
Dr. Ashok N. Desai	Member	4
Mr. Chandrahas K. 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.

- (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 along with the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Three Meetings of the Nomination and Remuneration Committee were held on June 26, 2020, August 13, 2020 and February 08, 2021. 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. Sujal A. Shah	Member	3
Dr. Ashok N. Desai	Member	3

(iii) Performance Evaluation Criteria:

The evaluation of individual directors would have two parts, viz. (a) quantitative data in the form of the number of meetings of the board and committees attended as against the total number of such meetings held and (b) qualitative data coming out of the process of filling in a questionnaire by the directors, which would be subjective, by its very nature.

- (1) In order to induce the respondents to give their frank views, the instruments would be so designed that only ticks would be required, with no provision for description and the directors would not be required to identify themselves below the filled in questionnaire.
- (2) The result of the evaluation would be discussed threadbare by the Board and remedial actions taken.

- (3) In case of individual directors' performance falling below a threshold, there would be a provision for individual counseling by the Chairman of the Company.

Meeting of Independent Directors was held on March 25, 2021, to evaluate members of the Audit Committee, members of the Board of Directors, members of the Stakeholders committee, Independent directors, Executive directors, Non-independent directors, and Chairman.

(iv) Remuneration to directors:

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

Details of the payments made to Non-Executive Directors as sitting fees during the year under Review are as under:

Name of Directors	Rupees
Mr. Chandrahas K. Thackersey	1,50,000
Mr. Abhimanyu J. Thackersey	1,00,000
Mr. Sujal A. Shah	2,15,000
Mr. Bhavesh V. Panjuani	2,15,000
Dr. Ashok N. Desai	2,15,000
Mr. Amol P. Vora	1,55,000
Ms. Geeta J Palan (w.e.f. 26.06.2020)	1,10,000

(v) Details of remuneration paid to Executive Directors during the year ended March 31, 2021:

(Rs.in lakhs)

Name	Salary	Benefits*	Contribution to P.F. & S.A. #	Total	Contract period
Mr. Khushaal K. Thackersey	6.90	0.50	1.83	9.23	Five years with effect from 9.11.2016 to 8.11.2021
Mr. Abhimanyu J. Thackersey	5.77	0.35	0.84	6.96	Five years with effect from 8.02.2021 to 7.02.2026
Mr. Rajiv Ranjan	11.32	0.20	--	11.52	from 1.12.2017 to 06.09.2020

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

P.F - Provident Fund, S.A - Superannuation.

Notice period for the above directors is three months' Notice.

C) Stakeholders Relationship Committee:

- a) Name of Non-Executive Director heading the Committee – **Mr. Amol P. Vora**
- b) Name and designation of Compliance Officer - **Mr. Kaushik Kapasi – Company Secretary.**

Details of Stakeholders Relationship Committee Meeting:

The Stakeholders Relationship Committee comprised of 2 Non-Executive Directors, one of whom is independent director and 1 Executive Director.

Name of Members	Designation / Category	Number of Meetings	Date of Meeting
Mr. Amol P. Vora	Chairman	1	08.12.2020
Mr. Chandrahas K. Thackersey	Member	1	08.12.2020
Mr. Khushaal C. Thackersey	Member	1	08.12.2020

Status of Investor Complaints:

- a. Number of complaints as of 1st April 2020 : Nil
- b. Number of complaints received during the year : 1
- c. Number of complaints resolved during the year : 1
- d. Number of complaints pending as of 31st March 2021 : Nil

D) Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Company constituted a Corporate Social Responsibility Committee comprising of three Directors.

a) Composition:

The Committee comprises of:

- i) Mr. Chandrahas K. Thackersey - Chairman
- ii) Mr. Sujal A. Shah - Member
- iii) Mr. Bhavesh V. Panjuani - Member

The Company Secretary acts as the Secretary to the Committee.

(b) 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.

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 2020-21.

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.

The Independent Directors Meeting comprises of the following 5 Independent Non-Executive Directors (financially literate) as on March 31, 2021.

- | | |
|----------------------------|------------|
| a. Mr. Sujal A. Shah | - Chairman |
| b. Mr. Bhavesh V. Panjuani | - Director |
| c. Dr. Ashok N. Desai | - Director |
| d. Mr. Amol P. Vora | - Director |
| e. Ms Geeta J Palan | - Director |

The Company Secretary acts as the Secretary to the Meeting.

Details of Meeting held during the year:

Name of Members	Designation	Meeting held on 26-06-2020	Meeting held on 25-03-2021
Mr. Sujal A. Shah	Chairman	Attended	Attended
Mr. Bhavesh V. Panjuani	Director	Attended	Attended
Dr. Ashok N. Desai	Director	Attended	Attended
Mr. Amol P. Vora	Director	Attended	Attended
Ms. Geeta J Palan (w.e.f. 26.06.2020)	Director	--	Attended

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

Year	Date	Time	Venue
2017-18	August 08, 2018	11 A.M.	Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai- 400001
2018-19	September 27, 2019	11 A.M.	Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai- 400001
2019-20	September 29, 2020	12.00 Noon	Virtual meeting through video conference (VC) / Other Audio Visual Means (OAVM) on CDSL platform

(ii) Special Resolution passed in previous three AGMs:

AGM Date	Special Resolutions passed
August 08, 2018	- NIL
September 27, 2019	- Reappointment of Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani, Independent Directors for a second term of 5 consecutive years. - To sell / transfer / dispose-off Composite Unit/Division at Ambernath.
September 29, 2020	- 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:

- The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company are uploaded on the web site of BSE Limited immediately after they are approved by the Board of Directors in their Board meetings.
- The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company have been advertised in Free Press Journal (English) and Navshakti (Marathi).
- Website: <https://hindoostan.com/>
- Whether it also displays official news releases: No official news has been released during the year.
- Presentation made to institutional investors or to the analysts: None

5. General Shareholder information:**(i) Annual General Meeting for the financial year 2020-21 through video conference**

Date : Wednesday, September 08, 2021

Time : 11:30 am

Venue : Virtual meeting

In accordance with the general circular issued by the MCA on May 5, 2020 read with further circular dated January 13, 2021, the AGM shall be held through video conference (VC)/Other Audio Visual Means (OAVM) only.

(ii) Financial Year : 1st April 2020 to 31st March 2021

(iii) Date of Book Closure : Monday, September 06, 2021 to Wednesday, September 08, 2021 (both days inclusive)

(iv) Dividend payment date : Not Applicable

(v) Listing on Stock Exchange : BSE Limited P J Towers, Dalal Street, Mumbai – 400 001

Listing Fee for the financial year 2020-21 has been paid

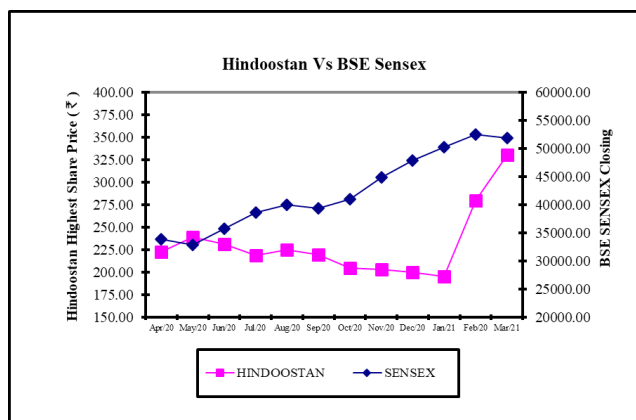
(vi) Stock Code : 509895

(vii) Stock Market Price Data:

Month	Quotation at BSE Ltd.			
	High (₹)	Low (₹)	Sensex High	Sensex Low
April, 2020	222.50	171.00	33,887.25	27,500.79
May, 2020	239.00	187.40	32,845.48	29,968.45
June, 2020	231.40	190.20	35,706.55	32,348.10
July, 2020	219.00	177.85	38,617.03	34,927.20
August, 2020	224.70	180.40	40,010.17	36,911.23
September, 2020	219.40	177.05	39,359.51	36,495.98
October, 2020	204.85	168.10	41,048.05	38,410.20
November, 2020	202.90	162.00	44,825.37	39,334.92
December, 2020	200.00	173.08	47,896.97	44,118.10
January, 2021	195.00	163.20	50,184.01	46,160.46
February, 2021	279.60	156.05	52,516.76	46,433.65
March, 2021	330.40	234.00	51,821.84	48,236.35

(viii) Performance in comparison to broad-based indices i.e. BSE - Sensex is as under:

Month	BSE Index (Sensex) (closing)	Hindoostan Mills month end stock closing price (₹)
April, 2020	33,717.62	187.95
May, 2020	32,424.10	210.00
June, 2020	34,915.80	214.60
July, 2020	37,606.89	191.00
August, 2020	38,628.29	190.65
September, 2020	38,067.93	188.25
October, 2020	39,614.07	178.50
November, 2020	44,149.72	178.45
December, 2020	47,751.33	193.25
January, 2021	46,285.77	177.00
February, 2021	49,099.99	271.95
March, 2021	49,509.15	235.50



(ix) Securities are not suspended from trading.

(x) Registrar and Transfer Agent:

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.in

Website : www.computechsharecap.com

(xi) Share Transfer Process:

SEBI has amended regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form with effect from April 1, 2019 except in case of requests for effecting transmission or transposition of securities.

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

(xii) Distribution of Shareholding as on March 31, 2021:

Group of Shares	No. of Shareholders	No. of shares held	% to Total Shares
1 to 50	6,717	64,974	3.90
51 to 100	566	42,789	2.57
101 to 250	374	59,349	3.57
251 to 500	102	37,911	2.28
501 to 1000	60	43,762	2.63
1001 to 5000	36	64,773	3.89
5001 and above	32	13,50,990	81.16
TOTAL	7,887	16,64,548	100.00

(xiii) 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 97.52% shares are held under dematerialised mode as on March 31, 2021.

(xiv) Outstanding GDRs/Warrants, Convertible Bonds, Conversion date & likely impact on equity: N.A.

(xv) Commodity price risk or foreign exchange risk and hedging activities:

Please refer Para Risk Management policy under the Directors' Report

(xvi) Shareholding Pattern as on March 31, 2021:

	No. of Shares held	%
Promoters and Persons Acting in Concert	10,09,511	60.65
Banks, Financial institutions, Mutual Funds, Insurance companies	2,128	0.13
Private Corporate Bodies	33,648	2.02
Indian Public	6,05,686	36.38
NRI's / OCBs	13,575	0.82
TOTAL	16,64,548	100.00

(xvii) Plant Location:

a) Textile 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

(xviii) Address for correspondence:

Registered Office:

Hindoostan Mills Limited
Shivsagar Estate "D" Block, 8th floor,
Dr. Annie Besant Road,
Worli, Mumbai-400 018

Corporate office:

402, Pharma Search House, B. G. Kher Road,
Worli, Mumbai- 400018
Tel. No.: 022 - 61240700
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) *Non-compliance with certain provisions of the Act / Security Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations to the extent as stated below:*
 - a) *The Statement of investor complaint pursuant to Regulation 13 (3) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the quarter ended on 31st March, 2020 has been submitted on 25th May, 2020 which is not within the period prescribed under the said Regulation. BSE Limited has levied a fine of Rs.9440/- and the same has been paid. However, on representation made by the Company, BSE Limited has waived the said fine.*
 - b) *The Disclosure of related party transaction on consolidated basis for the half year ended 30th September, 2020 as per Regulation 23 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been submitted on 19th January, 2021 which is not within the period prescribed under the said Regulations. BSE Limited has levied a total fine of Rs. 2,47,800/- and the same has not been paid till the date of signing of this report.*
 - c) *The Shareholding pattern for the quarter ended 31st March, 2020 has not been submitted within the period prescribed under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. BSE Limited has levied a fine of Rs.7080/- and the same has been paid. However, on representation made by the Company, BSE Limited has waived the said fine.*
 - d) *The intimations relating to approval of audited and Unaudited financial results for the quarters ended on 31st March, 2020, 30th June, 2020, 30th September, 2020 and 31st December, 2020 are in compliance with the provisions of Regulation 29 read with Regulation 47 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 though published in the newspaper within the time prescribed under the Regulation, but the newspaper clippings for all the quarters have been submitted belatedly on 3rd May, 2021 to BSE Limited.*
 - e) *The audited and unaudited financial results for the quarter ended on 31st March, 2020 and 30th June, 2020 and 30th September, 2020 and 31st December, 2020 have in compliance with the provisions of Regulation 47 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 though published in the newspaper within the time prescribed under the Regulation, but the newspaper clippings for all the quarters have been submitted belatedly on 1st May, 2021 to BSE Limited.*
 - f) *The Certificates on compliance under Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018 for the Quarter ended 30th June, 2020, 30th September, 2020, 31st December, 2020 and 31st March, 2021 have been submitted on 1st May, 2021 which is not within the period prescribed under the said Regulations.*
 - *Please refer Directors Report for their response to the aforesaid non compliance*
- (iii) The Company has established vigil mechanism/whistle blower policy and also affirms that no personnel have 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.
- (v) The Company has complied with all mandatory requirements of disclosures specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) 2015 as mentioned in this report.
- (vi) 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.

(vii) Web link where policy for determining material subsidiaries is disclosed

- The Company does not have subsidiary company.

(viii) Web link where policy on dealing with related party transactions:

<http://www.hindoostan.com>.

(ix) Disclosure of commodity price risks and commodity hedging activities: - N.A.

(x) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

(xi) Fees for all services paid by the listed entity to the statutory auditor : Rs.17.45 lakhs

(xii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints as of 1st April 2020 : Nil

b. Number of complaints received / resolved during the year : Nil

c. Number of complaints pending as of 31st March 2021 : Nil

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

Members who have not yet encashed their dividend warrants pertaining to the dividend for the financial year 2013-14 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	2013-14	10.00	December 12, 2014	February 13, 2022
2	2014-15	4.00	August 11, 2015	October 12, 2022
3	2015-16	4.50	August 09, 2016	October 14, 2023

*The Company has not declared any dividend for Financial Year 2016-17 and thereafter till date.

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

ABHIMANYU THACKERSEY
Executive Director

Mumbai, May 06, 2021

AUDITOR'S CERTIFICATE

To the Members

Hindoostan Mills Limited

1. The Corporate Governance Report prepared by **Hindoostan Mills Limited ("the Company")**, contains details as stipulated in regulations 17 to 27 and 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") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but are not limited to verification of secretarial records and financial information of the Company and obtaining necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 1 above, except for following:-
 - (a) *Para no. 6(ii) (a) of Corporate Governance report relating to delay in submission of Statement of investor compliant for the quarter ended on 31st March, 2020.*
 - (b) *Para no. 6(ii) (b) of Corporate Governance report relating to delay in submission of Disclosure of related party transactions on consolidated basis for the half year ended 30th September, 2020.*

- (c) *Para no. 6(ii) (c) of Corporate Governance report relating to delay in submission of Shareholding pattern for the quarter ended 31st March, 2020.*
- (d) *Para no. 6(ii) (d) of Corporate Governance report relating to delay in submission of newspaper clippings for approval of financial results for all the quarters.*
- (e) *Para no. 6(ii) (e) of Corporate Governance report relating to delay in submission of newspaper clippings for publication of financial results for all the quarters.*
- (f) *Para no. 6(ii) (f) of Corporate Governance report relating to delay in submission of Certificates for compliance of all the quarters.*

Other Matters and Restriction on use

- 10. This Report 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.
- 11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

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

Mukul Patel
Partner

Membership No. 032489
UDIN: 21032489AAAABI9814

Place: Mumbai
Date: 06th May, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

A. BUSINESS SEGMENT – TEXTILES:

Industry Structure & Development:

The Textiles Sector generates employment and contributes significantly to the economy. Textile industry's share in export section is 12%, it gives direct employment to 45 million people and indirect employment of 65 million people. Its share in industrial production is 14% and share in GDP is 2.3% to 2.4%. The Government cannot ignore textile industry.

In the last couple of years, the economy in the country is down leading to liquidity crunch and demand contraction. Then, came big blow via Covid 19 pandemic and the Industry has big question of survival itself. While there was a 23.9 per cent contraction in GDP in Q1, the recovery has been a V-shaped one as seen in the 7.5 per cent decline in Q2 and the recovery across all key sectors.

Industry has experienced substantial ups and down due to shrinkage in demand following Covid pandemic. There is a surge in late third quarter of the year in international and domestic market in yarn, fabrics and apparels. Post lock down, the Industry has started slowly limping back; some of the sectors bounced back mainly home textiles, neat goods and technical textiles mainly in export sector. Improvement in demand is mainly due to change in geopolitical situation, ban on export of Chinese cotton goods, opening of shops post locked down.

Total textile market in India is of 162 billion US\$. Technical Textiles market size is of 19 billion UD\$ and its growth rate is 12%. Share of technical textiles in total textile size in India is 12%. Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs. 1,480 Crore (US\$ 211.76 million) for Research & Development of technical textiles, promotion of its products, to set up separate Export Promotion Council and education training. Ministry has identified 207 technical textile products and mandatories its 92 application, 70 of which are implemented. Technical Textile is a sun rising industry of tomorrow. Global market of technical textile is of 256 billion UD\$. Present share of India in this field is 2% and now the government aims to increase it to 12% of global market in few years.

Government launched production linked incentive (PLI) scheme to provide incentives for manufacture and export of specific textile products made of man-made fibre.

A scheme of Mega Investment Textiles Parks (MITRA) is proposed to be launched by the ministry in addition to the PLI scheme. This will create world class infrastructure with plug and play facilities to enable create global champions in exports. 7 Textile Parks are expected to be established over 3 years.

The company continued its focus on innovative products, quality, and services to the customer in order to compete in a market where the unorganized sector continues to play a major part due to its offering of goods at very competitive prices.

Strengths and Opportunities:

Our textile business has an integrated manufacturing facility for yarns and fabrics which helps serving unique customer requirements and strictly adheres to committed quality and delivery schedules. In addition, the business strives to serve large and small customers with the same level of service and quality. The company is perceived as a producer of quality goods and this goodwill is helpful in staying competitive in the domestic and export markets 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, our textile business 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.

Weaknesses and threats:

The presence of low-cost unorganized manufacturing hubs in textiles continues to pose a challenge to us. Lack of liquidity in the markets could prove a deterrent to our quest for growth during the year. The COVID 19 situation in the country has taken a dangerous turn at the end of March 2021, making the near future uncertain and challenging.

Outlook:

We will continue our focus on value addition by developing innovative products, while also optimizing utilization and productivity and providing best services to all our stakeholders.

B. BUSINESS SEGMENT – ENGINEERING:

Industry Structure and Development:

It has been another lucrative and a profitable year for the Engineering business inspite of the corona virus induced lockdown that affected business in the first two quarters of the financial year. We have been able to sustain our market participation in the global market and have also stepped into starting two new ventures. The conditions in the national market were arduous with no substantial growth in the textile and steel industry plus a fall in paper industry. Against such a background, it was crucial for the Engineering Division to embark upon the two new sectors that we started in 2019, Brush rolls and manufacturing calendaring machines. They have not only endowed value to our portfolio but have also assisted in strengthening our hold in the market and its expansion.

Strengths and Opportunities:

The focal point being quality and services, our expertise in designing and fabrication has resulted in developing and assembling of custom-built machines for prestigious business houses like Noman & Robintex Group, Bangladesh. These machines comprise of our rolls and permit specialized and purpose-built applications that serve the customer's exclusive requisites. The outcome of our accomplishments is that today we are an elemental segment of HML and an integral part of customer operations.

Our high-quality hybrid roll continues to be the favoured roll of our prudent customers. It has by far surpassed the merits of a standard cotton roll. We have intelligently capitalized on the same to our advantage.

With the listing and working of brush rolls in the steel industry, we have perfected our list of products for the steel industry.

Weaknesses and threats:

Uniformity of goods and their quality assurance with after sales service continues to be the principal daunting task as majority of our supplies are tailored to meet customer demand. A larger part of our supplies are replacements in the processing line, where rolls need to be supplied as agreed and on schedule. Inventory handling and skilled technical

service team is the key challenge while rendering services to this segment. The textile industry currently is undergoing a low liquidity state causing long payment cycles.

Outlook:

The prospect of this business continues to be bright. With our fruitful entry into new ventures and concentrated attention on design and manufacturing of calendaring machines, we aim to scale up our sales in local and global markets. Additionally, our goodwill in the national and international markets will further boost our sales which will help in increasing our market share.

Performance, Risks and concerns, Internal control systems and their adequacy and industrial relations are mentioned in the Directors Report.

Key ratios are mentioned below:

Particulars	FY 2021	FY 2020	Remarks
Debtors turnover	4.66	4.94	
Inventory turnover	3.66	6.22	Turnover has reduced drastically resulting lower inventory ratio
Interest coverage ratio	-0.12	-0.21	Due to repayment of term loan and working capital facilities, there is improvement in the ratio
Current ratio	3.35	1.44	Improved due to disposal of immoveable properties
Debt Equity ratio	0.39	1.14	Increase in reserves due to increase in net profits
Operating Profit margin (%)	-10.78	-3.99	Covid 19 has affected sales and margin of profit
Net Profit *Margin (%)	25.02	-4.19	Increased due to capital gain on sale of immoveable properties
*Return on net worth	28.96%	-14.38%	Increased due to capital gain on sale of immoveable properties

*Net profit after exceptional profit and profit/loss from discontinued business is considered.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members, **Hindustan Mills Limited** **Report on the Audit of Financial Statements**

Opinion

1. We have audited the accompanying financial statements of Hindustan Mills Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements")
2. 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there is no key audit matter to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter:

Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access and necessary records made available by the Company through digital medium.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 given in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer to Note No. 32 Point No. II 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
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M. A. Parikh & Co.

Chartered Accountants

Firm's Registration Number. 107556W

Mukul M. Patel

Partner

Membership No. 032489

UDIN: 21032489AAAABH4611

Place: Mumbai

Date: 6th May, 2021

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) In respect of fixed assets (property, plant and equipment and investment property)
- The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets; except some details which are being updated.
 - 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.
 - 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 31st March, 2021 aggregating to Rs. 24.58 lakhs (previous year Rs. 75.42 lakhs) was not verified for which mail 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:
- Has complied with the provision of Section 186 of the Act in respect of investment made during the year.
 - Has not given any loans, guarantees and securities in relation to which provisions of section 185 of the Act are applicable.
- (v) According to the information and explanations given to us, 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. However, we have 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:
- 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, Duty of Customs, Duty of Excise and any other statutory dues as applicable, with the appropriate authorities during the year.
 - According to the information and explanations given to us, statutory dues aggregating to Rs. 82.01 lakhs which have not been deposited as on 31st March, 2021 on account of disputes are as given below:

Name of Statute	Nature of dues	Amount (Rs. 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.
		0.10	A.Y. 2016-17	Assistant Commissioner of Income Tax.
Central Excise Act, 1944	Excise Duty	5.36	1996-2003	CESTAT
Bombay Sales Tax Act, 1959 and Central Sales Tax Act, 1956	Sales Tax & Central Sales Tax	5.10	2002-03	Dy. Commissioner of sales-tax (Appeal)-I
Maharashtra Value Added Tax Act, 2002 and Central Sales Tax Act, 1956	Value Added Tax & Central Sales Tax	40.35	2016-17	Dy. Commissioner of sales-tax
		7.92	2017-18	Dy. Commissioner of sales-tax
Maharashtra Sales Tax on the transfer of property in goods involved in the execution of the work contract (Reenacted) Act, 1989	Work contract Tax	18.12	1990-91 to 2000-01	Dy. Commissioner of sales-tax (Appeal)-I

Note: # Net of the amount paid under protest aggregating to Rs. 5.90 lakhs against the above.

- (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. The Company has not borrowed any money from financial institutions or debenture holders or Government.
- (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) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (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) 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. Thus, paragraph 3(xiv) of the Order is not applicable.
- (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. Therefore, the provisions of the clause 3(xvi) of the Order are not applicable to the Company.

For M. A. Parikh & Co.

Chartered Accountants

Firm's Registration Number. 107556W

Mukul M. Patel

Partner

Membership No. 032489

UDIN: 21032489AAAABH4611

Place: Mumbai

Date: 6th May, 2021

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")

Opinion

We have audited the internal financial controls over financial reporting of **Hindustan Mills Limited** (the "Company"), as of 31st March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors 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 ("the Guidance Note"), issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

For M. A. Parikh & Co.

Chartered Accountants

Firm's Registration Number. 107556W

Mukul M. Patel

Partner

Membership No. 032489

UDIN: 21032489AAAABH4611

Place: Mumbai

Date: 6th May, 2021

Balance Sheet as at 31st March, 2021

		₹ in lakhs	
Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
ASSETS			
1 Non-Current Assets			
a Property, Plant and Equipment	3	2,248.28	2,649.88
b Capital Work in Progress	3	-	60.37
c Investment in Property	4	-	11.77
d Financial Assets			
(i) Investment	5	1.11	0.67
(ii) Other Financial Assets	6	163.93	158.30
e Other Non financial Assets	7	1.92	4.42
Total Non Current Assets (A)		2,415.24	2,885.41
2 Current Assets			
a Inventories	8	1,748.67	2,243.15
b Financial Assets			
(i) Investment	9	565.43	-
(ii) Trade Receivables	10	1,373.69	2,824.09
(iii) Cash and cash equivalent	11	1,355.93	61.93
(iv) Other Financial Assets	12	321.91	379.75
c Current Tax Assets (Net)		319.80	297.95
d Other Current Assets	13	81.82	89.19
e Assets held for Sale		-	133.47
Total Current Assets (B)		5,767.25	6,029.53
Total Assets (A)+(B)		8,182.49	8,914.94
EQUITY AND LIABILITIES			
1 Equity			
a Equity Share Capital	14	166.45	166.45
b Other Equity	15	5,709.87	4,008.05
Total Equity (A)		5,876.32	4,174.50
2 Non-Current Liabilities			
a Financial liabilities			
(i) Other Financial Liabilities	16	4.66	32.70
b Provisions	17	577.84	524.77
Total Non Current Liabilities (B)		582.50	557.47
3 Current Liabilities			
a Financial liabilities			
(i) Borrowings	18	-	908.64
(ii) Trade payables	19		
I. Total outstanding dues of Micro Enterprises and Small Enterprises		114.41	285.37
II. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		749.59	2,051.37
(iii) Other Financial Liabilities	20	553.07	690.06
b Other Current Liabilities	21	254.53	170.84
c Provisions	22	52.07	76.69
Total Current Liabilities (C)		1,723.67	4,182.97
Total Equity and Liabilities (A)+(B)+(C)		8,182.49	8,914.94
Significant Accounting Policies	2		
Other Notes to Accounts	32		

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's Registration No.107556W

Mukul M. Patel
Partner
Membership No. : 032489
Place : Mumbai
Date : May 6, 2021

For and on behalf of the Board

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Statement of Profit and Loss for the Year ended 31st March, 2021

		₹ in lakhs	
Particulars	Note No.	For the year ended 31st Mar, 2021	For the year ended 31st March, 2020
I Revenue from Operations	23	6,536.78	14,107.86
II Other Income	24	264.37	229.02
III Total Revenue	(I+II)	6,801.15	14,336.88
IV Expenses:			
Cost of Materials Consumed	25	3,469.56	9,161.25
Purchase of Stock-in-Trade		308.05	720.10
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	490.33	(4.71)
Employee Benefits Expenses	27	1,026.81	1,586.18
Finance costs	28	85.46	120.01
Depreciation and Amortisation Expenses	29	493.05	587.70
Other Expenses	30	1,575.41	2,617.88
Total Expenses		7,448.67	14,788.41
V Profit / (Loss) before Exceptional Items and Tax	(III - IV)	(647.52)	(451.53)
VI Exceptional Items	31	1,342.07	-
VII Profit / (Loss) Before Tax	(V + VI)	694.55	(451.53)
VIII Tax Expense:			
Deferred Tax		-	1.41
IX Profit / (Loss) for the Period from continuing operations	(VII-VIII)	694.55	(450.12)
X Profit / (Loss) from discontinued operations		1,019.84	(160.82)
XI Tax expense of discontinued operations		-	-
XII Profit / (Loss) from Discontinued operations (after tax)		1,019.84	(160.82)
XIII Profit / (Loss) for the Period		1,714.39	(610.94)
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of the defined benefit plan		(13.01)	10.82
(b) Equity Instrument through Other Comprehensive Income		0.44	(0.01)
(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		-	-
Total Other Comprehensive Income [A (i) - A (ii) + B (i)]		(12.57)	10.81
XV Total Comprehensive Income for the period (XIII)+(XIV)		1,701.82	(600.13)
XVI Earning per Equity Share of ₹ 10/- each			
Basic and Diluted from Continuing Operations	₹	41.73	(27.04)
Basic and Diluted from Discontinued Operations	₹	61.27	(9.66)
(Refer Note 32 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 M.A.Parikh & Co
Chartered Accountants.
Firm's Registration No.107556W

Mukul M. Patel
Partner
Membership No. : 032489
Place : Mumbai
Date : May 6, 2021

For and on behalf of the Board

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2021

	₹ in lakhs	
	Current Year	Previous Year
A. CASHFLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax from continuing operations	694.55	(451.53)
Profit / (Loss) before tax from discontinued operations	1,019.84	(160.82)
Adjustment for :		(612.35)
Depreciation and Amortisation expenses	493.05	587.70
Impairment (Refer Note no. 32(XV) - Discontinued Operations)	-	143.96
Finance Cost	85.46	120.01
Finance Cost (Refer Note no. 32(XV) - Discontinued Operations)	-	18.40
Property, Plant and Equipments Written off	11.70	-
Profit on Sale of Investment in Property	(1,342.07)	-
Provision for Doubtful Debts and Advances	25.00	17.09
Bad Debts	84.56	45.09
Bad Debts (Refer Note no. 32(XV) - Discontinued Operations)	-	13.97
Sundry Debit Balances Written Off	34.85	8.67
Sundry Debit Balances Written Off (Refer Note no. 32(XV) - Discontinued Operations)	3.72	-
Lease Income	(24.60)	(97.57)
Profit on Sale of Investments (Net)	(3.98)	-
Fair Value Gain on MF Valued as FVTPL	(13.59)	-
Profit on Sale of Property, Plant and Equipments (Net)	(0.65)	(0.62)
Profit on Sale of Property, Plant and Equipments (Refer Note no. 32(XV) - Discontinued Operations)	(1,092.59)	-
Provision for Doubtful Debts / Advances no longer required written back	(55.52)	(58.18)
Provision for Doubtful Debts no longer required written back (Refer Note no. 32(XV) - Discontinued Operations)	-	(39.76)
Excess provision no longer required written back	(18.30)	(1.00)
Sundry Credit Balance Written Back	(11.05)	(15.08)
Interest and Dividend Income	(29.82)	(16.61)
Interest Income (Refer Note no. 32(XV) - Discontinued Operations)	(0.07)	(0.49)
	(1,853.90)	725.58
Operating Profit before Working Capital Changes	(139.51)	113.23
Changes in :		
Inventories	494.47	(24.81)
Trade Receivables	1,392.57	257.81
Other Financial Assets	62.98	(146.97)
Other Non- Financial Assets	9.86	(58.78)
Trade Payables	(1,443.38)	129.62
Other Financial Liabilities	(165.03)	(91.23)
Other Current Liabilities	83.69	85.97
Provisions	15.44	60.24
	450.60	211.85
Cash Generated from Operations	311.09	325.08
Direct Taxes paid (Net of Refunds)	(21.85)	(1.55)
Net Cash Generated From Operating Activities	289.24	323.53

₹ in lakhs

	Current Year		Previous Year
B. CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipments	(71.17)		(71.84)
Sale of Investment in Property	1,350.00		-
Sale of Property, Plant and Equipments	1,227.89		45.18
Interest and Dividend Received	15.40		18.07
Lease Income Received	24.60		97.57
Investments Purchased and Sold (Net)	(547.86)		-
Net Cash used in Investing Activities		1,998.86	88.98
C. CASHFLOW FROM FINANCING ACTIVITIES			
Interest Paid	(85.46)		(141.16)
Repayment of Borrowing	(908.64)		(309.75)
Net Cash used in Financing Activities		(994.10)	(450.91)
Net Increase in Cash and Cash Equivalents (A+B+C)		1,294.00	(38.40)
Cash and Cash Equivalents at the beginning of the year			
Cash and Cash Equivalents	23.95		80.72
Other Bank Balances	37.98		19.61
Cash and Cash Equivalents at the end of the year		61.93	100.33
Cash and Bank Balance	246.76		23.95
<u>Other Bank Balances</u>			
Earmarked Balance with Banks	5.80		7.95
Margin Money Deposit	3.37		30.03
Other Bank Deposits	1,100.00		-
Cash and Cash Equivalents at the end of the year		1,355.93	61.93

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.
- 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 and on behalf of the Board

For M.A.Parikh & Co

Chartered Accountants.
Firm's Registration No.107556W

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Mukul M. Patel

Partner
Membership No. : 032489

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Place : Mumbai
Date : May 6, 2021

Statement of Changes in Equity for the year ended 31st March 2021

(a) Equity Share Capital

Particulars	Numbers	₹ in lakhs
Equity Shares of Rs. 10 each issued, subscribed & fully paid		
As at March 31, 2020	16,64,548	166.45
As at March 31, 2021	16,64,548	166.45

(b) Other Equity

₹ in lakhs

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 March 31, 2019	1,076.11	83.63	587.78	6,447.61	(3,587.61)	0.66	4,608.18
Profit / (Loss) for the year					(610.94)		(610.94)
Other comprehensive income					10.82	(0.01)	10.81
Total Comprehensive Income for the year	-	-	-	-	(600.12)	(0.01)	(600.13)
As at March 31, 2020	1,076.11	83.63	587.78	6,447.61	(4,187.73)	0.65	4,008.05
Profit / (Loss) for the year	-	-	-	-	1,714.39	-	1,714.39
Other comprehensive income	-	-	-	-	(13.01)	0.44	(12.57)
Total Comprehensive Income for the year	-	-	-	-	1,701.38	0.44	1,701.82
As at March 31, 2021	1,076.11	83.63	587.78	6,447.61	(2,486.35)	1.09	5,709.87

As per our report of even date attached

For and on behalf of the Board

For M.A.Parikh & Co

Chartered Accountants.
Firm's Registration No.107556W

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Mukul M. Patel

Partner
Membership No. : 032489

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Place : Mumbai
Date : May 6, 2021

Notes to Financial statements for the Year ended 31st March, 2021

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 and Refiling of Elastic Calendar Bowls. The Company has its the Registered Office and principal place of business at **Shivsagar Estate "D" Block, 8th floor, Dr. Annie Besant Road, Worli, Mumbai- 400018.**

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:

(A) 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 31st 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). The Financial statements for the year ended 31st March 2018 is the first time that the Company has prepared the financial statements in accordance with Ind-AS.

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

Note 2: Significant Accounting Policies (Contd.)

- **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 1st 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 1st 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.

2.5.1 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.

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

2.5.3 Cost of Leasehold Land and Improvement is written off over the period of Lease.

2.5.4 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 1st 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. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.9 Assets held for Sale :

Non-Current assets are classified as asset held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current assets is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value.

Note 2: Significant Accounting Policies (Contd.)

2.10 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.

2.11 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.

2.12 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 conditions.

2.13 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:

- 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

Note 2: Significant Accounting Policies (Contd.)

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 financial position) when:

- 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 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.

Note 2: Significant Accounting Policies (Contd.)

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.

2.14 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.

2.15 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.)

2.16 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).

2.17 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.

2.18 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

Note 2: Significant Accounting Policies (Contd.)

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.

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.

2.19 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.

2.20 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.

2.21 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.

2.22 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.

2.23 Commitments:

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

Note 2: Significant Accounting Policies (Contd.)

- (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.

2.24 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 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.

2.25 Significant Accounting Judgements, Estimates and Assumptions:

The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS 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

Note 2: Significant Accounting Policies (Contd.)

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 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.

Notes to Financial Statements for the year ended 31st March 2021

NOTE 3: PROPERTY, PLANT AND EQUIPMENT (PPE)

A. Current Year

₹ in lakhs

Description	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK		
	Opening Block As At 01.04.2020	Additions during the year	Deductions / Adjustment during the year	Write off during the year	Transferred from Assets held for Sale	Closing Block As At 31.03.2021	Opening Block As At 01.04.2020	For the Year	Deductions / Adjustment during the year	Write off during the year	Closing Block As At 31.03.2021	As At 31.03.2021	As At 31.03.2020
TANGIBLE ASSETS													
<u>Land</u>													
Leasehold Land	51.19	-	-	-	-	51.19	2.84	0.71	-	-	3.55	47.64	48.35
<u>Buildings</u>													
Road	0.26	-	-	-	-	0.26	-	-	-	-	-	0.26	0.26
Buildings	761.32	6.51	-	-	-	767.83	227.09	45.68	-	-	272.77	495.06	534.23
<u>Plant & Equipments</u>													
Plant & Machinery	5,288.15	25.21	0.32	7.32	-	5,305.72	3,284.42	422.22	0.14	1.83	3,704.67	1,601.05	2,003.73
Office Equipments	16.76	3.30	1.07	2.92	-	16.07	11.32	1.09	0.95	2.04	9.42	6.65	5.44
Electrical Installations	53.43	36.38	-	0.13	0.07	89.75	31.36	6.83	-	0.09	38.10	51.65	22.07
<u>Furniture & Fixtures</u>													
Vehicle	59.93	2.79	0.29	20.90	-	41.53	41.17	4.95	0.24	16.60	29.28	12.25	18.76
<u>Computer</u>	19.51	25.81	3.83	-	-	41.49	12.32	5.03	3.20	-	14.15	27.34	7.19
	37.13	0.41	0.81	3.68	-	33.05	27.28	2.69	0.61	2.69	26.67	6.38	9.85
Total Tangible Assets	6,287.68	100.41	6.32	34.95	0.07	6,346.89	3,637.80	489.20	5.14	23.25	4,098.61	2,248.28	2,649.88
CAPITAL WORK IN PROGRESS	60.37	0.23	29.55	31.05	-	-	-	-	-	-	-	-	60.37
TOTAL	6,348.05	100.64	35.87	66.00	0.07	6,346.89	3,637.80	489.20	5.14	23.25	4,098.61	2,248.28	2,710.25

Notes :

- I. Refer Note no. 18.1 for information on PPE pledged as a security by the company.
- II. Refer Note no. 32(f) for disclosure of contractual commitments for the acquisition of PPE.
- III. Refer Note no. 32(XV)(ii) for Assets held for Sale.

Notes to Financial Statements for the year ended 31st March 2021

NOTE 3: PROPERTY, PLANT AND EQUIPMENT (PPE)

B. Previous Year

₹ in lakhs

Description	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK			
	Opening Block As At 01.04.2019	Additions during the year	Transferred from Asset held for Sale	Deductions / Adjustment during the year	Closing Block As At 31.03.2020	Opening Block As At 01.04.2019	For the Year	Deductions / Adjustment during the year	Closing Block As At 31.03.2020	As At 31.03.2020	As At 31.03.2019
TANGIBLE ASSETS											
Land											
Leaschold Land	51.19	-	-	-	51.19	2.13	0.71	-	2.84	48.35	49.06
Buildings											
Road	0.26	-	-	-	0.26	-	-	-	-	0.26	0.26
Buildings	761.32	-	-	-	761.32	177.08	50.01	-	227.09	534.23	584.24
Plant & Equipments											
Plant & Machinery	5,082.46	67.58	138.66	0.55	5,288.15	2,771.46	513.11	0.15	3,284.42	2,003.73	2,311.00
Office Equipments	16.33	0.46	-	0.03	16.76	10.08	1.27	0.03	11.32	5.44	6.25
Electrical Installations	53.43	-	-	-	53.43	27.05	4.31	-	31.36	22.07	26.38
Furniture & Fixtures	59.58	0.35	-	-	59.93	34.58	6.59	-	41.17	18.76	25.00
Vehicle	20.08	-	-	0.57	19.51	9.79	2.90	0.37	12.32	7.19	10.29
Computer	35.50	2.06	-	0.43	37.13	24.75	2.90	0.37	27.28	9.85	10.75
Total Tangible Assets	6,080.15	70.45	138.66	1.58	6,287.68	3,056.92	581.80	0.92	3,637.80	2,649.88	3,023.23
CAPITAL WORK IN PROGRESS											
	-	61.77	-	1.40	60.37	-	-	-	-	60.37	-
TOTAL	6,080.15	132.22	138.66	2.98	6,348.05	3,056.92	581.80	0.92	3,637.80	2,710.25	3,023.23

B. Notes :

I. Refer Note no. 18.1 for information on PPE pledged as a Collateral security by the company.

II. Refer Note no. 32 (I) for disclosure of contractual commitments for the acquisition of PPE.

III. Refer Note no. 32(XV)(ii) for Assets held for Sale.

Notes to Financial Statements for the year ended 31st March 2021

Note 4 : Investment in Property

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Other Investments		
<u>Investment in Property</u>		
5/8 th share in Bruce Street Property, Tenancy right and Godown		
Gross carrying amount opening	52.16	52.16
Sold during the year	(52.16)	-
Gross carrying amount closing	-	52.16
Accumulated Depreciation opening	40.39	34.49
Depreciation during the year	3.84	5.90
Sold during the year	(44.23)	-
Accumulated Depreciation closing	-	40.39
Net carrying amount	-	11.77
TOTAL	-	11.77
Fair Value :		
As at 31st March	See Note No. 4.3	See Note No. 4.3

Note 4.1 : Information regarding income and expenditure of Investment property

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Rental income derived from Investment property	24.60	97.57
Direct operating expenses (including repairs and maintenance) for generating rental income	2.87	4.58
Surplus arising from investment property before depreciation	21.73	92.99
Less - Depreciation	3.84	5.90
Net Surplus arising from investment property	17.89	87.09

Note 4.2 : 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 :

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
For a period not later than one year	-	107.09
For a period later than one year and not later than five years	-	285.54

Note 4.3 : 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 2021

Note 4.4 :

The Board of Directors at their meeting held on 14th July 2020 had decided to sell the Company's 5/8 share, being 62.5% in the Bruce Street property located at 10, Homi Modi Street, Fort, Mumbai – 400001, for ₹ 1,350.00 lakhs and the same has been sold on 25th November 2020. The profit on sale of Property is ₹ 1,342.07 lakhs is presented as "Exceptional Item".

Note 5 : Non Current Assets - Investments

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<u>Investment measured at Fair Value through Other Comprehensive Income</u>		
<u>Investments in Equity Instruments (Quoted)</u>		
60 (31st March 2020 : 60) Equity shares of ₹ 2/- each fully paid up in Siemens Ltd.	1.11	0.67
<u>Investment measured at Fair Value through Profit and Loss Account</u>		
<u>Other Non- Current Investments (Unquoted)</u>		
Nil (31st March 2020 : 42) Shares of ₹ 5,000/- each in Yashwant Sahakari Sakhar Karkhana Ltd.	-	2.10
Less : Provision for diminution in value	-	(2.10)
Net Carrying Amount	-	-
TOTAL	1.11	0.67
Aggregate amount of quoted investments at cost	0.01	0.01
Market value of quoted investments	1.11	0.67
Aggregate amount of unquoted investments	-	-

Note 6 : Non-Current Assets - Other Financial Assets

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<u>Unsecured, Considered Good</u>		
Security Deposit	163.93	158.30
TOTAL	163.93	158.30

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

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<u>Unsecured, Considered Good</u>		
Capital Advances	-	0.25
Prepaid Expenses	1.92	4.17
TOTAL	1.92	4.42

Note 8 : Inventories

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Raw Materials	585.04	562.29
Work-in-Process	458.31	418.15
Finished Goods	382.74	799.41
Stock-in-Trade	215.39	329.21
Stores, Spares and Loose tools	107.19	134.09
TOTAL	1,748.67	2,243.15

Notes to Financial Statements for the year ended 31st March 2021

Note 8.1 :

Inventory is recognised, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to ₹ 33.56 lakhs (Previous year ₹ 100.48 lakhs). The effect of this write down was recognised in cost of materials consumed of ₹ Nil (Previous year ₹ 35.84 lakhs, changes in value of inventories of work-in-progress, stock-in-trade and finished goods of ₹ 23.62 lakhs (Previous year ₹ 63.48 lakhs) and stores and spares consumed of ₹ 9.94 lakhs (Previous year ₹ 1.16 lakhs) in the Statement of Profit and Loss.

Note 9 : Current Assets - Investments

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<u>Investments measured at Fair Value through Profit & Loss</u>		
<u>Unquoted :</u>		
<u>Investments in Mutual Funds</u>		
28,587.7640 (31st March 2020: Nil) units of Parag Parikh Liquid Fund Direct Plan Growth	329.65	-
5,90,483.4370 (31st March 2020: Nil) units of Parag Parikh Flexi Cap - Direct Plan	235.78	-
TOTAL	565.43	-
Aggregate amount of unquoted investments at cost	551.84	-

Note 10 : Trade Receivables

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
a) Unsecured, considered Good		
Trade receivables	1,373.69	2,824.83
Less : Allowance for Doubtful Trade receivables	-	(0.74)
	1,373.69	2,824.09
b) Unsecured, considered Doubtful		
Less : Allowance for Doubtful Trade receivables	58.49	88.27
	(58.49)	(88.27)
	-	-
TOTAL	1,373.69	2,824.09

Note 10.1 : Movement in Allowance for Doubtful Trade receivables

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Balance as at the beginning of the year	89.01	169.37
Add : Allowances made during the year	25.00	17.09
Less : Allowances written back during the year	(55.52)	(97.45)
Balance as at the end of the year	58.49	89.01

Notes to Financial Statements for the year ended 31st March 2021

Note 11 : Cash and Cash Equivalents

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with Banks	245.55	19.12
Cash on Hand	1.21	4.83
Other Bank Balances		
Bank Deposits (with original maturity period for more than 3 months but less than 12 months)	1,100.00	-
Margin Money Deposit (with original maturity period for more than 3 months but less than 12 months)	3.37	30.03
(Under Lien for Bank Guarantees issued by the Banks)		
Earmarked Balances with Bank		
In Current Account (Unpaid Dividend)	5.80	7.95
	1,109.17	37.98
TOTAL	1,355.93	61.93

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

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Interest Receivable	28.91	14.42
Export Incentive Receivable	30.65	33.00
Balance with excise, sales tax and other government authorities	128.43	202.31
Other Receivables	133.92	130.02
TOTAL	321.91	379.75

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

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Advances to Employees	22.34	0.94
Advances to Suppliers	4.30	8.98
Prepaid Expenses	47.02	62.97
Other Advances	8.16	16.30
TOTAL	81.82	89.19

Notes to Financial Statements for the year ended 31st March 2021

Note 14 : Equity Share Capital

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised Capital		
2,77,67,500 (31st March 2020 : 2,77,67,500) Equity Shares of ₹ 10/- each	2,776.75	2,776.75
2,500 (31st March 2020 : 2,500) 5% Redeemable Cumulative "A" Preference Shares of ₹ 10/- each	0.25	0.25
7,80,000 (31st March 2020 : 7,80,000) 15% Non Convertible Redeemable Non Cumulative Preference Shares of ₹ 10/- each	78.00	78.00
1,00,00,000 (31st March 2020 : 1,00,00,000) Preference Shares of ₹ 10/- each	1,000.00	1,000.00
TOTAL	3,855.00	3,855.00
Issued , Subscribed and Paid up Capital		
16,64,548 (31st March 2020 : 16,64,548) Equity Shares of ₹ 10 /- each fully paid up	166.45	166.45
TOTAL	166.45	166.45

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

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
16,64,548 Equity Shares at the beginning of the year	166.45	166.45
16,64,548 Equity Shares at the end of the year	166.45	166.45

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
Mr. Khushaal Thackersey		
Current Year	1,90,079	11.42%
Previous year	31,638	1.90%
Mr. Chandrahas Thackersey		
Current Year	1,22,689	7.37%
Previous year	63,171	3.80%
Chandrali Investments Private Limited		
Current Year	87,266	5.24%
Previous year	87,266	5.24%
Delta Investments Limited		
Current Year	1,45,509	8.74%
Previous year	1,45,509	8.74%
Mr. Jagdish Thackersey		
Current Year	2,05,613	12.35%
Previous year	2,05,613	12.35%
Mr. Hiren Kara		
Current Year	1,19,571	7.18%
Previous year	1,18,093	7.09%

Notes to Financial Statements for the year ended 31st March 2021

Name of Equity Shareholders	No. of Shares Held	Percentage of Holding
Mr. Raoul Thackersey		
Current Year	-	-
Previous year	96,692	5.81%
Mr. Yogesh Uttamlal Mehta		
Current Year	99,226	5.96%
Previous year	98,533	5.92%

Note 15 : Other Equity

	₹ in lakhs	
Particulars	As at 31.03.2021	As at 31.03.2020
Capital Reserve	1,076.11	1,076.11
Capital Redemption Reserve	83.63	83.63
Securities Premium Account	587.78	587.78
<u>Other Reserve</u>		
General Reserve	6,447.61	6,447.61
Surplus		
Balance as at the beginning of the year	(4,161.03)	(3,550.09)
Less : Profit / (Loss) for the year	1,714.39	(610.94)
Balance in Surplus	(2,446.64)	(4,161.03)
<u>Other Comprehensive Income</u>		
Balance as at the beginning of the year	(26.05)	(36.86)
Add : Movement in OCI (net) during the year	(12.57)	10.81
Balance as at the end of the year	(38.62)	(26.05)
TOTAL	5,709.87	4,008.05

Note 16: Non-Current Liabilities - Other Financial Liabilities

	₹ in lakhs	
Particulars	As at 31.03.2021	As at 31.03.2020
Security Deposits	4.66	32.70
TOTAL	4.66	32.70

Note 17 : Non-Current Liabilities - Provisions

	₹ in lakhs	
Particulars	As at 31.03.2021	As at 31.03.2020
<u>Provision for Employees Benefits (Unfunded)</u>		
Provision for Leave Salary	90.82	84.96
Provision for Gratuity	487.02	439.81
(Refer Note 32 Point no. X of Other Notes to Accounts)		
TOTAL	577.84	524.77

Note 18 : Current Liabilities - Borrowings

	₹ in lakhs	
Particulars	As at 31.03.2021	As at 31.03.2020
<u>Secured</u>		
Working Capital Loan from a Bank	-	908.64
TOTAL	-	908.64

Notes to Financial Statements for the year ended 31st March 2021

Note 18. 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. 11.60% p.a for Cash Credit and 7.25% p.a on packing credit

(b) Security :

Primary Security :

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

Collateral Security :

(ii) Second 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.

Note 19 : Trade Payables

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
i. Total outstanding dues of Micro Enterprises and Small Enterprises	114.41	285.37
ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note 32 Point no. VI of Other Notes to Accounts)	749.59	2,051.37
TOTAL	864.00	2,336.74

Note 20 : Other Financial Liabilities

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Unclaimed Dividend	5.80	7.95
Creditors for Capital Goods	-	13.52
Other Liabilities (including ₹ 26.26 lakhs (31st March 2020 : ₹ 43.65 lakhs) relating to MSMED vendors) (Refer Note 32 Point no. VI of Other Notes to Accounts)	547.27	668.59
TOTAL	553.07	690.06

Note 21 : Other Current Liabilities

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Advances from Customers	76.70	94.25
Statutory Dues	22.16	23.83
Employee Dues	155.67	52.76
TOTAL	254.53	170.84

Note 22 : Provisions

₹ in lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<u>Provision For Employee Benefits (Unfunded)</u>		
Provision for Leave Salary	8.39	9.70
Provision for Gratuity (Refer Note 32 Point no. X of Other Notes to Accounts)	21.16	20.01
Provision for Bonus/ Ex Gratia	22.52	46.98
TOTAL	52.07	76.69

Notes to Financial Statements for the year ended 31st March 2021

Note 23 : Revenue from Operations

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of Products	6,149.91	13,721.12
Sale of Services	251.11	224.53
	6,401.02	13,945.65
Other Operating Revenues		
Export Incentives	50.21	91.87
Other Income	85.55	70.34
	135.76	162.21
TOTAL	6,536.78	14,107.86

Note 24 : Other Income

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income	29.81	16.60
Dividend Income	0.01	0.01
Profit on Sale of Investments (Net)	3.98	-
Fair Value Gain on Mutual Fund Valued as FVTPL	13.59	-
Provision for Doubtful Debts / Advances no Longer Required Written Back	55.52	58.18
State Subsidy towards Interest	-	3.72
(Refer Note 32 Point no. VII of Other Notes to Accounts)		
Lease Income	24.60	97.57
Insurance Claim Received	5.72	3.84
Profit on sale of Property, Plant and Equipments (Net)	0.65	0.62
Sundry Credit Balances Written back	11.05	15.08
Excess provision of earlier year no longer required written back	18.30	1.00
Miscellaneous Income	101.14	32.40
TOTAL	264.37	229.02

Note 25 : Cost of Materials Consumed

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening Stock	562.29	523.74
Add : Purchase of Raw Materials	3,492.31	9,199.80
Less : Closing Stock	585.04	562.29
TOTAL	3,469.56	9,161.25

Notes to Financial Statements for the year ended 31st March 2021

Note 26 : Change in Inventories

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<u>Opening Stock</u>		
Work-in-Process	418.15	452.74
Finished Goods	799.41	585.86
Traded Goods	329.21	503.46
	1,546.77	1,542.06
<u>Less : Closing stock</u>		
Work-in-Process	458.31	418.15
Finished Goods	382.74	799.41
Traded Goods	215.39	329.21
	1,056.44	1,546.77
TOTAL	490.33	(4.71)

Note 27 : Employee Benefits Expenses

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<u>Salaries and Wages</u>		
Salaries and Wages	837.93	1,308.95
Bonus / Ex Gratia	20.54	44.91
Leave Encashment	14.04	12.68
<u>Contribution to Provident and other funds</u>		
to Provident Fund	59.92	104.53
to Employee's State Insurance Corporation	7.44	21.36
to Labour Welfare Fund	0.06	0.22
to Superannuation Fund	2.92	2.78
Provision for Gratuity	58.57	58.97
Staff Welfare Expense	25.39	31.78
TOTAL	1,026.81	1,586.18

Note 28 : Finance Costs

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Expense	85.46	120.01
TOTAL	85.46	120.01

Notes to Financial Statements for the year ended 31st March 2021

Note 29 : Depreciation and Amortisation Expenses

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
On Property, Plant and Equipments	489.21	581.80
On Investment in Property	3.84	5.90
TOTAL	493.05	587.70

Note 30 : Other Expenses

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Consumption of Stores and Spares	233.23	559.16
Power and Fuel (Net of Subsidy ₹ 145.80 lakhs (P.Y. 308.60 lakhs) received from Government of Maharashtra)	588.70	1,215.55
Processing Charges	130.26	217.90
Rent	61.28	50.05
Rates and Taxes	11.66	11.32
Repairs to Buildings	2.34	-
Repairs to Machinery	23.00	38.12
Other Repairs	18.51	18.57
Insurance	69.58	39.87
Freight, Forwarding and Clearing Charges	28.84	47.77
Legal and Professional Fees	49.51	84.03
Auditors Remuneration	17.63	17.65
Directors Fees	11.60	8.00
Property, Plant and Equipments Written Off	11.70	-
Provision for Doubtful Debts and Advances	25.00	17.09
Bad Debts	84.56	45.08
Irrecoverable Advances / Sundry Debit Balances written off	34.85	8.67
Miscellaneous Expenses	173.16	239.05
TOTAL	1,575.41	2,617.88
<u>Auditors Remuneration:</u>		
For Audit Fees	15.95	15.95
For Tax Audit	1.50	1.50
For Out of Pocket	0.18	0.05
For Certification and Other Work	-	0.15
	17.63	17.65

Note 31 : Exceptional Items

₹ in lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit on Sale of Investment in Property	1,342.07	-
TOTAL	1,342.07	-

Notes to Financial Statements for the year ended 31st March 2021

Note 32: Other Notes to Accounts

I. Estimated Amount of Contracts Remaining to be Executed:

₹ in lakhs

	Particulars	Current Year	Previous Year
A	Estimated amount of contracts remaining to be executed on capital account and not provided for.	32.85	52.75
B	Other Commitments.	410.00	527.61

II. Contingent Liabilities in respect of:

₹ in lakhs

Particulars	As on 31.03.2020	Addition	Settled / Deletion	As on 31.03.2021
<u>Claims against the Company not acknowledged as Debts</u>				
Central Excise	39.70	-	34.33	5.37
	(39.70)	(-)	(-)	(39.70)
Interest on Central Excise	-	-	-	-
	(55.63)	(-)	(55.63)	(-)
Sales Tax	6.35	48.26	-	54.61
	(6.35)	(-)	(-)	(6.35)
Works Contract Tax	18.77	-	-	18.77
	(18.77)	(-)	(-)	(18.77)
Income Tax	9.16	-	-	9.16
	(13.11)	(-)	(3.95)	(9.16)
Demand for payment of Electricity Duty by Government of Maharashtra.	228.20	-	-	228.20
	(228.20)	(-)	(-)	(228.20)
Concessional Custom duty on Machinery Imported	32.42	-	32.42	-
	(35.95)	(-)	(3.53)	(32.42)
Bank Guarantees	0.38	0.93	0.38	0.93
	(6.44)	(-)	(6.06)	(0.38)
Others	1,677.66	-	-	1,677.66
	(2,012.31)	(-)	(334.65)	(1,677.66)
Total	2,012.64	49.19	67.13	1,994.70
	(2,416.46)	(-)	(403.82)	(2,012.64)
Workers claims (Refer note no. 32 (III))	Amount unascertainable			

Figures in bracket denotes previous year.

Note:

- (i) In respect of the above contingent liabilities, interest claims may be payable as and when the outcome of the related claim is determined. Further, future cash flows in respect of the above demands are determinable only on disposal of assessments / appeals / settlement of disputes.

Other Notes to Accounts (Contd.)

- III.** During lock down due to Covid-19, the textile factory was closed during the period April 1 to May 8 2020. The Company has paid on account advances (subject to adjustment against wages) to workers for this closure period, which is equivalent to about 50% of their wages. A final decision will be taken in this matter depending upon the negotiations with the Union and judgement of the Industrial Court proceedings.
- IV.** The Memorandum of Settlement between Hindoostan Mills Limited and the Karad Taluka Girani Kamagar Sangh, Karad (Sangh) expired on 31st December, 2019. The “Charter of Demands” has been submitted by the Sangh to the Management. The negotiations between the Management and the Sangh are in progress and accordingly, the Company has made a provision on an estimated basis which will be adjusted in the year in which negotiations are concluded.
- 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 had provided ₹ 63.98 lakhs in the Financial Statements for the year ended 31st March, 2017 as the sum payable to Caprihans in terms of the Arbitration Award dated 20th October, 2016. Thereafter, the said Caprihans challenged the said Arbitration Award before the Hon. High Court at Mumbai.

Since then, the Single Judge of the Hon. High Court at Mumbai decided the challenge filed by the said Caprihans vide its judgment dated 3rd June, 2019 interalia holding that:-

- the majority award rejecting Caprihans claim for cost of construction at ₹ 3,100 per sq. ft. is set aside;
- the liability of the Company to pay interest on the unpaid cost of construction is subject matter of fresh Arbitration;
- the cost of litigation claimed by the said Caprihans being discretionary, the decision of the Arbitrators rejecting the same is not required to be interfered.

Against the said judgment of the Learned Single Judge of the Hon. High Court at Mumbai, the Company has filed an appeal before the Division Bench of the Hon. High Court. The said Caprihans have also filed an appeal before the Division Bench of the Hon. High Court challenging the judgment of the Learned Single Judge. The Appeals will come up in due course for hearing. The Company is of the view that, at this juncture, since the matter is sub judice, the provision of ₹ 63.98 lakhs will be adjusted in the year in which finality is reached.

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

₹ in lakhs

Sr. No.	Particulars	As at 31.03.2021	As at 31.03.2020
A	Principal amount due and remaining unpaid	140.67	329.02
B	Interest due on above	0.31	2.26
C	Payment made beyond the appointed day during the year	354.02	162.24
D	Interest paid	-	-
E	Interest due and payable for the period of delay	13.27	2.98
F	Interest accrued and remaining unpaid	19.48	5.90
G	Amount of further interest remaining due and payable in succeeding years	0.60	-

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.

Other Notes to Accounts (Contd.)

VII. Interest Subsidy:

- (a) Recognition of interest subsidy: Company has been recognising interest subsidy in terms of its eligibility under the New Textile Policy 2012 as Other Income from May 2014 to September 2019.
- (b) Recovery of subsidy from Government: The aggregate revenue recognised by the Company for the period from October 2016 to 30th September 2019 and which is outstanding as on date aggregates to ₹ 127.33 lakhs is on account of government resolution with regards to release of interest subsidy which is awaited.

The said amount is considered good for recovery by the Management.

VIII. Current Tax:

- (a) The Company has decided to opt for concessional income tax rate of 22 percent as per section 115 BAA of the Income Tax Act, 1961 effective from Assessment Year 2021 – 22.
- (b) In view of loss for the year ended 31st March 2021 as computed under provision of Income Tax Act, 1961, no provision for Income Tax is required to be made.

IX. Earnings Per Share:

Particulars	Current Year	Previous Year
Profit /(Loss) for the year after Tax (₹ in lakhs) from Continuing Operations	694.55	(450.12)
Profit /(Loss) for the year after Tax (₹ in lakhs) from Discontinued Operations	1,019.84	(160.82)
Weighted Average number of Equity Shares	16,64,548	16,64,548
Basic and Diluted Earnings per Share (of ₹ 10/- each) from Continuing Operations	41.73	(27.04)
Basic and Diluted Earnings per Share (of ₹ 10/- each) from Discontinued Operations	61.27	(9.66)

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 benefit of employees:

- (a) Contributions to Provident Fund for employees at the rate of 12% p.a. of basic salary (as per regulations), are made to registered Provident Fund administered by the government.
- (b) Contributions are made to Superannuation plan at the rate of 15% p.a. of basic salary, up to a maximum limit of ₹ 1 lakh p.a. per employee. The obligation of the Company is Limited to the amount contributed and it has no further contractual or constructive obligation.
- (c) The expenditure recognised during the year towards Provident Fund ₹ 59.92 lakhs (Previous year ₹ 104.53 lakhs) and Superannuation plan ₹ 2.92 lakhs (Previous year ₹ 2.78 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.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2021:

Other Notes to Accounts (Contd.)

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	459.82	424.00
Interest cost	31.45	33.03
Current Service cost	27.12	25.94
Past Service cost	-	-
Benefits paid direct by the Employer	(14.97)	(12.33)
Actuarial (gain)/loss on obligations due to change in Financial Assumptions	1.08	(17.09)
Actuarial (gain)/loss on obligations due to Experience	11.92	6.27
Present value of Defined Benefit Obligation as at the end of the year	516.43 #	459.82

Includes liability aggregating to ₹ 8.25 lakhs in relation to employees who have resigned on or before 31st March, 2021, which is reflected under other current 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	516.43	459.82
Fair value of Plan Assets at the end of the year	-	-
Difference	516.43	459.82
Amount Recognised in the Balance Sheet	516.43	459.82

B.3 Expense recognized during the period:

₹ in lakhs

Particulars	Current Year	Previous Year
Current service cost	27.12	25.94
Past service cost	-	-
Interest cost	31.45	33.03
Expenses Recognised in Statement of Profit and Loss	58.57	58.97

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	13.01	(10.82)
Return on Plan Assets, Excluding Interest Income	-	-
Net (Income) / Expense for the Period Recognised in OCI	13.01	(10.82)

Other Notes to Accounts (Contd.)

B.5 Actuarial Assumptions:

Particulars	Current Year	Previous Year
Mortality Rate during Employment	Indian Assured Life Mortality(2006-08)	
Rate of Discounting	6.82%	6.84%
Rate of Salary escalation	6.00%	0% for the next 1 year, 6% thereafter starting from Year 2
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 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.7 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 st March	Amount
2022	29.41
2023	13.92
2024	19.01
2025	18.28
2026	23.42
2027-2031	187.90

B.8 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
Impact on defined benefit obligation						
Current Year	(50.37)	58.74	56.81	(49.60)	4.91	(5.55)
Previous Year	(46.61)	54.68	53.31	(42.44)	4.54	(5.09)

Other Notes to Accounts (Contd.)

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 recognized in the balance sheet.

C. Other long-term benefits:

The obligation for leave benefits (non-funded) is also recognized 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 31st March, 2021 as per actuarial valuation is ₹ 100.82 lakhs (including liability aggregating to ₹ 1.67 lakhs in relation to employees who have resigned on or before 31st March, 2021, which is reflected under other current liabilities pending full and final settlement of their account) (P.Y. ₹ 94.66 lakhs).

XI. Segment Reporting:

A. Primary Business Segment

(i) Statement of Profit and Loss

₹ in lakhs

Particulars	Textile	Engineering	Composite (Discontinued Operation)	Total
Segment Revenue	5,364.66	1,172.12	3.00	6,539.78
Previous Year	12,951.95	1,155.91	-	14,107.86
Segment Result	(875.40)	146.89	(72.82)	(801.33)
Previous Year	(585.09)	117.24	(142.91)	(610.76)
Unallocated Corporate Expense / Income				1,229.44
Previous Year				121.38
Operating Profit				428.11
Previous Year				(489.38)
Interest Expenses				85.46
Previous Year				138.41
Interest / Dividend Income				29.67
Previous Year				15.44
Exceptional Items				1,342.07
Previous Year				-
Profit Before Tax				1,714.39
Previous Year				(612.35)
Income Tax				-
Previous Year				1.41
Profit for the year				1,714.39
Previous Year				(610.94)

Note: Figures in brackets denote Loss.

Other Notes to Accounts (Contd.)

(ii) Balance Sheet

₹ in lakhs

Particulars	Textile	Engineering	Composite	Unallocable	Total
Assets					
Current Year	5,041.51	1,088.66	-	2,052.32	8,182.49
Previous Year	7,262.12	1,134.06	140.05	378.71	8,914.94
Liabilities					
Current Year	1,363.57	300.37	-	642.23	2,306.17
Previous Year	2,574.09	540.29	1.74	715.68	3,831.80
Capital Employed					
Current Year	3,677.94	788.29	-	1,410.09	5,876.32
Previous Year	4,688.03	593.77	138.31	(336.97)	5,083.14

B. Secondary Segment: Geographical Segment

₹ in lakhs

Particulars	Total	India	Rest of World
Revenue attributable to location of customers (include ₹ 3 lakhs)	6,539.78	4,941.98	1,597.80
(P.Y. ₹ nil) related to Discontinued Operations	14,107.86	11,624.16	2,483.70
Segment assets based on their location	8,182.49	7,977.37	205.12
	8,914.94	8,514.89	400.05
Addition to Fixed Assets	100.41	100.41	-
	70.45	70.45	-

XII.Related Party Information:

A. List of Related Parties with whom Transactions have taken place:

Associates/Enterprise/ Companies where control exists	Thackersey Moolji and Co. Sir Vithaldas D Thackersey Charitable Trust The Bhor Chemicals and Plastics Private Limited
Key Management Personnel (KMP)	Mr. Chandrahas Thackersey – Non-Executive Director Mr. Abhimanyu Thackersey—Executive Director (w.e.f- 08.02.2021) Mr. Khushaal Thackersey – Executive Director Mr. Rajiv Ranjan – Executive Director (w.e.f - 11.12.2017 to 06.09.2020) and Chief Executive Officer (w.e.f – 07.09.2020 to 30.09.2020) Mr. Bhavesh V Panjuani – Independent Director Mr. Amol Vora (w.e.f–17.05.2019) Mr. Ashok N Desai- Independent Director Mr. Raoul S Thackersey – Non-Executive Director (upto 28.09.2019) Mr. Sujal A Shah – Independent Director Mrs. Maitreyee N Agbotawala – Independent Director (w.e.f 01.11.2018 to 06.02.2020) Mrs. Geeta J Palan – Independent Director (w.e.f 26.06.2020) Ms. Shraddha Shettigar – Chief Financial Officer Mr. Rajesh Singh – Company Secretary (w.e.f. 21.01.2019 to 06.08.2019) Mr. Kaushik Kapasi – Company Secretary (w.e.f -07.08.2019)
Relative of KMP	Mrs. Leena Thackersey

Other Notes to Accounts (Contd.)

B. Transactions with Related Parties:

₹ in lakhs

Sr. No.	Nature of Transactions	Current Year	Previous Year
1	Rent and Maintenance charges paid		
	Thackersey Moolji and Co.	19.31	38.61
	Sir Vithaldas D Thackersey Charitable Trust	1.66	2.42
	Khushaal Thackersey	0.18	-
2	Remuneration		
	Mr. Khushaal Thackersey	9.23	23.56
	Mr. Abhimanyu Thackersey	6.96	-
	Mr. Rajiv Ranjan	17.61	46.17
	Mr. Kaushik Kapasi	20.19	14.22
	Mr. Rajesh Singh	-	3.22
	Mrs. Shraddha Shettigar	14.50	16.84
3	Sale of Goods / Services		
	Mrs. Leena Thackersey	-	0.02
	The Bhor Chemicals & Plastics Limited	7.32	-
4	Sale of Investment in Property		
	Sir Vithaldas D Thackersey Charitable Trust	1,350.00	-
5	Directors Sitting Fees		
	Mr. Chandrahas Thakcersey	1.50	1.50
	Mr. Abhimanyu Thackersey	1.00	-
	Mr. Raoul S Thackersey	-	0.50
	Mr. Amol P. Vora	1.55	0.75
	Mrs. Geeta Palan	1.10	-
	Mr. Sujal A Shah	2.15	1.70
	Mr. Bhavesh V Panjuani	2.15	1.70
	Mrs. Maitreyee N Agbotawala	-	0.50
	Mr. Ashok N Desai	2.15	1.35
6	Balances as on 31st March		
	Rent and Maintenance Charges		
	Thackersey Moolji & co	-	3.47
	Sir Vithaldas D Thackersey Charitable Trust	-	2.43
	Sale of Services		
	The Bhor Chemicals & Plastics Limited	0.95	-
	Amount Due to Directors		
	Mr. Abhimanyu Thackersey	2.70	-
	Mr. Khushaal Thackersey	2.75	-

Notes:

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

Other Notes to Accounts (Contd.)

XIII. The balances relating to Trade Receivables, Trade Payables and Loans and Advances as on 31st March, 2021 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.

XIV. Unabsorbed Business loss of ₹ 176.16 lakhs relating to Financial Year 2013-14 will lapse on 31st March 2022.

XV. Discontinued Operations.

The Company discontinued the operations of Composite Division effective from 30th June 2018.

i) The results of Discontinued Operations are presented below:

₹ in lakhs

Particulars	Current Year	Previous Year
Revenue from Operations	3.00	-
Other Income (Includes Interest Income ₹ 0.07 lakhs (P.Y. ₹ 0.49 lakhs), Provision for Doubtful Debts no longer required written back Rs. Nil lakhs (P.Y. ₹ 39.76 lakhs) and Profit on sale of Assets held for Sale ₹ 1092.59 lakhs (P.Y. ₹ Nil lakhs))	1,092.66	40.25
Total Income	1,095.66	40.25
Employee Benefits Expenses	-	0.08
Finance Costs	-	18.40
Impairment	-	143.96
Other Expenses (Includes Bad Debts ₹ Nil lakhs (P.Y. ₹ 13.97 lakhs) and Sundry Debit balances written off ₹ 3.72 lakhs (P.Y. ₹ Nil lakhs))	75.82	38.63
Total Expenses	75.82	201.07
Profit / (Loss) before tax	1,019.84	(160.82)
Tax (expense)	-	-
Profit / (Loss) for the year from Discontinued Operation	1,019.84	(160.82)

ii) Assets held for sale :

₹ in lakhs

Particular	Current Year	Previous Year
Net Block	133.47	458.60
Less : Impairment	-	143.96
Less : Assets sold	133.40	42.51
Less : Assets transferred to Property, Plant and Equipment's	0.07	138.66
Assets held for Sale	-	133.47

iii) The net Cash flows attributable to the Discontinued Operations are stated below :

₹ in lakhs

Particular	Current Year	Previous Year
Operating	(69.99)	(44.64)
Investing	1,226.37	184.78
Financing	(1,158.44)	(150.82)
Net Cash(outflow)/Inflow	(2.06)	(10.68)

Other Notes to Accounts (Contd.)

- iv) The Board of Directors at their meeting held on 5th June 2018 had decided to discontinue the operations of Composite Division effective from 30th June, 2018. Barring unforeseen circumstances, the Management expects to complete the transaction of sale of the assets of the said Division either in whole or substantially the whole or in parts as approved by shareholders.

The Board of Directors at their meeting held on 7th November 2020 had approved transfer of leasehold interest together with other assets and structure standing in the plot no. B-24 situated at Additional Ambarnath MIDC Industrial area, district Thane. The sale was concluded on 18th November 2020 for a consideration of ₹ 1,350.00 lakhs including Goods and Service Tax of ₹ 124.01 lakhs. The profit on sale of Assets held for sale is ₹ 1,092.59 lakhs which has been considered in the Financial Statements for Discontinued Operations.

XVI. 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.

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	Nil	908.64
% of Borrowing out of above bearing variable rate of Interest	Nil	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	Nil	4.54
50 bps decrease would increase the profit before tax by	Nil	(4.54)

Other Notes to Accounts (Contd.)

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, 2021

₹ in lakhs

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

(b) Particulars of unhedged foreign currency exposures -

₹ in lakhs

Particulars	Current Year			Previous Year		
	Amount	5% Increase	5% Decrease	Amount	5% Increase	5% Decrease
Import of Goods and Services						
Raw Material	154.15	(7.71)	7.71	117.51	(5.88)	5.88
Stores, Spares and Components	24.88	(1.24)	1.24	71.05	(3.55)	3.55
Commission on exports to agent	36.02	(1.80)	1.80	45.29	(2.26)	2.26
Export of Goods						
FOB Value of Export Sales	1,572.85	78.64	(78.64)	2,426.13	121.31	(121.31)

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

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. 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 st March, 2021	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Other Non-current financial liabilities	16	4.66	-	4.66
Trade payables	19	864.00	864.00	-
Other financial liabilities	20	553.37	553.37	-

Other Notes to Accounts (Contd.)

₹ in lakhs

As At 31 st March, 2020	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Other Non-current financial liabilities	16	32.70	-	32.70
Borrowings	18	908.64	908.64	-
Trade payables	19	2,336.74	2,336.74	-
Other Financial Liabilities	20	690.06	690.06	-

XVII.Capital risk management

Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern.

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.

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.

XVIII.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 2.13 of the Ind AS financial statement.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31st March, 2021 are as follows:

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
<u>Financial Assets</u>					
<u>Non Current</u>					
Investment	5	-	1.11	-	1.11
Other Financial Assets	6	-	-	163.93	163.93
<u>Current</u>					
Investment	9	565.43	-	-	565.43
Trade Receivable	10	-	-	1,373.69	1,373.69
Cash and cash equivalents	11	-	-	1,355.93	1,355.93
Other Financial Assets	12	-	-	321.91	321.91
Total		565.43	1.11	3,215.46	3,782.00

Other Notes to Accounts (Contd.)

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
<u>Financial Liabilities</u>					
<u>Non Current</u>					
Other Non-current financial liabilities	16	-	-	4.66	4.66
<u>Current</u>					
Trade payables	19	-	-	864.00	864.00
Other Financial liabilities	20	-	-	553.37	555.37
Total		-	-	1,422.03	1,422.03

The carrying value of financial instruments by categories as at 31st March, 2020 are as follows:

₹ in lakhs

Particulars	Note No	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
<u>Financial Assets</u>					
<u>Non Current</u>					
Investment	5	-	0.67	-	0.67
Other Financial Assets	6	-	-	158.30	158.30
<u>Current</u>					
Trade Receivable	10	-	-	2,824.09	2,824.09
Cash and cash equivalent	11	-	-	61.93	61.93
Other Financial Assets	12	-	-	379.75	379.75
Total		-	0.67	3,424.07	3,424.74

Particulars	Note No	Fair Value through Profit or Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
<u>Financial Liabilities</u>					
<u>Non Current</u>					
Other Non-current financial liabilities	16	-	-	32.70	32.70
<u>Current</u>					
Borrowings	18	-	-	908.64	908.64
Trade payables	19	-	-	2,336.74	2,336.74
Other Financial liabilities	20	-	-	690.06	722.10
Total		-	-	3,968.14	3,968.14

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payable as at 31st March, 2021, and 31st March, 2020 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.

Other Notes to Accounts (Contd.)

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 is 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 st March, 2021	Level 1	Level 2	Level 3	Total
Financial Assets :				
<u>Investment measured at Fair Value through Other Comprehensive Income</u>				
Investments in Quoted Equity Shares	1.11	-	-	1.11
Security Deposits			163.93	163.93
<u>Investment measured at Fair Value through Profit / Loss</u>				
Investment in Mutual Fund	565.43	-	-	565.43
Total	566.54	-	163.93	730.47
Financial Liability:				
Security Deposits	-	-	4.66	4.66
Total	-	-	4.66	4.66

₹ in lakhs

As at 31 st March, 2020	Level 1	Level 2	Level 3	Total
Financial Assets :				
<u>Investment measured at Fair Value through Other Comprehensive Income</u>				
Investments in Quoted Equity Shares	0.67	-	-	0.67
Security Deposits	-	-	158.30	158.30
Total	0.67	-	158.30	158.97
Financial Liability :				
Borrowing from a Bank	-	-	908.64	908.64
Security Deposits	-	-	32.70	32.70
Total	-	-	941.34	941.34

Other Notes to Accounts (Contd.)

XIX. Post lockdown, the Company started partial operations with reduced capacity from May 9, 2020 and gradually scaled up the operations despite the difficulty in availability of manpower. 251 permanent workers who had not reported for duty in a concerted manner, have resumed duty on January 19, 2021. In the first week of April 2021 due to increased Covid cases in the country the operations of the Company have been impacted. The Company is closely monitoring the situation and will take requisite steps to get through these uncertain times.

XX. The Company's financial statements are authorized for issue in accordance with a resolution of the Board of Directors on 6th May, 2021 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the ensuing Annual General Meeting.

XXI. The figures in the financial statements are rounded off to the nearest lakhs and indicated in lakhs of Rupees.

XXII. 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 "32"

As per our report of even date attached

For M.A.Parikh & Co

Chartered Accountants.
Firm's Registration No.107556W

Mukul M. Patel

Partner
Membership No. : 032489

Place : Mumbai
Date : May 6, 2021

For and on behalf of the Board

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

NOTES

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HINDOOSTAN MILLS LIMITED,

Shivsagar Estate “D” Block, 8th floor,
Dr. Annie Besant Road, Worli,
Mumbai - 400 018